

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 22 MARCH 2006

HOUSING INVESTMENT PROGRAMME 2005/2006

Joint report by the Executive Director of Neighbourhood Services and Executive Director of Development and Property Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the current status of projects within the Housing Investment Programme 2005/2006 and to set out the current position in relation to financial monitoring and physical progress.
- 1.2 To advise members of the initiatives taken to commit currently identified savings upon the Housing Investment Programme 2005/2006.

2. BACKGROUND

- 2.1 At the special meeting on 20 April 2005, Housing Committee approved the Housing Investment Programme identified against a number of budgetary categories, which took account of the projected income at £12.427m.
- 2.2 As the financial year has progressed, there have been a number of changes to the Capital Programme, and these have been reported to Committee in the normal manner.

3. CURRENT STATUS OF THE 2005/2006 PROGRAMME

- 3.1 The following table shows in detail the current status of the programme for 2005/2006.

SERVICE	Budget 2005/06	Actual Expenditure to Date	Projected Expenditure 2005/06	Variance Projected/ Budget
	£	£	£	£
Asbestos	120,000	68,989	106,998	-13,002
Energy Efficiency	910,000	721,410	991,692	81,692
Efficient Heating	2,606,000	1,592,066	2,806,015	200,015
External Envelope Enhancement	1,640,000	617,699	1,256,578	-383,422
Modern Facilities & Services	5,760,000	3,759,967	5,578,671	-181,329
Neighbourhood Improvements *	241,000	186,412	297,050	56,050
Safe & Secure Neighbourhood	550,000	103,082	615,693	65,693
Sheltered Housing Safety & Improvement	600,000	280,780	577,271	-22,729
Total Capital Expenditure	12,427,000	7,330,405	12,229,968	-197,032
Source of Financing				
Capital Financed From Current Revenue	3,561,000	0	3,561,000	0
Capital Receipts Applied	8,000,000	9,171,072	9,511,324	1,511,324
Other Grants & Income	0	0	0	0
	11,561,000	9,171,072	13,072,324	1,511,324
Required Borrowing	866,000	-1,840,667	-842,356	-1,708,356

- 3.2 The current estimated expenditure is £12.229m, which represents an under commitment of £ 0.197m. This is consistent with the figures that are now being presented to the Budget Scrutiny Group.
- 3.3 Initiatives have been identified to seek to commit the Housing Investment Programme, however at this time it is anticipated that a level of under commitment will be experienced, and it will be necessary to carry forward some works into the financial year 2006/07. It is further anticipated that there may be some element of change or slippage, particularly upon those projects which can be affected by inclement weather. The normal process of managing such change is ongoing, and the results will be reported to this committee.

4 DETAILS OF MODIFICATION TO THE HOUSING INVESTMENT PROGRAMME

4.1 Energy efficiency

The cost of these works currently represents an increase of £0.082m against the original budget, as a result of 180 No. additional addresses being committed under the door replacement programme.

4.2 Efficient Heating

Committee approved, at the meeting of 25 January 2006 extension to Phase 1 of the current year's gas central heating programme, for works to be carried out by Campbell Construction Group. The additional works are progressing, and taking account of that together with other phases of similar works, it is estimated that the overall cost represents an increase of £0.200m against the original budget.

4.3 Neighbourhood Improvements

The original budget of £0.241m for neighbourhood improvement comprised:-

<u>Category</u>	<u>Budget</u>
Tenement Upgrading	£0.100m
Demolitions and External Works	£0.071m
Timber Clad Houses	<u>£0.070m</u>
	<u>£0.241m</u>

The cost of these works currently represents an increase of £0.056m against the original budget as a result of revisions to the scope of works to tenement upgrades to include replacement of the communal lighting, together with modest increases in the projected cost of repairs

to houses within the Timber Clad Houses and Painter work programme.

4.4 Safe and Secure Neighbourhood

The cost of these works currently represents an increase of £0.065m against the original budget, as a result of 80 No. additional addresses being committed under the door entry programme, together with overall savings upon the project.

5. **ABANDONMENT OF WORKS**

5.1 Phase four of the kitchen and bathroom upgrades and rewiring, under the Neighbourhood Improvements Programme has given practical difficulties, and following a series of meetings with the Contractor, J B Bennett, it has been mutually agreed that the works conclude with 30 No. addresses completed to date; the balance of addresses being reprogrammed to further phases of similar works.

5.2 A report dealing with the circumstances of that arrangement is included within the Agenda for this Committee Meeting.

6. **LEGAL AUTHORITY/IMPLICATIONS**

6.1 The Council has a statutory and contractual duty towards its tenants in respect of the maintenance of its housing stock.

6.2 The Housing Investment Programme enables the Council to carry out its statutory and contractual responsibilities towards its tenants.

7. **POLICY**

7.1 The Council is committed to improve its housing stock to meet the Scottish Housing Quality Scotland and delivery of the Housing Investment Programme, in terms of the approved Standard Delivery Plan, supports the objectives out within the Community Plan and the Local Housing Strategy.

8. **FINANCIAL IMPLICATIONS**

8.1 The programme commits funds which are available to the Council by way of income.

9. **CONCLUSION**

9.1 The outcome of the approved position will enable the Council to meet its commitment in respect of the approved Housing Investment Programme.

10. **RECOMMENDATIONS**

10.1 The Committee are asked to:

- i. Approve the modifications to the Housing Investment Programme as detailed in paragraph 4; and
- ii. Otherwise, note the current position in relation to the Housing Investment Programme 2005/2006.

William Stafford
Executive Director of
Neighbourhood Services

James Lavery
Executive Director of Development
and Property Services

AP/LA

5 March 2006

LIST OF BACKGROUND PAPERS

Nil

For further information please contact Alan Paterson, Principal Quantity Surveyor on 01563 555249.

Implementation Officer – alan.paterson@east-ayrshire.gov.uk