

CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS

**Venue: Town Hall,
Moorgate Street,
Rotherham. S60 2TH**

Date: Monday, 12th November, 2012

Time: 10.00 a.m.

A G E N D A

1. To determine if the following matters are to be considered under the categories suggested, in accordance with the Local Government Act 1972 (as amended March 2006).
2. To determine any item which the Chairman is of the opinion should be considered later in the agenda as a matter of urgency.
3. Neighbourhoods General Fund Revenue Budget Monitoring 2012-13 (Pages 1 - 4)
4. Housing Revenue Account Budget Monitoring 2012/13 (Pages 5 - 11)
5. Housing Investment Programme (HIP) 2012-13 Quarter 2 Monitoring (Pages 12 - 22)
6. Housing Access Review
- to follow
7. Exclusion of the Press and Public
Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (information relating to the financial or business affairs of any particular person (including the Council)).
8. Insulation Upgrading and Refurbishment Works - Reema Properties (Pages 23 - 25)

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday 12 November 2012
3.	Title:	Neighbourhoods General Fund Revenue Budget Monitoring 2012/13
4.	Directorate:	Neighbourhoods and Adult Social Services

5. Summary

This Budget Monitoring Report provides a financial forecast for Neighbourhoods General Fund within the Neighbourhoods & Adult Services Directorate to the end of March 2013 based on actual income and expenditure for the six month period ending September 2012.

The forecast for the financial year 2012/13 is an underspend of £80k, against an approved net revenue budget of £2.859m.

6. Recommendation

That the Cabinet Member receives and notes the latest financial projection against budget for 2012/13.

7. Proposals and Details

7.1 The table below shows the summary forecast outturn position against the approved Net Revenue Budgets:-

SERVICE AREA	Net Budget	Forecast Outturn to 31 st March 2013	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Environmental Health	1,247	1,242	-5	-0.40
Public Health	254	215	-39	-15.35
Housing & Communities	213	186	-27	-12.67
Strategic Housing & Investment	292	274	-18	-6.16
Housing Options	253	253	0	0
Central	606	615	9	+1.48
Income	-6	-6	0	0
TOTALS	2,859	2,779	-80	-2.80

There are some pressures which have been noted below but it is anticipated that these will be offset by savings already identified within the Directorate, and this will leave an overall underspend by the year end of (£80k).

The main variations against budget are as follows:-

7.2 Environmental Health (£-5k)

This budget area faced a significant pressure at the start of the year, as a result of the £114k Vacancy Factor. The Community Protection team, the Enviro-Crime and Neighbourhood Wardens teams were merged into one joint Community Protection team in 2011/12. Savings within salaries already identified have reduced this to a pressure of £16k. Further planned savings and efficiencies identified during the year on Transport and Supplies and Services, have offset this pressure and there is now a forecast underspend of (-£5k) by the end of the financial year.

7.3 Public Health (-£39k)

A number of posts were held vacant at the start of the year until the Public Health restructure could be implemented. This has now been actioned and there is a projected underspend within Trading Standards of £39k.

7.4 Housing and Communities (-£27k)

Community Safety Unit has a pressure of £11k as a result of budget savings in 2012/13.

The new structure that was identified to enable the savings to be achieved was not implemented at the start of 2012/13 and as a result there is currently some slippage in achieving the agreed savings.

However, there is a projected underspend of (-£9k) on Anti Social Behaviour area as a result of one post that was vacant for several months plus savings within supplies & services as a result of the downsizing of this team.

In addition, the Area Assemblies teams and Management & Admin are showing a combined forecast underspend of (-£9k) mainly as a result of a vacant post.

The Community Leadership Fund budget is also projecting an underspend of (£20k), although in previous year's Members have requested that any underspend is carried forward (£19,620 was approved for carry forward from last year).

Therefore, overall the Housing & Communities area is therefore expected to achieve a forecast underspend of (-£27k).

7.5 Strategic Housing & Investment Service (-£18k)

The SHIS team budget had a pressure of £18k as a result of a small shortfall on the staffing budget and a £9k vacancy factor.

Measures have been put in place for 2012-13 for funding of this team following the cessation of the grant funding that previously supported a large proportion of the cost of this team.

There is an anticipated (-£2k) under spend in respect of income from interest on the Equity Loan Scheme.

