

REPORT TO: POLICY COMMITTEE ON 30 APRIL 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 29 February 2008 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 4 lower than in February 2007 and the average selling price per property was £3,446 higher. **APPENDIX VI** also shows where sales of properties occurred during February 2008. The total number of properties sold up to February 2008 is 9 lower 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 £7.078m was achieved to 29 February 2008 with expenditure plus commitments totalling £9.128m. The expenditure represents 82.02% of the agreed programme level. The expenditure plus commitment represents 105.77% 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. A degree of overcommitment at this stage of the financial year is normal to allow full expenditure of the current budget and the payment of residual retention on contracts from the previous financial year.

3.2.2 **APPENDIX II** shows expenditure on Response and Void Repairs for 2007/2008. Spend of £1.475m was achieved up to 29 February 2008 with

expenditure plus commitment totalling £1.839m. The expenditure represents 79.73% of the agreed programme level. The expenditure plus commitment represents 99.40% of the agreed budget. A slight overspend is projected on this budget, however this will be contained within the overall outturn in the Investment programme for 2007/08.

- 3.2.3 **APPENDIX III** shows expenditure on Estate Works for 2007/2008. Spend of £0.465m was achieved up to 29 February 2008 with expenditure plus commitment totalling £0.578m. The expenditure represents 72.66% of the agreed programme level. The expenditure plus commitment represents 90.31% 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 £0.858m was achieved up to 29 February 2008 with expenditure plus commitment totalling £1.052m. The expenditure represents 86.66% of the agreed programme level. The expenditure plus commitment represents 106.26% 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 £4.280m was achieved up to 29 February 2008 with expenditure plus commitment of £5.659m. The expenditure represents 83.11% of the agreed programme level. The expenditure plus commitment represents 109.88% 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. As can be seen, spend to the end of February 2008 was £1.075m. On this basis of this, it was projected that spend would fall short of the target for 2007/08.

- 3.3.2 For 2007/08, it is only possible to draw down Private Sector Housing Grant (PSHG) for monies spent. Therefore, the drawdown for 2007/08 will be £0.133 less than the grant level. This is the first occasion since the introduction of PSHG that the Council has been unable to draw down its grant entitlement in full. This results from staffing issues during the year and at the year end. It was also affected by funding carried forward in the previous year.
- 3.3.3 The impact of this is mitigated by an additional grant award for 2007/08 made to the Council in late March 2008, which can be carried forward. This amounts to £0.342m.
- 3.3.4 The Council has now been advised that the level of PSHG for 2008/09 will be £1.280m. From 2008/09, it will be possible to carry forward unspent grant to 2009/10. The Scottish Government intends to remove the ring fence from PSHG in the future.

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.**

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Background Papers: Held on file by the Capital Programmes Manager
Ref: JMM/APR2008/HINV

INVESTMENT PROGRAMME INCOME AND EXPENDITURE - 2007/2008

29 February 2008
(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	1.839	1.475	80%	0.375
Estate Works	0.640	0.578	0.465	73%	0.175
Cyclic Maintenance	0.990	1.052	0.858	87%	0.132
Planned Maintenance - Revenue	1.380	1.523	1.061	77%	0.319
Planned Maintenance - Capital	3.120	3.661	2.813	90%	0.307
Other Investment - Capital	0.650	0.475	0.406	62%	0.244
	£8.630	£9.128	£7.078	82%	£1.552
<u>Funded by:</u>					
HRA Revenue	4.860		3.859	79%	
Prudential Borrowing	1.578		2.203	140%	
Capital Receipts	1.312		1.016	77%	
C.F.C.R	0.880		0.000	0%	
	£8.630		£7.078	82%	

APPENDIX II

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

29 February 2008
(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	0.725	0.575	90%	0.063
Forres Response Repairs	0.215	0.236	0.196	91%	0.019
Buckie Response Repairs	0.335	0.355	0.300	90%	0.035
Keith Response Repairs	0.212	0.215	0.162	76%	0.050
Void House Repairs	0.450	0.308	0.242	54%	0.208
	£1.850	£1.839	£1.475	80%	£0.375

APPENDIX III

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

29 February 2008
(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	0.137	0.090	46%	0.105
Garage Upgrades	0.050	0.010	0.002	4%	0.048
Asbestos	0.025	0.034	0.027	108%	-0.002
Estate Upgrades	0.120	0.157	0.106	88%	0.014
Miscellaneous	0.250	0.240	0.240	96%	0.010
	£0.640	£0.578	£0.465	73%	£0.175

