

ABERDEEN CITY COUNCIL

COMMITTEE:	Housing and Environment
DATE:	11 March 2014
DIRECTOR	Pete Leonard & Angela Scott
TITLE OF REPORT:	2013/14 Housing Capital Programme
REPORT NUMBER:	H&E/14/019

1. PURPOSE OF REPORT

The purpose of this report is to provide elected members with a status report for the 2013/14 Housing Capital Programme as at 31 December 2013 summarising both income and expenditure.

2. RECOMMENDATION(S)

It is recommended that the Committee:-

- a) Notes the financial information contained within this report and
- b) Instructs that the Head of Finance continues to update the Committee in consultation with the Director for Housing and Environment on the actual outturn position for 2013/14 following completion of the year end statutory accounts; and
- c) Approves the virements outlined in Appendix 2.

3. FINANCIAL IMPLICATIONS

The monies required to fund the housing capital programme can be achieved through external borrowing, capital receipts, capital grants and a revenue contribution. There are adequate resources available to finance the projected capital spend in 2013/14, as required by the Prudential Code.

4. OTHER IMPLICATIONS

Failure to adequately maintain and improve the Council's housing stock may lead to the Council breaching health and safety regulations, poorer housing conditions in Aberdeen and result in lower demand.

The Council's Scottish Housing Quality Standard (SHQS) Standard Delivery Plan was approved by the former Communities Scotland in August 2006. This outlines the Council's strategy for meeting SHQS by 2015. If the Council cannot achieve the targets set within the Delivery Plan, within reasonable rent increases, then the Scottish Housing Regulator could intervene.

5. BACKGROUND/MAIN ISSUES

BACKGROUND

- 5.1 The Council is required to manage its capital programme within the regulations set out in Part 7 of the Local Government in Scotland Act 2003. This allows Councils to set their own borrowing limits, provided that they comply with the Prudential Code.
- 5.2 The Prudential Code requires Councils to set a capital programme that is affordable, prudent and sustainable. The main test of affordability is whether the capital financing costs can be contained within revenue budgets.
- 5.3 Council on the 19 December 2012 approved a funded Housing Capital Programme for 2013/14 of £41.5M.

POSITION TO DATE

- 5.4 The summary financial statement at Appendix 1 outlines the original budget for the current year and expenditure and income as at 31 December 2013.
- 5.5 Appendix 2 details the range of projects expected to be undertaken within the overall budget and spend to date.
- 5.6 The under spend remains at £5.5M from the funded budget of £41.5M. This is a result of potential under spends within the following projects Multi Storey structural repairs (item 2.1), Structural repairs (item 2.1.2) and Modernisation Programme (item 4.1).

EXPENDITURE

- 5.7 As at 31 December 2013 £20.4M of the approved budget has been spent to date.

SUMMARY

- 5.8 It is currently forecast, based on figures to date, that the Housing Capital programme outturn will be managed within the framework as set out in the Prudential Code.

6. IMPACT

- 6.1 Corporate – the housing capital programme encompasses projects which will link in one or several ways to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans and Aberdeen – the Smarter City.
- 6.2 Public – this report will be of interest to the public as it demonstrates financial performance.

7. MANAGEMENT OF RISK

There are many factors that can lead to project delays such as consultation with tenants, decanting of tenants and access to properties. Such delays would result in the opportunity to advance other projects. There is a need for the capital programme slippage to be kept to a minimum to allow the Council to achieve the SHQS by 2015.

8. BACKGROUND PAPERS

19 December 2012 Draft Housing Revenue Account (HRA) and Housing Capital Budget 2013/14 to 2015/16

9.. REPORT AUTHOR DETAILS

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APPENDIX 1

2013/14

	Approved Budget £'000	Actual at 31/12/13 £'000	Estimated Out-turn £'000	Notes
Expenditure	46,930	20,482	36,033	1
Slippage	(5,397)			2
<u>Total Expenditure</u>	<u>41,533</u>	<u>20,482</u>	<u>36,033</u>	
<u>Funded by:</u>				
Borrowing	17,917	1,669	12,949	3
CFCR	22,116	17,313	23,084	4
Grant Income	1,500	1,500	1,500	
<u>Total Income</u>	<u>41,533</u>	<u>20,482</u>	<u>36,033</u>	

(Note 1) Expenditure

As at 31 December 2013 the Council has paid £20.4M of the budgeted £41.5M.

(Note 2) Slippage

The total available budgeted programme for capital expenditure of £46.9M is set to allow for slippage. (contract price variations, projects starting later than anticipated, projects being amended etc)

(Note 3) Borrowing

This is the level of borrowing the Council has approved to undertake in 2013/14.

(Note 4) Capital From Current Revenue (CFCR)

At present it is anticipated that £23M for the revenue contribution to capital will be made.

