

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	29 September 2014
3.	Title:	Housing Investment Programme P5 August 2014
4.	Directorate:	Neighbourhoods and Adult Services

5.0 Summary

The purpose of this report is to update the Cabinet Member for Safe & Attractive Neighbourhoods on the status of the Housing Investment Programme at Period 5 August 2014.

6.0 Recommendations

It is recommended that the Cabinet Member for Safe & Attractive Neighbourhoods:

Receives and notes the contents of this report

7.0 Proposals and Details

7.1 HIP Programme & Revisions

The budget process that led to the original Capital Programme for 2014/15 to 2016/17 ensured that the Council's capital investment plans were aligned with its strategic priorities and vision for Rotherham.

In order to maintain that strategic link, and make best use of the capital resources available to the Council, it is important that the programme is kept under regular review and where necessary revisions are made.

The following table provides an overview of the approved HIP programme for the period 2014-15 and previously approved revisions.

Description	Original Budget 2014-15 £	Original Budget + Approved Slippage	Revised Budget 2014-15 £ (approved 14 July 2014)	Revised Budget 2014-15 (approved 1 September 2014)
Refurbishments	11,995,000	12,626,687	13,197,786	13,197,786
Other Capital Projects	13,563,000	13,318,239	13,143,239	13,143,239
Fair Access to All (Adaptations)	3,389,000	3,389,000	3,389,000	4,093,660
Regeneration/ Neighbourhood Renewal – Public Sector	2,250,000	2,250,000	2,050,000	2,050,000
Regeneration/ Neighbourhood Renewal – Private Sector	971,000	1,314,074	1,484,074	1,484,074
HCA New build	2,836,000	2,836,000	2,836,000	2,836,000
Total	35,004,000	35,734,000	36,100,099	36,804,759

7.2 Details

7.2.1 Housing Improvement Programme 2014-15 Capital Works

Appendix A provides a detailed budget breakdown by scheme for 2014-15 based on the current approved HIP Programme for 2014-15 and it should be read in conjunction with the following explanations for works in 2014-15

7.2.2 Refurbishment

Budget	£13,197,786
Forecast	£13,381,984
Variance	£184,198

This budget is to fund works for internal and external refurbishments to properties. Internal works will include elements such as new kitchen and bathrooms. External elements include re-roofing, external render, fascia's, soffits & bargeboard replacements and outhouse improvements.

Total spend to the end of August 2014 was £3,503,525. To date 486 properties have received works through this programme.

At the current time there are risks associated with the forecast spend as detailed below:

- **External Pointing and Rendering**

There have been delays in tendering 3 schemes at Thrybergh, Aston/Aughton/ Swallownest and Treeton/ Brinsworth with a total estimated value of £1.5m. At the time of reporting Thrybergh is being presented to Cabinet Member for approval on 29 September 2014. It is anticipated that the remaining two schemes will be approved under the Director's delegated powers by mid October 2014. If this timetable is achieved the majority of risk to spend should be mitigated. This will be monitored and reported to Cabinet Member through monthly HIP updates.

- **East Dene and Harthill Re-roofing**

There continues to be potential risks with these two schemes associated with the presence of bats. Depending on the extent of roosting and subsequently during the winter months hibernating bats these schemes may face significant delays. At the current time the plan is to programme any properties that have bats present at the end of the scheme, clearly this approach relies on only a small number of properties having bats present. Until works commence on site in October 2014 we are unsure what impact this will have on delivery of the scheme. This risk continues to be monitored at monthly capital programme meetings and if any significant delays are experienced with a subsequent impact on financial spend this will be reported back to Cabinet Member.

7.2.3 Other Capital Works –	Budget	£13,143,239
	Forecast	£13,161,941
	Variance	£18,702

The sections below breakdown individual spend within the Other Capital Works budget and works complete to the end of August 2014.

7.2.4 Environmental Works – Budget £1,612,000
Forecast £1,612,000

This budget will fund a variety of projects throughout the borough some of which are currently subject to consultation with tenants and elected members. Current works on site include i) completing a trial property at Birks Holt, Maltby with cladding to the external porch area, ii) fencing and footpath improvements at Brameld Road, Rawmarsh. Other works still to commence include path way improvements at China Town, Maltby and replacement bin stores at Plantation Court, Dinnington. Spend to the end of August 2014 was £446,370.

7.2.5 Empty Homes – Budget £2,900,000
Forecast £2,900,000

This budget is to fund major voids where the cost exceeds £4,000. This often occurs when a previous tenant has refused decency works so properties require new kitchens and bathrooms etc. prior to re-letting. Spend to the end of August 2014 was £569,329 with a total of 96 major voids completed to date.