In addition, there is an anticipated (-£16k) under spend on the Lighting of Staircases budget based on costs to date and projected spend to the end of the year. This budget will continue to be monitored closely.

7.6 Central (+£9k)

A contribution has been made by the Asylum team in previous years to the Management & Admin budget as recognition of location costs of £20k. However, the Asylum Grant has now ended and the work of this team is being outsourced. As a result of this there will be no further contributions, leaving an income shortfall. There is also a current pressure as a result of a £3k vacancy factor within these budgets. However, some savings have been identified within supplies and services which will reduce the overall pressure on this service area to £9k.

7.7 Agency & Consultancy

To date there is no spend on either Agency or Consultancy within Neighbourhoods General Fund Budgets.

7.8 Non-Contractual Overtime

The only non-contractual overtime for Neighbourhoods related to grant funded overtime for the Food, Health & Safety teams.

8. Finance

The financial implications for each service area have been outlined in Section 7 above.

9. Risks and Uncertainties

These forecasts are based on financial performance to the end of September 2012. The forecast outturn is dependent on delivery of the planned management actions being achieved and thus effective and tight financial management practices remain essential including holding monthly budget clinics with the Service Director and senior managers.

10. Policy and Performance Agenda Implications

The delivery of the Council's Revenue Budget within the limits determined in March 2012 is vital to achieving the Council's Policy agenda. Financial performance is a key element within the assessment of the Council's overall performance.

11. Background Papers and Consultation

- Report to Cabinet 22 February 2012 – Proposed Revenue Budget & Council Tax 2012/13.
- The Council's Medium Term Financial Strategy (MTFS) 2011-2014

The content of this report has been discussed with the Director of Housing and Neighbourhoods and the Director of Finance.

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ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS
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1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	Monday, 12th November, 2012
3.	Title:	Housing Revenue Account Budget Monitoring 2012/13
4.	Directorate:	Neighbourhoods and Adult Services

5. Summary

This report presents the forecast outturn position on the 2012/13 Housing Revenue Account (HRA) based upon activity as at the end of September 2012.

The overall forecast is that the HRA will outturn on budget with a transfer to Working Balance (reserves) of £2.501m which is an increase of £663k above the approved budget.

6. Recommendations

- **That the Cabinet Member receives and notes the latest financial projection.**

7. Proposals and Details

7.1 This budget report is based upon actual income, expenditure and known commitments as at the end of September 2012 forecast to the end of the financial year to give a projected outturn position, compared to budget.

7.2 Appendix A of this report provides the Budget Operating Statement for 2012/13 which shows the various income and expenditure budgets lines which make up the net cost of delivering the service. The latest forecast net cost of service is an underspend of £3.426m which, together with interest received will result in a surplus over the approved budget of £2.763m which will result in an additional sum of £663k to be transferred to Working Balance.

7.3 Within the Operating Statement are several budget heads which are either year end adjustments (for example debt management costs £222k) or are subject to external influence and therefore outside direct control, (for example cost of capital charges £14.046m).

7.4 Budget Monitoring is therefore focussed upon expenditure and income which is within control, i.e. income of £73.327m, the repair and maintenance budget of £17.438m and supervision and management of £19.365m. Other budget heads as seen within Appendix A are currently being forecast to outturn in line with budget.

7.5 Budget Monitoring

7.5.1 Appendix A, column B demonstrates the projected outturn based upon activity to the end of September 2012.

7.5.2 Overall it can be seen that the net cost of service is forecast to be -£3.426m, a surplus of £663k as shown in the table below.

	Budget £000	Forecast £000	Variance £000
Expenditure	70,564	70,692	128
Income	-73,327	-74,118	-791
Net Cost of Service	-2,763	-3,426	-663

7.5.3 Several of the budget lines within income and expenditure are forecasting to outturn with a variance to budget. The table below highlights these budgets

	Budget £000	Forecast £000	Variance £000
Supervision and Management	19,365	19,532	167
Rent, Rates, Taxes	77	38	-39
Income	-73,327	-74,118	-791
Net Variance			-663

7.5.4 It can be seen that the forecast overspend on supervision and management of £167k, is being offset by an increase in income of £791k.

