

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

5<sup>th</sup> June 2006

Report of the Director of Housing and Adult Social Services

### Housing Capital Programme – Out turn Report

#### Summary

1. This report presents the out turn position of the 2005/06 Housing Capital Programme and the resources available to support it.

Approved Expenditure £k	Slippage to 2006/7 £k	(Under) / Overspend £k	Actual Expenditure £k	% Variation
<b>10143</b>	<b>50</b>	<b>(136)</b>	<b>9957</b>	<b>1.8%</b>

#### Background

2. During the year the Executive Member receives first, second and third quarter monitoring reports for the Housing Capital Programme. These reports highlight any major changes in the agreed programme or the resources required to fund it.
3. At the Third Quarter Review presented to Housing EMAP on 6<sup>th</sup> February 2006 a number of minor variations were noted and a recommendation was made to approve any variations of £50k to £100k. Following approval of these recommendations, the Housing Capital Programme for 2005/06 stood at £10.143m of which £5.196m is funded by the Major Repairs Allowance (MRA).
4. Officers have reviewed the progress of investment projects during the final quarter of 2005/06 and the resources required to fund them. Minor variations have been agreed under officers delegated authority and slippage into 2006/07 identified. A detailed schedule is attached as Annex 1.
5. There is a total of £50k slippage on the capital funded element of the programme into 2006/07, this includes £32k on Installation and Replacement of Heating Systems and £18k for the Homeless Hostel at Howe Hill. There is an underspend of £97k on schemes funded by Capital. These are set out in Tables 1 to 3 in paragraphs 10 to 20 for the Executive Member's Approval and information.

6. There is an underspend of £39k on MRA funded element of the programme. These are set out in Tables 4 to 5 in paragraphs 21 to 25 for the Executive Member's Approval and information.
7. The MRA is ring fenced solely for improvements to council homes and does not affect the budgetary position of the council.

## 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

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

Scheme	Approved Budget 2005/06 £k	Revised Costs 2005/06 £k	(Under)/Overspend 2005/06 £k
Communal Security Doors	162	136	(26)
Asbestos	18	26	8
Scooter Stores	32	43	11
<b>Total</b>	<b>212</b>	<b>205</b>	<b>(7)</b>

11. The under spend on Communal Security Doors is due to a reduction in the average unit cost as a result of a number of existing doors being identified at detailed survey stage of being suitable for upgrade rather than renewal. There is an overspend of £8k on Asbestos due to the survey identifying more works needing to be undertaken than originally planned. The overspend on Scooter Stores is a result of being charged fees for almost the whole of the scheme, when 70% of the scheme was slipped, at quarter 3, to 2006/7. This has been discussed with City Strategy and it will result in reduced fees being charged for the remaining work to be carried out during 2006/7.
12. There have been further minor variations within officers delegation on various modernisation schemes resulting in an underspend of £10k. This is made up of underspends of £3k on Burglar Alarms, £3k on Fire Door Replacement, £2k on Window Replacement and a further £2k on Capitalised Salaries.
13. **Table 2 – Repairs to Local Authority Properties**

Scheme	Approved Budget 2005/06 £k	Revised Costs 2005/06 £k	(Under) / Overspend 2005/06 £k	Slippage to 2006/07 £k
Installation and	842	810	0	(32)

Replacement of Heating Systems				
Communal Access Flooring	138	119	(19)	
Repairs and Maintenance Communal areas	66	24	(42)	
<b>Total</b>	<b>1,046</b>	<b>953</b>	<b>(61)</b>	<b>(32)</b>

14. The slippage of £32k on Installation and Replacement of Heating Systems is as a result of reduction in reactive workload in the last month of the financial year resulting in little time to organise alternative works. The under spend of £19k on Communal Access Flooring has resulted from a reduction in the expected tender price and miscellaneous savings during the contract term. The under spend of £42k on R&M Communal Areas is as a result of reserves in 2004/05 being of too high a value due to late submitted invoices by contractors and reduced requirements for works following detailed surveys.
15. There have been further minor variations within officers delegation on various modernisation schemes resulting in an underspend of £25k. This is made up of underspends of £6k on Improved Internal Communal Security Lighting, £3k on Stair lifts and £19k on Cladding Denis Wildes properties. There has also been an overspend of £3k on Re-rendering.

#### **Assistance to Older and Disabled People,**

16. There have been minor variations within officers delegation resulting in an overall overspend of £8k. These being individual overspends of £7k on Adaptations for the Disabled and £1k on Occupational Therapy Capitalised Salaries.

