

Housing Capital Programme Commentary

Capital allocations for Housing Services for 2003/4 were finally approved at the end of the 2002/3 financial year. In July 2003 Housing undertook a full review of all schemes in the programme to provide spend targets which are reported through the Housing Strategy statement to the ODPM. The capital monitoring report to Cabinet on the 17 June 2003 made reference to this review and that as a result there would be a re-profiling of some spend from 2003/4 to 2004/5. Generally speaking housing capital schemes have long lead in times so the ability to achieve in-year spend is only possible when allocations are confirmed well in advance. The specific reasons for the major re-profiling that took place are as follows:

New Affordable Housing (LASHG) – A number of options for which this allocation could be used are still being explored, all of which require discussion and negotiation with RSL partners. Payments to RSLs are only triggered when properties/sites are actually acquired and it was therefore considered prudent to estimate that this would happen in 2004/5.

Disabled Facilities Grants – In July an expenditure estimate was made based on the level of commitments at that time. As at October 2003 the budget is fully committed although it can take some time for this to translate into actual spend depending on the rate of work on individual adaptations. We now estimate that DFG spend will be higher than originally estimated in July – around £850k. The only way to be assured of achieving in year spend of a DFG allocation is to have early confirmation of the allocation i.e. at least 6 months before the beginning of the financial year and a rolling programme to ensure that commitments can be continually entered into.

Empty Property Grants – this was a new grant programme introduced in 2003/4. As a new programme there is a lead in time for setting it up and generating interest to achieve a throughput of applicants. It was therefore considered prudent to re-profile some of the expenditure into 2004/5.

Major Works to Council Properties (Various schemes) - there are many individual schemes within this category and the main reasons for re-profiling spend are:

- revised design approaches being required once detailed surveys have been undertaken
- delays in the design and production of specifications
- once in contract, delays due to the poor performance of contractors

For example, an allocation was made to replace windows on the Mill Farm estate. The detailed surveys revealed additional work that will cost substantially more than the original budget. This led to an options appraisal of the estate to look at much wider issues in relation to its comprehensive refurbishment and redevelopment. The timescale for taking this forward is much longer than the original window replacement programme.