

Leicester
City Council

WARDS AFFECTED: ALL WARDS

HOUSING SCRUTINY COMMITTEE

10 JANUARY 2002

CABINET

28 JANUARY 2002

HOUSING CAPITAL PROGRAMME 2001/2002 and 2002/2003

JOINT REPORT OF THE DIRECTOR OF HOUSING & CHIEF FINANCIAL OFFICER.

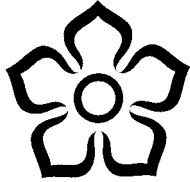
1. SUMMARY AND RECOMMENDATIONS

- 1.1 This report reviews the current years approved, Housing Capital Programme and, following receipt of the Single Capital Pot, recommends a programme for 2002/2003.
- 1.2 The **Housing Scrutiny Committee** is recommended to consider the report and to pass on any comments to Cabinet.
- 1.3 The **Cabinet** is recommended to consider the report and any comments from the Housing Scrutiny Committee and to:-
- (i) approve the revised programme, outlined at Appendix 'A', for 2001/2002;
 - (ii) note that the City Council has been designated by the DTLR, as one of only twenty-seven authorities (one less than last year) out of 354 in the country, as a 'well above average housing authority', which is the highest designation an authority can get under the HIP process. This achievement puts the Council amongst the top 7.6% of housing authorities in the Country;
 - (iii) approve the resources shown in paragraph 2.1, including the use of Housing Maintenance DSO Profits, to support the Housing Capital Programme in 2002/2003;
 - (iv) approve the Housing Capital Programme for 2002/2003 outlined at Appendix 'B' including the reserve scheme;

2. FINANCIAL IMPLICATIONS

- 2.1 The current years programme shows a revised spend of £24.638m, which is in line with the estimated resources available.

- 2.2 Officers have put together an overall capital programme of £24.289 million, for 2002/2003, which includes a small amount of overprogramming (£537k or 2.3%), for Members' approval. In addition £500k of reserve schemes are included in the draft programme subject to additional capital receipts becoming available.



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HOUSING CAPITAL PROGRAMME 2001/2002 and 2002/2003

SUPPORTING INFORMATION

1. 2001/2002 PROGRAMME

1.1 It is now estimated that resources to fund the 2001/2002 will be as follows:

	<u>Previous Estimated Resources</u> £000	<u>Revised Estimated Resources</u> £000
<u>HIP ALLOCATION</u>		
Housing (ACG)	9365	9365
Major Repairs Allowance	12875	12875
Specified Capital Grant (SCG)	720	720
Private Sector Renewal Support Grant (PSRSG)	70	170
	-----	-----
<u>Less</u>		
Housing Receipts Taken into Account (RTIA)	(492)	(492)
	-----	-----
<u>Plus Capital Receipts</u>		
Sale of Housing Property and Land	2000	1820
<u>Plus Revenue Contributions to Capital Outlay (RCCO)</u>		
Use of Housing DSO Profits	200	100
	-----	-----
	24738	24558
<u>Additional SCA's etc. received during the year</u>		
Capital Grant - Crime Reduction Initiative	0	80
	-----	-----
	24738	24638

1.2 The latest updated programme, outlined at Appendix 'A', shows an estimated spend of £24.638 million which is in line with the resources available. Cabinet is, therefore, recommended to approve the revised updated programme shown at Appendix 'A'.

2. 2002/2003 PROGRAMME

2.1 This is the first year of the Single Capital Pot and despite pressure on the Council's Capital Programme Cabinet is recommended to agree the following resources for housing.

	<u>2001/2002</u> <u>Anticipated</u> <u>Resources</u> <u>£000</u>	<u>2002/2003</u> <u>Estimated</u> <u>Resources</u> <u>£000</u>
<u>HIP ALLOCATION/SINGLE CAPITAL POT</u>		
Housing (ACG)/Single Capital Pot	9365	8171*
Major Repairs Allowance (MRA)	12875**	13159**
Specified Capital Grant (SCG)	720	500#
Private Sector Renewal Support Grant (PSRSG)	170	22
	-----	-----
	23130	21852
<u>Less</u>		
Housing Receipts Taken into Account (RTIA)	(492)	(300)
	-----	-----
	22638	21552
<u>Plus Capital Receipts</u>		
Sale of Housing Property and Land	1820	2000
<u>Plus Revenue Contributions to Capital Outlay (RCCO)</u>		
Use of Housing DSO Profits	100	200
<u>Other</u>		
Home Office Crime Reduction Programme	80	0
	-----	-----
	24638	23752

* This represents 80% of the Housing ACG within the Single Capital Pot

** Government now allocate resources, previously in capital, directly to the HRA via the MRA.

Estimated figure only, yet to be confirmed by DTLR.

2.2 In addition to the above resources, Senior Members have agreed that a reserve provision of £500k would be made available to Housing to support the programme subject to the capital receipt target for 2002/03 being achieved.