7.2.6 Replacement Communal Entrance Doors – Budget £890,754
Forecast £890,754

This is a continuation of the scheme in 2013-14 and will result in all communal entrances to flats having high security entrance doors fitted. Spend to the end of August 2014 was £256,469 with a total of 35 blocks complete.

7.2.7 Electrical Board & Bond – Budget £150,000
Forecast £150,000

This is a demand led service and is to fund electrical improvement works to properties (e.g. consumer units, rewires etc.) following fixed wire electrical testing. Spend to the end of August 2014 was £24,802 with a total of 44 completions.

7.2.8 Asbestos Removal & Testing – Budget £380,000
Forecast £195,802
Variance -£184,198

This budget is to fund asbestos surveys and removals to properties that are receiving planned capital improvement works. The forecast is lower than budget due to fewer surveys required for the 2014-15 capital programme. Total spend to the end of August 2014 was £35,000.

7.2.9 Boundary Wall Treatments – Budget £100,000
Forecast £100,000

This budget is to fund improvements to boundary/ retaining walls and footpaths throughout the borough. Works are now anticipated to be issued for tender in September 2014, which is a month behind programme. It is not anticipated this will delay completion of the scheme within the current financial year.

7.2.10 District Heating Conversion/ Upgrades –	Budget	£1,800,000
	Forecast	£1,800,000

This budget is to fund replacement district heating at Swinton Fitzwilliam estate and replacement distribution systems at sites throughout the borough and forms part of a 5 year programme to upgrade the District Heating systems. Total spend to the end of August 2014 was £19,026. Works are due to commence on site in September 2014 on the Swinton Fitzwilliam estate. Tender documentation for replacement distribution systems will be issued in early October 2014 for commencement on site in January 2015.

7.2.11 External Insulation (EPC Improvements) –	Budget	£50,000
	Forecast	£50,000

This will fund ad hoc top ups of insulation to external wall cavities and lofts. Total spend to the end of August 2014 was £4,046.

7.2.12 New IT System –	Budget	£273,725
	Forecast	£476,625
	Variance	£202,900

This budget is to fund the purchase and implementation of the new integrated Housing Management System. Cabinet member approved additional costs of £241,075 to be funded from the HRA on 16 June 2014. At this time we have not amended the available budget as we may be able to fund from slippage elsewhere within the programme as we refine spend forecasts throughout the year. Total spend to the end of August was £244,868.

7.2.13 General Structures -	Budget	£650,000
	Forecast	£650,000

This budget is to fund remedial works to building structures and includes pointing, rendering, underpinning and damp proof works. Total spend to the end of August 2014 was £199,618.

7.2.14 Replacement of Central Heating/ Boilers -	Budget	£3,761,000
	Forecast	£3,761,000

There is an ongoing programme of Central Heating replacements in order to reduce the revenue burden as a result of increasing repairs to Buderus and Alpha boilers. Total spend to the end of August 2014 was £941,610 with a total of 521 completions.

7.2.15 Community Centre Improvements –	Budget	£100,000
	Forecast	£100,000

This will fund essential upgrades to lighting and fire equipment within the centres. This does not reflect the forthcoming Community Centre Improvements at an estimated cost of £500,000. This will be released into the programme when the construction programme and cost estimates have been provided. It may be that these additional costs are funded from slippage on other schemes.

7.2.16 Flat Door Replacements – Budget £75,760
Forecast £75,760

This will fund completion of installing new fire doors to flats across the borough and is a result of slippage from 2013-14. There has been no spend within the current financial year as final accounts are being complete.

7.2.17 Lady Oak Flats Environmental Improvements – Budget £400,000
Forecast £400,000

This is a new project to undertake general environmental improvements, including upgrading of footpaths around Lady Oak Flats, East Dene/ Herringthorpe. The scope of works have now been agreed with MFS and EDS Streetpride, with roofing works due to commence on 22 September 2014.

7.3 Fair Access to All

7.3.1 Disabled Adaptations (Public Sector) – Budget £2,078,000
Forecast £2,014,594
Variance -£63,406

7.3.2 Disabled Adaptations (Private Sector) – Budget £2,015,660
Forecast £2,213,927
Variance £198,267

This will fund the ongoing provision of disabled adaptations to council and private dwellings. At the end of August 2014 spend on public sector adaptations was £492,417 with a total of 207 completions. For the same period spend on private sector adaptations was £645,864 with 162 completions.

Based on current forecast's it is anticipated the private sector adaptations budget will overspend even after the increase in budget at P4. At this time we will continue to monitor spend on private adaptations closely and will take action if required to accommodate the forecast overspend at the end of quarter 2.

