

**ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS**

<b>1.</b>	<b>Meeting:</b>	<b>Sustainable Communities Scrutiny Panel</b>
<b>2.</b>	<b>Date:</b>	<b>10th March, 2011</b>
<b>3.</b>	<b>Title:</b>	<b>Housing Investment Programme (HIP) 2010/11 Progress to 15/12/10 and Other Capital Schemes</b>
<b>4.</b>	<b>Directorate</b>	<b>Neighbourhoods and Adult Services</b>

**5. Summary**

The report sets out details of the progress on the 2010/11 Housing Investment Programme (HIP) and Non HIP Capital Schemes for the period to 15<sup>th</sup> December 2010.

**6. Recommendations**

**THAT THE CONTENTS OF THE REPORT ARE NOTED.**

## **7. Proposals and Details**

- 7.1 For 2010/11 a revised Housing Investment Programme (HIP) of £50.379m was approved by Cabinet Member on 13th December 2010. As at 15th December 2010 spending on the HIP totalled £30.293m which is 60.13% of the revised approved programme. Details of the progress on schemes within the HIP together with the latest projected expenditure are listed in Appendix 1.
- 7.2 The approved programme is divided into two sections, between the schemes managed by 2010 Rotherham Ltd (totaling £26.545m) and those managed by the Council (totaling £23.833m).

### **2010 Ltd Managed Schemes**

- 7.3 To date, 2010 Ltd-managed schemes have incurred expenditure of £19.723m (74.3%) against their revised budget of £26.545m.

### **Decent Homes – Phase 2**

- 7.4 As previously reported to Cabinet Member, the Refurbishment budget within Decent Homes has been forecasting an overspend for a number of months and this now stands at an estimated £1.063m. This is due to variations to planned work at some properties at East Herringthorpe (£844k), a higher than expected final account payment to Connaughts (£306k) and forecasted overspends on Rok (£23k) and Henry Boots (£83k).
- 7.5 These are currently being partly offset by a projected underspend of £597k on the Windows budget where, following the completion of the detailed surveys it became apparent that less work than planned and budgeted for was required. The bulk of the underspend, as previously reported, was with Anglian Windows who are in negotiations with 2010 Rotherham Ltd with regard to this position. Outcomes from these negotiations will be reported to Cabinet Member when known.
- 7.6 At the Cabinet Member meeting on 29<sup>th</sup> November 2010, the temporary use of £1.2m HRA balance was approved to fund the use of Year 4 commitments to Bramalls and Henry Boots.

### **RMBC Managed Schemes**

- 7.7 The remainder of the programme is monitored by the Council and £10.571m (44.35%) of the revised programme of £23.833m has been spent to 15<sup>th</sup> December 2010.

## **Regeneration/Neighbourhood Renewal: Public Sector**

### **Garage Site Investment**

- 7.11 There is currently a £27k forecast underspend for the Garage Programme and no further work will be committed to 2010 Rotherham Ltd until the new financial year.

### **HCA New Build**

- 7.12 Projected underspends are being forecast on all 3 phases of the New Build projects due to the weather conditions experienced in December which halted progress on all of the building sites. Meetings are currently being held with the contractors to revise work plans.

### **Non HIP Schemes**

- 7.13 There are currently approved schemes to the value of £572k within the Non HIP Capital Programme for Neighbourhoods. Details of the progress on Non HIP Schemes are listed in Appendix 2.
- 7.14 Landfill Sites have a budget allocation of £391k and are forecasting an underspend of £234k (59.85%) as a result of the difficulty in obtaining specialist input to undertake the complex site investigations, which have been further delayed by the adverse weather conditions. Any unspent resources will be rolled forward into 2011/12.
- 7.15 Air Quality Grant has a budget of £30,611 but the projection is to spend £7,750, an underspend of £22,861 (74.68%) which will be rolled forward into 2011/12.

## **8. Finance**

- 8.1 To support the revised programme, the estimate of resources available now totals £50.962m as detailed below. This is £584k more funding than the budget to deliver the revised programme requires and the funding comprises £185k MRA, £236K RHB grant, £112k capital receipts and £51k SY Loans Fund. At this time it is thought prudent not to commit the MRA and capital receipts resources until we have a confirmed level of spend on the DH Programme. The RHB and South Yorkshire Loans Fund can be rolled forward into 2011/12 or used for any unforeseen expenditure this year as required.

<b>Source</b>	<b>£m</b>
Capital Allocations and Credit Approvals	1.315
Regional Housing Board	2.403
Pathfinder Grant	2.542
General Fund Contribution	0.720
ALMO Funding	8.030
Major Repairs Allowance	15.462
Capital Receipts	3.213
HCA New Build Grant	6.126
Prudential Borrowing Re:New Build	5.100
Growth Programme Funding	1.338
South Yorkshire Loans Fund	0.147
Revenue Contribution to Capital Outlay (RCCO)	3.700
Disabled Facilities Grant	0.866
<b>Total</b>	<b>50.962</b>

## **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. To the end of December 2010, 13 RTB sales have completed against the projection of 20 sales.
- 9.2 Recent adverse weather conditions may impact on the planned completion of some schemes within the HIP. Should this happen, details will be included in the next monitoring report in February.
- 9.3 This is the final year of Decent Homes. It is assumed that actual final accounts from the contractors are in line with forecast. Any variance from this will be reported to Cabinet Member at the earliest opportunity.
- 9.4 Deliverability of Phase 1 of the New Build Scheme at Wood Street/School Street, Thrybergh by 31/03/2011 will require favourable weather conditions to prevail. Any further slippage of the programme could have implications on the draw down of grant funding and completion of the programme.

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

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

- Making sure no Community is left behind
- Helping to create Safe and Healthy Communities
- Improving the Environment

## **11. Background Papers and Consultation**

Cabinet Member for Safe & Attractive Neighbourhoods 13<sup>th</sup> December 2010

Cabinet Member for Safe & Attractive Neighbourhoods 15<sup>th</sup> March 2010

Cabinet 10<sup>th</sup> March 2010

Cabinet Member for Safe & Attractive Neighbourhoods 4<sup>th</sup> October 2010

Cabinet Member for Safe & Attractive Neighbourhoods 29<sup>th</sup> November 2010

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