

## **CABINET MEMBER FOR SAFE AND ATTRACTIVE NEIGHBOURHOODS**

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

**Date: Monday, 3rd March, 2014**

**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. Area Assembly Chairs (Pages 1 - 8)
  - Minutes of meeting held on 20<sup>th</sup> January, 2014
4. Key Choices Property Management (Pages 9 - 17)
5. Housing Revenue Account Budget Monitoring Report 2013/14 (Pages 18 - 25)
6. Neighbourhoods General Fund Revenue Budget Monitoring 2013/14 (Pages 26 - 29)
7. Housing Investment Programme 2013/14 - P10 January 2014 (Pages 30 - 40)

**AREA ASSEMBLY CHAIRS  
MONDAY, 20TH JANUARY, 2014**

Present:- Councillor McNeely (in the Chair); Councillors Read, Falvey, Beaumont, N. Hamilton, Atkin, Whelbourn, Currie, Havenhand, Johnston, Dodson, Swift and Sims.

Apologies were received from Councillor J. Hamilton.

**19. MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting held on 11<sup>th</sup> November, 2013, were noted.

**20. LEGAL ADVICE FOR FAMILIES**

Sharon Lockwood, Solicitor from Howells Solicitors, was welcomed to the meeting. Sharon provided details to Area Assembly Chairs relating to the 'Free Advice for Families' programme that Howells were currently running.

The scheme provided free legal advice for parents in South Yorkshire until 2015. The scheme was running despite the legal aid cut backs that had come into effect from April 2013.

Howells had accessed the funding from a successful bid they had submitted to the Department for Work and Pensions to undertake a two year pilot. The parameters of the bid covered the provision of financial advice, family law, housing, debts, benefits and employment advice to families with children.

Those eligible included: -

- Separated and separating parents;
- Threshold earning level of up to £45,000 (single income, not combined income);
- Covered a free appointment and three hours of work;
- Mediation;
- Counselling – for couples or individuals;
- Engagement.

Discussion ensued on the scheme as presented: -

- This is a useful resource and should be promoted widely.
- In some Area Assemblies the information leaflets were being widely distributed;
- Why was the scheme not available for couples without children and parents who were remaining together but still requiring help?
  - The focus of the tender had to be specific about which

groups would be eligible.

- Sustainability of the scheme following the end of the pilot;
- Costs of family law processes: -
  - People were increasingly representing themselves in court and taking 'background' advice from legal professionals on the paper work and processes;
  - Some areas of family law still had access to free legal funding, including domestic violence and cases where children's social care were involved.
- Potential for future support at the end of the funding and taking the funding over a longer period.

Resolved: - That the information shared be noted.

## 21. AREA ASSEMBLY UPDATE

Andrea Peers, Area Partnership Manager, provided an update in relation to the Wentworth Valley Area: -

- Community First Celebration before Christmas, 2013. All current projects had been showcased together. The event had been well attended, upbeat and there had been cross pollination of ideas;
- Community members had helped to arrange the event, they had accessed mentoring, funding had been accessed from the Community Leadership Fund.
- An awareness raising session on countering CSE was planned for community groups on signs to look out for and what to do. Following the event a report would be brought back to Area Assembly Chairs about how well the event worked.

Andrea Peers, Area Partnership Manager, provided an update in relation to the Rother Valley South Area: -

- Disused allotments – letters had been sent to plot holders regarding rights and responsibilities.
- An 'Uprising Event' was planned for 21<sup>st</sup> February, 2014 for young people. It would be hosted and run by JADE and aimed to give an authentic nightclub experience for under 18s. Funding had been accessed from JAG money and a bid to CAP. It was hoped that 600 people would attend. Partners including sexual health, Know The Score and the Community Alcohol Partnership would be in attendance and have information available.

Christine Staniforth, Area Partnership Manager, provided an update in relation to the Wentworth North Area Assembly Area. The funeral of Harry Toole had been really well attended. The condolences of all were passed on to his family, his death was a sad loss to the area.

LED Christmas tree lights had been purchased from Swinton and Wath Members' Community Leadership Fund contributions.

Affordable warmth Sessions provided by the National Energy Action organisation had been run for staff and partner training in the areas of Wentworth, Harley and Brampton. Council houses were classed as relatively energy efficient, so efforts were being concentrated in areas where housing stock was less well insulated. Further sessions in February would be provided. Feedback about the training session was shared from an Elected Member who had been in attendance. Christine agreed to pass this back to the NEA, who had been the external training providers.

Christine Staniforth, Area Partnership Manager, provided an update in relation to the Wentworth South Area Assembly Area. A Christmas event had been run on 23<sup>rd</sup> December, 2013, in Dalton Parish Hall. Twenty-two people had attended. The Christmas Fayre was for disadvantaged community work. A 'Summer Wonderland' event was planned for February.

Shaun Mirfield, Area Partnership Manager, provided an update in relation to the Rotherham North Area Assembly Area.

- Presentations that would be provided for the Area Assembly included the HS2 presentation and the Integrated Youth Support Services.
- Potential relocation of the SNT base;
- Consultation events relating to 'Supporting the Landlord Licensing' in the central areas;
- A meet and greet with new Officers, Members and partners had been arranged;

Councillor N. Hamilton wished to record his thanks to Sargent Billy Bell, who had moved to the Maltby Area, for his service.

Discussion ensued on the premise requirements for the area's SNT. A further meeting would take place with all Partners to resolve the issues.

Resolved: - That the information shared be noted.

## **22. COMMUNITY FIRST EVALUATION**

Consideration was given to the report presented by Shaun Mirfield, Area Partnership Manager (Housing and Neighbourhood Services, Neighbourhood and Adult Services Directorate) that outlined an evaluation of the impact of the Community First Neighbourhood Match Fund in Rotherham to 31st December, 2013.

Nationally, there were three aspects to the Community First Neighbourhood Match Fund: -

- The Neighbourhood Match Fund - £30 million - a small grants

programme for some of the most deprived areas in England, administered by the Community Development Foundation (CDF);

- National Endowment Match Challenge - £50 million;
- Community Organisers.

The Cabinet Officer for Civil Society viewed the Community First Neighbourhood Match Fund as: -

1. A means of enabling small social action projects, encouraging individuals/groups to bring change to some of the most deprived communities in the country;
2. A tool to support new and existing projects;
3. Part of a broader power shift, putting local residents in the driving seat, building their capacity and confidence to develop community led solutions.

Evaluation had been undertaken in Rotherham based on the three Cabinet Office objectives.

There was confidence that the Community First Neighbourhood Match Fund was meeting the first objective in Rotherham.

- £712,000 would be delivered into voluntary-community sector projects in some of the Borough's most deprived neighbourhoods. To date, £396,964 had been awarded by the eleven Ward based Community First Panels to 255 projects;
- The submitted report included examples of best practice in relation to the first objective, and included which of the Ipsos Mori categories each project supported.

In relation to the second and third objectives, the picture was more mixed. Funding had largely been awarded to existing projects. Panels had, however, increased their knowledge of and links to the work of existing projects in their Wards. Feedback from Panels' voluntary-community sector members had highlighted how they had welcomed the opportunity to work with Councillors and senior officers. Local residents had been involved in setting local priorities, approving projects for funding and projects representing community-led solutions to local issues. This represented a positive experience and confirmed that groups/organisations who, with support, could take on a greater role in future work.

Discussion ensued on the regrettable situation that had led to two of Rotherham's Deprived Neighbourhood's not being eligible to participate in Community First under the criteria supplied by the Cabinet Officer for Civil Society.

The next steps towards the end of the funding stream were discussed. It was noted that there was a £21,000 remaining allocation to be made from Year Three's funding allocation. Year Four's funding would need to be allocated over the nine-month period between April – December, 2014.

Discussion ensued on the information presented: -

- Increasing the range of voluntary and community sector organisations that submitted funding bids;
- Future infrastructure sustainability;
- Case studies in the report would be very useful way to illustrate the benefit;
- Information sharing between partners, including project management and analysis;
- A smaller number of small groups were coming forward with funding bids;
- A further message should be sent out emphasising the deadlines for when the money needed to be spent by.

Resolved: - That the information shared be noted.

## 23. BUDGET CONSULTATION

Consideration was given to the presentation Asim Munir, Community Engagement Officer (Housing and Neighbourhoods, Neighbourhood and Adult Services Directorate) gave that outlined the, 'Money Matters / Council Priorities Consultation (2014/2016) that had taken place towards the end of 2013.

The consultation process had taken place between 28<sup>th</sup> October, 2013 – 29<sup>th</sup> November, 2013.