2.3 This level of resources, assuming the above proposal is adopted, would result in the draft programme outlined at Appendix 'C'. In putting the programme together officers have allowed for a small amount of over programming (£537k or 2.3%) to ensure all resources available are used and the Council does not incur any RTIA penalties in future years. In addition, the use of housing allocations allows the Council to tackle disadvantage and target resources to overcome inequality. This has been taken into account in developing the programme.

2.4 Members will appreciate, although this report is about the allocation of resources, clearly, a number of the schemes proposed could have crime and disorder and environmental implications. In putting the programme together, officers have been conscious of the opportunity that major investment offers in tackling these issues and, therefore, schemes such as the uPVC Window Replacement Programme, replacement of Central Heating Boilers, improvements to District Heating network and many more have been included.

- 2.5 The 'HIP' Allocation for next year shows an overall increase in resources of 9%. This increase is above the national average of 7%. At the time of writing the report the Authority has not been advised of the resources available for DFG's, although it is expected that these will be reduced by up to a third under the Government's new allocation formula.
- 2.6 Members should also note that the City Council has been designated a 'well above average housing authority' for the fourth year running by the DTLR, which is the highest designation an authority can get under the HIP process. In fact, only 27 councils (one less than last year) out of a total of 354 received this rating across the whole of the country and only three, Leicester, Derby and Ashfield, in the East Midlands. This rating puts Leicester in the top 7.6% of housing authorities in the Country and clearly reflects the improvements made by the Department over the last few years. It also confirms the current national standing of the Authority on housing policies and performance.
- 2.7 In considering the draft programme for next financial year, Members' attention is particularly drawn to the following provision:
- £6.950 million for replacing windows and Doors with uPVC Double Glazed Units, (there is also £500k in the reserve programme)
£1.050 million for the provision of new central/district heating systems,
£1.55 million for Kitchen and Bathroom modernisations,
£180,000 for Environmental Budgets for Community Associations,
£520,000 for 'CRI' type initiatives from the new Community Associations,
£2.6 million for Disabled Adaptations and Disabled Facilities Grants (this is over five times the amount made available by the Government for tackling disadvantage in peoples' homes),
£230,000 for improvements in sheltered housing schemes,
£1.2 million for re-roofing properties, and
£1.8 million for Renovation Grants in the Private Sector (this will enable a new Renewal Area to be declared in 2002/2003)
- 2.8 Members will no doubt recall that, following extensive consultation with tenants' representatives across the City, the old Housing Committee agreed a basis for allocating resources previously approved under the Capital Receipt Initiative at its June 1998 meeting.
- 2.9 Although there is no longer a specific allocation for this initiative, given the success of a number of programmes under the Scheme, particularly individual schemes developed by Tenant Associations in the City, it is suggested that this initiative continue next financial year and £520,000 has been set aside within the programme for this, on top of the £180,000 the Council makes available to the Community Associations for the Environmental Budget.
- 2.10 However, given the introduction of the Single Capital Pot and the fact that housing is no longer given a separate and specific allocation, Cabinet may want to lay down some ground rules to assist Community Associations in deciding which bids should be supported. Previously, the Housing Committee has said

that schemes would be measured against and must achieve, at least one of the following, to qualify for support, ie

1. To safeguard the Council's assets.
2. To reduce ongoing revenue costs.
3. To stimulate employment/the economy within the City (i.e. jobs and training).
4. To improve the lettability of the Council's housing stock.
5. To tackle disadvantage.
6. To improve security of properties and estates (i.e. help combat crime).
7. To meet the aspirations of tenants.

2.11 In addition, they **must**:

- only require a capital injection (ie have no ongoing revenue costs);
- directly benefit local inhabitants;
- improve the quality of life for local people;
- reinforce the value of housing improvements being undertaken;
- achieve good value for money; and
- complement the Government's wider policy objectives of Welfare to Work and Social Exclusion.

2.12 However, in previous years, many bids have been for schemes that are not part of the main stream housing function, eg laybys, street lighting, dropped kerbs etc. for which other funding streams are available in the Council. Given that resources are limited and housing is having to bid for resources against other front line services (Education, Social Services, Arts and Leisure, Environment and Development) under the Single Capital Pot, it is suggested that only bids that result in direct improvements to the housing stock are supported this time round. Given the tighter brief, it is recommended that a sum of £520,000 be set aside in total for those schemes that the Community Associations identify as having the highest priority next year on top of the £180,000 for the Environmental Budgets which are under the direct control of the Community Associations.

3. LEGAL IMPLICATIONS

3.1 There are no legal implications associated with this report.

4. OTHER IMPLICATIONS

	Yes/No	
Equal Opportunities	yes	Paras 2.5 and 2.7
Policy	no	
Sustainable & Environmental	yes	Paras 2.6 and 2.7
Crime & Disorder	yes	Paras 2.6 and 2.7
Human Rights Act	no	

5 AIMS AND OBJECTIVES OF THE HOUSING DEPARTMENT

- 5.1 This report meets the Committee's overall Quality of Life Aim for the Department 'A decent home within the reach of every citizen of Leicester', and within that Key Objective 1 - To improve the condition of Leicester's housing stock and resolve unfitness in all sectors.

6. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

6.1 Background Papers

Report on Housing Capital Programme 2000/2001 and 2001/2002 to the Housing Committee and Policy and Resources Committee in February 2000.