7.5.5 The balance of this report will focus on the main variations to budget.

7.6 **Expenditure**

Column B of Appendix A demonstrates that based upon expenditure and commitments to date, total expenditure is forecast to outturn at £70.692m compared to a budget provision of £70.564m, an increase in spend of £128k. The major variations are as follows:

7.6.1 **Contributions to Housing Repairs**

Appendix A demonstrates that the forecast year-end spend on Repairs and Maintenance is currently on budget at £17.438m.

Previous reports have highlighted the difficulty in forecasting the empty homes budget given the responsive nature of the service. The original budget was based on an estimated 1,600 minor voids in year. The actual number of voids to quarter 2 was 72 below the sum budgeted. This equates to 3.3 per week on average. As a result the forecast spend would be below budget. However, this is a responsive budget, and in the light of the out turn for 2011/12, and a recent surge in numbers, the forecast is currently to budget. Close monitoring is ongoing and alternative works are being prepared which can be released at short notice to take up savings on this head.

Negotiations are almost complete on the rebasing of the Price Per Property (PPP) for 2012/13 within Repairs and Maintenance contract. As a result of efficiencies delivered by both contractors in 2011/12, it is anticipated that savings in the region of £500k will be delivered.

Work is now being scoped to take up the likely additional budget now available. This work will focus on external works such as paths, boundary walls and estate led works. However, the completion of these works is very weather dependent, and there is a risk that they will not be completed within this financial year. This position is being monitored and an update will be provided on an ongoing basis.

In addition a bad weather contingency of £200k is in place, and will be reviewed on an ongoing basis.

Any under spend which may occur within the repair and maintenance budget will be carried forward into 2013/14 through the Working Balance to address investment issues identified within the investment requirements in the 30 Year Business Plan.

7.6.2 **Supervision and Management**

Column B of Appendix A demonstrates that based upon expenditure and commitment to date, total expenditure is forecast to outturn at £19.533m, a forecast overall overspend of £167k.

The main variance is a forecast overspend of £462k on the purchase of furniture within the Furnished Homes Service. However, this is offset by increased income from additional charges generated as more clients take up the option of this service. As income increases, this allows us to make provision to provide additional furniture in the future. The scheme currently has 2,451 customers, an increase of 534 since the beginning of the year. (see paragraph 7.7.3).

The increase in spend on additional furniture has been offset by savings elsewhere within Supervision and Management. A robust review of centrally held budgets has been undertaken, and savings released where it is apparent that full budget spend will not be achieved.

These savings, together with salary savings arising due to vacancies, has offset the increased spending on additional furniture, resulting in the net overspend of £167kS

- 7.6.3** There is also a forecast underspend on the Rent, Rates and taxes budget (-£39k) in respect of lower Council Tax charges on Void properties.

The overspend is being further reduced by a number of savings due to vacancies across the service and an ongoing review with budget holders of current budget provisions

7.7 Income

- 7.7.1** Column B of Appendix A shows that based upon income received to date the total forecast income collectable is £74.118m an increase of £791k over and above the approved budget of £73.327m.

- 7.7.2** Dwelling rental income is projecting a slight over recovery of £269k due to an improvement in void turnaround rates, however, non-dwelling rents are forecasted to under recover against budget by £36k due to garage voids. A programme of repair has been started in an effort to reduce the numbers of garages which are void.

- 7.7.3** Income from charges for services and facilities are forecasting an outturn of £3.828m, an over recovery of income of £522k. This is mainly due to additional income due to the continued growth of the Furnished Homes scheme offsetting the increase in expenditure reported above in 7.6.2.

7.8 Summary

In summary it can be seen in foregoing paragraphs 7.6 and 7.7 that the variance to budget of £663k when comparing the forecast net cost of service against the budget of £2.763m is due to variances within supervision and management together with additional income.

8. Finance

Impact on Working Balance

The report identifies that any deficit or surplus arising from the net cost of service will be transferred to the Working Balance which is reflected through the Appropriations section of the Operating Statement at Appendix A. Any

forecast increase/decrease will be added to the budgeted sum shown under transfer to reserves.

Based upon the current forecast out-turn position on the net cost of service, the forecast transfer to balances will increase from £1.838m to £2.501m, an increase of £663k. The increased contribution will be utilised to help address budget pressures in the earlier years of the 30 year Business Plan.

