

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	16 June 2014
3.	Title:	Housing Investment Programme 2013/14 – P12 March 2014 Year end Out-turn
4.	Directorate:	Neighbourhoods and Adult Services

5.0 Summary

This report provides details of the year end out-turn position for the Housing Investment Programme 2013-14 at 31 March 2014.

As at the end of Period 12 March 2014, total spend on the Housing Investment Programme was £29,058,584 compared to a budget provision of £31,687,516 representing an under spend of £2,628,933 (-8%) against planned expenditure.

The report will provide details of savings and slippage on the individual schemes of work within the overall programme.

6.0 Recommendations

That Cabinet Member receives and notes the spend position to the end of Period 12, 31 March 2014.

That Cabinet Member approves the slippage of £730,800 resources from 2013-14 to 2014-15 as detailed within the body of the report.

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 12 March 2014.

7.1.2 There has been a total spend of £29,058,584 against the revised budget of £31,687,516 which has resulted in an under spend to the end March 2014 of £2,628,933.

	2013-14 Original Budget £	2013-14 Revised Budget £	2013-14 Revised Budget £ Jan 14	Actual spend to P12 £	Forecast Variance to end March 2014 £
Refurbishments	14,303,000	14,609,863	14,109,863	11,455,683	-2,654,180
Other Capital Works	9,934,000	10,377,546	9,821,069	10,096,931	275,862
Sub Total - Capital Works to properties	24,237,000	24,987,409	23,930,932	21,552,614	-2,378,318
Fair Access to All	3,091,000	3,784,215	4,002,068	3,911,977	-90,091
Regeneration/Neigh bourhood Renewal	2,960,000	3,398,624	3,029,181	2,902,844	-126,338
Other Public Sector	2,166,000	725,335	725,335	691,149	-34,186
Total Revised Capital Programme	32,454,000	32,895,583	31,687,516	29,058,584	-2,628,933

There has been a total reduction between forecast and actual spend to 31st March 2014 of £1,180,994. This has increased the underspend to -£2,628,933.

7.2 Details

7.2.1 Housing Improvement Programme 2013-14 Capital Works

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

7.2.2 Refurbishments

(Revised Budget £14,109,863 Outturn £11,455,683

Variance -£2,654,180)

Refurbishments is comprised of Internal Works (Decent Homes) and External Works (Roofing, pointing, cladding).

The programme focused 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 spend. This financial year we have completed improvements to 1,376 properties through this programme.

7.2.3 Other Capital Works
(Revised Budget £9,821,069 Outturn £10,096,931
Variance £275,862)

The sections below, breakdown individual spend within the Other Capital Works budget.

7.2.4 Environmental – Brinsworth
(Revised Budget £224,337 Outturn £206,617
Variance -£17,720)

Total spend to the end of March 2014 was £206,617. This project includes the completion of bin stores, paths and landscaping works around the Pike Road area and is fully complete.

7.2.5 Other Environmental Works
(Revised Budget £1,130,574 Outturn £921,118
Variance -£209,456)

Total spend was £921,118. There has been a reduction in actual spend from P11 forecast of -£227,158. This was a result of delays in tender for a number of schemes and ongoing leasehold consultation.

A variety of environmental schemes are now complete and 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.

7.2.6 Empty Homes (Revised Budget £1.819m Outturn £2,708,755
Variance £889,113)

Total spend to the end of March 2014 was £2,708,755.

There has been an over spend of £889,113, the primary reason for this additional spend is an increased number of voids being identified as requiring major works at survey stage.

212 major voids were complete to the end of March 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.

**7.2.7 Replacement Communal Entrance Doors
(Revised Budget £929,863 Outturn £879,109 Variance -£50,754)**

High security communal entrance doors have been replaced at 134 blocks of flats. This scheme is now practically complete with the remaining unspent budget of £50,754 requiring to be slipped into 2014-15 due to human error resulting in no accrual being made at year end.

**7.2.8 Electrical Board & Bond
(Revised Budget £200,000 Outturn £133,794 Variance -£66,206)**

Spend to the end of March 2014 was £133,794.

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 167 properties.

**7.2.9 Asbestos Removal & Testing
(Revised Budget £370,000 Outturn £373,904 Variance £3,904)**

Total spend to end of March 2014 was £373,904. This budget is primarily focused on funding asbestos surveys and removals to properties that are receiving planned capital improvement works.

**7.2.10 Flat Door Replacement
(Revised Budget £620,362 Outturn £855,599 Variance £235,237)**

The Replacement Flat Door programme will continue into 2014-15, the actual spend is greater than budget allocation due to higher than expected costs received at tender stage. The team are continuing work to gain access to 305 no access/ decline properties where we have elderly or vulnerable tenants. The team are currently working with Housing Management to gain access and/ or persuade tenants to have works complete at these properties.

As at the end of March 2014 a total of 870 properties have received new flats doors through this programme.