The presentation included: -

- Methodology – how and where the consultation programme had been conducted;
- The questions asked as part of the 'Money Matters Consultation (2014-2016);
- How the 'on-line forum' had been used for the first time;
- The headline messages received by the on-line forum and the suggestion scheme, the employee budget savings initiative and the consultation event.

The headline messages gained so far: -

- Political and Governance issues;
- Human Resource issues;
- Making efficiencies;
- What could the community do more to help;
- Community responses mirrored what employees said;
- Needs-led focussing on those in the greatest need;
- Promotion on self-help;
- Earliest stage of intervention – but not create a dependency either;

- Minimum cost of universal services;
- Multi-use of assets and greater partnering with the Voluntary and Community Sector;
- Silo working;
- Empowering communities to help themselves;
- Promoting and valuing volunteering;
- Promoting neighbourhood pride, supporting community groups with information and resources;
- Providing tools, equipment and training;
- Stop or reduce – statutory or value and priority driven;
- Outsourcing and encouraging parish councils and the Voluntary and Community Sector;
- Strong support for delivery by private sector, VCs and parish – open and competitive tendering;
- Funding in kind;
- Turn off street lighting;
- Direct payments.

The way forward –

- Media campaign and feeding back to the press;
- On-line forum feedback.

Discussion ensued and the following issues were raised: -

- Thought to be given to extending on-line forum style of consultation for future consultations;
- Support for the increased use of social media as a way of engaging and moving forward;
- Ensuring that those not using social media or the internet were not left out of opportunities for representation;
- With social media and on-line forums, it could be expected that an instant response was received to consultation responses.

The Community Engagement Officer reported that a Fair Trade Dinner had been arranged for 10<sup>th</sup> April, 2014. The meal would cost £20 a ticket for a five course meal. Tickets would be on sale shortly.

Resolved: - (1) That the information shared be noted.

(2) That the item of further utilising social media and on-line forums within Area Assemblies be brought to a future meeting for consideration.

## **24. TENANTS CONFERENCE 2014**

Christine Staniforth spoke about the forthcoming Tenants' Conference. DATE.

Tenants had been invited through the tenant involvement letters, meaning

that advertising the event brought no additional costs.

Workshops to be provided at the conference included – digital inclusion, demonstrations on how to access council services on-line, volunteering and welfare reform information.

Information relating to the Streetpride Champion re-launch, and the welfare seminar was also requested to be considered.

Resolved: - That the information shared be noted.

## **25. CSE AWARENESS RAISING**

The previously mentioned CSE awareness/training event being hosted by Wentworth Valley was noted. It was agreed that the lessons learned would be passed on to a future meeting of the Area Assembly Chairs.

Resolved: - That the information shared be noted.

## **26. AREA ASSEMBLY AND AREA ASSEMBLY CO-ORDINATING GROUP MEETINGS**

Consideration was given to the submitted document that outlined the Area Assembly and Area Assembly Co-ordinating Groups proposed Terms of Reference and Article 12 of the Council's Constitution. Minute No. ?? of the Area Assembly Chairs Meeting held on 11<sup>th</sup> November, 2013, refers.

Discussion was undertaken on the information in the documents. Feedback from the Area Assembly Chairs was positive, and a small number of factual matters were highlighted.

Required changes: -

- Change the date of the Annual Council Meeting shown at Section 7.4 to 6th June, 2014 (not 24<sup>th</sup> May, 2014);
- In Section 7.2.(9) remove reference to four-years of office and replace with 'a full term of office';
- Section 7.3 to make reference to 'co-optees'.

Resolved: - (1) That the report be received and its content noted.

(2) That, subject to the above amendments being made, the Terms of Reference for Area Assembly and Area Assembly Co-ordinating Group Meetings, and Article of this Council's Constitution, be approved.

(3) That the revised document be presented to Full Council to be ratified.

## **27. AREA PARTNERSHIP TEAM STAFFING UPDATE**

It was noted that Kay Bacon, TITLE, had retired shortly before Christmas.



All of her colleagues had wished her well. A recruitment process was underway for this post.

Elaine Hedge, TITLE, was also due to leave the Council.

One Councillor wished to record their belief that silo-working was leading Area Assembly staff to have to spend large amounts of their time chasing information.

Resolved: - That the information shared be noted.

**28. DATE AND TIME OF NEXT MEETING -**

Resolved: - That the next meeting take place on Monday 10<sup>th</sup> March, to start at 2.00 p.m. in the Rotherham Town Hall.

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1. Meeting:</b>	<b>Cabinet Member Safe and Attractive Neighbourhoods</b>
<b>2. Date:</b>	<b>3<sup>rd</sup> March 2014</b>
<b>3. Title:</b>	<b>Key Choices Property Management (KCPM)</b>
<b>4. Programme Area:</b>	<b>Neighbourhoods and Adult Services</b>

## 5. Summary

Key Choices Property Management (KCPM) has been established since 2006. The KCPM Gold Service currently manages 80 properties which are owned by 66 different landlords and the KCPM Bronze and Silver Service has an additional 10 landlords in its portfolio.

The core business of KCPM is to manage private rented sector (prs) properties, and to increase the access to prs properties for people who approach KCPM. In the current economic climate, it is not appropriate that the Council provides a subsidised housing management service for private landlords. But it is critical that the support elements of the service currently available to assist those people who may otherwise struggle to access the prs are enhanced.

Since its inception in 2006 the KCPM service has been subsidised, currently this amounts to £44K p.a., and despite repeated attempts to make the KCPM self-financing through increasing the portfolio, the total number of managed properties has not increased.

The report recommends that we disestablish the KCPM housing management service but retain certain functions that contribute to the Deprived Neighbourhood Plan and the Homelessness Prevention Strategy.

## 6. Recommendations:

### That Cabinet Member:

- **AGREES TO DISESTABLISH THE KCPM SERVICE BUT RETAIN AND ENHANCE CRITICAL SUPPORT FUNCTIONS AS DETAILED IN SECTION 7.2.**
- **AGREES THAT SUPPORT IS PROVIDED TO EXISTING KCPM LANDLORDS TO IDENTIFY AND TRANSFER TO A SUITABLE LETTING AGENCY OF THEIR CHOICE AND IF APPROPRIATE TO OFFER ONGOING SUPPORT TO CURRENT TENANTS.**

## 7. Background and Proposals

### 7.1 KCPM - the current provision

Although it is recognised that the current KCPM service brings lots of added value and positive outcomes for both tenants and landlords the scheme is only currently helping 68 households from a portfolio of 80 (with 14 void). As demand for private rented homes increases the KCPM service urgently needs to be redesigned so that the team are able to offer a housing option and resettlement service to help more vulnerable people in housing need have more capacity to work with more landlords and be.

This report considers how the KCPM can re-focus resources to ensure private rented tenants are supported to set up their home. This will give the landlord some reassurance that the letting will be sustainable. To do this we will need to disestablish the KCPM housing management service and retain functions that support vulnerable people.

The service is based in the Housing Options Service and is delivered by 1 FTE Housing Co-ordinator, Band H, 2 FTE Housing Officers, Band G and 1 Part time Tenancy Support Worker Band F.

The main functions are tenancy management, which include rent collection, processing housing benefit claims, processing rent payments from tenants to landlords, arrears monitoring, taking action against any tenancy breaches, including court action, processing repairs for tenants and landlords, advertising properties, undertaking credit checks prior to lettings and offers a "home start up" tenancy support service.

The 5 main reasons why the KCPM service should be reviewed are:

- Past trends clearly show that although the team have had a 5 year business plan to increase their portfolio and have tried to achieve this, the number of managed properties has consistently remained less than 100 units. Currently there are only 68 properties let.
- The KCPM service is expensive to run as the income from management fees has not covered all costs. Since 2006, when KCPM was established, the vision was that the KCPM scheme would be self-financing by 2013, but year on year, the scheme has continued to be subsidised with £44,112 (grant funding of £30K and £14,112 from other services.) This is largely subsidising private landlords in organising the maintenance of their stock and collecting rent. There is also a risk that KCPM will overspend, adding extra pressure to the general fund by £15,221.
- The current software used by KCPM has a number of issues and is unusable in its current state. Poor stability and performance along with outstanding updates and patches are the main issues. If the scheme were to remain a new ICT system needs to be procured which will manage rent payments for the private rented sector. This will result in a requirement for additional expenditure
- The housing management element of the service is very time consuming, costly and this part of the business could be delivered by an external provider.
- The processing of rent payments on behalf of landlord's means that there is less time available to carry out functions that have real added value, such as assisting vulnerable customers who are struggling to find their ideal home and also supported the new tenant to set up housing benefits and utilities.

