



---

**REPORT TO: COMMUNITIES COMMITTEE ON 26 JUNE 2018**

**SUBJECT: HOUSING INVESTMENT 2017/18**

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

**1. REASON FOR REPORT**

- 1.1 This report informs the Communities Committee of the unaudited budget position to 31 March 2018 for the Housing Investment Programme for 2017/18.
- 1.2 This report is submitted to Committee in terms of Section III G (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 Committee considers and notes the unaudited budget position as at 31 March 2018 with regards to the Housing Investment Programme for 2017/18.**

**3. BACKGROUND**

- 3.1 Investment Programme  
**APPENDIX I** shows income and expenditure for 2017/18. Although the appendix includes expenditure on the Council house new build programme as 'Other Capital Expenditure' this is now the subject of a separate monitoring report and the figure is for information only. Spend of £10.397m was achieved on the Housing Investment Programme to 31 March 2018, which represents 93% of the agreed programme. The expenditure figure represents all payments which have progressed through the finance system to 31 March 2018.
- 3.2 **APPENDIX II** shows expenditure on Response and Void Repairs. Spend was £3.357m to 31 March 2018 and represents a 5% overspend of the agreed programme. This overspend was partly as a result of the inclusion of a significant number of planned maintenance type repairs such as replacement fencing and gutter cleaning works.
- 3.3 **APPENDIX III** shows expenditure on Estate Works. Spend of £515k was achieved to 31 March 2018 and represents 77% of the agreed programme level. The major area of variances are:

- Asbestos – £69k overspend due to increasing level of surveys being carried out in advance of major programmes.
- Landscape Maintenance – £4k overspend due to inadequate initial budget provision for new build developments.
- Garage Upgrades – £38k underspend due to lack of identified projects.
- Estate/Forum Upgrades – £151k underspend due to introduction of new policy and procedures.
- Miscellaneous – £39k overspend due to unforeseen works.

3.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance. Spend of £1.477m was achieved to 31 March 2018. This represents an 11% overspend of the agreed programme level. The major area of variances are:

- Smoke Detector Servicing – £37k overspend due to the numbers of smoke detectors reaching the end of their serviceable life.
- Solid Fuel Servicing – £10k overspend due to higher repair costs.
- Air Source Heat Pump Servicing – £16k overspend due to increasing in numbers of heating installations requiring servicing and higher cost for servicing.
- Gas Servicing – £154k overspend due to higher numbers of repairs and more services completed due to reduced non-access.
- Pre paintwork repairs – £61k underspend due to reduction in work required.

3.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments. Spend of £5.048m was achieved to 31 March 2018 and represents 84% of the agreed programme level. The major area of variances are:

- Plumbing Upgrades – £499k overspend due to significant numbers of heating systems requiring immediate replacement due to system failures.
- Insulation – £99k underspend due to delays caused by work being carried out on more robust development of Energy Efficiency for Scottish Social Housing (ESSH) programme.
- Common Stairs – £34k underspend due to specification, application and assessment of works to deal with asbestos floorcoverings in some common areas.
- Roof and Fabric Repairs – £487k underspend due to lack of progress on Scottish & Southern Energy (SSE) contract referred to in 3.7 below.
- Safety & Security – £40k underspend due to lack of identified projects.
- Rainwatergoods – £163k underspend due to lack of appropriate contractors for roof/gutter cleaning contract.
- Kitchen and Bathroom Replacements – £239k underspend due to lack resourcing issues within Building Services.
- Window and Door Replacements – £250k underspend due to lack resourcing issues within Building Services.

### 3.6 General Programme Updates

A total of 107 properties had asbestos tanks, associated debris or other asbestos containing materials (ACM's) removed during the financial year. The presence of asbestos materials in some properties can impact on the Council's planned maintenance works however removal works are now implemented in advance of contracts wherever possible in order to keep any programme delays to a minimum.

3.7 The Service has now accepted the costs from SSE for the remaining 50 properties in Milton Drive/Brodie Avenue which require External Wall Insulation (EWI). All 50 houses will be completed during the 2018/19 financial year and a start date is to be agreed with SSE. These improvement works will allow the Council to make progress towards meeting EESSH by 2020.

3.8 As noted at Communities Committee on 6 March 2018 (paragraph 9 of the minute refers) the Service submitted an application to the Warm Homes Fund in conjunction with Perth and Kinross Council, SSE and Scotia Gas Networks (SGN). This bid has been successful and will provide funding of approximately £302k (35% of the cost of installation) towards the fitting of 108 gas heating systems to homes which are currently heated by electric storage. It is envisaged that work will start on site around July/August 2018.

### 3.9 Income and Expenditure for Private Sector Housing

**APPENDIX VI** shows the position with regard to grant expenditure for Private Sector Housing Grant to 31 March 2018. The budget in Category B is now the responsibility of the Moray Integration Joint Board and the information is only for noting at this Committee. The legally committed figure of £353k represents 71% of the allocated budget. Spend to 31 March 2018 was £306k which represents 61% of the allocated budget. There has been an underspend of £194k. This is due to the limited roll over from 2016/17 and a higher than expected number of late cancellations of work requests which would amount to approximately £140k.

3.10 The legally committed figure in Category C of £105k represents an over-commitment of 4% of the allocated budget. Spend to 31 March 2018 was £49k which represents 58% of the allocated budget. There has been £31k repaid to this budget which has impacted on the legally committed and spend figures. There will be an underspend of £30k.

## 4. SUMMARY OF IMPLICATIONS

### (a) **Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

This proposal relates to:

Priority 1 – Creating a growing, diverse and sustainable economy and;  
Priority 2 - Empowering and connecting communities.

**(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 3.9 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/Socio Economic Impact**

There are no equalities or social economic 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 (Paul Nevin), Principal Accountant (Deborah O'Shea), Caroline Howie (Committee Services Officer) and the Home Improvement Services Manager, 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.**

Author of Report: John Macdonald, Asset Manager  
Background Papers: Held on file by the Asset Manager  
Ref: JMM/COMM1MAY/HINV