CITY OF YORK COUNCIL

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

8th December 2008

Report of the Director of Housing and Adult Social Services

Housing and Adult Social Services Capital Programme – Monitor 2

Summary

1. The purpose of this report is to:

- Inform Members of the likely outturn position of the 2008/09 Capital Programme based on the spend profile and information to October 2008 / 2009;
- To seek approval to any resulting changes to the programme;
- Inform the Executive Members of any slippage and seek approval for the associated funding to be slipped between the relevant financial years to reflect this.

2. The 2008/09 – 2010/11 capital programme was approved by Council on 21st February 2008. Since then a number of amendments have taken place as reported to Executive Members in the 2007/08 Capital Outturn report. These changes have resulted in a current approved capital programme for 2008/09 of £9,149k, financed by £8,711k of external funding, leaving a cost to the Council of £438k. Table 1 illustrates the movements from the original budget to the currently approved position.

	Gross Budget £k	**External Funding* £k**	**Revenue Contributions £k**	**Right to Buy Receipts £k**	**Capital Receipts £k**
Original Budget Approved by Council at 21 Feb 2008	**8,834**	**7,681**	**287**	**611**	**255**
Re-profiling to 09/10 & 10/11 from 07/08 outturn report	0	0	0	0	0
Additions / Reductions from 07/08 outturn report	451	(56)	351	130	26
Approved Changes at Monitor 1	(136)	**42**	**149**	**-484**	**157**
Current Approved Capital Programme	**9,149**	**7,667**	**787**	**257**	**438**

*External funding refers government grants, non government grants, other contributions, developers contributions and supported capital expenditure.

Table 1 Current Approved Capital Programme

3. The capital receipts column above implies receipts generated from the sale of Council assets will be used to fund the difference between the gross budget less all other specified funding sources. Due to the current economic climate not being favourable to achieving maximum receipt value from asset disposals, consideration will be given to the use of prudential borrowing to fund the capital programme as a temporary measure. When the economic climate returns to a more favourable state assets will be sold with the receipts being applied to finance the programme thus replacing the temporary borrowing.

4. A corporate reporting template has been set for reporting progress with capital programmes across all directorates and hence there is a change to the previous formats members will have been familiar with.

Consultation

5. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 21 February 2008. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

6. Against the current approved budget of £9,149k, there is a predicted outturn of £9,249k, a net increase of £100k.

7. The net increase is comprised of the following:

- Overspends costing £382k
- Under spends of £282k
- Additional schemes in 09/10 and 10/11 costing £143k, fully funded by government grant

8. Table 2 highlights scheme specific information:

Gross HASS Capital Programme	**2008/09 £k**	**2009/10 £k**	**2010/11 £k**	**Total £k**	**Paragraph Ref**
Current Approved Capital Programme	**9,149**	**8,756**	**8,899**	**26,804**	
Adjustments:					
External Communal Areas	2			2	10
Assistance to Older and Disabled People	65			65	11

(HRA)					
Tenants Choice Backfills	247			247	12
Tenants Choice – Tang Hall	(123)			(123)	13
Tenants Choice – Horsman Avenue	(109)			(109)	14
Window Replacement	68			68	15
Telecare	(50)			(50)	16
Adults Social Care IT grant		92	51	143	17
Revised Capital Programme	**9,249**	**8,848**	**8,950**	**27,047**	

Table 2 Capital Programme Forecast Outturn 2008/09 – 2010/11

9. To the end of October there was £4,720k of capital spend representing 51% of the approved budget, compared to 51% for the same period in 2007/08.

Scheme Specific Analysis

10. External Communal Areas – reporting a slight increase in costs.

11. Assistance to Older and Disabled People (HRA) – an overspend is forecast to occur due to an increasing need for urgent disabled adaptations and staff costs to facilitate these.

12. Tenants Choice Backfills – the authority pledges to undertake backfill Tenants Choice modernisations within 12 months of customers taking up tenancies of homes that qualify and hence the value/volumes are not fixed but linked to number and spread of void properties. An increase in costs in the scheme has occurred by an increase in properties coming forward from an estimate of 40 to a projection of 58. Additional to the increase in units there has also been an increase in the average unit cost of approximately £1200 due to the level of need per home.

13. Tenants Choice – Tang Hall – An underspend has occurred through savings on the scheme resulting predominantly in a reduced average unit cost per home then projected.

14. Tenants Choice – Horsman Avenue – An underspend has occurred through reserves being made at the end of 2007/08 being over-estimated by officers and not required.

