

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 2 NOVEMBER 2005

HOUSING INVESTMENT PROGRAMME 2005/2006

Joint Report by the Executive Director of Neighbourhood Services and the 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.

2. BACKGROUND

- 2.1 At the special meeting on 20th 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.

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	36,397	132,809	12,809
Energy Efficiency	910,000	446,460	971,248	61,248
Efficient Heating	2,579,000	660,028	2,581,637	2,637
External Envelope Enhancement	1,640,000	272,099	1,655,774	15,774
Modern Facilities & Services	5,787,000	2,224,005	5,633,971	(153,029)
Neighbourhood Improvements *	241,000	73,075	292,392	51,392
Safe & Secure Neighbourhood	550,000	76,968	549,931	(69)
Sheltered Housing Safety & Improvement	600,000	120,905	627,437	27,437
Total Capital Expenditure	12,427,000	3,909,937	12,445,199	18,199
Source of Financing				
Capital Financed From Current Revenue	3,561,000	0	3,561,000	0
Capital Receipts Applied	8,000,000	0	8,000,000	0
Other Grants & Income	0	0	0	0
	11,561,000	0	11,561,000	0
Required Borrowing	866,000	0	884,199	18,199

- 3.2 All projects within the 2005/2006 programme which will be carried out by Building and Works have been committed. Contracts have been awarded to other Contractors for the projects within the efficient heating and modern facilities categories which were originally anticipated. Tenders have been invited for a further supplementary phase. Tenders have been received for the balance of projects, namely exterior upgrades to BISF houses funded from the external envelope enhancement category, and the upgrading of Rowantree Court, Drongan funded mainly from the Sheltered Housing Safety and Improvement category.
- 3.3 Addresses are currently being monitored to take account of any expenditure shortfalls through applications to purchase or unit cost reductions. Where possible, further addresses are being committed. As with all programmes of this nature it is anticipated that there will be a degree of change and slippage, and that, for example, some programmes will reduce by modest amounts as individuals choose not to take up options which are offered to them. The normal process of managing such change will take place and will be reported regularly to this committee throughout the financial year, taking account of the increased flexibility which has resulted from the implementation of the Prudential Borrowing Framework.

4. DETAILS OF MODIFICATION TO THE HOUSING INVESTMENT PROGRAMME

4.1 Asbestos

During the course of the routine survey and testing works to properties included within the gas heating, kitchen and bathroom programmes, the normal and regular instances of asbestos material has been identified. In the main, this is in relation to artex coated wall and ceiling surfaces. The remedial works will be undertaken in the normal fashion in conjunction with the improvement works being carried out. In addition, provision is made for the completion of the works to remove asbestos water lined storage tanks which was commenced under the 2004/2005 programme. The cost of these works currently represents an increase of £0.013m against the original budget.

4.2 Energy efficiency

The cost of these works currently represents an increase of £0.061m against the original budget, as a result of 128 No. additional addresses being committed under the door replacement programme.

4.3 External Envelope Enhancement

The original budget of £1.640m for External Envelope Enhancement comprised:-

<u>Category</u>	<u>Budget</u>
External Wall Overcladding And Thermal Improvement	£0.205m
Masonry Painterwork and Roughcast Repair	£0.421m
Re-roofing	<u>£1.014m</u>
	<u>£1.640m</u>

The cost of these works currently represents an increase of £0.016m against the original budget, as a result of an increase in the estimated cost of settlement of accounts for work completed under the 2004/2005 programme.

4.4 Neighbourhood Improvements

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

<u>Category</u>	<u>Budget</u>
Tenement Upgrading	£0.100m
Demolition 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 £0.051m 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 Painterwork programme.

4.5 Sheltered Housing Safety and Improvement Initiative

The cost of these works currently represents an increase of £0.027m against the original budget, as a result of the increased cost of works to Hamilton Gardens, Stewarton which was reported to Housing Committee on 18th May 2005, together with an appraisal of the work content at Rowantree Court, Drongan to provide for carrying out the works in phases which take account of the needs of the occupants.

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 Committee Authority.

7. FINANCIAL IMPLICATIONS

7.1 The programme fully commits the 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) note the current position in relation to the Housing Investment Programme 2005/2006.

William Stafford
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Services.

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10th October 2005

LIST OF BACKGROUND PAPERS

Nil

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