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**Meeting of the Executive Members for  
Housing and Adult Social Services and  
Advisory Panel**

11<sup>th</sup> December 2006

Report of the Director of Housing and Adult Services

**Second Review of the 2006/07 Housing Capital Programme and  
programme for 2007/08 to 2010/11**

**Summary**

1. This report presents the second quarter review of the 2006/07 Housing Capital Programme, the resources available to support it and recommends that the Executive Member approves the variations. The report also includes the proposed capital programme for 2007/08 to 2010/11.

**Background**

2. The approved Housing Capital Programme for 2006/07 is £10,046k with £4,564k funded through the MRA. Annex 1 sets out the detailed cost centres.
3. Staff have reviewed the programme of investment projects during the second quarter of 2006/07 and the resources needed to fund them. Any minor variations have been agreed within delegated powers.

**The Council wide Capital Programme**

4. The current approved Council capital programme runs until March 2009 and is investing over £130m in the asset base of the city, of which the council is financing over £51m through capital receipts and borrowing.
5. The Council is legally required to set a 3 year capital budget, however, it is proposed that the 2007/08 budget process considers a 4 year capital programme, running from 1<sup>st</sup> April 2007 until 31<sup>st</sup> March 2011. This will align it with the 4 year political cycle which runs from May 2007 until May 2011.
6. The current high level of capital investment, a decline in the amount of surplus assets available to sell, and uncertainty surrounding the capital receipt from the sale of land at Osbaldwick means that it would be imprudent for the Council to commit to additional capital receipt funded schemes as part of this years process.
7. Therefore, apart from continued investment in the 8 rolling programme schemes beyond 2008/09, there is no additional capital receipt funding for

new schemes, over and above the current approved programme, which are not fully funded from external sources. Annex 2 summarises the proposed capital programme for 2007/08 to 2010/11.

## Consultation

8. There has been no consultation carried out to produce this report.

## Options

9. As this report is for information, no options have been included.

## Analysis

**Table 1. Modernisation of Local Authority Homes (Capital Scheme)**

Scheme	Approved Budget 2006/07 £k	Revised Costs 2006/07 £k	(Under)/Overspend 2006/07 £k	2006/07 Slippage £k	Slippage to 2007/08 £k
Scooter Stores	147	49	(76)	(22)	22
Total	147	49	(76)	(22)	22

10. The slippage on scooter stores has been due to long term sickness and staff vacancies delaying progress, the underspend is due to the expected costs of schemes reducing following the early feasibility stages. There are minor variations resulting in a projected increase in expenditure of £6k. This is made up of £6k increase in Burglar Alarms, an increase in communal security doors of £23k and £23k decrease in Sheds and Garages.
11. There is recommendation for an additional cost centre within the Capital Section in order to undertake demolition of a pair of semi-detached dwellings in the Monkton Road area which have been undermined by subsidence and have been reported as structurally unsafe by both the Council's own engineers department as well as partner engineering practise. Both 102 Monkton Rd and 1 Barfield Rd are Orlit Homes with pre-cast concrete frames and shallow foundations. The nature of the isolated ground movement affecting them has put under stress this pre-cast frame to virtual failure point where remedial repairs are considered to be almost impractical.
12. Work has begun to produce a critical options appraisal for future use of the site, which is in the same area as Leisure Services 68 Club on Monkton Road; Housing Services children's play area and sites recently purchased from Housing Services for affordable housing provision by a local Registered Social Landlord.
13. Contractors with experience in this field had submitted a quotation to repair the two properties, with initial costs expected at £130,000. However this could rise upon removal of the external cladding and exposure of the concrete frame.

14. The Council owns 86 other Orlit homes in the area and they do not appear to be suffering from similar defects. However a research project will be carried out in 2007/08 by York Consultancy into the future maintenance requirements of these types of properties.
15. The cost associated with demolishing these properties in £24k. This is a combination of £20k works and £4k home loss to the one customer who has been relocated. The second property was void at the time of reporting. There will be revenue implications associated with the removal of these 2 homes from the stock.

**Table 2 – Repairs to Local Authority Properties**

Scheme	Approved Budget 2006/07 £k	Revised Costs 2006/07 £k	(Under)/Overspend 2006/07 £k
Internal Communal Security Lighting	50	103	53
Total	50	103	53

16. The increase in Security Lighting has arisen due to the extensive lighting requirements of certain 'types' of blocks flats which have not received such works under York Pride before and hence were over the average unit cost applied during budget setting rounds.
17. There have been further minor variations within officers delegation on various modernisation schemes resulting in a projected decrease of £48k, this is made up of a reduction of £24k in Communal Access Flooring and a £24k reduction in External Communal Areas.