HRA Business Plan

Previous reports have identified the establishment of the HRA 30 Year Business Plan which has been formulated in line with requirements set out in the Self Financing Initiative implemented on the 1st April 2012. The current financial year is Year 1 of the Business Plan. Any changes in income and/or expenditure during 2012-13 will have a bearing on the Business Plan, as will any changes in interest rates on loans, and void levels.

All savings/increased costs identified during this financial year are assessed to determine if they will have an ongoing impact across the whole 30 years, or just a one off impact in year.

Based upon activity to date, whilst some of the savings identified are of an ongoing nature, it is anticipated that increased costs arising in future years as a result of the introduction of welfare reform could offset any long term benefit to the Business Plan.

Accordingly, the £663k forecast increase in Working Balance will be treated as a one off gain, and will be utilised to address the funding pressures which occur in the early years of the Business Plan.

9. Risks and Uncertainties

- **Inflation – Non Contractual** –The 2012/13 budget was formulated around an inflation assumption of nil; if inflation rises costs may exceed budget provision. It should be noted that the inflationary increase on the repair and maintenance contract is locked in for the financial year at 3.8 % and this has been provided for within the budget set.
Mitigation: Ongoing monitoring
- **Vacancy Factor**
Salaries budgets assume various levels of vacancies. If vacancies do not arise this could lead to salary costs in excess of budget.
Mitigation: In depth monitoring and forecasting of salary budgets.
- **Repair and Maintenance Voids.** Whilst the current empty home forecast is considered to be a prudent projection based upon 1,600 minor voids, it should be noted that the final number of voids received and completed in year could change. Any change in numbers or values will impact on expenditure.
Mitigation: Ongoing monitoring and triangulation with contractors. Any forecast increase in expenditure will be offset by a reduction in planned revenue works.

- **Rental Income**

Net rental income has been calculated on the basis of 2% void loss. Any increase / decrease on the actual levels of voids will impact on the level of income achieved.

Mitigation: Ongoing monitoring.

10. Policy and Performance Agenda Implications

The HRA supports the new Corporate Plan Priorities and is central to the long term strategy:

- Making sure no community is left behind.
- Helping to create safe and healthy communities.
- Improving the environment.

11. Background Papers and Consultation

- Budget and Council Tax Setting Report (2012/13) to Cabinet Member February 2012
- Housing Rents Increase 2012-13
- Director of Finance and Director of Housing and Neighbourhood Services have been consulted on the preparation of this report.

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Housing Revenue Account - Budget Operating Statement

Narrative	2012/13 Full Year Budget £	2012/13 Projected Out-turn £	Variance £
<u>Expenditure</u>			
Contributions to Housing Repairs Account	17,438,433	17,438,433	0
Supervision and Management	19,365,334	19,532,728	167,394
Rents, Rates, Taxes etc.	77,158	38,110	-39,048
Provision for Bad Debts	600,000	600,000	0
Cost of capital Charge	14,046,217	14,046,217	0
Depreciation of Fixed Assets	18,815,210	18,815,210	0
Deferred Charges	0	0	0
Impairment of Fixed Assets	0	0	0
Debt Management Costs	222,000	222,000	0
Expenditure	70,564,352	70,692,698	128,346
<u>Income</u>			
Dwelling Rents	-69,032,699	-69,301,646	-268,947
Non-dwelling Rents	-809,529	-773,245	36,284
Charges for Services and facilities	-3,305,258	-3,827,681	-522,423
Other fees and charges	-180,000	-215,987	-35,987
Income	-73,327,486	-74,118,559	-791,073
Net Cost of Services	-2,763,134	-3,425,861	-662,727
Amortised premia - Debt redemption	0	0	0
Interest received	-25,000	-25,000	0
Net Operating Expenditure	-2,788,134	-3,450,861	-662,727
Appropriations:			
Transfer from Capital Finance Account- Deferred	0	0	0
Revenue Contributions to Capital Outlay	950,000	950,000	0
Transfer from Capital Finance Account- Impairment	0	0	0
Transfer from Major Repairs Reserve	0	0	0
Transfer to Reserves	1,838,134	2,500,862	662,728
Surplus/Deficit for the year	0	0	0

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	12th November, 2012
3.	Title:	Housing Investment Programme (HIP) 2012/13 Quarter 2 Monitor Report
4.	Directorate:	Neighbourhoods and Adult Services

5.0 Summary

This report presents progress to date on the 2012/13 Capital Programme, together with a forecast out-turn position to the end of the financial year.

