

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	Meeting:	Cabinet Member for Safe and Attractive Neighbourhoods
2.	Date:	2 February 2015
3.	Title:	Housing Investment Programme 2014/15 Update
4.	Directorate:	Neighbourhoods and Adult Services

5.0 Summary

The purpose of this report is to update Cabinet Member on the 2014-15 Housing Improvement Programme and seek approval for budget virements.

6.0 Recommendations

That Cabinet Member

1. Notes contents of the report.

7.0 Proposals and Details

- 7.1 The budget process that led to the original Capital Programme for 2013/14 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 table below provides an overview of the current approved HIP programme for the period 2014-15.

Description	Original Budget 2014-15 £	Revised Budget (1 December 2014)
Refurbishments	11,995,000	13,197,786
Other Capital Projects	13,563,000	13,245,140
Fair Access to All (Adaptations)	3,389,000	4,093,660
Regeneration/ Neighbourhood Renewal – Public Sector	2,250,000	1,950,000
Regeneration/ Neighbourhood Renewal – Private Sector	971,000	875,239
HCA New build	2,836,000	1,537,000
Total	35,004,000	34,898,825

7.2 Details

7.2.1 Housing Improvement Programme 2014-15 Capital Work

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	£13,309,676
Variance	£ 111,890

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 December 2014 was £6,534,991, this figure excludes overheads which are not charged until end of the financial year and are valued at approximately 25% of net spend. To date 1,904 properties have received works through this programme. The reason for increased forecast spend is a result of bringing forward preparation of design works for 2015-16 Capital 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. There is now potential risk that bad weather may impact on forecast spend given we are now in the winter period.

- **East Dene re-roofing**

Both schemes have now commenced on site. At the current time there are no known issues with roosting bats as anticipated. There is a risk that bad weather may impact on forecast spend given we are now in the winter period.

7.2.3 Other Capital Works –	Budget	£13,245,140
	Forecast	£13,330,814
	Variance	£ 85,674

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

7.2.4 Environmental Works –	Budget	£1,718,901
	Forecast	£1,699,394
	Variance	-£ 19,507

This budget funds 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. Spend to the end of December 2014 was £833,166.

7.2.5 Empty Homes –	Budget	£2,700,000
	Forecast	£2,864,616
	Variance	£ 164,616

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 December 2014 was £1,498,685 with a total of 170 major voids completed to date. Spend forecast has increased following higher volume of major voids than forecast based on previous run rates. This increase is due to a number of factors including damp works and an increase in evictions.

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 December 2014 was £279,377 with a total of 37 blocks complete. There is a small risk that up to £50,000 of funding will not be spent within the current financial year and may require carry forward of funds as tender for works on site was slightly delayed. We continue to work with the contractor to minimise this risk.

7.2.7 Electrical Board & Bond –	Budget	£120,000
	Forecast	£ 98,616
	Variance	-£21,384

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 December 2014 was £48,654 with a total of 59 completions.

7.2.8 Asbestos Removal & Testing –	Budget	£290,000
	Forecast	£289,120
	Variance	-£ 880

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 December 2014 was £197,483.

7.2.9 Boundary Wall Treatments –	Budget	£140,000
	Forecast	£145,640
	Variance	£ 5,640

This budget is to fund improvements to boundary/ retaining walls and footpaths throughout the borough. An overspend is forecast based on the known work book, however at the current time this can be accommodated within existing budgets.

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 December 2014 was £602,307. Works commenced on site in September 2014 on the Swinton Fitzwilliam estate. Works have now also commenced on site for replacement distribution systems. There is risk that up to £200,000 may not be spent and will require slippage into 2015-16.

7.2.11 External Insulation (EPC Improvements) –	Budget	£25,000
	Forecast	£15,000
	Variance	-£10,000

This will fund ad hoc top ups of insulation to external wall cavities and lofts. Total spend to the end of December 2014 was £4,545. The lower forecast spend is due to lower volumes so far this financial year.

7.2.12 New IT System –	Budget	£273,725
	Forecast	£306,863
	Variance	£ 33,138

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 still 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 December 2014 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 December 2014 was £481,002.