APPENDIX IV

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

29 February 2008
(all amounts in millions)

CYCLIC MAINTENANCE

APPENDIX V

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT TO DATE	EXPENDITURE TO DATE	%BUDGET SPENT	BUDGET BALANCE
Gas Servicing	0.525	0.573	0.432	82%	0.093
Solid Fuel Servicing	0.080	0.056	0.028	35%	0.052
Smoke Detector Servicing	0.100	0.100	0.128	128%	-0.028
Pre Paintwork Repairs	0.050	0.077	0.062	124%	-0.012
External Paintwork	0.200	0.204	0.175	88%	0.025
General Servicing Contracts	0.025	0.041	0.032	128%	-0.007
Inspections/House Surveys	0.010	0.001	0.001	10%	0.009
	£0.990	£1.052	£0.858	87%	£0.132

INVESTMENT PROGRAMME EXPENDITURE - 2007/2008

29 February 2008

PLANNED MAINTENANCE AND OTHER INVESTMENT

	PROJECTED BUDGET	EXPENDITURE PLUS COMMITMENT TO DATE	EXPENDITURE TO DATE	% BUDGET SPENT	BUDGET BALANCE
Kitchens and Bathrooms	1.400	1.508	0.973	70%	0.427
Central Heating	0.470	0.676	0.526	112%	-0.056
Door and Window Replacements	1.250	1.477	1.314	105%	-0.064
Sub Total (Capital)	3.120	3.661	2.813	90%	0.307
Rainwater Goods	0.246	0.203	0.082	33%	0.164
Insulation	0.020	0.008	0.009	45%	0.011
Roof/Fabric Repairs	0.755	0.781	0.653	86%	0.102
Plumbing Upgrades	0.050	0.072	0.010	20%	0.040
Electrical Upgrades	0.100	0.207	0.166	166%	-0.066
Safety & Security	0.100	0.171	0.112	112%	-0.012
Fire Safety	0.041	0.012	0.003	7%	0.038
Common Stairs	0.068	0.069	0.026	38%	0.042
Sub Total (Revenue)	1.380	1.523	1.061	77%	0.319
Disabled Adaptations	0.550	0.468	0.401	73%	0.149
Enabling Projects	0.100	0.007	0.005	5%	0.095
Sub Total (Other Investment)	0.650	0.475	0.406	62%	0.244
Total	£5.150	£5.659	£4.280	83%	£0.870

COUNCIL HOUSE SALES MONITORING REPORT

APPENDIX VI

February 2008

	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
February 2007	218	171	127 (incl 49 refusals)	116	121 RTB	£7,926,500	RTB £3,956,434	RTB £4,680,000	RTB 85%	£65,508	£32,698	20 weeks	87%	13%
February 2008	255	171	119 (incl 39 refusals)	112	112 RTB	£8,387,000	RTB £4,048,075	RTB £5,248,000	RTB 77%	£74,884	£36,144	23 weeks	57%	43%

<u>Location</u>	<u>Valuation</u>	<u>Sale Price</u>
Buckie	£242,500	£97,000
Elgin	£108,000	£43,200
Keith	£75,000	£30,000
Lossiemouth	£98,000	£39,200
Portgordon	£75,000	£42,000
TOTAL	£598,500	£251,400
7 Houses and 0 Flats	Total = 7	

2007/2008 CHS to date - 99 Houses + 13 Flats - £8,387,000 (valuation) - £4,048,075 (income)

PRIVATE SECTOR HOUSING GRANT - 2007/2008

29 February 2008
(all amounts in millions)

	Target	Spend 29/02/08	Comment
PSHG	100% spend £1.245	86% £1.074	PSHG allocation for 2007/08
Improvements to properties below Tolerable Standard	£0.381 31 cases	£0.317 9 cases	£0.417 m Legally Committed
Increase the number of properties suitable for people with disabilities	£0.251 39 cases	£0.202 19 cases	£0.262 m Legally Committed
Provide a Moray wide Care and Repair Service	£0.373 66 cases	£0.345 28 cases	£0.334 Legally Committed
Improve properties in disrepair	£0.140 32 cases	£0.130 34 cases	£0.190 Legally Committed
Provide grant assistance to private rented sector	£0.050 5 cases	£0.050 0 cases	£0.050 Legally Committed
Provide grant assistance for houses in fuel poverty	£0.030	£0.030	£0.030 Legally Committed
Housing Act Implementation	£0.020	£0.001	£0.001 Legally Committed
	£1.245	£1.075	

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.