For some households the stress of finding rental accommodation is doubly complicated for people who are ex-offenders; single people aged under 25 years old, people not in work, people fleeing domestic violence and people living in temporary homeless hostels who are ready to move on to live independently.

The main reason why they struggle to access private rented homes is that some letting agents and landlords are reluctant to let their properties to customers who are claiming benefits or have perceived problems. However we have found that landlords are willing to offer their properties to these households if they are supported by the KCPM service. This is the element of the service that we propose to retain. This will help plug a gap for many vulnerable households who seem to be excluded from accessing private rented homes.

With support from the KCPM service the customer will have a better opportunity of being accepted for a private property even with poor credit history, the team can ensure the customer has the opportunity to access rent in advance or a bond. The team can also help to fast track the processing of their housing allowance so that the Landlord is more willing to take on a vulnerable customer knowing that they have the support of an officer. The provision of support has shown positive results, out of the 68 current lettings, 41 properties have been let continuously to the same tenant for a period over 6 months and 31 properties have remained let to the same tenant for a period over 12 months.

### **7.2 An alternative approach focussing on the needs of tenants not the management of private property.**

**The recommendation is that Key Choices Property Management (KCPM) removes the property management service, reduces the size of the team, and develops a more central role within the Council's private rented sector agenda with more emphasis on engagement to improve standards, increasing access and tenancy sustainment.**

**Housing Management Functions** - It is proposed that KCPM Service stop undertaking housing management functions including; processing rent payments from tenants to landlords, arrears monitoring, taking action against any tenancy breaches, including court action and processing responsive repairs for tenants and landlords. These housing management services take up 75% of 2 x officer's time and could be provided by an alternative letting agent. We are currently in dialogue with a number of letting agents to find out what the costs are to both prospective landlords and tenants and as part of the exit plan, we propose to pass this information onto the current KCPM landlords so that they can either choose to manage their property themselves or utilise another letting agent. It will ultimately be the Landlords decision; the Council will not be recommending a preferred letting agent. This will mean that the current portfolio could end up being managed by a range of different letting agents.

The attached spreadsheet details the cost to the customer and landlord from a range of letting agents. We have also met with 2 letting agents; Crucible Homes and Mulberry Homes who have both shown an interest in managing KCPM properties, and the tenant would remain in situ. A comparison of the services and costs are:

- **KCPM** – Portfolio of 80 properties of these 68 properties are let, these are situated in Rotherham, managed by 2 officers. The charges to the landlord are 11% commission including VAT, which covers the cost of rent collection, tenancy management and organising repairs. Properties are inspected to the Housing Health and Safety Rated Standard (HHSRS) and there are no administration or up front charges to the tenant.

- **Crucible Homes** – Portfolio of 650 properties, managed by 4 members of staff (of these 400 properties are situated in Rotherham.) The charges to the landlord are 10 % commission plus VAT, which covers the cost of rent collection, tenancy management and organising repairs. Properties are visually inspected but this is not to the Housing Health and Safety Rated Standard (HHSRS). However, Crucible Homes have now advised that they will arrange for 1 officer to attend the HHSRS training course so that their portfolio of properties are inspected to the HHSRS as a matter of course. The charges to the tenants are up front cost of an admin fee of £120 plus VAT for a single applicant and £150 plus VAT per couple; this also covers the cost of credit searches. If the customer fails the credit search the admin fee isn't refunded, however Crucible state that if the prospective tenant was honest and had advised them that it would be likely that they would fail the credit check, in some instances the admin fee would be refunded.
- **Mulberry Homes** – Portfolio of 100 properties situated in Rotherham managed by 2 members of staff. The charges to the landlord are 10 % commission, there is no VAT as they are not registered, and the charge covers the cost of rent collection, tenancy management and organising repairs. Properties are visually inspected but this is not to the Housing Health and Safety Rated Standard (HHSRS). The charges to the tenants are up front cost of admin fees of £100 for a single applicant and £150 per couple; this covers the cost of credit searches.

In stopping the housing management service for landlords the process would be to:

- Communicate with landlords, providing information about a range of letting agents, and their respective charges and services. The Letting Agent contact details will also be provided so that landlords can personally contact providers to make informed choices and decide either to manage the tenancy themselves or transfer the housing management of their property to an alternative letting agent. (See Appendix 1)
- Liaise with the Council's legal services to terminate the current KCPM contracts with 46 landlords, which requires 1 months' notice
- Re - register the deposits that are lodged in the National Deposit Protection Scheme. There will be no cost to transfer the deposits into the landlord or letting agents name.
- Communicate with 68 KCPM tenants advising them that their home will be no longer managed by KCPM, that from a certain date they will need to liaise directly with the Landlord or new management agent if known at that time.
- The tenancy agreement doesn't need to change as this is already set up directly between the tenant and the landlord

In ending the housing management functions there is opportunity to refocus resources so that customers get a better offer in the private rented sector, **improving standards, increasing access and tenancy sustainment**. The team would reduce from 3.6 to 2 officers. The new service would cost £55,406 for 2 x Band G officers. There are currently 3.6 staff in the team, the Coordinator has recently found alternative employment; it is proposed that this post will not be back filled. This means that the 2.6 staff will be affected; however some may apply for other posts that become available in the wider housing options structure. There are no TUPE implications to consider.

It is strongly advisable that we retain the functions that help bring long term empty homes back into use and support tenants to remain in their tenancies. That we continue to give

some reassurance to landlords through tenancy intervention so that landlords are willing to offer tenancies to homeless non-working households, in doing so the team would carry out the following functions:

**a. Offer a home start and a short term tenancy intensive intervention service for up to 4 weeks to support vulnerable people** to start up their tenancy or intervene where there is a risk of losing a tenancy, thereby preventing homelessness. This service could also be requested by the Homeless team with the landlord's permission or by the Council's Housing Management and Income team. The functions will include helping Private rented and Council tenants to help:

- apply for and fast track Housing Benefit claims
- set up payment plans to repay arrears
- set up direct debits for tenants
- apply for furniture provision
- negotiate agreements/arrangements with Landlords to prevent evictions
- seek help to manage their budget by referring to Money or debt advice
- set up utilities for tenants
- identify support needs and refer onto the appropriate services
- access and refer to employment advice
- access to furnished homes

A short term intensive intervention service would also help to increase Private Rented Sector Offers to discharge the Council's homeless duty as landlords may be more willing to offer up their tenancies knowing there is a package of support from the start of the tenancy. There are currently 16 KCPM properties where landlords of the KCPM service have only been willing to offer tenancies to vulnerable non-working households where an intensive support package is in place. All homelessness preventions where customers have been relocated into private rented properties will be offered this service. Last year between 1/4/12 and 31/3/13 this equated to 847 households.

Once the tenancy has been set up a referral will be made to an appropriate Floating Support Services. E.g. action housing, mental health services, substance misuse services. Supporting People Contracts could be amended so that automatic referrals were accepted from the KCPM team. This intervention service will enable existing floating support providers to support more people as they would find it difficult to cope with such a high case load but by undertaking the home start service by KCPM in house would increase the case load of people supported by floating support services, as all the utilities and benefits would be in place from the onset of the tenancy, leaving the provider to concentrate on providing their specialist support to more households.

**b. Undertake HHSRS inspections** to help to bring long term empty private rented properties back into use. By working alongside Community Protection Unit to offer free property inspections that comply with Health and Safety Rating Standard (HHSRS), offer advice to landlords in respect of any necessary improvements, where landlords agree to let the property to a homelessness referral applicant. We currently undertake property HHSRS inspections prior to rent in advance loans being issued on private rented homes, and these are currently completed by a private company and are paid for from the general fund out of the homelessness prevention grant at a cost of £12,600, bringing the service in-house will produce a saving to the General fund of at least £12,600 per annum

**c. Increase awareness of Housing Options and contribute to the Customer Access strategy.** - The Housing Allocation Policy is currently under review, the proposed changes in the Allocation Policy (if agreed) will mean that some households will not be eligible for Council housing, as such we need to strengthen self-service information about alternative

housing options in the private rented sector. New products could also be developed for private landlords such as furnished homes and we are proposing to undertake an option appraisal of the current paper bond service currently delivered by Robond at a cost of £25K per annum. This paper bond scheme could be delivered in house but will be subject to an equalities impact assessment and a separate report.

## 8. Finance

**8.1** As mentioned earlier in the report the service is costing £44,112 (grant funding of £30K and £14,112 from other services.) The KCPM Coordinator has now left the service on 29/11/13, and savings have been made by not back filling the post. This has reduced the risk that KCPM will overspend, which would have added extra pressure to the general fund by £15,221. Income from management fees and repairs will also bring back the account to a balanced budget by year end.

