

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 3 NOVEMBER 2004

HOUSING INVESTMENT PROGRAMME 2004/2005

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 2004/2005 and to set out the current position in relation to financial monitoring and physical progress.

2. BACKGROUND

- 2.1 At the meeting on 21st April 2004, Housing Committee approved the Housing Investment Programme identified against a number of budgetary categories, which took account of the projected income at £11.702m.
- 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 2004/2005 PROGRAMME

- 3.1 The table hereunder sets out the current status of the programme for 2004/2005. In total the current estimated expenditure is £11.886m, which represents an over commitment of £0.184m. This is consistent with the figures that have been presented to the Budget Scrutiny Group.

SERVICE	Revised Budget 2004/05	Actual Expenditure to Date	Projected Expenditure 2004/05	Variance Actual / Revised Budget
	£	£	£	£
Asbestos	108,000	30,999	184,375	76,375
Energy Efficiency	1,260,000	384,808	880,358	-379,642
Efficient Heating	2,363,000	96,580	2,550,855	187,855
External Envelope Enhancement	1,572,000	434,812	1,467,075	-104,925
Information Technology	150,000	8,616	150,000	0
Modern Facilities & Services	4,203,000	752,905	4,228,618	25,618
Neighbourhood Improvements	796,000	328,060	1,074,494	278,494
Office Accommodation	100,000	0	100,000	0
Safe & Secure Neighbourhood	550,000	187,282	613,116	63,116
Sheltered Housing Safety & Improvement	600,000	138,005	637,113	37,113
Total Capital Expenditure	11,702,000	2,362,068	11,886,004	184,004
Funded By				
Capital Financed From Current Revenue (CFCR)	3,561,000	0	3,561,000	0
Capital Receipts Applied	2,000,000	0	2,000,000	0
Total Capital Funding	5,561,000	0	5,561,000	0
Required Borrowing	6,141,000	2,362,068	6,325,004	184,004

3.2 Presently, the level of over commitment identified does not give cause for concern, since it is anticipated that there will be a degree of reduction to current commitment as a result of individuals not choosing to take up options which are offered to them. It is further anticipated that there may be some element of change or slippage. The normal process of managing such change is ongoing, and the results will be reported regularly to this committee as the financial year progresses.

4. DETAILS OF MODIFICATION TO THE HOUSING INVESTMENT PROGRAMME

4.1 Efficient Heating

The budget of £2.363m for efficient heating comprises an allowance of £0.250m for I.L.M energy efficiency works committed through the Wise Group, with the balance of £2.113m being set against gas central heating works. It was envisaged that the gas heating budget would extend to carrying out works to 600 No. addresses. Currently, there are 641 No. addresses committed this financial year, which, after taking account of the I.L.M works, results in an estimated expenditure of £2.551m for the efficient heating category. This represents an increase of £0.188m against current provision.

4.2 Modern Facilities and Services

The budget of £4.203m for modern facilities and services is committed against the establishment of multi-work contracts, the components of which are rewiring, kitchen and bathroom renewal, internal plumberwork, and the replacement of lead piping feeds. It was envisaged that the budget would extend to carrying out works to 950 No. addresses. Currently there are 1,094 No. addresses committed this financial year, resulting in an estimated expenditure of £4.229m. This represents an increase of £0.026m against current provision.

4.3 Neighbourhood Improvements

4.3.1 The budget of £0.796m for neighbourhood improvement comprises:-

<u>Category</u>	<u>Budget</u>
Area Initiatives	£0.300m
Tenement Upgrading	£0.100m
Demolitions	£0.130m
Environmental Works	£0.200m
Timber Clad Houses	<u>£0.066m</u>
	<u>£0.796m</u>

4.3.2 Demolitions

The allocation for the demolitions identified to be commenced during the current financial year is likely to be exceeded by some £0.010m, as previously

reported to this Committee. Significantly, it was not possible to complete the former year's demolition programme within that year due to the instances of asbestos containing material found to be present in a number of properties, which delayed the progress of the works. These circumstances were reported to Committee at the appropriate time. The cost of works carried forward into the current financial year is estimated at £0.237m. Taking account of the current works, together with the works carried forward, this represents an increase of £0.247m against current provision.

4.3.3 Timber Clad Houses, Painterwork

This project is now substantially complete and it has therefore been possible to evaluate the full effects of the changes in the mix of house types from those carried out in the previous financial year. Currently, the houses are all two storey, of various types, giving a greater surface area of painterwork. It is necessary to revise the previous estimate of £0.087m to £0.113m, an increase of £0.026m above current provision.

4.4 Safe and Secure Neighbourhood

The budget of £0.550m for safe and secure neighbourhood comprises an allowance of £0.240m for I.L.M home security works committed through the Wise Group, with the balance of £0.310m being set against door entry systems. Significantly, it was not possible to complete the former year's door entry programme on time due to the times taken to secure the agreement of adjoining owners or revise the addresses to be carried out under the various contracts, which had a detrimental effect upon the progress of the works. These circumstances were reported to Committee at the proper time. The cost of works carried forward is currently estimated at £0.083m. Taking account of the current works, together with the works carried forward, this represents an increase of £0.063m against current provision.

4.5 Sheltered Housing Safety and Improvement Initiative

The budget of £0.600m for the sheltered housing safety and improvement initiative is committed against the works to 21 No. addresses at Hamilton gardens, Stewarton, together with proper retention releases for similar works carried out to Afton Court, New Cumnock and Ross Court, Galston, in previous financial years. It is currently established that after taking account of the current years commitment, together with retention release upon previous projects, that the current provision will be exceeded by £0.037m. A separate report dealing with the circumstances of the ongoing work to Hamilton Gardens is included within these reports to Committee.

5. LEGAL AUTHORITY/IMPLICATIONS

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

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

6. POLICY

6.1 The Council is committed to improve its housing stock to meet the Scottish Housing Quality Standard as provided for in its Local Housing Strategy as submitted to Communities Scotland in accordance with Community Authority.

7. FINANCIAL IMPLICATIONS

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

8. CONCLUSION

8.1 The outcome of the approved position will enable the Council to meet its commitment in respect of the approved housing investment programme.

9. RECOMMENDATIONS

9.1 The Committee are asked to:

- (i) approve the modifications to the Housing Investment Programme as detailed in paragraph 4 above.
- (ii) otherwise note the current position in relation to the Housing Investment Programme 2004/2005.

William Stafford
Executive Director of
Neighbourhood Services

James Lavery
Executive Director of Development
and Property Services

12th October 2004

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