

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE – 1 NOVEMBER 2006

HOUSING INVESTMENT PROGRAMME 2006/2007

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 2006/2007 and to set out the current position in relation to financial monitoring and physical progress.

2. BACKGROUND

- 2.1 At the meeting on 17 May 2006, Housing Committee approved the Housing Investment Programme identified against a number of budgetary categories, which took account of the projected income at £13.660m.

3. CURRENT STATUS OF THE 2006/2007 PROGRAMME

- 3.1 The following table shows in detail the current status of the programme for 2006/2007.

SERVICE	Budget 2006/07	Actual Expenditure to Date	Projected Expenditure 2006/07	Variance Projected/ Budget
	£	£	£	£
Asbestos	120,000	46,768	120,000	0
Energy Efficiency	341,000	278,600	387,313	46,313
Efficient Heating	2,788,000	1,058,329	3,224,829	436,829
External Envelope Enhancement	2,928,000	393,875	2,789,379	-138,621
Modern Facilities & Services	5,885,000	1,943,268	5,881,016	-3,984
Neighbourhood Improvements	110,000	56,282	228,488	118,488
Safe & Secure Neighbourhood	383,000	73,256	729,258	-13,742
Sheltered Housing Safety & Improvement	1,105,000	346,080	701,692	-403,308
Total Capital Expenditure	13,660,000	4,196,457	14,061,975	41,975
Source of Financing				
Capital Financed From Current Revenue	3,561,000	0	3,561,000	0
Capital Receipts Applied	8,000,000	3,294,256	8,660,000	660,000
Other Grants & Income	0	0	0	0
Required Borrowing	2,099,000	902,202	1,840,975	-258,025

- 3.2 The detail of the scheme for the upgrading of the Ellisland Court sheltered housing complex at Mauchline is being finalised, to enable tenders to be issued at the appropriate time. Discussions are ongoing with colleagues within Social Work to finalise the detail of the extent of works which will be required to meet the physical needs of the residents. This will determine the arrangements for zoning of the heating works into appropriate phases under a preparatory works contract, as has been undertaken in previous contracts for sheltered housing upgrades. This project is funded from the sheltered housing safety and improvement category, and is programmed to bridge the financial years 2006/07 and 2007/08. It is anticipated that the zoning of the heating will be carried out during the current financial year, with the majority of the main works being funded from the 2007/2008 budget.
- 3.3 The addresses for the re-roofing works include a high proportion of work to common or adjoining owners which limits progress, and current estimates for completion reflect that position. In particular, this is affecting the addresses at Loudoun Avenue, Galston where the existing flat roof structures are to become pitched roofs.
- 3.4 This has enabled initiatives to be brought forward to seek to fully commit the Housing Investment Programme, and promote a modest level of over commitment, allowing for anticipated reduction as a result of individuals choosing not to take up options which are offered to them. It is further anticipated that there may be some element of change or slippage, particularly with regard to 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 as the financial year progresses. The detail of modification to the Housing Investment Programme is set out at paragraph 4. It is further proposed that the number of gas heating addresses be augmented, by extending existing contracts, as set out in paragraph 5.

4. DETAILS OF MODIFICATION TO THE HOUSING INVESTMENT PROGRAMME

4.1 Energy Efficiency

The cost of these works currently represents an increase of £0.046m against the original budget, as a result of 69 No. additional addresses being committed under the door and screen replacement programme.

4.2 Efficient Heating

The cost of these works currently represents an increase of £0.436m against the original budget, as a result of 191 No. additional addresses being committed under the central heating programme.

4.3 Neighbourhood Improvements

The cost of these works within this category currently represents an increase of £0.118m against the original budget. 9 No. additional addresses have been committed under the timber house preservation project which is currently projected to exceed the budget by some £0.060m. In addition, provision of £0.058m has been made for the settlement of demolition projects which were primarily funded by direct grant outwith the Housing Improvement Programme during 2005/06.

5. EXTENSION TO EXISTING CONTRACTS

5.1 In order to expedite further schemes, it is recommended that existing Contracts be extended based upon existing rates and conditions, and subject to satisfactory negotiation and agreement with the relevant Contractors, rather than enter into fresh competitive tendering. Fresh competitive tendering at this time would not achieve the required amount of site progress and hence expenditure. Extension of existing contracts will enable full commitment of any funding which may be released through future programme slippage, thereby seeking to prevent any potential under spend.

5.2 Proposals to extend existing Contracts are listed hereunder:-

CONTRACT	CONTRACTOR	PROPOSED EXTENSION (NR.)	PROPOSED EXTENSION VALUE	ANTICIPATED OVERALL EXPENDITURE 2006/2007
Installation of Gas Central Heating to 250 No. Houses, 2006/2007 Programme, Phase 2	Campbell Construction Group Ltd	100	£307,150	£351,875
Installation of Gas Central Heating to 150 No. Houses, 2006/2007 Programme, Phase 3	British Gas	100	£303,000	£347,115
TOTAL				£698,990

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.
- 6.3 This report is presented in terms of Paragraph 9(3) of the Council's current Standing Orders Relating to Contracts (negotiation and/or extension of contracts).

7. POLICY

- 7.1 The Council is committed to improve its housing stock to meet the Scottish Housing Quality Standard as provided for in the Housing Investment Programme approved by Committee.

8. FINANCIAL IMPLICATIONS

- 8.1 The programme fully commits the 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 and will support the council's objectives to improve the environment as set out in the Community Plan.

10. RECOMMENDATIONS

- 10.1 The Committee are asked to:
- (i) approve the modifications to the Housing Investment Programme as detailed in paragraph 4;
 - (ii) approve the extension of existing contracts as listed at paragraph 5.2; and
 - (iii) otherwise note the current position in relation to the Housing Investment Programme.

William Stafford
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Neighbourhood Services

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8 October 2006

LIST OF BACKGROUND PAPERS

Nil

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

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