Expenditure Year	13/14	14/15	15/16	16/17
Salaries	£95,355	£96,308 (1% increase)	£97,271 (1% increase)	£98,243
Operational Costs	£3,978	£4,017 (1% increase)	£4,057 (1% increase)	£4,097 (1% increase)
<b>Total</b>	<b>£99,333</b>	<b>£100,325</b>	<b>£101,328</b>	<b>£102,340</b>
<b>Income</b>				
Contribution funding 40% from furnished homes	£14,112	£14,253	£14,395	£14,538
80 fully managed properties	£30,000	£58,860 (100 fully managed properties)	£70,632 (120 fully managed properties)	£82,404 (140 fully managed properties)
Repairs admin fee income	£10,000	£12,500 (100 fully managed properties)	£15,000 (120 fully managed properties)	£17,500 (140 fully managed properties)
Homelessness Prevention Contribution	£30,000	£20,000	£10,000	NIL
<b>Total Income</b>	<b>£84,112</b>	<b>£105,613</b>	<b>£110,027</b>	<b>£114,442</b>
<b>Total Expenditure</b>	<b>£99,333</b>	<b>£100,325</b>	<b>£101,328</b>	<b>£102,340</b>
	<b>- 15,221</b>	<b>+ £5,288</b>	<b>+ £8,699</b>	<b>+ £12,102</b>

The table above shows 3 year projections. If no contribution from fees, furnished homes or the prevention grant, the service would cost £99,333 which is paid via the general fund. If the service was to end savings would be made to the HRA by £14,112 (furnished homes), and £30,000 savings to the homelessness prevention grant. We would lose the income from management fees and repairs admin charge.

It is proposed that the general fund savings of £30K (prevention grant) and HRA (furnished) savings of £14,112 contribute to 2 new Band G Officers based in the Homelessness service. The total cost of these 2 posts is £55,406. It is proposed that this is proportioned with 20% General fund (£11,460) using the prevention grant and 80% (£43,946) from the furnished homes budget. This would generate prevention grant savings of £18,540, e.g. Prevention grant is now used £30,000, new lower costs are

£11,460 giving a savings of £18,540 to the prevention fund. This could be utilised for alternative homelessness prevention activity.

**8.3** Currently the homelessness prevention grant contributes £12,600 to the cost of HHRSR inspections undertaken by a private contractor. HHRSR inspections could be delivered in house as a relatively small part of the 2 officer's duties, thereby releasing funding for alternative homelessness prevention activity.

### **9. Risks & uncertainties**

**9.1** Over the years KCPM have developed good relations with landlords and tenants. Therefore, careful consideration for the housing management exit strategy needs to be undertaken, with information regarding services and costs of alternative letting agents provided to KCPM landlords.

**9.2** If the properties are not managed by KCPM, this could have an impact on each individual tenancy thus having an impact on people presenting as homeless. Therefore it is imperative that tenancy support remains in place for vulnerable customers until an alternative support provider is commissioned.

**9.3** One of the main risks, if the KCPM's management function ends, is that people who don't work will have less opportunity to access private rented accommodation. The tenancy support service would minimise the risk for these non-working households

### **10. Policy and Performance Agenda Implications**

Ensuring access to housing is as fair as possible will contribute to two of the priorities of Rotherham Partnership's Community Strategy: Ensure the best start in life for children and families, and Support those that are vulnerable within our communities.

It also contributes to four of the ten commitments within our new Housing Strategy:

- Commitment 1: We will deliver Council housing that meets people's needs
- Commitment 2: We will increase and improve the supply of affordable rented housing
- Commitment 6: We will help people to access the support they need
- Commitment 7: We will help people in Rotherham's most disadvantaged communities



## **11. Background papers and consultation**

### Background papers

- RMBC's Housing Allocations Policy,
- Localism Act 2011
- Discharge of Homelessness Statutory Duty, Cabinet, 18 July 2012

### Consultation

Consultation has been carried out with senior managers, finance and legal services. Once agreed we will begin a robust communication process with staff, landlords and tenants

## **12. Contact details**

Sandra Tolley, Housing Options Manager  
Sandra.tolley@rotherham.gov.uk / 01709 255619

Letting Agents

	Hume & Co	Sensis	First Fields	Crucible	Merry weathers	Martin & Co	Cedar	DJP	
TENANTS	What is the cost of the admin fee for the tenant?	£100	£200	£75	£120 plus vat for single person £150 for couple plus VAT	Application fee £100 £150 for joint application extra £50 at sign up	£100	£125 for single person the £25 extra per additional person	£175 per property
	Is there a separate charge for Credit search?	No	No	Included in the above	Included in the above	Included in the above	£50 per person	Yes only if on benefits	No
	Do you accept paper bond?	No	No	No	No	No	Only on 1 property	No	No
	Do you ask for a gaurantor and do you charge for this?	under 21's no charge	sometimes	Under 25's or benefits £50 per enquiry	Depending on age / income	Yes £50 charge	Yes no charge depending on income & age	Under 25's or benefits	No
	Do you accept people on benefits?	Yes on specific properties	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Do you request references?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
	Do you offer 12 month tenancies?	No	No	Start on 6 months then can do 12 month AST	Start on 6 months then can do 12 month AST	Yes but dependant on the landlord	Yes but dependant on landlord	Yes dependant on the landlord	Yes but dependant on landlord
LANDLORDS	What is the charge for the landlord?	commision	between 6-10% on rent collected	10% monthly rent - have 3 scales	10%	10 - 12% on rent collected	varies on level of management	10-11% if they find the tenant an extra charge £350	Varies on level of management
	What standards are properties inspected to eg HHSRS Note that: If a Rent in advance loan is taken out via the council then the property will be inspected to HHSRS	Visual inspection	Visual inspection	No	Visual inspection	Visual then quarterly	Visual	Visual	Visual

<b>ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Cabinet Member for Safe and Attractive Neighbourhoods</b>
<b>2.</b>	<b>Date:</b>	<b>Monday 3rd March 2014</b>
<b>3.</b>	<b>Title:</b>	<b>Housing Revenue Account Budget Monitoring Report 2013/14</b>
<b>4.</b>	<b>Directorate:</b>	<b>Neighbourhoods and Adult Services</b>

**5. Summary**

This budget monitoring report presents the forecast outturn position on the 2013/14 Housing Revenue Account (HRA) based upon actual income and expenditure to the end of January 2014.

The overall forecast is that the HRA will require a reduction in the planned transfer from working balance (reserves) of £0.532m which is £2.067m less than the approved budget.

**6. Recommendations**

- **That cabinet member receives and notes the latest financial projection against budget for 2013/14.**

## 7. Proposals and Details

- 7.1** This budget report is based upon actual income, expenditure and known commitments as at the end of January 2014 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 2013/14 which shows the various income and expenditure budget lines which make up the net cost of delivering the service. The latest forecast net cost of service is (-£7.880m) which, together with Revenue Contribution to Capital (RCCO) costs of £8.437m and interest received (-£25k) will result in an overall deficit of £0.532m to be transferred from 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 £14.602m).
- 7.4** Budget Monitoring is therefore mainly focussed upon expenditure and income which is within control, i.e. income of £78.904m, the repair and maintenance budget of £17.996m and supervision and management of £20.065m. 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 January 2014.
- 7.5.2** Overall it can be seen that the net cost of service (before RCCO and interest received) is forecast to be -£7.880m, a surplus of £2.067m as shown in the table below.

	<b>Budget £000</b>	<b>Forecast £000</b>	<b>Variance £000</b>
Expenditure	73,091	72,049	-1,042
Income	-78,904	-79,929	-1,025
<b>Net Cost of Service</b>	<b>-5,813</b>	<b>-7,880</b>	<b>-2,067</b>

- 7.5.3** Several of the budget lines within income and expenditure are forecasting to outturn with a variance to budget as highlighted in the table below:

	<b>Budget £000</b>	<b>Forecast £000</b>	<b>Variance £000</b>
<b>Expenditure:</b>			
Housing Repairs Account	17,996	17,544	-452
Supervision and Management	20,065	19,675	-390
Cost of Capital Charge	14,602	14,402	-200
<b>Income:</b>			
Dwelling Rents	-74,245	-74,450	-205
Non Dwelling Rents	-792	-768	24
Charges for Services	-3,602	-4,315	-713
Other Fees and Charges	-214	-345	-131
<b>Net Variance</b>			<b>-2,067</b>

**7.5.4** It can be seen that there is a forecast increase in income and an under spend on the expenditure budget.

**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 £72.049m compared to a budget provision of £73.091m, a reduction in spend of £1.042m. The main 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 forecasting an overall underspend of £452k against a budget of £17.996m.