Based upon activity to date, the forecast out-turn position is that spend can be contained within the revised budget of £24.554m.

6.0 Recommendations

That Cabinet Member receives and notes the revised budget and the financial forecast to year end.

7.0 Proposals and Details

7.1 The revised 2012/13 HIP was approved by Cabinet Member on the 30 July, 2012 with a total programmed spend of £25.020m.

7.1.2 Since that date 2 custom built pilot projects have been slipped into 2013/14 resulting in a budget reduction of £145k

In addition there has been substantial slippage on 2 private sectors regeneration schemes.

In all cases, funding for the proposed works has been transferred into 2013/14 which has led to a revised 2012/13 HIP of £24.554m as shown in the table below, a reduction of £466k.

7.1.3 Budget Monitoring for 2012/13 is therefore against the revised budget of £24.554m as detailed in Appendix A of this report.

7.1.4 Based upon spend and commitments to date, the forecast overall spend on the revised budget, is that spending will be in line with budget.

	Adj Budget £000s	Revised Budget £000s	Forecast Out-turn £000s	Variance To revised Budget £000s
Refurbishments	12,124	12,124	12,108	-0,016
Other Capital Works	5,590	5,590	5,606	+0.016
Total Capital Works to properties	17,714	17,714	17,714	0
Fair Access to All	3,270	3,270	3,270	0
Regeneration Renewal	2,791	2,470	2,470	0
Other Public Sector	1,245	1,100	1,100	0
<u>Total Capital Programme</u>	25,020	24,554	24,554	0

7.1.5 The balance of this report will provide an overview on the forecast out-turn position, together with a narrative on the changes on budget provision.

7.2 Details

7.2.1 Total Capital Works to Properties

It can be seen from Appendix A and the table above that the forecast out-turn on Capital Works to Properties is £17.714m which is in line with the revised budget

This budget sum can be analysed further, as follows:

Refurbishments

A total of £12.124m was budgeted for refurbishments and, based upon activity to date, the forecast out-turn is £12.108m a minimal underspend of £16k which is broadly in line with Quarter 1 forecast. Work is planned as follows.

- Internals

A total of £3.7m has been allocated for internal works to be delivered through the partnering contracts with Willmott Dixon and Morrison.

A total of 542 are now scheduled to receive Internal Works and to date 202 have been completed, with a further 102 in progress.

As in previous years tenant refusal rates remain high, therefore replacement schemes are being developed to take up any budget savings as they arise.

- Externals

A further £5.7m has been identified for planned external works. Since the last report roofing and external works to blocks of flats at Rockingham have been identified as high priority and therefore funding has been redirected from combined external works to properties to address these issues. £3.3m has been issued to the partner contractors with a further £2.4m to be delivered through Lovells with a planned start on site immediately after Christmas.

However, there is a high percentage of leaseholders within the blocks (25%) and the consultation process is currently being planned. In addition, the delivery of the works will be weather dependant all of which potentially creates a risk of not delivering full spend to budget. These works will be monitored closely, and any forecast underspend will be mitigated, where possible, by accelerating works to flat doors and communal doors and windows.

- Central Heating/Boiler Replacement

Work is ongoing to replace boilers identified through the gas servicing plan, together with a scheme of works to replace defective ISA boilers. Since the last report additional works have been identified to replace Buderas boilers due to high failure, and breakdown rates which are generating cost pressures on the revenue (repairs) budget. A planned replacement programme is now being drawn up, with one scheme of 50 boilers already released.

- Windows and Flat Doors

Work has now been awarded to the successful tenderer to deliver Phase I of the combined windows and doors budget of £812k.

Work is scheduled to start in early November. Phase II is currently being drawn up for delivery within this financial year.

Other Capital Works

It can be seen from Appendix A that the forecast out-turn on other Capital Works based upon activity to Quarter 2, is spend of £5.606m a minimal overspend of £16k against budget.