15. Window Replacement – There has been an increase in properties requiring window replacement causing an overspend, these windows were initially due for painting and repairing in 2008/09 however it quickly became apparent their condition had deteriorated since their last painting and it proved better value for money to replace them with uPVC.

16. Telecare – The project to embed telecare services as part of the whole social service support package has begun, the initial part of this project includes significant staff training and customer awareness as opposed to capital spend. The project is fully funded in future years and hence the funds this years can be offered as an underspend.

17. Adults Social Care IT Grant – The Department has received grant funding in this area however notification was only in October and hence spend will not occur until next financial year given the preparation work required.

18. Disabled Facilities Grants - As is outlined within the Changes to the DFG Programme report, elsewhere on the agenda, the disabled facilities grants pay for adaptation work so that vulnerable disabled customers in the private sector can remain safe and independent in their own homes and reduce the need for customers requiring care.

19. The tables below, the current budget position at the end of October 2008 giving:

- An accurate record of the value of the work and number of the adaptations which we have paid for;
- An estimate of the value of the work and number of adaptations which we have committed;
- An estimate of the value of the work and the number of adaptations where the customer has been visited by this service but the work has yet to be committed/approved;
- An estimate of the value of the work and the number and type of adaptations which are on our waiting list.

20. The total budget for DFG's this year is £625k (only major adaptations). There is a separate budgets to support minor adaptation work in the private sector.

	Paid £000's	**Committed £000's**	**Visited but not committed £000's**	**Waiting list £000's**
Value	**£495**	**£ 130**	**£ 382k**	**£ 365**
Number of Adaptations	**72**	**15**	**32**	**58 all adaptations including those required for health and safety**

21. By the end of September we had fully committed the budget and by the end of October we had spent £495k. Given this the council is currently holding 90 applications at different stages including customers who require adaptations for essential health and safety and access reasons. 32 of these cases have received a visited from this service and the value of the work for these cases is estimated to be approximately £382k.

22. There are a further 58 customers (estimated value of work £365k) held on a waiting list who have not received a visit..

23. All of these will be carried forward to next year and it should be noted that:

- there are still five months of referrals to be included;
- this report doesn't seek to comment or reduce the waiting list with the occupational therapist service.

24. However any changes to improve the response times in the occupational therapist service will have a direct impact on this service. It should be noted that last financial year we received 152 new enquires for DFG's. This year, by the end of October, we had received 127 new DFG enquires, a significant increase in referral rate. If this referral rate continues it is expected that the additional costs associated with this increase is in the region of £225k per annum. However, it should be noted that this may increase if the referral rate continues to grow. It also does not include the costs of clearing the back log which is being created this financial year.

Summary

25. Summary of the latest position -

	Gross Budget £k	**External Funding* £k**	**Rev Con £k**	**Right to Buy Receipts £k**	**Capital Receipts £k**
Latest Monitor 2 Position	**9,249**	**7,830**	**787**	**130**	**502**

* External funding refers government grants, non government grants, other contributions, developers contributions and supported capital expenditure.

26. Members will recall that the first monitoring report in September noted that no Right To Buy Sales had been completed during the current financial year. As a result the sales forecast was reduced from the original estimate of 30 sales was reduced to 6 sales. The position has not changed since the September report and therefore the forecast for sales has been revised downwards from 6 to 0. The RTB receipts showing in the table above are those brought forward from 2007/08 to fund slippage on the Howe Hill scheme. There are no new receipts now forecast for 2008/09.

27. The consequence of this is to increase the call on corporate capital receipts to fund the HASS capital programme. The impact of this has been reduced by the underspend on Telecare which had required corporate funding.

Options

28. The report is primarily an information report for Members and therefore no options are provided to Members.

Corporate Priorities

29. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that meet corporate priorities.

Implications

Financial Implications

30. The financial implications are considered in the main body of the report.

31. There are no **HR implications, Equalities, Legal, Crime and Disorder, Information Technology** or **Property** implications as a result of this report

Risk Management

32. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Management Group (CAMG) meets regularly to plan monitor and review major capital receipts to ensure that all capital risks to the Council are minimised.

Recommendations

33. That the Advisory Panel advise the Executive Member to:

- Note the progress on schemes;
- approve variations in paragraph 8

Reason : to enable the effective management and monitoring of the Council's capital programme

Contact Details

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Report Approved	✓	**Date**	24/11/08

Bill Hodson
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Report Approved	✓	**Date**	24/11/08

Specialist Implications Officer(s)

None

Wards Affected: **All** ✓

For further information please contact the author of the report

Background Papers: None

Annexes: None