

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS
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1.	Meeting:	SUSTAINABLE COMMUNITIES SCRUTINY PANEL
2.	Date:	15th July 2010
3.	Title:	Housing Investment Programme (HIP) 2009/10 and Other Capital Schemes.
4.	Directorate:	Neighbourhoods and Adult Services

5. Summary

The report sets out the final outturn position for the Housing Investment Programme (HIP) and Non HIP Capital Schemes for 2009/10. The programme shows a year end underspend of £910k (1.15%) against budget.

6. Recommendations

THAT THE SCRUTINY PANEL NOTES THE REPORT.

7. Proposals and Details

- 7.1 HIP schemes totalling £78.770m were approved by the Cabinet Member on 19th October 2009 which represented a slight over programming of £37k on the HIP budget. The outturn position for each of the schemes within the HIP are included in Appendix 1.
- 7.2 The final outturn position is £77.860m which represents an underspend of £910k against the Programme. Within this overall underspend, it is worth noting that schemes managed by 2010 Rotherham Ltd (£63.283m) underspent by £1.090m, whilst there was a £180k overspend (1.1%) on the £15.532m schemes managed by the Council. The following paragraphs provide the Cabinet Member with explanations for the variances from the approved Programme.

2010 Ltd Managed Schemes

- 7.3 For the schemes managed by 2010 Rotherham Ltd, £62.148m has been spent which equates to an underspend of £1.092m against the approved Programme (£63.238m).

Decent Homes – Phase 2

- 7.4 The Environmental Works budget of £5.400m outturned at £4.083m, an underspend of £1.317m. As previously reported to Cabinet Member, the late start of the programme and the subsequent inclement weather together with delays to the work being undertaken by the IHSP have all contributed to the large in year underspend.
- 7.5 The Decent Homes Void Programme budget was reduced by £200k to £1.300m as a result of the approved budget virement to cover the replacement of Central Heating systems. Final expenditure was £1.375m, an overspend of £75k (5.75%).
- 7.6 The Refurbishment Programme of £37.626m was projecting an overspend of £0.609m but this increased at outturn to £935k. This is mainly due to the final account for Connaught being significantly over budget by £0.573m and a higher than anticipated spend on Asbestos Surveys due to some unplanned reactionary work being undertaken.
- 7.7 There was an underspend on the Windows Replacement Programme of £630k which is due to the late start on site of the third contractor (Bramalls with Yorkshire Windows) and delays due to the inclement weather.

Other Decent Homes Schemes

- 7.8 Replacement of Central Heating Schemes was forecasting a balanced budget as a result of the £0.200m approved budget virement from the Decent Homes Void Programme mentioned above but the outturn was actually £60k under the budget of £1.2m.

Other Capital Projects

- 7.9 The Disability Discrimination Act Works had a budget allocation of £300k and final expenditure of £170k which mainly relates to essential improvements and investments within neighbourhood centres, as per the report to Cabinet Member of 30th November 2009. The resulting £130k underspend was utilised to fund the additional costs that were incurred by 2010 Ltd. as a result of flooding within the Borough earlier in the year as agreed with Cabinet Member.
- 7.10 Energy Performance Certificate Surveys overspent by £26k as more surveys on void properties have been completed than originally anticipated.
- 7.11 Capitalised Revenue Repairs underspent by £32k as the anticipated volume of these works has not materialised.

RMBC Managed Schemes

- 7.12 The remainder of the programme is monitored by the Council and £15.712m was spent against the budget of £15.532m, an overspend of £180k.

Fair Access to All: Disabled Adaptations, Public and Private Sector

7.13	Final Expenditure:		Approved Programme
	Public Sector	£1.714m	£1.800m
	Private Sector	£1.530m	£1.415m
	Total	£3.244m	£3.215m

Problems with 2010 Rotherham Ltd's invoicing system earlier in the year resulted in delays and incorrect or duplicate invoices being received making this demand led, over subscribed budget hard to monitor. Significant progress has been made since then with the backlog of works previously reported being cleared but the large value of the majority of jobs has led to an overspend of £115k on Private Sector and an underspend of £86k on Public Sector Adaptations.

Regeneration/Neighbourhood Renewal: Public Sector

Non-Traditional Investment - Structural

- 7.14 Work commenced in mid-November but with the late start and the inclement weather expenditure outturned at £2.127m against the budget of £3.047m, an underspend of £920k. This will fully utilise the £1.400m of Capital Receipts set aside for this project, with any remaining MRA funding being rolled forward to 2010/11.

Dis-Investment Non-Traditionals

- 7.15 This budget overspent by £116k due to a greater number of acquisitions and a greater number of properties demolished than were included in the original forecast.

Small Environmental Schemes

- 7.16 There is an underspend on these schemes of £57k due to the request for savings to be made earlier in the year when RTB sales were low.