Progress on the schemes of work within this budget, which are set out in detail at Appendix A, is as follows:-

- Empty Homes

There has been an upturn in the level of major voids in the last 2 months and, based upon this, forecast out-turn is for 159 major voids which will be contained within existing budget provision. The current turnaround time is 29.14 days, an improvement against the previous quarter position of 30.01 days.

- Environmentals

Consultations with residents on environmental works at Pike Road Brinsworth have now been concluded and an extensive scheme of work involving footpaths, drying areas, bin storage, security fencing and erection of useable private space will be delivered this financial year. This investment is helping to address ASB and the fear of crime in the neighbourhoods.

- Community Centre Improvements

Feasibility studies are currently underway for four schemes of work to deliver intelligent heating and lighting solutions at:-

- Dawson Croft
- Shaftsbury
- Hampstead Green
- Wellfield Lodge

Work is scheduled to be completed this financial year.

- Communal Doors

A tender has been accepted for the delivery of a three-year programme of replacement communal doors by Banfords with a scheduled start in December.

Works could be accelerated from 2013/14, if required, to take up slippage elsewhere in the Programme.

- EPC Works

Work is currently underway across the Borough to deliver loft and cavity wall insulation works for our tenants. To date 934 installations have been completed.

This work programme attracts 50% grant funding from government as part of the drive against fuel poverty. By proactively seeking out additional funding opportunities we are able to deliver twice as much work than that which could have been achieved through our own resources. The £410k budget reflects the council's 50% contribution.

A further 420 properties are estimated to benefit from this kind of work during the remainder of this year.

As previously reported Indicative budget heads have been set against specific workstreams. However, when actual schemes of work are finalised, budget allocations will be adjusted to meet the target costs of work allocated to contractors whilst still ensuring that the overall budget is not exceeded.

In addition, once schemes get to site, the target costs may vary due to omissions and additions, particularly in light of tenant refusals.

Wherever possible, schemes of work scheduled to start in 2013/14 will be brought forward to take advantage of any savings and maximise expenditure within the year.

7.2.2 Fair Access For All

The total budget provision for Fair Access For All is £3.270m which consists of £1.620m for private sector and £1.650m for public sector.

The total number of major adaptations identified to date is 311 private and 278 public, which is higher than anticipated at this point in the financial year. However, this is a responsive service and current forecasts are for spend within budget. This position will be monitored closely in the coming months in order to identify any potential overspends immediately

7.2.3 Regeneration and Neighbourhood Renewal.

Appendix A of this report identifies that an overall budget allocation of £2.470m has been allocated for regeneration works across the borough with £881k assigned to private and £1.589m to public sector. This is £322k less than that reported at Quarter 01 due to the slippage on works within the private sector budget as itemised below.

Private Sector

The major changes to works since the previous report are as follows:-

- Bellows Road

Caddick, the developer of the new shopping centre, needs to pre let the new retail units to demonstrate commercial viability before construction can start on site. There have been a number of barriers to overcome to enable tenants to sign up that has resulted in a delay of a number of months. The impact for the Council is we are unable to spend our budget of £307k, as this was to be used to compensate businesses moving into the new shop units and help with refitting. The revised budget forecast out turn is £30k which will be used to extinguish a business not moving into the new centre and legal works.

We anticipate a start on site this financial year as 4 of the 5 tenants have signed up to a pre let agreement, planning approval has been granted, and the developer has signed a development agreement with the Council.

- Occupation Road

The opportunity to develop new affordable housing on this site has been stalled due to sensitivities around widening the access and will be considered at a later date. In the meantime, the remaining garages will be cleared, a bund will be formed to one elevation and the site will be tidied up. This work will prevent fly-tipping and reduce ASB. As a consequence the original budget of £45k has now been slipped into 2013/14.

Public Sector

The forecast out-turn on the public sector regeneration budget is spend of £1.589m which is in line with budget provision.

Progress on the individual schemes are as follows:-

- Non Traditional Properties

This work is helping the alleviate fuel poverty through external wall insulation works and making the homes structurally stable. The Reema Phase 1 of 83 properties is now complete and the scheme of 56 homes in Swallownest is underway. A further scheme of 436 homes is currently being drawn up for tendering, with the aim of getting onto site in February. This scheme will be significantly larger than the available budget and is planned to be completed in future years.