**7.6.2** The empty homes budget is difficult to forecast as this is a very responsive service. The original budget has been set based upon an estimated 1,500 minor voids in year. At the end of December there were 216 more completions than budgeted. The main reason for the increase is the impact of the Welfare Reform as more tenants requested a transfer to smaller properties.

Within the Housing Repairs budgets there is an overall forecast overspend on Empty homes due to increase in minor voids.

However, this is offset by a forecast under spend on overheads within revenue schemes plus shared savings now agreed with both contractors.

### **7.6.3 Supervision and Management**

Column B of Appendix A demonstrates that based upon expenditure and commitment to date, total expenditure is forecast to outturn at £19.675m, a forecast overall under spend of £390k.

The main reason for the variation is lower than expected staff turnover including delays in implementing the review of structures across a number of teams. This is reduced by an additional contribution to the Furnished Homes reserve due to additional income as more clients use the scheme (see paragraph 7.7.3).

### **7.6.4 Cost of Capital Charge**

This latest forecast cost of capital charge is £200k less than budgeted due to lower than anticipated interest rates.

## **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 £79.929m an increase of £1.025m above the approved budget of £78.904m.

**7.7.2** Dwelling rental income is projected to over recover by £205k, after allowing for 2% loss of income. However, Non-dwelling rents is forecast to slightly under recover against budget of £24k due to a review of other properties resulting in less income due to the HRA.

**7.7.3** Income from charges for services and facilities are forecasting an outturn of £4.315m, an over recovery of income of £713k. This is mainly due to additional income on Furnished Homes (£633k) due to increase in number of clients, additional fee income from Right to Buy sales (-£13k) plus one off income from prior year charges for District Heating (-£82k). However, there is a forecast under recovery of income from clients using Sheltered Neighbourhood Centres services (+£15k) as tenants opting out of the laundry charge due to having their own facilities.

**7.7.4** Other fees and charges is forecasting an over recovery of income of £131k against budget, which includes additional unbudgeted income in respect of the sale of Tenants contents insurance, recovery of court costs, income from sale of second hand furniture and income from utility companies for the use of solar panels.

## **7.8 Summary**

In summary it can be seen in foregoing paragraphs 7.6 and 7.7 that the variance to budget of -£2.067m when comparing the forecast net cost

of service against the budget of -£5.813m is due mainly to variances within housing repairs, supervision and management and cost of capital together with an over recovery of 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 from balances will reduce from £2.599m to £0.532m, a reduction of £2.067m. The reduction in contribution from reserves is mainly a result of an increase in the level of income anticipated together with lower than forecast borrowing costs and forecast underspends on repairs and supervision and management.

## 9. Risks and Uncertainties

- **Inflation – Non Contractual** –The 2013/14 Budget was formulated around an inflation assumption of nil (except on utilities); 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 2.6 % 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 1,500 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.

- **Impairment of Fixed Assets**

HRA Self Financing legislation has resulted in the costs of impairment/revaluation of non-dwellings becoming a real charge to be met by the HRA. This figure cannot be calculated until year end after the asset register has been fully updated. In 2012-13 the impairment charge was £646k.

**Mitigation:** Action is being taken to review the management of expenditure on non-dwellings assets to minimise the risk of impairment charges to the HRA. Advice is also being obtained via CIPFA as this is a real issue affecting many other local authorities.

## 10. Policy and Performance Agenda Implications

10.1 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 (2013/14) to Cabinet February 2013
- Director of Finance and Director of Housing and Neighbourhood Services have been consulted on the preparation of this report.

**Contact Name:**

**Mark Scarrott, Finance Manager, Neighbourhoods and Adult Services, Financial Services, Business Partnering, ext: 22007, email [mark.scarrott@rotherham.gov.uk](mailto:mark.scarrott@rotherham.gov.uk)**



## Housing Revenue Account - Draft Budget Operating Statement

Narrative	2013/14 Full Year Budget £	2013/14 Forecast Out-turn £	Variance £
<b><u>Expenditure</u></b>			
Contributions to Housing Repairs Account	17,996,000	17,543,622	-452,378
Supervision and Management	20,065,000	19,675,356	-389,644
Rents, Rates, Taxes etc.	174,000	173,927	-73
Provision for Bad Debts	742,500	742,500	0
Cost of capital Charge	14,602,200	14,402,200	-200,000
Depreciation of Fixed Assets	19,288,734	19,288,734	0
Deferred Charges	0	0	0
Impairment of Fixed Assets	0	0	0
Debt Management Costs	222,000	222,000	0
<b>Expenditure</b>	<b>73,090,434</b>	<b>72,048,339</b>	<b>-1,042,095</b>
<b><u>Income</u></b>			
Dwelling Rents	-74,245,061	-74,449,767	-204,706
Non-dwelling Rents	-792,280	-768,116	24,164
Charges for Services and facilities	-3,601,649	-4,314,868	-713,219
Other fees and charges	-213,800	-344,794	-130,994
Leaseholder Income	-50,910	-50,910	0
<b>Income</b>	<b>-78,903,700</b>	<b>-79,928,455</b>	<b>-1,024,755</b>
<b>Net Cost of Services</b>	<b>-5,813,266</b>	<b>-7,880,116</b>	<b>-2,066,850</b>
Amortised premia - Debt redemption	0	0	0
Interest received	-25,000	-25,000	0
<b>Net Operating Expenditure</b>	<b>-5,838,266</b>	<b>-7,905,116</b>	<b>-2,066,850</b>

**Appropriations:**

Transfer from Capital Finance Account- Deferred	0	0	0
Revenue Contributions to Capital Outlay	8,437,000	8,437,000	0
Transfer from Capital Finance Account- Impairment	0	0	0
Transfer from Major Repairs Reserve	0	0	0
Transfer from Reserves	-2,598,734	-531,884	2,066,850
<b>Surplus/Deficit for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Cabinet Member for Safe and Attractive Neighbourhoods</b>
<b>2.</b>	<b>Date:</b>	<b>Monday 3<sup>rd</sup> March 2014</b>
<b>3.</b>	<b>Title:</b>	<b>Neighbourhoods General Fund Revenue Budget Monitoring 2013/14</b>
<b>4.</b>	<b>Directorate:</b>	<b>Neighbourhoods and Adult Social Services</b>

### **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 2014 based on actual income and expenditure for the period ending February 2014.

The forecast for the financial year 2013/14 is an overall forecast under spend of (-£252k) against an approved net revenue budget of £2.463m.

### **6. Recommendation**

**That the Cabinet Member receives and notes the latest financial projection against budget for 2013/14.**

## 7. Proposals and Details

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

SERVICE AREA	Net Budget	Forecast Outturn	Variance from Net Budget Deficit/ (Surplus)	% Variation to Net Budget
	£000's	£000's	£000's	%
Strategic Housing & Investment	188	199	11	5.85
Housing Options	289	199	-90	-31.14
Housing & Communities	265	196	-69	-26.03
Central	312	305	-7	-2.24
Business Regulation	207	207	0	0
Safer Neighbourhoods	1,202	1,105	-97	-8.07
<b>TOTALS</b>	<b>2,463</b>	<b>2,211</b>	<b>-252</b>	<b>-10.23</b>

The main variations against budget can be summarised as follows:-

### 7.1 Strategic Housing & Investment Service (SHIS) (+£11k)

The SHIS team budget has a pressure of +£11k mainly as a result of lower than expected staff turnover against budget.

### 7.2 Housing Options (-£90k)

This area is projecting an overall under spend of (-£90k). This includes a (-£40k) projected under spend on the Dispersed Units Trading Account which will be requested as an earmarked balance to be carried forward at year end to support the on-going refurbishment programme for these units.

There is also a projected surplus of (-£60k) within the Private Sector Adaptations Service as a result of a continued vacancy and an increase in fees and charges from additional Aids and Adaptations work. The projected income is dependent on the additional work being completed by the year end and is being closely monitored.

The Key Choices Property Management Service is showing a projected over spend of +£10k as a result of lower than anticipated income from managed properties.

### 7.3 Housing & Communities (-£69k)

This service area is projecting an overall under spend of (-£69k).

This consists of projected under spends both within Area Assemblies and Supplies and Services budgets (-£50k) as a result of the Council wide moratorium on non-essential spend, which is partially reduced by a small over spend on Anti Social Behaviour due to lower than expected staff turnover +£4k.

There is also a small under spend of (-£4k) on the Community Safety Unit budget as a result of a recent vacancy which is not expected to be filled this financial year.

The under spend includes (-£19k) within Community Leadership Fund, of which £16k is relating to Members Annual budgets, and is likely to be requested as an earmarked balance for carry forward at the year end.

