

## ABERDEEN CITY COUNCIL

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<b>COMMITTEE:</b>	Housing and Environment
<b>DATE:</b>	26 August 2014
<b>DIRECTOR</b>	Pete Leonard & Ewan Sutherland
<b>TITLE OF REPORT:</b>	2014/15 Housing Capital Programme
<b>REPORT NUMBER:</b>	H&E/014/062

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### **1. PURPOSE OF REPORT**

The purpose of this report is to provide elected members with a status report for the 2014/15 Housing Capital Programme as at 30 June 2014 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 2014/15 following completion of the year end statutory accounts.

### **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 2014/15, 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 18 December 2013 approved a funded Housing Capital Programme for 2014/15 of £41.7M.

### **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 30 June 2014.
- 5.5 Appendix 2 details the range of projects expected to be undertaken within the overall budget and spend to date. Spend to date is low principally on Structural repairs, Heating System Replacement & the Modernisation programme.

### **EXPENDITURE**

- 5.6 As at 30 June 2014 £3.8M of the approved budget has been spent to date.

### **SUMMARY**

- 5.7 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 The report relates to the Single Outcome Agreement and the Council vision of Aberdeen – the Smarter City, in particular the strategic priority ‘Smarter living (Quality of Life)’ where we will provide quality services to our council tenants to enable them to have a dry, warm home in a safe and enjoyable environment..
- 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**

18 December 2013 Draft Housing Revenue Account (HRA) and Housing Capital Budget 2014/15 to 2018/19

**9.. REPORT AUTHOR DETAILS**

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2014/15

	Approved Budget £'000	Actual at 30/06/14 £'000	Estimated Out-turn £'000	Notes
Expenditure	46,923	3,793	41,762	1
Slippage	(5,161)			2
<b>Total Expenditure</b>	<b>41,762</b>	<b>3,793</b>	<b>41,762</b>	
<b>Funded by:</b>				
Borrowing	19,208	0	19,208	3
CFCR	22,459	3,698	22,459	4
Grant Income	95	95	95	
<b>Total Income</b>	<b>41,762</b>	<b>3,793</b>	<b>41,762</b>	

**(Note 1) Expenditure**

As at 30 June 2014 the Council has paid £3.8M of the budgeted £41.7M.

**(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 2014/15.

**(Note 4) Capital From Current Revenue (CFCR)**

At present it is anticipated that £22M 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 2014/15

Project	Original Approved Programme £'000	Actual As at 30 June £'000
<b>SCOTTISH HOUSING QUALITY STANDARDS</b>		
<b>1 Compliant with the tolerable standard</b>		
1.1 Major Repairs	1,000	142
Roofs Renewal/Gutters/RWP/Roughcast		
Undertaking large scale repairs to Roofs/Gutters/RWP/Roughcast		
	<hr/>	<hr/>
	1,000	142
<b>2 Free from Serious Disrepair</b>		
2.1 <u>Primary Building Elements</u>	7,380	285
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	3,000	(63)
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	0
Replacement of existing roof covering and upgrading of insulation to meet current building Regulations.		
2.3 Upgrade Flat Roofs Multi Storey	684	125
Full replacement of the flat roofs and also checking the replacement of roof ventilation as required		
2.5 Mono Pitched Types	526	98
Replacement of the external render of the building, replacement of gutters and downpipes and environmental works		
2.6 Window Replace General	1,251	(23)
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	(1)
Replacement of existing doors with more secure, solid doors		
2.9 Balcony Glass Renewal - Multi Storey	160	101
Replacement of existing balcony glazing on a cyclical basis		
	<hr/>	<hr/>
	13,411	522
<b>3 Energy Efficient</b>		
<u>Effective insulation</u>		
3.1 General Houses Loft Insulation	265	0
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	5,314	493
Replacement of boiler/whole system as deemed necessary.		
3.4 Medical Need Heating	0	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	4,400	506
Contribution to Aberdeen Heat & Power for the creation of Combined Heat & Power Plants		
3.6 Energy Efficiency Sheltered	350	255
Introduction of energy efficiency measures in sheltered housing such as new or upgraded Systems.		

Project	Original Approved Programme £'000	Actual As at 30 June £'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.	150	0
3.9 Vestibule Doors Installation of new doors where there were none before.	0	0
	10,514	1,254
<b>4 Modern Facilities &amp; Services</b>		
<u>Bathroom and Kitchen Condition</u>		
4.1 Modernisation Programme Replacement of bathrooms and kitchens.	9,728	846
	9,728	846
<b>5 Healthy, Safe &amp; Secure</b>		
Healthy		
5.1 Condensation Measures Installation of heating systems and ventilation measures to combat condensation.	75	0
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	1,548	430
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.	600	68
5.5 Smoke Detectors	54	16
5.6 Services Cyclical maintenance/replacement of the following services Ventilation Systems, Water Tanks/Pipework, Refuse Chutes/Chamber Dry Riser Systems, Standby Generators	50	(51)
5.7 Entrance Halls/Concierge Provision of security service	50	0
5.8 Laundry Facilities Replacement of laundry equipment	52	4
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.	39	30
Secure		
5.11 Door Entry Systems Installation of door entry and replacement of existing doors where required	48	0
5.12 Replace Door Entry Systems - Major Blocks Installation of door entry and replacement of existing doors where required	48	0
5.13 Other Initiatives Upgrading of stairs and installation of security doors and door entry systems	366	0
5.14 Crime Prevention /Safety Measures		
	2,930	497

<b>Project</b>	<b>Original Approved Programme £'000</b>	<b>Actual As at 30 June £'000</b>
<b>NON SCOTTISH HOUSING QUALITY STANDARDS</b>		
6 Community Plan & Single Outcome Agreement		
6.1 Housing For Varying Needs New build including extra care housing.	100	(2)
6.2 Community Initiatives Refurbishment of properties or environmental improvements in designated areas.	400	(7)
6.4 Regeneration/Affordable Housing Early Action projects linked to Regeneration and Master planning Briefs for Regeneration & provision of consultation events. Acquisition of land for new build programme	120	0
6.6 CCTV – Multi Storey Provision of CCTV for the multi storey service	310	0
6.7 Adaptations Disabled Installation of level access showers, ramps, stair lifts and kitchen adaptations	1,250	62
6.8 Special Initiatives/Barrier Free Housing Provision of specialist facilities or housing for tenants with particular needs i.e. extensions	150	0
6.9 Housing For Varying Needs- Amenity/Adaptations Conversion of properties to Amenity Level standard	300	(12)
6.10 Housing For Varying Needs- Extra Care/Adaptations Adaptations required to ensure existing sheltered housing stock meets current standards	430	(75)
6.11/ Roads/Paths	100	0
6.12 Upgrade of Roads to an adoptable standard and the Formation or upgrading of paths	100	0
6.13 Garages Upgrade of Garages	0	0
6.14 New Affordable Housing	500	357
	3,760	321
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	50	0
7.3 Integrated Housing System Various purchase of PC's and software packages	75	49
	175	49
8 Service Expenditure		
Corporate Fees	5,405	160
	5,405	160
Total Budget	46,923	3,793