HIP Allocation letter from the DETR dated 5 December 2000.

7 DETAILS OF CONSULTATION

- 7.1 No other department has been consulted in the preparation of this report.

8. AUTHORS OF REPORT

- 8.1 Dave Pate, extension 6801 and Graham Troup, extension 7425.

APPENDIX 'A'

HOUSING CAPITAL PROGRAMME 2001/2002

	Current Programme	Revised Programme
	£000	£000
Planned Maintenance	85	85
Fees	300	120
Saffron NHO	100	100
Plastering Kitchens/Renew Bathrooms	1250	650
Cladding MHC Bungalows	125	125
30+year old rewiring	700	700
Re-roofing	1200	1200
Chimney Replacement	130	130
Repair External Elements	100	100
Energy Efficiency Boilers	2110	2110
Environmental Works	25	25
Service Improvements	200	200
Lifts in Sheltered Accommodation	100	100
Showers in Sheltered Accommodation	50	50
Structural Works	400	400
Disabled Adaptations	1200	1200
Cladding BISF Houses	175	175
Health and Safety Issues	100	100
Replacement and New Door Entry Systems	500	500
Retaining Walls	100	100
Window Replacement Programme	4500	4300
DHS Pipework	475	475
New Central Heating	1700	1540
CRI Neighbourhood Approach	720	890
Demolition of surplus/problem properties	2100	1820
St Matthews District Heating	500	500
Bungalow Extensions	600	600
Saffron Area Office – Purchase of freehold	0	160
Disabled Facilities Grants	1200	1500
Renovation Grants	1980	1600
Group Repair Schemes	400	250
Energy Efficiency Grants	300	200
Environmental Works in Renewal Areas	345	450
Home Repair Grants	490	700
Fees	60	75
Capitalisation of staff salaries	435	435
Empty Homes Strategy	50	50
New Deal Training Scheme	50	50
DIP System	300	300
Improving Council Hostels	125	125
Care in the Community – Alarm Systems	125	125
Belgrave Block Scheme	0	243
Crime Reduction Initiatives	0	80

HOUSING CAPITAL PROGRAMME 2002/2003**HRA SCHEMES**

	£000
1. <u>HRA 10 YEAR TARGET</u>	
Plastering/Renewing Kitchens & Bathrooms	1.550
Cladding – MHC Bungalows	0.400
30+ Rewiring	0.500
Re-roofing	1.200
Chimney Replacements	0.100
Repair External Elements – Pointing etc	0.150
Energy Efficiency Work incl. Central Heating Boilers	2.200
Environmental Works	0.025
Sheltered Housing Improvements	0.230
Structural Works	0.560
Renew Cladding to BISF Houses	0.300
Health and Safety Issues	0.085
Replacement of Door Entry Phones	0.100
Retaining Walls	0.100
Window & Door Replacement Programme including Automation Machine	6.950
DHS Pipework etc	0.500
New Central Heating Installations	0.800
St. Matthews District Heating Scheme	<u>0.250</u>
HRA 10 Year Target Total	16.000
2. <u>Other HRA Schemes</u>	
New Door Entry Systems	0.100
Planned Improvements WIP	0.054
Fees	0.100
Environmental Budgets allocated to Community Associations	0.180
CRI – Community Association Schemes	0.520
Disabled Adaptations to Council dwellings	1.300
Bungalow Extensions	0.150
Service Improvements	0.500
Supporting People Initiative	<u>0.300</u>
Other HRA Schemes Total	3.204
HRA Total	19.204
<u>GENERAL FUND EXPENDITURE</u>	
1. <u>SCG/GF Commitments</u>	
Mandatory Disabled Facilities Grants	1.300
Renovation Grants in Renewal Areas	<u>1.800</u>
SCG/GF Commitments Total	3.100
2. <u>SCG/GF New Starts Programme</u>	
Energy Efficiency Grants (DFG's & Renewal Areas)	0.300
Environmental Works in Renewal Areas	0.200
Home Repair Grants (incl. City Wide Home Mtnc Strategy & Care & Repair)	<u>0.400</u>
SCG/GF New Starts Programme	0.900
SCG/GF Total	4.000

	<u>£000</u>
1. <u>Other GF Commitments</u>	
Fees	0.060
Capitalisation of salaries	<u>0.435</u>
Other GF Commitments Total	0.495
2. <u>Other General Fund New Starts Programme</u>	
Empty Homes Strategy using CPO Powers	0.030
New Deal Training Scheme	0.030
City Wide Maintenance scheme	0.030
Replacement of HB Computer System	0.300
Improvements to Council Hostels	0.100
Care in the Community – Alarm Systems	<u>0.100</u>
Other General Fund New Starts Total	0.590
Other General Fund Total	1.085
OVERALL GENERAL FUND TOTAL	5.085
PROGRAMME TOTAL	24.289
Less Overprogramming	<u>0.537</u>
TOTAL HOUSING CAPITAL PROGRAMME	23.752
<u>Reserve Scheme</u>	
Window/Door Replacement Programme	0.500