#### **Housing Grants & Associated Investment,**

17. There have been minor variations within officers delegation resulting in an overall overspend of £13k. There has been one underspend of £4k on Decent Homes Grants whilst 3 overspends of £1k on Mandatory Disabled Facilities Grants (DFG's), £12k on York Repair Grant and £4k on Capitalised Salaries.

#### **18. Table 3 - Miscellaneous**

Scheme	Approved Budget 2005/06 £k	Revised Costs 2005/06 £k	(Under) / Overspend 2005/06 £k	Slippage to 2006/07 £k
Homeless Hostel	930	897	(15)	(18)
<b>Total</b>	<b>930</b>	<b>897</b>	<b>(15)</b>	<b>(18)</b>

19. There is a slippage of £18k due to professional fees to be paid for services yet to be completed, contract retention, and additional fittings to the scheme as yet not purchased.

**Commuted Sums**

20. There have been no variations to the budgets for either Re provision of Women’s Aid or Horseman Avenue.

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

Scheme	Approved Budget 2005/06 £k	Revised Costs 2005/06 £k	(Under) / Overspend 2005/06 £k
TC Miscellaneous Backfills	899	822	(77)
TC Tang Hall	1456	1545	89
Kitchens	65	55	(10)
Fire Door Replacement	100	53	(47)
<b>Total</b>	<b>2,520</b>	<b>2,475</b>	<b>(45)</b>

22. The under spend of £77k on Miscellaneous backfills was due to poor take up and access rates from customers reducing the number of homes modernised by 15. The overspend of £89k on Tang Hall is due to a lower than expected reduction of unit costs. The underspend of £10k on Kitchens was due to a lack of individual kitchens requiring this service and the underspend of £47k on Fire Door Replacement was due to 177 homes being identified as being able to achieve the same fire protective levels through upgrade rather than through full replacement

23. There have been further minor variations within officers delegation on various modernisation schemes resulting in an overspend of £61k. This is made up of an underspend of £3k on Tenants Choice Kingsway West and an overspend of £6k on Tenants Choice Foxwood 1970’s Homes, £15k on Capitalised Salaries, £19k on British Iron and Steel Federation (BISF)/Howards and £24k on Tenants Choice Pottery Lane.

24. **Table 5 – Repairs to Local Authority Properties**

Scheme	Approved Budget 2005/06 £k	Revised Costs 2005/06 £k	(Under) / Overspend 2005/06 £k
Window Replacement 2005/06 Schemes	333	278	(55)
<b>Total</b>	<b>333</b>	<b>278</b>	<b>(55)</b>

25. The underspend of £55k on Window Replacement is due to reductions in tender prices.

## **Corporate Objectives**

26. 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**

27. The final outturn position of the Housing Capital Programme is £9.957m compared with the previously reported figure of £10.143m. The variation of £186k is due to an underspend £136k and slippage of £50k.
28. The number of homes sold under Right to Buy in 2005/06 was 35. The average valuation was £101.4k with an average sale price of £77.4k after discount compared to the budgeted sales of 40 at £65k. The usable capital receipt from homes sold is £727k, £77k more than estimated. Other miscellaneous receipts from the sale of housing land and other disposals totals £184k. Although there has been a reduction in the level of Right to Buy sales, the increase in sale price has compensated for this and provided sufficient resources to fund the 2005/06 programme. This situation will be monitored closely as part of the quarterly monitoring process in 2006/07.
29. After financing the 2005/06 programme there are surplus resources totalling £2.1m, of which, £572k is MRA, £1.5m unused revenue contribution as reflected in the Housing Revenue Account (HRA) outturn report elsewhere in this agenda and £41k DFG. £202k is needed to fund the slippage from 2005/06 with the remainder carried forward to support the 2006/07 programme as agreed during the budget process.

### **Human Resources (HR)**

30. None

### **Equalities**

31. None

### **Legal**

32. None

### **Crime and Disorder**

33. None

## Information Technology (IT)

34. None

## Property/Other

35. There are no property or other implications.

## Risk Management

36. 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

37. The Executive Member for Housing is requested to

- Approve the changes to the Capital funded and MRA elements of the Housing Capital Programme set out in the report.

Reason:

To comply with Council Financial Regulations.

## Contact Details

### Author:

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### Chief Officer Responsible for the report:

Steve Waddington  
Head of Housing Services

Report Approved  Date 22/05/06

Bill Hodson  
Director of Community Services

Report Approved  Date 22/05/06

### Specialist Implications Officers:

#### Financial Implications

Jayne Pearce  
Accountant  
Finance – Corporate Services  
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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

## Annexes

Annex 1 – Housing Capital Programme 2005/06.