### 7.4 Central (-£7k)

A small under spend is forecast due to savings within supplies and services budgets.

### 7.5 Business Regulation (balanced)

Overall Business Regulation is projecting a balanced budget. Pressures on staffing costs within Health and Safety, Food and Drugs and Animal Health budgets totalling +£21k are being offset by savings within Trading Standards mainly due to continued vacant posts (-£43k).

Licensing is projecting an over spend of £34k due mainly to increased IT costs for Licensing Management software, and projected income for new licences not as high as originally anticipated earlier in the year.

Bereavement Services is now projecting a (-£12k) under spend as a result of lower than forecast costs relating to repairs and maintenance.

### 7.6 Safer Neighbourhoods (-£97k)

Savings within Community Protection through vacancy management, further savings achieved as a result of the moratorium on non-essential spend and additional grant funding, partly reduced by a small remaining pressure on income due to reduced Environmental Protection Act (EPA) applications, leaving an overall forecast under spend of (-£107k).

Also, essential Health and Safety work on Landfill Sites is resulting in a forecast overspend of +£10k in this area.

### 7.7 Agency & Consultancy

To date there has been no spend on Agency and spend totalling £46,808 on Consultancy within Neighbourhoods General Fund Budgets.

Consultancy expenditure was incurred in respect of data and analysis relating to Green Deal Energy Efficiency projects and Flexible Support Fund Project Delivery, both of which are externally grant funded.

## 7.8 Non Contractual Overtime

There has been minor expenditure of £200 on Non Contractual Overtime within Safer Neighbourhoods area. This was for the cost of weekend enforcement of the removal of Travellers from a Town Centre site.

## 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 December 2013. The forecast outturn is dependent on delivery of 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 2013 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 20 February 2013 – Proposed Revenue Budget & Council Tax 2013/14.

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

### **Contact Name:**

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<b>ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER</b>
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<b>1.</b>	<b>Meeting:</b>	<b>Cabinet Member for Safe and Attractive Neighbourhoods</b>
<b>2.</b>	<b>Date:</b>	<b>3 March 2014</b>
<b>3.</b>	<b>Title:</b>	<b>Housing Investment Programme 2013/14 – P10 January 2014</b>
<b>4.</b>	<b>Directorate:</b>	<b>Neighbourhoods and Adult Services</b>

### **5.0 Summary**

This report provides an update of the Housing Investment Programme 2013-14 to end of Period 10 January 2014.

As at the end of Period 10 January 2014, total spend on the Housing Investment Programme was £15,631,246 compared to a budget provision of £17,878,163 representing an under spend to date of £2,246,917 (-12.5%) variance against planned expenditure.

The report will provide details of savings and slippage on the individual schemes of work within the overall programme, and highlights the fact that the resources not profiled to be drawn down in 2013/14 will be carried forward into next financial year.

### **6.0 Recommendations**

That Cabinet Member receives and notes the spend and forecast position to the end of Period 10 January 2014.

The Cabinet Member approves total slippage of £1,263,067.

The Cabinet Member approves use of £362,853 of Capital receipts to fund reduction of Private Sector Adaptations backlog.

## 7.0 Proposals and Details

7.1.1 This budget report is based upon the outturn position for the Housing Investment Programme (HIP) up to Period 10 January 2014.

7.1.2 There has been a total spend of £15,631,246 against the revised budget of £17,878,163 which has resulted in an under spend to end January 2014 of £2,246,917.

	2013-14 Budget £	2013-14 Revised Budget £	Actual spend to P10 £	Forecast spend to 31 March 14 £	Forecast Variance to end March 2014 £
<b>Refurbishments</b>	<b>14,303,000</b>	<b>14,609,863</b>	5,196,763	12,408,782	-2,201,081
<b>Other Capital Works</b>	<b>9,934,000</b>	<b>10,377,546</b>	5,267,340	10,534,216	156,670
<b>Sub Total - Capital Works to properties</b>	<b>24,237,000</b>	<b>24,987,409</b>	<b>10,464,103</b>	<b>22,942,998</b>	<b>-2,044,411</b>
<b>Fair Access to All</b>	<b>3,091,000</b>	<b>3,784,215</b>	2,552,137	3,808,361	24,146
<b>Regeneration/Neigh bourhood Renewal</b>	<b>2,960,000</b>	<b>3,398,624</b>	1,922,029	3,263,613	-135,011
<b>Other Public Sector</b>	<b>2,166,000</b>	<b>725,335</b>	692,978	740,729	15,394
<b>Total Revised Capital Programme</b>	<b>32,454,000</b>	<b>32,895,583</b>	<b>15,631,246</b>	<b>30,755,701</b>	<b>-2,139,882</b>

There has been a total increase in forecast spend to 31<sup>st</sup> March 2014 within month of £1,063,420. This has reduced the forecast underspend from £3,203,302 to £2,139,882 prior to slippage.

## 7.2 Details

### 7.2.1 Housing Improvement Programme 2013-14 Capital Works

Appendix A provides the full programme breakdown of budget, forecast outturn, variance and slippage by project line and should be referred to in conjunction with the following explanations.

### 7.2.2 Refurbishments

**(Revised Budget £14,609,863 Forecast Outturn £12,408,782  
Variance -£2,201,081)**

Refurbishments is comprised of Internal Works (Decent Homes) and External Works (Roofing, pointing, cladding). Total spend to the end of January 2014 was £5,196,763.

The existing programme primarily focuses on External works to dwellings such as replacement roofs, external works to blocks of flats and replacement of fascia's, soffits and rainwater goods. The programmes have taken longer than anticipated to tender and mobilise, this has resulted in reduced forecast spend. Discussions have concluded with Keepmoat, resulting in an increased scope of works to now include full replacement of fascia boards and felt membrane beneath tiles abutting rainwater goods. This has subsequently increased spend forecasts on the fascia's,



soffits and bargeboard replacement programme so reducing the forecast underspend from P9 to P10. This financial year we have completed improvements to 1,714 properties through this programme.

### **7.2.3 Other Capital Works**

**(Revised Budget £10,377,546 Forecast Outturn £10,534,216  
Variance £156,670)**

The sections below, breakdown individual spend within the Other Capital Works budget. Collectively across all projects there has been an increased forecast spend within month of £223,620.

### **7.2.4 Environmental – Brinsworth**

**(Revised Budget £224,337 Forecast Outturn £224,337 Variance £0)**

Total spend to the end of January 2014 was £159,091. This project includes the completion of bin stores, paths and landscaping works around the Pike Road area and will be complete within the current financial year.

#### **Other Environmental Works**

**(Revised Budget £1,260,021 Forecast Outturn £1,130,114  
Variance -£129,907)**

Total spend to the end of January 2014 was £524,929. There has been an increase in forecast spend to 31 March 2014 from P9 to P10 of £78,345.

A variety of environmental schemes are ongoing and due to commence. Examples include:

#### **Briery Walk, Munsbrough**

The removal of overgrown trees and bushes in public open space which were creating secluded locations and blocking street lights. The clearance was the first phase of improvements before looking to improve security of drying spaces and secure drying spaces which have become run down/ damaged over time. We have used fencing to reduce opportunities for rat-runs in an attempt to aid police surveillance and deter opportunities for crime.

#### **St Johns Green, Kimberworth Park**

Visually opening and removing sheltered areas on communal stairs to flats above the shops which have had persistent troubles with ASB over many years. Also the installation of gates and railings to improve the security of these flats.

### **7.2.5 Empty Homes (Revised Budget £1.819m Outturn £2,581,153 Variance £762,153)**

Total spend to the end of December 2013 was £1,420,015.

There has been a slight reduction in forecast spend to the end of March 2014 of £22,239 within month. The primary reason for this reduction in spend is a slight reduction in average void cost. We continue to try and establish the reasons for the overall increase in major voids but continue to believe this is a result of increased terminations by tenants affected by general financial pressures resulting from Welfare reform.

181 major voids were complete to the end of January 2014. Major voids occur when the cost of bringing a property up to the lettable standard exceeds £4,000. This often occurs where a previous tenant has refused decent homes works and so properties now require new kitchens, bathrooms or central heating systems.

**7.2.6 Replacement Communal Entrance Doors  
(Revised Budget £929,863 Forecast Outturn £929,863 Variance £0)**

High security communal entrance doors have been replaced to 104 blocks of flats. It is anticipated this scheme will be fully complete by end of the financial year. Spend to date on this scheme is £522,754.

**7.2.7 Electrical Board & Bond  
(Revised Budget £200,000 Forecast Outturn £161,880 Variance -£38,120)**

There has been a reduction in forecast spend of £2,340 within month. Spend to the end of January 2014 was £67,621.