- Garages

The available budget for garage site improvement works is £300,000, however a programme of works has been identified of £687,000. This work package is currently being tendered with a plan to deliver the programme beyond this year. The initial focus of works will be on addressing ASB, security measures and to enable garage site users to feel less vulnerable.

7.2.4 Other Public Sector

The table at paragraph 7.1.4 of this report identifies that the budget for Other Public Sector spend has reduced from £1.245m to £1.100m as funds have been slipped from 2012/13 into 2013/14 to reflect the following:-

- Custom Build

The Government are keen to stimulate Custom Build as a way of delivering more new housing. The Council has identified two sites which have the potential to deliver this type of development, however we want to link into the Home and Communities Agency (who have funds to support this kind of development) and the Sheffield City Region (SCR) to share our thinking.

Whilst workshops are planned for late November, in conjunction with the HCA, the lead-in period for the development of custom build projects will result in works not starting until 2013/14. As a result the Custom Build Project budget of £65k, together with the Aston Self Build budget of £80k have been slipped into 2013/14 together with the appropriate funding.

- Opportunity Acquisitions.

Following a Borough wide property developer review we have identified the 72 properties which conform to our Strategic Acquisition protocol.

A report will be presented to Cabinet Member for Safe and Attractive Neighbourhoods in November recommending the immediate acquisition of 5 of these properties at a cost of £375,000. The average cost of each home being £75,000. We are prioritising the remaining 67 properties with a view to spreading the expenditure over the next 3 years as the cost of acquisition far exceeds the available budget of £1m for 2012/13 and £2m for 2013/14.

7.2.5 Summary

Overall the forecast out-turn position for the 2012/13 HIP based upon activity to date, is spend of £24.544m in line with revised budgets.

The Quarter 2 budget position has been amended to reflect slippage in spending of £466k. Resources of the same value have been carried forward into 2013/14.

8.0 Finance

8.1 The table below identifies the funding available to meet the costs of delivering the HIP in 2012/13 and also sets out the changes in funding from the position reported at Quarter 1, to the revised budget set out in this report.

	Original Budget £000s	Revised Budget £000s	Forecast Out-turn £000s	Variance £000s
Major Repairs Allowance (MRA)	20,003	20,003	20,003	0
Revenue Contribution (RCCO)	950	950	950	0
Right to Buy Receipts (RTBs)	588	588	588	0
Disabled Facilities Grant (DFG)	979	979	979	0
Commuted Sums	145	0	0	-145
Grant Funding	175	176	176	001
General Capital Receipts	1,127	805	805	-322
Prudential Borrowing	053	053	053	0
Borrowing - HRA	1,000	1,000	1,000	0
Total	25,020	24,554	24,554	-466

The revised budget funding stream of £24.554m is fully aligned with the revised forecast spend.

9.0 Risks and Uncertainties

- Empty Homes. Work to empty homes is difficult to forecast as this is a very responsive service. If the number of empty homes increase, the cost of works will increase.

Mitigation: Weekly monitoring.

- Aids and Adaptations. The provision of aids and adaptations is also a responsive service and major works within the private sector are governed by a mandatory requirement to complete works within a six month period.

Whilst delivery of the service is closely monitored, expenditure could increase.

Mitigation: ongoing monitoring.

- Slippage and Savings. High levels of tenant refusals to work being carried out could lead to slippage of works and/or underspends. This could impact upon the level of turnover issued to our repair and maintenance partners.

Mitigation: Ongoing capital programme monitoring identifies savings/slippage at an early stage, thus allowing the introduction of new works and/or the acceleration of works from 2013/14.

- Severe Winter Weather. A severe winter may impact on the ability to deliver all of the external works scheduled within the Programme.

Mitigation: Ongoing monitoring and the preparation of new works to be introduced into the programme in the event of severe weather, together with the identification of existing works which could be accelerated.

- Capital Receipts. As in previous years the HIP is supported by both RTB and general receipts, of which the council has no direct control, but continues to monitor closely.

Mitigation: ongoing monitoring.

10.0 Policy and Performance Agenda Implications

The HIP supports the Corporate Plan Priorities and is central to the longer term Housing Strategy:

- Making sure no community is left behind.