Sheltered Housing Modifications

- 7.17 There is an underspend on these schemes of £95k as a result of unforeseen delays of around 2-3 weeks during the year due to inclement weather. The schemes should be finalised in April 2010 with the corresponding amount of RHB Grant being rolled forward to fund this.

Regeneration/Neighbourhood Renewal: Private Sector

Dinnington Transformational Change Masterplan

- 7.18 The outturn of £182k is £604k under budget due to several large schemes not now progressing until 2010/11. These include the Monksbridge acquisition (£290k), the North Anston Gateway (£100k), Scarsdale environmental works (£100k), 2010 Decent Homes environmental projects (£56k) and town centre projects of £33k. These schemes will be delivered in 2010/11 with the corresponding amount of RHB Grant being rolled forward to fund them.

Private Sector Support

- 7.19 The £87k underspend is related to the funding allocation for on going loan applications in support of the Canklow clearance project which were committed in 2009/10 but the agreements were only signed this month.

Thurcroft

- 7.20 Problems in sourcing the appropriate materials and the recent inclement weather conditions have caused delays to this project resulting in an underspend of £84k.

Pathfinder Projects

- 7.21 The Pathfinder programme has received £10.9m of grant funding overall, including £0.5m of additional funding received to compensate spend shortfalls from other local authorities. The Pathfinder met and exceeded its spend and output targets with £11.4 million of projects delivered in the period between the HIP and EDS capital schemes. All expenditures were claimed in March and April 2010.

The £1.494m overspend at the end of March 2010 includes £888k enabling and Wath town centre improvements and £606k acquisition costs for privately owned property in Canklow which has progressed more rapidly than predicted.

Other Projects

Growth Point Programme

- 7.22 Expenditure and resources relating to the Growth Point Programme has been added to the Programme for the first time following confirmation of the resources available. Expenditure of £344k related to the acquisition of properties on Oldgate Lane, Thrybergh. Funding for 2009/10 of £861k was received and the difference will be rolled forward into 2010/11.

HCA New Build – Wood Street/School Street

- 7.23 Resources from the Homes and Communities Agency for Phase 1 and 2 were received in 2009/10 and the expenditure relating to the schemes is detailed within Appendix 1. The remainder of grant will be rolled forward to 2010/11.

Non HIP Schemes

- 7.24 There are currently approved schemes to the value of £537k within the Non HIP Capital Programme for Neighbourhoods. Details of the progress on Non HIP Schemes are listed in Appendix 2.
- 7.25 Landfill Sites originally had a budget allocation of £1.169m which was reduced to £250k as a result of the difficulty in obtaining specialist input to undertake the complex site investigations, which have been further delayed by adverse weather conditions. Final expenditure was £232k.

- 7.26 Safer Stronger Communities Fund (Area Based Grant) had a budget of £82k and final expenditure of £59k. The Safer Neighbourhoods Team has confirmed a roll forward of any unspent resources.
- 7.27 There was an underspend of £10,611 against the Air Quality Grant which will be rolled forward into 2010/11.
- 7.28 Expenditure of £230k has been added to the Non HIP Capital Programme for Neighbourhoods for the payment to Great Places Housing Association for the purpose of enabling 10 affordable dwellings for social rent in Aston. Funding is from previous Section 106 resources.

8. Finance

- 8.1 The following table shows the resources used to finance the HIP expenditure of £77.860m in 2009/10.

Source	£m
Capital Allocations and Credit Approvals	1.289
Regional Housing Board	2.574
Pathfinder Grant	6.918
General Fund Contribution	0.566
ALMO Funding	50.000
Major Repairs Allowance	11.189
Capital Receipts	1.720
Revenue Contribution to Capital Outlay (RCCO)	2.100
Disabled Facilities Grant	0.849
Growth Programme Funding	0.345
HCA New Build Grant	0.114
Other Contributions	0.196
Total	77.860

9. Risks and Uncertainties

- 9.1 As in previous years, the HIP is supported by Right to Buy Receipts, of which the Council has no direct control, but monitors the level closely. Current forecasts are the level of sales originally forecast will be achieved.
- 9.2 Any unspent MRA and RHB grant will be rolled forward and added to the 2010/11 HIP for which a revised programme will be submitted to Cabinet Member shortly.

10. Policy and Performance Agenda Implications

The HIP supports the following Corporate Plan Priority and Cross Cutting Themes and is central to the longer term Housing Strategy:

- Rotherham Safe
- Sustainable Development
- Fairness

11. Background Papers and Consultation

Report to Cabinet Member for Neighbourhoods 16th March 2009

Report to Cabinet Member for Neighbourhoods 15^h June 2009

Report to Cabinet Member for Neighbourhoods 13th July 2009

Report to Cabinet Member for Neighbourhoods 27th July 2009

Report to Cabinet Member for Neighbourhoods 19th October 2009

Report to Cabinet Member for Neighbourhoods 18th January 2010

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