



REPORT TO: COMMUNITIES COMMITTEE ON 7 MARCH 2017

SUBJECT: HOUSING INVESTMENT 2016/17

**BY: CORPORATE DIRECTOR (ECONOMIC DEVELOPMENT,
PLANNING AND INFRASTRUCTURE)**

1. REASON FOR REPORT

- 1.1 This report informs the Communities Committee of the position to 31 January 2017 for the Housing Investment Programme for 2016/17.
- 1.2 This report is submitted to Committee in terms of Section III (F) (3) of the Council's Scheme of Administration relating to the maintenance of the Council's housing stock.

2. RECOMMENDATION

- 2.1 **It is recommended that the Communities Committee considers and notes the position as at 31 January 2017 with regards to the Housing Investment Programme for 2016/17.**

3. BACKGROUND

- 3.1 HRA Income
APPENDIX VI compares the level and value of council house sales for 2016/17 with the previous year. In comparison with the previous financial year the total number of missives concluded is 33 higher and the average selling price per property was just under £8,827k higher. There have been 46 properties sold during the financial year so far, with 3 properties having been sold in December and 10 properties having been sold during January 2017. There are currently 20 live applications remaining to be dealt with following the withdrawal of the Right to Buy legislation.
- 3.2 Investment Programme
APPENDIX I shows income and expenditure for 2016/17. Spend of £6.530m was achieved to 31 January 2017, which represents 60% of the agreed programme. Commitments are currently standing at £10.398m, which represents 95% of the programme. The level of expenditure within the individual budget headings which make up the programme are shown in paragraphs 3.3 to 3.6 below. The expenditure figure represents all payments which have progressed through the finance system to 31 January 2017. The Housing Investment Programme for 2016/17 continues to reflect investment required to maintain the housing stock at the Scottish Housing Quality Standard (SHQS), attain the Moray Standard (TMS) and replace life expired

elements such as kitchens, heating and windows on a lifecycle basis. It also includes a number of initiatives aimed at achieving the Energy Efficiency Standard for Social Housing (EESH) by 2020. Full details of the New Build Housing Programme will be the subject of a separate report to the next meeting of the Communities Committee.

- 3.3 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £1.996m to 31 January 2017 and represents 64% of the agreed programme. Commitment currently stands at £2.594m and represents 83% of the programme.
- 3.4 **APPENDIX III** shows expenditure on Estate Works. Spend of £236k was achieved to 31 January 2017 and represents 36% of the agreed programme level. Commitment currently stands at £385k and represents 58% of the programme.
- 3.5 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £967k was achieved to 31 January 2017. This represents 75% of the agreed programme level. Commitment currently stands at £1.421m and represents a 10% over-commitment to date on the programme. Should there be any overspend at year end, it is envisaged that this will be contained within the overall repairs and maintenance budget.
- 3.6 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £3.331m was achieved to 31 January 2017 and represents 57% of the agreed programme level. Commitment currently stands at £5.998m and represents a 2% over-commitment to date on the programme. Should there be any overspend at year end, it is envisaged that this will be contained within the overall repairs and maintenance budget.
- 3.7 General Programme Updates
A total of 26 properties have had asbestos tanks, associated debris or other asbestos containing materials (ACM's) removed during the financial year to date. The presence of asbestos continues to impact on the Council's planned maintenance works. Work to remove asbestos tanks or contaminated materials from 10 homes in Lossiemouth and 25 homes in Elgin is currently being implemented in advance of kitchen replacements and heating upgrades, with tenders having been received for consideration.
- 3.8 The latest phase of External Wall Insulation (EWI) works has now commenced on site in Milton Drive, Buckie with 44 properties included in this part of the programme. SEE have set up their compound and are carrying out preliminary works with the first block of houses expected to be completed by the end of February. Scottish Government funding has been secured for part funding of this the overall project and is due for completion by March 2017. Completion of the current project will then leave a total of 50 houses to be completed in this area in subsequent phases. The remaining properties are located in Milton Drive (34 properties) and Brodie Avenue (16 properties). The works will allow the Council to progress towards meeting the Energy

Efficiency Standard for Social Housing (ESSH) by 2020, as required by the Scottish Government.

3.9 Income and Expenditure for Private Sector Housing

APPENDIX VII shows the position with regard to grant expenditure for Private Sector Housing Grant for 2016/17 to 31 January 2017. The legally committed figure of £568k represents 95% of the allocated budget. Spend to 31 January 2017 was £498k which represents 83% of the allocated budget. There has also been £30k repaid which has impacted on the legally committed and spend figures. After further review of this budget it is expected that there will be an underspend of £50k but that the budget will be fully committed.

4. **SUMMARY OF IMPLICATIONS**

(a) **Moray 2026: A Plan for the Future and Moray Corporate Plan 2015-2017**

This proposal relates to:

- (i) Priority 4 – A growing and diverse economy
- (ii) Service Plan priorities 3 - Improving housing quality and 4 – Improving housing service quality

(b) **Policy and Legal**

Maintenance and Improvement works are carried out in order to meet statutory legal requirements and in accordance with current relevant policies.

(c) **Financial implications**

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.8 above, with details of the Council house new build programme now being the subject of a separate monitoring report.

(d) **Risk implications**

Failure to expend agreed budgets may affect the Council's ability to maintain its stock at the Scottish Housing Quality Standard, replace life expired elements and attain the Energy Efficiency Standard for Social Housing . Budget Managers are aware of their responsibilities for managing budget allocations and approval for variance will be sought from Committee in line with the Financial Regulations.

(e) **Staffing implications**

There are no staffing implications associated with this report.

(f) **Property**

The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally.

(g) Equalities

There are no equalities issues associated with this report as it is to inform the Committee on budget monitoring.

(h) Consultations

Consultations have taken place with the Head of Housing and Property, Property Resources Manager, Building Services Manager, Senior Solicitor, Property and Contracts (Kathryn Macpherson), Principal Accountant (Deborah O'Shea), Committee Services Officer (Lissa Rowan) and the Private Sector Housing Officer, who agree with the sections of the report relating to their areas of responsibility.

5. CONCLUSION

- 5.1 Housing Investment for both the Council's housing stock and the private sector enables the Council to address the identified priorities to improve the quality of housing stock in Moray. More specifically, the investment in the Council's housing stock enables it to be maintained at the Scottish Housing Quality Standard, allows for replacement of life expired elements and makes progress towards the attainment of both the Moray Standard and the Energy Efficiency Standard for Social Housing.**

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Background Papers:	Held on file by the Asset Manager
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