- Helping to create safe and healthy communities.
- Improving the environment

11.0 Background Papers and Consultation

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Year-End Working Papers

Cabinet Member Report – HIP 2012/13 Quarter 1 Monitoring Report.

Appendix A

	A	B	C	D	E	F	G	H
1	HIP PROGRAMME 2012-13 POSITION AS AT PERIOD 6							
2								
3		2012/13 Programme						
4		Budget		Manager's Forecast		Variance (Over + / Under -)		%age (Over + / Under -)
5		£		£		£		%
6								
7	REFURBISHMENT / IMPROVEMENTS							
8	Refurbishment	10,914,000		9,415,063		-1,498,937		-13.73%
9	Windows	290,000		292,283		2,283		0.79%
10	Replacement of Central Heating / Boilers	920,000		2,400,224		1,480,224		160.89%
11	REFURBISHMENT / IMPROVEMENTS TOTAL	12,124,000		12,107,570		-16,430		-0.14%
12								
13	OTHER CAPITAL WORKS							
14	Empty Homes	1,588,000		1,559,353		-28,647		-1.80%
15	Replacement of Communal Doors (High Security)	300,000		300,000		0		0.00%
16	Environmental Works	500,000		517,171		17,171		3.43%
17	Electrical Board & Bond	140,000		130,446		-9,554		-6.82%
18	Community Centre Improvements (5 Year Programme)	250,000		250,000		0		0.00%
19	Communal Aerial Replacement (Digital Upgrade)	10,000		10,000		0		0.00%
20	Asbestos Removal & Testing	370,000		370,000		0		0.00%
21	Flat Door Replacement	522,000		522,000		0		0.00%
22	District Heating Conversions	300,000		307,460		7,460		2.49%
23	One-Off Properties	300,000		300,000		0		0.00%
24	EPC Improvements	410,000		410,000		0		0.00%
25	New IT System	550,000		580,000		30,000		5.45%
26	Communal Hallways	100,000		100,000		0		0.00%
27	General structures	150,000		150,000		0		0.00%
28	Lift Replacement	100,000		100,000		0		0.00%
29	OTHER CAPITAL PROJECTS TOTAL	5,590,000		5,606,430		16,430		0.29%
30								
31	ALL WORKS TO PROPERTIES TOTAL	17,714,000		17,714,000		0		0.00%
32								
33	FAIR ACCESS TO ALL							
34	Disabled Adaptations (Public Sector)	1,650,000		1,650,000		0		0.00%
35	Disabled Adaptations (Private Sector)	1,620,000		1,620,000		0		0.00%
36	FAIR ACCESS TO ALL TOTAL	3,270,000		3,270,000		0		0.00%
37								
38	REGEN. / NEIGHBOURHOOD RENEWAL							
39	PUBLIC SECTOR							
40	Non-Traditional Investment - Structural	1,289,000		1,289,000		0		0.00%
41	Garage Site Investment	300,000		300,000		0		0.00%
42	Public Sector Sub Total	1,589,000		1,589,000		0		0.00%
43								
44	PRIVATE SECTOR							
45	Maltby Transformational Change Masterplan (RHB)	50,000		50,000		0		0.00%
46	Dinnington Transformational Change Masterplan (RHB)	240,000		240,000		0		0.00%
47	Canklow Phase 1 & 2	560,000		560,000		0		0.00%
48	Bellows Road Service Centre Clearance	30,000		30,000		0		0.00%
49	Ship Inn Demolition	1,203		1,203		0		0.00%
50	Private Sector Sub Total	881,203		881,203		0		0.00%
51								
52	REGEN. / NEIGHBOURHOOD RENEWAL TOTAL	2,470,203		2,470,203		0		0.00%
53								
54	OTHER PUBLIC SECTOR							
55	HCA NEW BUILD							
56	Site Development	100,000		100,000		0		0.00%
57	Opportunity Acquisition	1,000,000		1,000,000		0		0.00%
58	OTHER PUBLIC SECTOR TOTAL	1,100,000		1,100,000		0		0.00%
59								
60	SUB TOTAL 2	6,840,203		6,840,203		0		0.00%
61								
62	TOTAL CAPITAL PROGRAMME	24,554,203		24,554,203		0		0.00%

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