

## EAST AYRSHIRE COUNCIL

### HOUSING COMMITTEE – 8 SEPTEMBER 2004

#### HOUSING INVESTMENT PROGRAMME 2004/2005

#### 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 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 21<sup>st</sup> 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.

### 3. CURRENT STATUS OF THE 2004/2005 PROGRAMME

- 3.1 The following table shows in detail the current status of the programme for 2004/05.

SERVICE	Revised Budget 2004/05	Actual Expenditure to Date	Projected Actual 2004/05	Variance Actual / Revised Budget
	£	£		£
Asbestos	108,000	11,089	199,838	91,838
Energy Efficiency	1,260,000	58,940	1,087,829	-172,171
Efficient Heating	2,363,000	43,287	2,340,169	-22,831
External Envelope Enhancement	1,572,000	130,000	1,473,057	-98,943
Information Technology	150,000	2,490	150,000	0
Modern Facilities & Services	4,203,000	408,507	4,341,414	138,414
Neighbourhood Improvements	796,000	100,695	904,404	108,404
Office Accommodation	100,000	0	100,000	0
Safe & Secure Neighbourhood	550,000	64,458	610,764	60,764
Sheltered Housing Safety & Improvement	600,000	19,583	600,000	0
<b>Total Capital Expenditure</b>	<b>11,702,000</b>	<b>839,049</b>	<b>11,807,475</b>	<b>105,475</b>
<b>Funded By</b>				
Capital Financed From Current Revenue (CFCR)	3,561,000	0	3,561,000	0
<b>Total Capital Funding</b>	<b>3,561,000</b>	<b>0</b>		<b>0</b>
<b>Required Borrowing</b>	<b>8,141,000</b>	<b>839,049</b>	<b>8,246,475</b>	<b>105,475</b>

3.2 In total as at Period 4 (25 July) projected expenditure for the year was £11,807,475 which represents an over commitment of £105,475. This is consistent with the figures that have been presented to the Budget Scrutiny Group.

3.3 However, at this stage there is no cause for concern about this level of over-commitment. 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, however, a number of asbestos lined water storage tanks have been identified which is better dealt with under a separate Contract. The cost of these works is estimated at £0.091m.

##### 4.2 Neighbourhood Improvements

###### 4.2.1 Demolitions

Tenders have been invited for the demolition of 24 No. properties in Auchinleck and Logan. Provision was made within the Housing Investment Programme for works to 19 No. addresses. Taking account of the actual house types involved, it is anticipated that the overall demolition costs, including tenant relocation costs where appropriate, will amount to £0.140m against the agreed budget of £0.130m. This represents an increase of £0.010m against current provision.

###### 4.2.2 Timber Clad Houses, Painterwork

The works to be executed under the current year's programme represent a different mix of house types from the works carried out under the former year's programme, resulting in a greater overall unit cost. The cost of these works under the current year's programme is estimated at £0.087m against the agreed budget of £0.066m. This represents an increase of £0.021m against current provision.

## **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) 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  
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Neighbourhood Services

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20 August 2004

## **LIST OF BACKGROUND PAPERS**

Nil

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

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