**Assistance to Older and Disabled People**

18. There is a minor variation of an increase of £7k on Capitalised Salaries. There has arisen the requirement for a new Cost Centre line to be established, a number of the Discus Bungalows contain adaptations therefore when the tenants relocate new adaptations will be required to be provided which will be over and above the Cost Centre of F760 as this is for newly assessed provision. It is understood that the current adaptations within the bungalows amounts to £167k to replace over an expected 3 year period as per table 3 and funded by an increase in Revenue Contribution.

**Table 3 – Discus Bungalow Adaptations**

Scheme	2006/07 £k	2007/08 £k	2008/09 £k
Discus Bungalow Adaptations	20	120	27
Total	20	120	27

## Housing Grants & Associated Investment

19. There are minor variations resulting in an increase of £14k, these being an increase of £20k in the York Repairs Grant, an increase of £14k in Salaries and a decrease of £20k in the Landlords Housing Grant.

## Miscellaneous

20. There are no variations within this section. As confirmed at first quarter grant funding has been received for refurbishment works to the travellers sites, this is to be profiled over 2 years with predominantly external works as well as electrical infrastructure upgrades to James Street and Osbaldwick in 2006/07 and the Clifton site will receive external works and internal amenity block works in 2007/08.

**Table 4. Modernisation of Local Authority Homes (MRA)**

Scheme	Approved Budget 2006/07 £k	Revised Costs 2006/07 £k	(Under)/Overspend 2006/07 £k
Foxwood Phase 2	1,172	1,229	57
Total	1,172	1,229	57

21. The projected increase in Foxwood Phase 2 is due to an increase in costs of central heating upgrades for Tenants Choice. There have been further minor variations within officers delegation on various modernisation schemes resulting in a projected decrease of £40k, this is made up of an increase of £9k on Tang Tall Tenants Choice and a reduction of £49k on Clifton Tenants Choice.

## Repairs to Local Authority Properties

22. There are no variations within this section.

## Corporate Piorities

23. The Capital Programme contributes to the Corporate Aims of meeting and exceeding the Government's Decent Homes Standard by 2010 as well as improving the health, well being and independence of York residents through grants, adaptations and independent living.

## Implications

### Financial

24. The Approved Housing Capital Programme for 2006/07 is £10,046. The outcome of the minor variations agreed within officers' delegated authority and the variations outlined in the report result in a £5k decrease in position

hence the Programme for 06/07 will stand at £10,041k with £4,581k funded through the MRA.

25. There are revenue implications of the proposed demolition outlined in paragraph 8. There will be a loss of rent of £6k offset by a saving on negative subsidy payment of £2k. This overall decrease in income to the HRA will be offset by savings on repairs.
26. The proposed programme for 2007/08 to 2010/11 attached at annex 2 is fully funded from ring fenced housing resources including the Major Repairs Allowance.
27. There are no Human Resources (HR), Equalities, Legal, Crime and Disorder, Information Technology (IT), Property or Other implications.

### **Risk Management**

28. This reports follows the due process and presents the current out turn position and does not request decisions from a number of options hence does not contain risk.

### **Recommendations**

29. To inform the Executive Member who is requested to:
  - a. Note the progress on schemes, approve variations in tables 1, 2 and 4 and note minor variations made under officers' delegated authority
  - b. To agree the recommendation of demolition and payment of home loss as outlined in paragraph 11 & 15.
  - c. That approval is also given for the Revenue Contribution for funding of Adaptations to Discus Bungalow customers as noted in paragraph 17 and table 3.
  - d. To consider the proposed capital programme schemes for 2007/08 to 2010/11 and recommend the proposals to the Budget Executive on 16<sup>th</sup> January 2007.

Reason: to achieve a balanced capital budget.

## Contact Details

### Author:

Mark Grandfield  
Asset Manager  
Community Services  
01904 553733

### Chief Officer Responsible for the report:

Steve Waddington  
Head of Housing Services

**Report Approved**  **Date** 15/11/06

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Head of Housing Services

**Report Approved**  **Date** 15/11/06

### Specialist Implications Officers:

Financial – Debbie Mitchell, Head of Housing and Adult Social Services Finance

**Wards Affected:** *List wards or tick box to indicate all*

**All**

**For further information please contact the author of the report**

### Background Papers:

Housing Capital Programme 2006/07

### Annexes

Annex 1 – Housing Capital Programme 2006/07

Annex 2 – Housing Capital Programme 2007/08 to 2010/11