The overall level of the revenue contribution will be subject to variation dependent on the final position of the Housing Revenue Account and the Capital programme.

Appendix 2

Housing Capital 2013/14

Project	Original Approved Programme £'000	Actual As at 31 Dec £'000	Notes
SCOTTISH HOUSING QUALITY STANDARDS			
1 Compliant with the tolerable standard			
1.1 Major Repairs	1,301	91	
Roofs Renewal/Gutters/RWP/Roughcast			
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast			
	<hr/>	<hr/>	
	1,301	91	
2 Free from Serious Disrepair			
2.1 <u>Primary Building Elements</u>	5,676	2,834	9
Structural Repairs Multi Storey			
Multi Storey blocks are surveyed on a 5-7 year cycle to identify any works required to the Structure of the buildings in order to keep the buildings safe and prolong their life.			
Structural Repairs General Housing	1,184	13	10
Structural works carried out in order to keep the building stable and structurally sound			
<u>Secondary Building Elements</u>			
2.2 Upgrading Of Flat Roofs General	350	1	11
Replacement of existing roof covering and upgrading of insulation to meet current building Regulations.			
2.3 Upgrade Flat Roofs Multi Storey	1,038	564	
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required			
2.5 Mono Pitched Types	581	359	1
Replacement of the external render of the building, replacement of gutters and downpipes and environmental works			
2.6 Window Replace General	725	572	2
A rolling programme of double glazing where previously single glazing, or replacing Double glazing to meet current standards. This is based on a cyclical programme.			
2.7 Window Replace Multi Storey	0	0	
A rolling programme to replace existing double glazing to meet current standards. This is on a cyclical programme.			
2.8 Balcony Storm Doors	60	0	
Replacement of existing doors with more secure, solid doors			
2.9 Balcony Glass Renewal - Multi Storey	1,398	1,685	3
Replacement of existing balcony glazing on a cyclical basis			
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	11,012	6,028	
3 Energy Efficient			
<u>Effective insulation</u>			
3.1 General Houses Loft Insulation	50	7	
Installation of loft insulation where there is none previously or the topping up of existing Insulation to comply with current building regulations.			
<u>Efficient Heating</u>			
3.3 Heating Systems Replacement	5,230	2,913	4
Replacement of boiler/whole system as deemed necessary.			
3.4 Medical Need Heating	50	0	
Installation of gas/electric heating depending on the medical assessment.			
This can be installing a completely new system, modifying or extending an existing system.			
3.5 Energy Efficiency Multi Blocks	1,720	1,265	5
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants			
3.6 Energy Efficiency Sheltered	250	110	
Introduction of energy efficiency measures in sheltered housing such as new or upgraded Systems.			

Project	Original Approved Programme £'000	Actual As at 31 Dec £'000	
<u>Additional Energy Efficiency measures</u>			
3.7 S.C.A.R.F. Payment to SCARF for work carried out by them under the Energy Efficiency programme to Individual council properties. The work carried out includes the installation of loft insulation, Draught proofing and compact fluorescent bulbs. Also, providing tenants with energy efficiency Advice and information.	35	0	
3.8 Solid Wall Insulation Installation of solid wall insulation where there was none previously.	250	1	
3.9 Vestibule Doors Installation of new doors where there were none before.	0	0	
	7,585	4,296	
4 Modern Facilities & Services			
<u>Bathroom and Kitchen Condition</u>			
4.1 Modernisation Programme Replacement of bathrooms and kitchens.	14,293	5,470	12
	14,293	5,470	
5 Healthy, Safe & Secure			
Healthy			
5.1 Condensation Measures Installation of heating systems and ventilation measures to combat condensation.	51	22	
Safe			
5.3 Rewiring Replacement of cabling, fittings and distribution boards as necessary. This work is carried out in every property on a cyclical basis	1,140	728	
5.4 Lift Replacement Multi Storey/Major Blocks Replacement of lifts where they are beyond economical repair. This can be full replacement replacement of specific parts of the lift.	1,050	343	
5.5 Smoke Detectors	155	35	
5.6 Services Cyclical maintenance/replacement of the following services Ventilation Systems, Water Tanks/Pipework, Refuse Chutes/Chamber Dry Riser Systems, Standby Generators	50	0	
5.7 Entrance Halls/Concierge Provision of security service	50	0	
5.8 Laundry Facilities Replacement of laundry equipment	194	189	6
5.9 Upgrading of Lighting Installation of lighting controlled by photo cell i.e. switches on and off automatically depending on the level of natural light. Installation of lighting in areas where there was none before.	43	87	7
Secure			
5.11 Door Entry Systems Installation of door entry and replacement of existing doors where required	40	0	
5.12 Replace Door Entry Systems - Major Blocks Installation of door entry and replacement of existing doors where required	200	0	13
5.13 Other Initiatives Upgrading of stairs and installation of security doors and door entry systems	750	257	
5.14 Crime Prevention /Safety Measures			
	3,723	1,661	