This is a demand led service and the number of properties requiring capital works following Fixed Wire Testing was lower than forecast.

Actual fixed wire test related works (re-wires, new consumer units etc.) have been carried out in 98 properties.

**7.2.8 Asbestos Removal & Testing  
(Revised Budget £370,000 Forecast Outturn £350,000 Variance -£20,000)**

There has been a total spend within month of £34,140 giving a total spend to the end of January 2014 of £308,330. This budget is primarily focused on funding asbestos surveys and removals to properties that are receiving planned capital improvement works. The under spend is a result of asbestos removal and testing now being met from within individual project budgets.

**7.2.9 Boundary Wall Treatments  
(Revised Budget £200,000 Forecast Outturn £0 Variance -£200,000)**

To date works have still to commence. It was anticipated works would take place to the boundary walls of 70 properties in the final quarter of the financial year. Due to a need to consult Leaseholders on the scheme this has resulted in the project now being delayed into 2014-15 and a request that budget of £200,000 be slipped.

**7.2.10 Flat Door Replacement  
(Revised Budget £620,362 Forecast Outturn £1,000,000 Variance £379,638)**

The Replacement Flat Door programme has now commenced, the forecast outturn spend is greater than budget allocation due to higher than expected costs received at tender stage. The forecast overspend on flats doors will be off set by virement of the windows budget, which is forecast to spend less than planned.

As at the end of January 2014 there has been a total spend of £242,968. A total of 192 properties have received new flats doors through this programme.

#### **7.2.11 District Heating Conversions**

**(Revised Budget £218,000 Forecast Outturn £89,794 Variance -£128,206)**

There has been a minor reduction in spend forecast of £674 within month. Spend to the end of January 2014 was £49,228.

The 2013/14 programme provides for a full stock condition survey of all District Heating schemes to enable more accurate forecasting in future. It was also intended to replace hoppers as part of a Renewable Heat incentive application, however as at the time of writing this report we have not received any indication if this application has been successful. We do not therefore anticipate any further work in Q4.

At the current time remaining spend forecast is based on previous years capital charges to cover potential breakdown of the District Heating system.

#### **7.2.12 EPC Improvements**

**(Revised Budget 475,000 Forecast Outturn £100,000 Variance -£375,000)**

Spend to the end January 2014 was £31,138. This budget was originally intended to fund External Wall insulation to non – traditional properties and installation of top up cavity and loft insulation. Given the success at levering in additional funds through the non traditional investment programme, the majority of funding for EWI has not been required and has been used on projects such as glazing upgrades.

Thermal efficiency works through upgrading of glazing to 16 properties has been undertaken to date allowing properties to become more energy efficient.

#### **7.2.13 New IT System**

**(Revised Budget £324,732 Forecast Outturn £80,000 Variance -£244,732)**

This budget is to fund the purchase and implementation of the new integrated Housing Management System, within month the forecast spend has increased by £20k. To date the project has experienced significant delays in implementation due to poor service from the supplier. As a result the funding of £244,732 will be slipped into 2014-15. There has been no spend to date. Discussions are ongoing with the supplier to rectify the situation.

#### **7.2.14 General Structures**

**(Revised Budget £650,000 Outturn £650,000 Variance £0)**

This budget is to fund remedial works to building structures and includes, pointing, rendering, underpinning and damp proof works. Based on current run rate for works and costs charged to revenue which are subsequently transferred to capital, we continue to expect fully spending this budget by end of the current financial year. Spend to the end of January 2014 was £228,627, a total increase within month of £134,860.

### **7.2.15 Lift Replacement**

**(Revised Budget £75,000 Forecast Outturn £56,882 Variance -£18,118)**

Works commenced mid-January 2014 to undertake the refurbishment of lifts at Shaftsbury House. It is anticipated all works will be complete by mid-March 2014. There has only been a minor spend to end of January 2014 which is £2,746, an increase of £2,496 within month.

### **7.2.16 Replacement of Central Heating/ Boilers (Revised Budget £3,010,589 Forecast Outturn £3,082,063 Variance £71,747)**

Spend to the end of January 2014 was £1,751,330 an increase within month of £194,628. Forecast spend within month has also increased by £201,701. There is a programme of Central Heating replacements in order to reduce the revenue burden as a result of increasing repairs to Ideal and Buderus boilers. As a result it was identified that significantly more capital investment was required in 2013-14.

A total of 804 new boilers have been fitted through planned work programmes.

## **7.3 Fair Access to All**

### **7.3.1 Disabled Adaptations (Public Sector)**

**(Budget £2,144,980 Forecast Outturn £1,806,273 Variance -£308,707)**

### **7.3.2 Disabled Adaptations (Private Sector)**

**(Budget £1,639,235 Forecast Outturn £2,002,088 Variance £362,853)**

Total spend to the end of December 2014 was £2,552,137. A series of service improvements and efficiencies have led to delivery of backlog works resulting in increasing spend. During P9 we identified that the backlog for Aids and Adaptations remains in excess of 4 months for non-urgent major works. The team have worked with contractors during P10 to accelerate Private Sector Adaptations so all those jobs exceeding 3 months old are complete by end of March 2014. This has resulted in the increased spend forecast for Private Sector Adaptations of £362,853 and a requirement for additional funding from Capital Receipts to this value.

Disabled aids and adaptations (major) were undertaken in 350 public sector homes. Disabled aids and adaptations (major) were undertaken in 245 private sector homes.

## **7.4 Regeneration / Neighbourhood Renewal**

### **7.4.1 Non-Trad Investment**

**(Budget £1,841,310 Forecast Outturn £1,769,238 Variance -£77,257)**

Total spend to the end of January 2014 was £1,427,313. This budget is to complete external refurbishment and insulation render works to non traditional properties. This is part of an ongoing programme to extend the life of non traditional stock by circa 25 years.

Investment was made in 377 non traditional dwellings in Wath, Rawmarsh, East Dene and Whiston.

#### **7.4.2 Garage Site Investment**

**(Budget £500,000 Forecast Outturn £805,414 Variance £305,414)**

Total spend to the end of January 2014 was £160,968. Investment has been made to 4 Garage Sites so far this year at Haugh Road, Rawmarsh; Langley Close, East Herringthorpe; Gray Avenue, Aston and Scott Close, Thurcroft. Works have included re-surfacing to the highway, re-roofing, doors and general environmental improvements.

Since the last Monitoring period a series of meetings have taken place with Capital Finance and Technical accountants to determine whether works are capital or revenue and the implications of this to the HRA.

As a result it has been agreed all Garage site investment within 2013-14 are Capital works and so should be charged to the Capital Programme. The accounting rules for the HRA, set out in national guidance, mean that any capital monies spent on improving non dwelling assets, such as garages or shops will incur an impairment charge. i.e. writing off the value of improvements. The financial implication of this within 2013-14 will mean the HRA receiving an Impairment charge of equivalent value, currently forecast to be £805,414.

As a one off solution for 2013-14 we are able to utilise a re-valuation reserve of £700,000 to offset the Impairment charge. Therefore if we outturn at £805,414, we will only have an impact of £105,414 to the HRA bottom line. However, in future years this will not be the case as it is expected the re-valuation reserve will be far lower.

To mitigate the impact of future impairment charges, we are actively pursuing a future strategy that will primarily focus on revenue repairs and minimal Capital works as revenue works do not incur an Impairment charge.

#### **7.4.3 Dinnington Transformational Change**

**(Budget £22,314 Forecast Outturn £23,404 Variance £1,090)**

This project was funded through the Regional Housing Board and was the installation of temporary art work to Dinnington Town centre. The original budget was £25,000. We had previously reduced this budget to reflect the then forecast spend, however actual spend has now exceeded this budget so the minor overspend of £1,090 will be off set from other savings within the Regeneration/ renewal budget.

#### **7.4.4 Canklow Phase 1 & 2**

**(Budget £450,000 Forecast Outturn £210,567 Variance -£239,433)**

This is a multi-year programme of activity to regenerate an area within Canklow through Housing Market Renewal. The project is focused on demolition, buy back and refurbishment of public and private sector properties in the area. Given the actual spend to date on this project of £164,389 there remains a risk that forecast outturn will not be achieved. The remaining funds of £239,433 will be slipped into 2014-15.

#### 7.4.5 Bellows Road Service Centre Clearance (Budget £585,000 Forecast Outturn £454,990 Variance -£130,010)

This is a Housing Market Renewal scheme and includes the construction of new shop units and provision of new housing within the area. To date there has been a total spend of £95k, the current forecast spend has been reduced by £130k within month and will be slipped into 2014-15. There remains a risk that forecast outturn will not be met and further slippage required.

