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REPORT TO: POLICY COMMITTEE ON 5 MARCH 2008

SUBJECT: HOUSING INVESTMENT 2007/2008

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

- 1.1 This report informs the Policy Committee of the position to 31 December 2007 for the Housing Investment Programme for 2007/2008.
- 1.2 This report is submitted to Committee in terms of Section A (63) of the Council's Administrative Scheme relating to dealing with the Capital and Revenue Budgeting and long term financial Planning in the discharge of the Council's Housing Function, and Section A (70) of the Council's Administrative Scheme relating to strategic housing matters.

2. RECOMMENDATION

- 2.1 **It is recommended that the Policy Committee notes the current position with regards to the Housing Investment Programme for 2007/2008.**

3. BACKGROUND

- 3.1 The HRA Income
 - 3.1.1 **APPENDIX VI** compares the level and value of Council House Sales for 2007/2008 with the same period last year. In comparison with the previous financial year the total number of missives concluded was 7 lower than in December 2006 and the average selling price per property was £4,324 higher. **APPENDIX VI** also shows where sales of properties occurred during December 2007. The total number of properties sold up to December 2007 is 2 higher than for the same period during the previous financial year.

3.2 Investment Programme

- 3.2.1 **APPENDIX I** shows the total income and expenditure within the Investment Programme for 2007/2008. Spend of £5.732m was achieved to 31 December 2007 with expenditure plus commitments totalling £8.140m. The expenditure represents 66.42% of the agreed programme level. The expenditure plus commitment represents 94.32% of the agreed programme. Any specific reasons for current levels of expenditure and commitment within individual programmes are shown in paragraphs 3.2.2 to 3.2.5 below.
- 3.2.2 **APPENDIX II** shows expenditure on Response and Void Repairs for 2007/2008. Spend of £1.210m was achieved up to 31 December 2007 with expenditure plus commitment totalling £1.500m. The expenditure represents 65.40% of the agreed programme level. The expenditure plus commitment represents 81.08% of the agreed budget.
- 3.2.3 **APPENDIX III** shows expenditure on Estate Works for 2007/2008. Spend of £0.229m was achieved up to 31 December 2007 with expenditure plus commitment totalling £0.470m. The expenditure represents 35.78% of the agreed programme level. The expenditure plus commitment represents 73.43% of the agreed programme. Some budgets within this area will not be fully expended due to a variety of reasons, such as slow progress of works, excessive probable costs leading to postponement of some works, and non expenditure particularly within the miscellaneous budget, which is used to provide a funding stream for unforeseen or emergency works. A proportion of the underspend will be slippage, which will be carried forward to the following financial year.
- 3.2.4 **APPENDIX IV** shows expenditure on Cyclic Maintenance for 2007/2008. Spend of £0.651m was achieved up to 31 December 2007 with expenditure plus commitment totalling £0.992m. The expenditure represents 65.75% of the agreed programme level. The expenditure plus commitment represents 100.20% of the agreed programme. Any overspends on individual budgets within the Cyclic Maintenance Programme will be contained within the overall outturn in the Investment programme for 2007/08.
- 3.2.5 **APPENDIX V** shows expenditure on Planned Maintenance and Other Investments for 2007/2008. Spend of £3.642m was achieved up to 31 December 2007 with expenditure plus commitment of £5.178m. The expenditure represents 70.71% of the agreed programme level. The expenditure plus commitment represents 100.54% of the agreed programme. Overspends on individual budgets within the Planned Maintenance and Other Investment Programme will be contained within the overall outturn in the Investment programme for 2007/08.
- ### 3.3 Income and Expenditure for Private Sector Housing

- 3.3.1 **APPENDIX VII** shows the position with income and expenditure for Private Sector Housing.
- 3.3.2 Councils have been advised that Communities Scotland aims to announce a two year allocation early in 2008, following discussion with COSLA, to enable Councils to plan activities over more than one year – it will be up to individual local authorities to decide how much to commit in advance. Councils will be paid their allocations in each full year with no risk of losing unspent allocation. Councils will also be able to carry forward actual resources from one year to the next (at least up to financial year 2009/10) to fund commitments made in that year.
- 3.3.3 At this time, the Council still await the offer of Private Sector Housing Grant (PSHG) for 2008/09. It is expected that the offer will be similar to the 2007/08 award.