Original **Actual**
Approved **As at 31**
Programme **Dec**
£'000 **£'000**

Project

NON SCOTTISH HOUSING QUALITY STANDARDS

6 Community Plan & Single Outcome Agreement			
6.1 Housing For Varying Needs New build including extra care housing.	500	382	8
6.2 S.U.R.E. Refurbishment of properties or environmental improvements in designated areas.	304	86	
6.4 Regeneration/Affordable Housing Early Action projects linked to Regeneration and Master planning Briefs for Regeneration & provision of consultation events.	0	0	
6.5 Acquisition of Land/Houses Acquisition of land for new build programme	300	55	
6.6 CCTV – Concierge Provision of CCTV for the new Concierge service	150	47	
6.7 Adaptations Disabled Installation of level access showers, ramps, stair lifts and kitchen adaptations	1,330	734	
6.8 Special Initiatives/Barrier Free Housing Provision of specialist facilities or housing for tenants with particular needs i.e. extensions	650	3	
6.9 Housing For Varying Needs- Amenity/Adaptations Conversion of properties to Amenity Level standard	200	116	
6.10 Housing For Varying Needs- Extra Care/Adaptations Adaptations required to ensure existing sheltered housing stock meets current standards	152	182	
6.11/ Roads/Paths	100	0	
6.12 Upgrade of Roads to an adoptable standard and the Formation or upgrading of paths	100	40	
6.13 Garages Upgrade of Garages	0	-5	
6.14 New Affordable Housing	1,015	721	
	<hr/>	<hr/>	
	4,801	2,361	
7 Service Development			
7.1 Conditions Surveys Surveying of Council houses to identify failures against Scottish Housing Quality Standard	50	0	
7.2 Property Database Various items of IT equipment including hardware and software	100	6	
7.3 Integrated Housing System Various purchase of PC's and software packages	100	67	
	<hr/>	<hr/>	
	250	73	
8 Service Expenditure			
Corporate Fees	3,963	502	
	<hr/>	<hr/>	
	3,963	502	
Total Budget	<hr/>	<hr/>	
	46,930	20,482	

SUBTRACTIONS

ADDITIONS

Note 1 - 2.5 Mono Pitched Properties

Sum to be vired £30,000

Additional properties have been added to the programme.

Note 2 - 2.6 General Window Replacement

Sum to be vired £550,000

Fountain Grange window replacement has been brought forward to tie in with the district heating upgrade to enhance energy efficiency grant funding.

Note 3 - 2.9 Balcony Glass Replacement

Sum to be vired £550,000

Additional funding is required due to the inclusion of structural repairs to blocks which were identified during balcony glass replacement.

Note 4 - 3.3 Upgrading of Heating Systems

Sum to be vired £312,000

Additional addresses have now been included in the programme

Note 5 - 3.5 Energy Efficiency – Multi Blocks

Sum to be vired £255,000

Preparatory work for the provision of CHP at Cornhill and Tillydrone multi storey blocks is required.

Note 6 - Laundry Equipment

Sum to be vired £69,000

The increase in budget requirements is due to the costs for replacing existing cash card system with Accord Card system.

Note 7 - 5.9 Lighting of Common Areas

Sum to be vired £50,000

Additional areas have been identified during the financial year where existing lighting fails SHQS.

Note 8 - 6.1 Housing for Varying Needs

Sum to be vired £250,000

Further funding is required to cover under estimate in expenditure for Clashieknowe refurbishment.

SUBTRACTIONS

Note 9 - 2.1.1 Multi Storey Structural Repairs

Sum to be vired £500,000

Reduced as the consultation with owners has taken longer than anticipated on the proposals to carry out structural repairs at the multi storey blocks in Seaton area and legal consultation was required on the over cladding of Cornhill multis.

Note 10 - 2.1.2 General Housing Structural Repairs

Sum to be vired £500,000

A reduction due to further consultation with owners in 770-864 Great Northern Road and further investigation to the extent of structural work required at 36 Stafford Street.

Note 11 - 2.2 Upgrading of Flat Roofs in General Housing

Sum to be vired £300,000

Due to competing priorities the service has been unable to progress with this project in 2013/14.

Note 12 - 4.1 Modernisation

Sum to be vired £586,000

Following surveys a number of properties have been deleted from the modernization programme due to addresses already meeting SHQS and some tenants have refused work.

Note 13 -5.12 Replacement of Door Entry Systems in Major Blocks

Sum to be vired £180,000

A survey of the blocks identified for this year's Door entry programme have identified a number which do not need replaced.