### 7.5 Other Public Sector

#### 7.5.1 Opportunity Acquisitions (Budget £725,335 Forecast Outturn £740,729 Variance £15,394)

Total spend to the end of January 2014 was £692,978.

This is a multi-year commitment to acquire properties to add to the Council's social housing stock through the 30 Year HRA Business Plan. Strict criteria are applied to the acquisitions which have led to more protracted negotiation than anticipated and hence the previous slippage. To date a total of 16 properties have been purchased under this scheme. Negotiations are ongoing to purchase a further 72 properties through this programme at Wickersley, Rawmarsh, Thurcroft, Dalton and Harthill. A further report will be submitted to Cabinet Member detailing the timetable for the remainder of this programme, in March 2014.

### 7.6 Slippage to 2014/15

During P10 HIP Monitoring we have identified a number of projects that will not spend all budgets allocations within the current financial year but due to completion of tenders or works already on site will require remaining unspent budget slipping into 2014-15. Details of budgets that require slippage/ acceleration are listed in the table below:

Project	2013-14 Budget (£)	Slippage/ Acceleration of funding (£)	Revised Budget (£)
<b>Refurbishment</b>	13,999,514	-500,000	13,499,514
<b>Environmental Works</b>	1,484,358	-111,745	1,372,613
<b>Boundary Walls</b>	200,000	-200,000	0
<b>New IT System</b>	324,732	-244,732	80,000
<b>Public Adaptations</b>	2,144,980	-200,000	1,944,980
<b>Private Adaptations</b>	1,639,235	362,853	2,002,088
<b>Canklow Phase 1 &amp; 2</b>	450,000	-239,433	210,567
<b>Bellows Road Service Centre Clearance</b>	585,000	-130,010	454,990

## 7.7 Summary

**7.7.1** Overall total HIP spend to Period 10, January 2014 was £15,631,246. The current forecast outturn position to 31 March 2014 is £30,755,701 compared to a revised budget provision of £32,895,583.

## 8.0 Finance

**8.1** The table below identifies the funding available to meet the costs of delivering the HIP in 2013/14:

<b>Funding Summary HIP</b>	<b>£</b>
Grants	1,474,503
RCCO	8,473,000
Prudential Borrowing HRA	685,500
Prudential Borrowing GF	457,750
Capital Receipts RTB	655,518
Capital Receipts HRA Other	39,835
Capital Receipts	1,002,000
MRA	21,036,699
<b>Total</b>	<b>33,824,805</b>

Year end adjustments to funding will be made as appropriate to ensure all works are funded from within existing resources. The year end funding position will be reported in the year end out turn report.

## 9.0 Risks and Uncertainties

The 2013/14 Forecast Outturn position may be subject to change based on final value of works completed to 31 March 2014. This may be influenced by any extreme weather or unforeseen issues on site. Based on current spend position at P10 it is likely that some Public and Private sector schemes may require further slippage of funding into 2014-15. If this materialises it will be reported at P12 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 Health Communities
- Improving the environment

## 11.0 Background Papers and Consultation

Dave Richmond, Director of Housing and Neighbourhoods,  
Stuart Booth, Director of Financial Services and Budget Holders have been consulted during the preparation of this report.

Reports to Cabinet Member for Safe and Attractive Neighbourhoods

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## Appendix A

	A	B	C	D	E	F	G	H	I	J	K
1		<b>HIP PROGRAMME 2013-14 - POSITION AS AT PERIOD 10</b>									
2											
3											
4			P9 Budget	Slippage / Acceleration	P10 Budget (Adjusted for Slippage and Acceleration)		Manager's Forecast		Variance (Over + / Under -)		%age (Over + / Under -)
5			£	£	£		£		£		%
6											
7		<b>REFURBISHMENT / IMPROVEMENTS</b>									
8		Refurbishment	13,999,514	-500,000	13,499,514		12,077,933		-1,421,581		-11%
9		Windows	610,349		610,349		330,849		-279,500		-46%
10		<b>REFURBISHMENT / IMPROVEMENTS TOTAL</b>	<b>14,609,863</b>	<b>-500,000</b>	<b>14,109,863</b>		<b>12,408,782</b>		<b>-1,701,081</b>		<b>-12%</b>
11											
12		<b>OTHER CAPITAL WORKS</b>									
13		Empty Homes	1,819,642		1,819,642		2,581,153		761,511		42%
14		Replacement of Central Heating / Boilers	3,010,589		3,010,589		3,082,063		71,474		2%
15		Replacement of Communal Doors (High Security)	929,863		929,863		929,863		0		0%
16		Environmental Works	1,484,358	-111,745	1,372,613		1,372,613		0		0%
17		Electrical Board & Bond	200,000		200,000		161,880		-38,120		-19%
18		Community Centre Improvements (5 Year Programme)	0		0		0		0		NA
19		Boundary Wall Treatments	200,000	-200,000	0		0		0		NA
20		Asbestos Removal & Testing	370,000		370,000		350,000		-20,000		-5%
21		Flat Door Replacement	620,362		620,362		1,000,000		379,638		61%
22		District Heating Conversions	218,000		218,000		89,794		-128,206		-59%
23		One-Off Properties	0		0		0		0		NA
24		EPC Improvements	475,000		475,000		100,000		-375,000		NA
25		New IT System	324,732	-244,732	80,000		80,000		-20,000		-25%
26		General structures	650,000		650,000		650,000		0		0%
27		Lift Replacement	75,000		75,000		56,882		-18,118		-24%
28		<b>OTHER CAPITAL PROJECTS TOTAL</b>	<b>10,377,546</b>	<b>-556,477</b>	<b>9,821,069</b>		<b>10,434,248</b>		<b>613,179</b>		<b>6%</b>
29											
30		<b>ALL WORKS TO PROPERTIES TOTAL</b>	<b>24,987,409</b>	<b>-1,056,477</b>	<b>23,930,932</b>		<b>22,843,030</b>		<b>-1,087,902</b>		<b>-5%</b>
31											
32		<b>FAIR ACCESS TO ALL</b>									
33		Public Adaptations	2,144,980	-200,000	1,944,980		1,806,273		-138,707		-7%
34		Private Adaptations	1,639,235	362,853	2,002,088		2,002,088		0		0%
35		<b>FAIR ACCESS TO ALL TOTAL</b>	<b>3,784,215</b>	<b>162,853</b>	<b>3,947,068</b>		<b>3,808,361</b>		<b>-138,707</b>		<b>-4%</b>
36											
37		<b>REGEN. / NEIGHBOURHOOD RENEWAL</b>									
38		<b>PUBLIC SECTOR</b>									
39		Non-Traditional Investment	1,841,310		1,841,310		1,769,238		-72,072		-4%
40		Garage Site Investment	500,000		500,000		805,414		305,414		61%
41		<b>Public Sector Sub Total</b>	<b>2,341,310</b>	<b>0</b>	<b>2,341,310</b>		<b>2,574,652</b>		<b>233,342</b>		<b>10%</b>
42											
43		<b>PRIVATE SECTOR</b>									
44		Dinnington Transformational Change (RHB)	22,314		22,314		23,404		1,090		5%
45		Canklow Phase 1 & 2	450,000	-239,433	210,567		210,567		0		0%
46		Bellows Road Service Centre Clearance	585,000	-130,010	454,990		454,990		0		0%
47		<b>Private Sector Sub Total</b>	<b>1,057,314</b>	<b>-369,443</b>	<b>687,871</b>		<b>688,961</b>		<b>1,090</b>		<b>0%</b>
48											
49		<b>REGEN. / NEIGHBOURHOOD RENEWAL TOTAL</b>	<b>3,398,624</b>	<b>-369,443</b>	<b>3,029,181</b>		<b>3,263,613</b>		<b>234,432</b>		<b>8%</b>
50											
51		<b>OTHER PUBLIC SECTOR</b>									
52		<b>HCA NEW BUILD</b>									
53		Opportunity Acquisition	725,335		725,335		741,547		16,212		2%
54		Carry Over from 11-12 New Builds	0		0		-818		-818		NA
55		<b>OTHER PUBLIC SECTOR TOTAL</b>	<b>725,335</b>	<b>0</b>	<b>725,335</b>		<b>740,729</b>		<b>15,394</b>		<b>2%</b>
56											
57		<b>SUB TOTAL 2</b>	<b>7,908,174</b>	<b>-206,590</b>	<b>7,701,584</b>		<b>7,812,703</b>		<b>111,119</b>		<b>1%</b>
58											
59		<b>TOTAL CAPITAL PROGRAMME</b>	<b>32,895,583</b>	<b>-1,263,067</b>	<b>31,632,516</b>		<b>30,655,733</b>		<b>-976,783</b>		<b>-3%</b>