

REPORT TO: Executive Board
DATE: 15th March 2007
REPORTING OFFICER: Strategic Director Health and Community
SUBJECT: Housing Capital Programme
WARD(S): Boroughwide

1.0 PURPOSE OF REPORT

1.1 To inform the Board of the forecast outturn for the 2006/07 housing capital programme, and to seek approval for the 2007/08 programme.

2.0 RECOMMENDED – that the position regarding the 2006/07 programme be noted, and the proposed programme for 2007/08 as set out in the report and Appendix be recommended to Council for approval.

3.0 INTRODUCTION

3.1 The Appendix compares the approved 2006/07 programme with the forecast outturn position, and shows also the proposed programme for 2007/08.

3.2 Total resources available for 2006/07 amounted to £3.717m (although only £3.664m was programmed), whereas the projected spend is estimated at £1.662m. The reasons for variations to the programme are set out in section 4 below.

3.3 Section 5 of the report sets out the level of resources likely to be available in 2007/08 based on the forecast outturn for 2006/07, and a proposed programme of work is set out in the final column of the table in the Appendix.

4.0 2006/07 PROGRAMME - VARIATIONS

4.1 Housing Grants – Whilst only committing schemes to the value of the budget, a small number of schemes have incurred substantial additional costs due to unforeseen major works. Examples of this include the need to rebuild external and party walls due to structural instability revealed when plaster is removed, piled foundations being necessary due to poor ground conditions, and the discovery of rot in roof timbers when the tiling is removed. Slippage on other projects means that this will not result in the overall budget being overspent.

4.2 Disabled Facilities Grants – The budget was increased by £25,000 in late summer following a successful bid to the Regional Housing Board for additional grant. Work to the budget value is committed/ordered, and failing delays caused by bad weather, should spend to target.

- 4.3 Energy Promotion – This project actually spent to budget but spend was offset by a credit due to an overpayment in 2005/06.
- 4.4 Castlefields Equity Release Loans – Last year’s budget report highlighted the difficulties being experienced in spending this “ring fenced” fund for its intended purpose, despite active marketing of the loans. Government Office has acknowledged these difficulties and agreed that £644,000 be vired to fund the additional costs of refurbishing the Riverview Gypsy site. Further discussions are planned with Government Office to determine how the uncommitted balance of approximately £549,000 can be spent. Proposals for committing this money will be presented to a future Board meeting.
- 4.5 Riverview Gypsy Site – Significant delays have been encountered in progressing this project, arising firstly from the need to secure resources to cover increased costs, and then to identify an alternative site to temporarily relocate residents during the works. It is now anticipated that work will start in April 2007 resulting in most of the financial commitment slipping to 2007/08.
- 4.6 Adaptations Initiative – Proposals to establish a term contract for the fast track supply, fitting and maintenance of stairlifts outside the DFG process has been more complex than envisaged, and spend will now slip to 2007/08.

5.0 2007/08 PROPOSALS

- 5.1 Based on the forecast outturn for this year’s programme, the following resources are likely to be available to finance works in 2007/08 -

	<u>£000’s</u>
B/fwd from 2006/07	2,055
New capital grant	889
DFG subsidy	385
DFG capital growth	300
 TOTAL	 3,629

- 5.2 The proposed programme of work shown in the Appendix maintains support for annual programmes such as housing grants (increased to reflect demand in 2006/07), disabled facilities grants (increased to start to tackle the backlog of applications) and energy efficiency.
- 5.3 It also makes provision for previously approved schemes with committed slippage from 2006/07, together with a contingency sum of just over £100,000.

6.0 POLICY IMPLICATIONS

- 6.1 None.

7.0 OTHER IMPLICATIONS

7.1 None.

8.0 RISK ANALYSIS

8.1 In relation to DFGs the spend required to secure the full Government subsidy allocation is £642,000. Failure to achieve this level may prejudice future allocations, but given existing commitment levels and waiting lists this should not be a problem, indeed the planned programme is well in excess of this figure.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 The proposed programme of work will help tackle the housing problems of some of those in greatest housing need.

10.0 REASON FOR DECISION

10.1 The proposed programme will enable the Council to make continued progress in addressing the priorities set out in its Housing, Homelessness, Private Sector Renewal and Supporting People strategies.

11.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11.1 The strategies referred to in 10.1 have previously examined a range of options for meeting housing needs in the Borough, and the proposed programme of work is based on priorities already identified.

12.0 IMPLEMENTATION DATE

12.1 April 2007.

13.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document

Place of inspection

Contact Officer

Not applicable

HOUSING CAPITAL PROGRAMME 2006/07/08 (£000s)

	Original Budget 2006/07	Revised Budget 2006/07	Probable Outturn 2006/07	Proposed Budget 2007/08
Housing Grants/Loans	484	484	608	586
Disabled Facilities Grants	660	685	685	942
Home Link	10	10	10	10
Energy Promotion	75	35	35	75
Castlefields Equity Release Loans	1,343	1,358	165	549
West Bank Neighbourhood Renewal Assessment	11	27	27	0
Housing Needs Survey	8	7	8	0
Refurbishment of Riverview Gypsy site	891	838	37	1,269
Belvedere Repairs	87	87	87	0
Adaptations Initiative	95	92	0	92
Uncommitted				106
TOTAL	3,664	3,623	1,662	3,629