4. **SUMMARY OF IMPLICATIONS**

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

This report complies with the priorities identified in the Local Housing Strategy Improvement Plan relating to the quality of the housing stock in Moray.

(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) Resources (Financial, Staffing and Property)

The financial implications associated within this report are dealt with in paragraphs 3.1 to 3.3 above. There are no staffing implications associated with this report. The improvement and maintenance of the housing stock will ensure that it remains sustainable in the longer term both physically and environmentally. There are no European funding implications.

(d) Consultations

Consultations have taken place with the Director of Community Services, Chief Housing Officer, Housing Programmes Manager, Property Manager, Principal Solicitor (Commercial and Conveyancing), Deborah Brands - Principal Accountant 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. Specifically, investment in the Council's housing stock enables the Council to achieve the Scottish Housing Quality Standard by 2015, as required by the Scottish Executive.**

Author of Report: John Macdonald, Capital Programmes Manager
Background Papers: Held on file by the Capital Programmes Manager
Ref: JMM/MAR2008/HINV

APPENDIX I

INVESTMENT PROGRAMME INCOME AND EXPENDITURE - 2007/2008

31 December 2007
(all amounts in millions)

TOTAL INVESTMENT PROGRAMME

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT TO DATE	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE
<u>Expenditure</u>					
Response & Void Repairs	1.850	1.500	1.210	65%	0.640
Estate Works	0.640	0.470	0.229	36%	0.411
Cyclic Maintenance	0.990	0.992	0.651	66%	0.339
Planned Maintenance - Revenue	1.380	1.373	0.945	68%	0.435
Planned Maintenance - Capital	3.120	3.381	2.389	77%	0.731
Other Investment - Capital	0.650	0.424	0.308	47%	0.342
	£8.630	£8.140	£5.732	66%	£2.898
<u>Funded by:</u>					
HRA Revenue	4.860		3.035	62%	
Prudential Borrowing	1.578		1.858	118%	
Capital Receipts	1.312		0.839	64%	
C.F.C.R	0.880		0.000	0%	
	£8.630		£5.732	66%	

APPENDIX II

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 December 2007
(all amounts in millions)

RESPONSE AND VOIDS

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT TO DATE	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE
Elgin Response Repairs	0.638	0.567	0.482	76%	0.156
Forres Response Repairs	0.215	0.197	0.165	77%	0.050
Buckie Response Repairs	0.335	0.294	0.238	71%	0.097
Keith Response Repairs	0.212	0.160	0.133	63%	0.079
Void House Repairs	0.450	0.282	0.192	43%	0.258
	£1.850	£1.500	£1.210	65%	£0.640

APPENDIX III

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 December 2007
(all amounts in millions)

ESTATE WORKS

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT TO DATE	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE
Area Forum Budgets	0.195	0.117	0.049	25%	0.146
Garage Upgrades	0.050	0.010	0.002	4%	0.048
Asbestos	0.025	0.033	0.024	96%	0.001
Estate Upgrades	0.120	0.133	0.078	65%	0.042
Miscellaneous	0.250	0.177	0.076	30%	0.174
	£0.640	£0.470	£0.229	36%	£0.411

APPENDIX IV

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 December 2007
(all amounts in millions)

CYCLIC MAINTENANCE

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT TO DATE	EXPENDITURE TO DATE	%BUDGET SPENT	BUDGET BALANCE
Gas Servicing	0.525	0.535	0.316	60%	0.209
Solid Fuel Servicing	0.080	0.030	0.024	30%	0.056
Smoke Detector Servicing	0.100	0.106	0.067	67%	0.033
Pre Paintwork Repairs	0.050	0.074	0.060	120%	-0.010
External Paintwork	0.200	0.204	0.155	78%	0.045
General Servicing Contracts	0.025	0.042	0.028	112%	-0.003
Inspections/House Surveys	0.010	0.001	0.001	10%	0.009
	£0.990	£0.992	£0.651	66%	£0.339