7.4 Regeneration / Neighbourhood Renewal Public Sector

7.4.1 Non-Traditional Investment – Budget £1,400,000
Forecast £1,470,917
Variance £70,917

This budget is 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.

Total spend to the end of August 2014 was £799,320 with 80 completions in year and 18 work in progress.

7.4.2 Garage Site Investment – Budget £250,000
Forecast £250,000

This will fund improvement works to garage sites across the borough. Works will include re-surfacing to the highway, re-roofing, new doors and general

environmental improvements. Works have still to be issued to contractors for pricing which is a later than planned but should not impact on delivering the programme within the current financial year.

7.4.3 New Build DPU Bungalows – Budget £300,000
Forecast £300,000

It is proposed to construct 4 DPU bungalows, 2 located in Kimberworth and 2 located in Thurcroft using cost savings generated to date through the Repairs and Maintenance contract with Morrison FS and Wilmot Dixon Partnerships. The reduction in budget is a result of only having Planning Permission in place for the site at Redscope, Kimberworth Park. A further site is now identified at Wadsworth Road, Bramley, but given lead time for design, planning permission and construction it is unlikely they will be complete within the current financial year.

7.4.4 Enabling Works (HRA Land) – Budget £100,000
Forecast £0
Variance -£100,000

There are currently no plans that will utilise this budget. Any requirement for enabling works will now be met from any underspends within other budgets within the capital programme.

7.4.5 Opportunity/ Strategic Acquisition – Budget £2,835,915
Forecast £1,537,000
Variance -£1,299,000

This funding is part of a multi-year commitment to acquire properties to add to the council's social housing stock through the 30 Year HRA Business Plan. Spend to the end of August 2014 was £525,714. Following a review of current agreed programmes with developers forecast spend has been reduced. The remaining budget of £1,299,000 will now be profiled to be spent in 2015-16. As part of this programme we were successful earlier this year in securing £437,500 grant funding from the HCA which will enable more properties to be acquired/ developed over the next two years.

7.5 Regeneration/ Neighbourhood Renewal Private Sector

7.5.1 Dinnington Transformational Change – Budget £1,200
Forecast £1,200

This project was funded through the Regional Housing Board and was the installation of temporary art work to Dinnington Town centre. This budget will fund the removal during 2014-15.

7.5.2 Canklow Phase 1 & 2 – Budget £720,531
Forecast £720,531

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. At the current time there are 3 properties subject to offers and 4 properties where negotiations are ongoing. Spend to the end of August 2014 was £168,186.

7.5.3 Bellows Road Service Centre Clearance – Budget	£592,343
Forecast	£400,000
Variance	-£192,343

This is an ongoing Housing Market Renewal scheme and includes the construction of new shop units and provision of new housing within the area. At the present time a planning application and lease agreement are pending for re-location of the T-mobile telephone mast. Asbestos surveys and removal are all outstanding on the multi storey car park and require completion prior to demolition, hence the reduction in forecast spend.

7.5.4 Monksbridge Demolition, Dinnington – Budget	£80,000
Forecast	£80,000

This is a new project and is to demolish 3 properties and reinstate land at 44-48, Monksbridge. The project is funded from Regional Housing Board grant funding ring fenced within the Capital Programme. It is anticipated works will commence on site in January 2015 subject to obtaining planning permission.

7.5.5 Doe Quarry Lane, Dinnington – Budget	£90,000
Forecast	£90,000

This is a new project and is to undertake boundary improvements to 43 properties. It is anticipated works will commence on site in September 2014. The project is funded from Regional Housing Board grant funding ring fenced within the Capital Programme.

8.0 Finance

8.1 Financial implications are contained within the body of this report. Any revenue implications from the revised programme have been fully reflected in the HRA's latest 2014/15 outturn revenue forecast. The table below details how the programme will be funded.

Funding	HIP £
RCCO	8,513,030
HRA Prudential Borrowing	2,836,000
MRA	21,955,995
Grants	1,283,597
GF Prudential Borrowing	0
Capital Receipts RTB	1,002,663
Capital Receipts	1,213,474
Total	36,804,759

9.0 Risks and Uncertainties

The Capital Programme is funded through a number of sources: borrowing, capital grants & contributions, revenue contributions and capital receipts. Any uncertainty over the funding of the Programme rests on confirmation that grants/contributions and capital receipts continue to be available in coming years. Where funding sources are volatile in nature the risks will be managed by continually keeping the programme under review.

Project/ scheme specific risks have been outlined within the body of the report.

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

The preparation of the Medium Term Financial Strategy incorporating a profiled capital programme and the associated revenue consequences, together with regular monitoring, highlights the Council's commitment to sound financial management.

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.

Report Author

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