

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	15 March 2012
DIRECTOR	Pete Leonard
TITLE OF REPORT	Housing Capital Expenditure budget 2012/13
REPORT NUMBER:	H&E/12/020

1. PURPOSE OF REPORT

This report has been submitted to request that

- a) approval be given to consider the sums shown in the Housing Capital budget set out in Appendix A to this report as estimated expenditure,
- b) authorisation be given to the Director of Housing and Environment to carry out the appropriate procedures to procure these works.

This report is coming before the Finance and Resources committee as a decision on the recommendations is required before the next available Housing and Environment committee on 22 May 2012.

2. RECOMMENDATION(S)

It is recommended that committee:

- a) give approval for the sums shown against each heading of the Housing Capital Expenditure budget set out in Appendix A of this report and for these sums to be approved as estimated expenditure in terms of Standing Order 1(3), and
- b) authorise the Director of Housing and Environment to carry out the appropriate procedures to procure these works.

3. FINANCIAL IMPLICATIONS

The Housing Capital programme will be managed within the capital framework as set out in the Prudential Code, subject to the revenue budgeting process.

The funding of the programme derives from several sources that include:

- Possible grants from the Scottish Government (i.e. new build),
- Revenue contributions from the Housing revenue Account, and
- External funding (funding from energy suppliers).

4. OTHER IMPLICATIONS

The Housing Capital Programme provides the catalyst to deliver many of the objectives in the Housing Business Plan. Failure to adequately maintain and improve the Council's housing stock may lead to the Council breaching Health & Safety regulations, poorer housing conditions in Aberdeen, and resulting in lower demand. Failure to deliver an effective programme will lead to tenant dissatisfaction.

5. BACKGROUND/MAIN ISSUES

On 9 February 2012 Council approved the sums set out in the Housing Capital Expenditure budget for 2012/13 and indicative sums for 2013-2015. A copy of the budget has been attached at Appendix A. It is proposed that the members of the committee give approval for the sums shown against each heading of the Housing Capital Expenditure budget set out in Appendix A of this report to be treated as estimated expenditure to allow the Director of Housing and Environment to commence the appropriate procedures to procure these works

Approximately 15,000 addresses have been identified to date for various works under the headings contained within the Housing Capital Expenditure budget during 2012/13. Appendix B shows a break down by Ward of the numbers of those addresses to be included under certain budget heading. There are, however, a number of budget headings which contain funding for works that will be identified during the course of the financial year.

In addition to this the range of works and services procured under the Housing Capital Programme are diverse and complex. These can range from relatively simple works, such as door replacement, to large multi trade frameworks such as the modernisation programme, or programmes which require specialist consultants and contractors like the multi storey structural repairs contracts.

Agreement to consider the sums shown against each of the headings on the Housing Capital Expenditure budget as estimated expenditure will allow the Director of Housing and Environment to make early progress in terms of tendering for these works and maximising expenditure.

Budget Monitoring

In order to ensure that the committee is kept informed of the progress on expenditure within the Housing Capital Expenditure budget the Director of Housing and Environment and the Head of Finance will continue to submit a joint update report on the budget position to each committee cycle. These reports will detail any amendments to the budget amounts when appropriate.

This allows the Director of Housing and Environment and Head of Finance to ensure that this budget is being managed and monitored appropriately.

6. IMPACT

The City Council will operate within overall financial constraints taking into account recommended accounting practice and policies.

The programme aims to treat every tenant equally on the basis that replacement programmes are determined by the life cycle costing and prioritising on the basis of stock condition and sustainability of the estates.

Specifically within the Single Outcome Agreement there is a need to enhance the quality of housing and environment for individuals and the community. Furthermore within the Council's Vibrant Dynamic and Forward Looking policy document there is a commitment to increase the speed of the modernisation programme and adherence to the Scottish Housing Quality Standard.

7. BACKGROUND PAPERS

Report on the Draft Housing Revenue and Housing Capital Budget 2012/13 to 2014/15 submitted to the Council Budget Meeting of 9 February 2012

8. REPORT AUTHOR DETAILS

Ian Perry
Housing Improvement Officer
iperry@aberdeencity.gov.uk
tel (4)39242