APPENDIX V

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

31 December 2007

PLANNED MAINTENANCE AND OTHER INVESTMENT

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT DATE	EXPENDITURE TODATE	%BUDGET SPENT	BUDGET BALANCE
Kitchens and Bathrooms	1.400	1.394	0.710	51%	0.690
Central Heating	0.470	0.577	0.464	99%	0.006
Door and Window Replacements	1.250	1.410	1.215	97%	0.035
Sub Total (Capital)	3.120	3.381	2.389	77%	0.731
Rainwater Goods	0.246	0.195	0.056	23%	0.190
Insulation	0.020	0.009	0.009	45%	0.011
Roof/Fabric Repairs	0.755	0.739	0.648	86%	0.107
Plumbing Upgrades	0.050	0.041	0.002	4%	0.048
Electrical Upgrades	0.100	0.200	0.122	122%	-0.022
Safety & Security	0.100	0.170	0.098	98%	0.007
Fire Safety	0.041	0.003	0.001	2%	0.040
Common Stairs	0.068	0.016	0.014	21%	0.054
Sub Total (Revenue)	1.380	1.373	0.945	69%	0.435
Disabled Adaptations	0.550	0.417	0.303	55%	0.247
Enabling Projects	0.100	0.007	0.005	5%	0.095
Sub Total (Other Investment)	0.650	0.424	0.308	60%	0.342
Total	£5.150	£5.178	£3.642	71%	£1.508

COUNCIL HOUSE SALES MONITORING REPORT

APPENDIX VI

December 2007

	Total Applications	Total Offers	Total Withdrawals	Total Missives Concluded	Number Of Properties Sold	Valuation Of Properties	Income Achieved	The Moray Council Yearly Targets	Percentage Target Achieved	Average Valuation	Average Sale Price - RTB	Average Processing Time	Percentage of Sales Completed Within 26 Weeks	Percentage of Sales Completed In or Over 27 Weeks
December 2006	183	149	107 (incl 41 refusals)	100	95 RTB	£6,172,000	RTB £3,063,719	RTB £4,680,000	RTB 65%	£64,968	£32,250	20 weeks	100%	0%
December 2007	217	147	88 (incl 32 refusals)	93	93 RTB	£6,877,500	RTB £3,401,405	RTB £5,248,000	RTB 65%	£73,952	£36,574	23 weeks	63%	37%

<u>Location</u>	<u>Valuation</u>	<u>Sale Price</u>
Buckie	£68,000	£31,280
Elgin	£602,000	£270,380
Findochty	£79,000	£49,770
Fochabers	£70,000	£32,200
Forres	£110,000	£44,000
Keith	£77,000	£33,110
Lhanbryde	£57,000	£27,360
Portknockie	£68,000	£43,520
Roths	£75,000	£33,000
TOTAL	<u>£1,206,000</u>	<u>£564,620</u>
11 Houses and 5 Flats	Total = 16	

2007/2008 CHS to date - 82 Houses + 9 Flats - £6,877,500 (valuation) - £3,401,405 (income)

PRIVATE SECTOR HOUSING GRANT - 2007/2008

31 December 2007
(all amounts in millions)

	Target	Spend 31/12/07	Comment
PSHG	100% spend £1.245	42% £0.520	PSHG allocation for 2007/08
Improvements to properties below Tolerable Standard	£0.381 31 cases	£0.173 8 cases	£0.365 m Legally Committed
Increase the number of properties suitable for people with disabilities	£0.251 39 cases	£0.101 14 cases	£0.185 m Legally Committed
Provide a Moray wide Care and Repair Service	£0.373 66 cases	£0.127 23 cases	£0.290 Legally Committed
Improve properties in disrepair	£0.140 32 cases	£0.116 28 cases	£0.135 Legally Committed
Provide grant assistance to private rented sector	£0.050 5 cases	£0.000 0 cases	£0.000 Legally Committed
Provide grant assistance for houses in fuel poverty	£0.030	£0.002	£0.030 Legally Committed
Housing Act Implementation	£0.020	£0.001	£0.001 Legally Committed
	£1.245	£0.520	

Notes:-
The number of cases in the spend column show completed cases only.
The spend figures in that column include completed and part completed cases.