7.2.11 District Heating Conversions

(Revised Budget £218,000 Outturn £122,562 Variance -£95,438)

The 2013/14 programme provided 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 year end we had not received any indication if this application had been successful. This work will now be funded out of the 2014-15 District Heating budget.

7.2.12 EPC Improvements

(Revised Budget 475,000 Outturn £93,546 Variance -£381,454)

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 leveraging 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 £80,000 Outturn £51,275 Variance -£28,725)

This budget is to fund the purchase and implementation of the new integrated Housing Management System. To date the project has experienced significant delays in implementation. It is proposed the under spend of £28,725 is also slipped into 2014-15. This is in addition to previously agreed slippage of £264,732.

7.2.14 General Structures

(Revised Budget £650,000 Outturn £635,473 Variance -£14,527)

This budget is to fund remedial works to building structures and includes pointing, rendering, underpinning and damp proof works.

7.2.15 Lift Replacement

(Revised Budget £75,000 Outturn £54,312 Variance -£20,688)

This was to fund refurbishment of lifts at Shaftsbury House. All works are now complete.

7.2.16 Replacement of Central Heating/ Boilers (Revised Budget £3,010,589 Outturn £3,110,107 Variance £99,518)

The over spend of £99,518 will be funded from general underspends on the Refurbishment budget. There is an ongoing 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 from 2013-14 onwards.

A total of 1,135 new boilers have been fitted through planned work programmes.

7.3 Fair Access to All

7.3.1 Disabled Adaptations (Public Sector) (Budget £1,944,980 Outturn £1,790,717 Variance -£154,263)

7.3.2 Disabled Adaptations (Private Sector) (Budget £2,057,088 Outturn £2,121,259 Variance £64,171)

Total spend for Public and Private adaptations to the end of March 2014 was £3,911,977. A series of service improvements and efficiencies have led to delivery of backlog works resulting in overspend on Private Sector adaptations which has been funded through increased RTB receipts.

Disabled aids and adaptations (major) were undertaken in 426 public sector homes.

Disabled aids and adaptations (major) were undertaken in 357 private sector homes.

7.4 Regeneration / Neighbourhood Renewal

7.4.1 Non-Trad Investment (Budget £1,841,310 Outturn £1,759,504 Variance -£81,806)

This budget was to complete external refurbishment and insulated 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 370 non traditional dwellings in Wath, Rawmarsh, East Dene and Whiston. The programme of improvements will continue into 2014-15 and include works at Manor Farm and Kimberworth Park.

7.4.2 Garage Site Investment (Budget £500,000 Outturn £798,252 Variance £298,252)

Investment has been made to 4 Garage Sites 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.

Total overspend was anticipated and will be funded from underspend in the Refurbishment budgets.

7.4.3 Dinnington Transformational Change (Budget £22,314 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 £210,657 Outturn £179,036 Variance -£31,531)

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. Underspend will be slipped into 2014-15 to assist in remaining property buy backs.

7.4.5 Bellows Road Service Centre Clearance (Budget £454,990 Outturn £142,647 Variance -£312,343)

This is a Housing Market Renewal scheme and includes the construction of new shop units and provision of new housing within the area. Underspend will be slipped into 2014-15 to assist in completion of the scheme.

7.5 Other Public Sector

7.5.1 Opportunity Acquisitions (Budget £725,335 Outturn £691,149 Variance -£34,186)

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 63 properties through this programme at Wickersley, Rawmarsh, Aston and Dalton which will be funded within the 2014-15 budget.

7.6 Slippage to 2014/15

All works listed below commenced in 12/13 financial year and were programmed to complete prior to 31st March 2013. The budgets were aligned to the programme therefore no allowances have been made for these works in 2014/15. Works have slipped their end date therefore to reduce the impact on the asset management business plan; the values would be slipped from 2013-14 to 2014/15:

Budget	Slippage Value £
New IT System	28,725
Replacement Communal Entrance Doors	50,754
Flats Door Replacement	75,760
Refurbishments	231,687
Bellows Road Service Centre Clearance	312,343
Canklow Phase 1 & 2	31,531
Total	730,800

All other projects where works fell behind schedule within the 2013-14 financial year so still require funding to complete will be funded through virements within the existing 2014-15 Capital Programme. These virements will be reported in 2014-15 HIP Monitoring Report July 2014.

7.7 Summary

7.7.1 Overall total HIP spend to Period 12, March 2014 was £29,058,584 compared to a revised budget provision of £31,687,516. This represents an under spend of £2,628,933.

8.0 Finance

8.1 The table over page identifies the funding utilised to meet the costs of delivering the HIP in 2013/14:

Funding Summary HIP	£
Grants	1,584,403.54
RCCO	8,437,000.00
Capital Receipts	2,094,957.17
MRA	16,942,222.88
Total	29,058,583.59

9.0 Risks and Uncertainties

The 2012/13 Indicative Outturn position will be subject to external audit.

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

Report Author

Paul Elliott, Business and Commercial Programme Manager; Neighbourhoods and Adult Services, paul.elliott@rotherham.gov.uk; Ext. 22494