7.2.14 Replacement of Central Heating/ Boilers - Budget £3,761,000
Forecast £3,662,320
Variance -£ 98,680

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 December 2014 was £1,965,862 with a total of 846 completions.

7.2.15 Community Centre Improvements – Budget £300,000
Forecast £250,000
Variance -£ 50,000

This will fund essential upgrades to lighting and fire equipment within the centres and the conversion of centres earmarked for closure to 1 bed flats. It is anticipated that works converting 4 centres will commence within the current financial year, resulting in 7 one bed flats coming into Housing stock during 2015-16. It may be that slippage of funds is required given the short timescale remaining for works to complete in the current financial year. Spend to the end of December 2014 was £7,785.

7.2.16 Flat Door Replacements – Budget £75,760
Forecast £84,842
Variance £ 9,082

This project is complete and all payments made.

7.2.17 Lady Oak Flats Environmental Improvements – Budget £500,000
Forecast £573,649
Variance £ 73,649

This is to undertake general environmental improvements, including upgrading of footpaths around Lady Oak Flats, East Dene/ Herringthorpe. Works commenced on site in September 2014 and are due for completion by end March 2014. There has been an increase in forecast spend due to higher than anticipated costs received following tender and a one off £25,000 contribution to fund Streetpride works to the public realm. Spend to the end of December 2014 was £301,216.

7.3 Fair Access to All

7.3.1 Disabled Adaptations (Public Sector) – Budget £2,078,000
Forecast £1,951,823
Variance -£ 126,177

7.3.2 Disabled Adaptations (Private Sector) – Budget £2,015,660
Forecast £2,027,871
Variance £ 12,211

This will fund the ongoing provision of disabled adaptations to council and private dwellings. At the end of December 2014 spend on public sector adaptations was £1,165,582 with a total of 382 completions. For the same period spend on private sector adaptations was £1,253,433 with 265 completions.

Based on current forecasts 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 4.

7.4 Regeneration / Neighbourhood Renewal Public Sector

7.4.1 Non-Traditional Investment –	Budget	£1,400,000
	Forecast	£1,486,895
	Variance	£ 86,895

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 December 2014 was £1,369,093 with 136 completions in year. The forecast spend has increased due to essential variations to works whilst on site.

7.4.2 Garage Site Investment –	Budget	£250,000
	Forecast	£235,909
	Variance	-£ 14,091

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. Forecast spend is less than budget as tender pricing was lower than forecast. Total spend to end of December 2014 was £17,779.

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. We do not anticipate all works being complete in the current financial year so some carry over of funds may be required at year end. Total spend to end of December 2014 was £8,069.

7.4.4 Opportunity/ Strategic Acquisition –	Budget	£1,537,000
	Forecast	£1,537,000

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 December 2014 was £1,111,589.

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 if necessary due to it's condition.

7.5.2 Canklow Phase 1 & 2 – Budget £350,531 Forecast £350,531

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 4 properties where negotiations are ongoing. Spend to the end of December 2014 was £212,315. There may be carry over of funds required if negotiations on the acquisition of the 4 properties do not conclude in the current financial year.

7.5.3 Bellows Road Service Centre Clearance – Budget £400,000 Forecast £400,000

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 still pending for re-location of the T-mobile telephone mast. Asbestos surveys are complete but removal is outstanding on the multi storey car park and requires completion prior to demolition. It is highly likely that a significant proportion of the £400,000 will require carry over into 2015-16. Total spend to the end of December 2014 was £33,222.

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. Works are due to commence on site in January 2015.

7.5.5 Doe Quarry Lane, Dinnington – Budget £43,508 Forecast £43,508

This project is to undertake boundary improvements to 43 properties. Works commenced on site in September 2014. The project is funded from Regional Housing Board grant funding ring fenced within the Capital Programme. Total spend to the end of December 2014 was £10,000.

8.0 Finance

8.1 The table below details how the Housing Improvement Programme is funded.

Funding	Amount £
Grants	1,627,000
Revenue Capital Contribution Outlay	8,513,030
Prudential Borrowing HRA	1,458,000
Capital Receipts RTB	1,733,000
MRA	21,568,000
Total	34,899,000

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.

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.

Reports to Cabinet Member for Safe and Attractive Neighbourhoods

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