



To Executive Councillor for Housing (and Deputy Leader): Councillor Catherine Smart
Report Director of Community Services, Director of Environment & Planning, Director of Finance
by
Relevant Scrutiny Community Services 1 July 2010
Committee

2009/10 Revenue and Capital Outturn, Carry Forwards and Significant Variances (Housing)

Not a Key Decision

1. Executive summary

1.1 This report presents a summary of the 2009/10 outturn position (actual income and expenditure) for services within the Housing portfolio, compared to the final budget for the year. The position for revenue and capital is reported and variances from budgets are highlighted, together with explanations. Requests to carry forward funding arising from certain budget underspends into 2010/11 are identified.

2. Recommendations

The Executive Councillor is recommended:

- a) To agree the carry forward requests, totalling £135,470 as detailed in Appendix C, to be recommended to Council for approval.
- b) To seek approval from Council to rephase capital expenditure of £96,000 in respect of Management Orders and the Landlord Accreditation Scheme into 2010/11, as detailed in Appendix D.
- c) To seek approval from Council to rephase capital expenditure of £25,000 in respect of investment in private sector housing grants and loans into 2010/11 and recognise the use of £41,000 more resource in 2010/11 than anticipated, in respect of the Assessment Centre, as detailed in Appendix E and the associated notes.
- d) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £1,389,000 between

2009/10 and 2010/11, in relation to investment in the Housing Revenue Account stock, as part of the Housing Capital Investment Plan, as detailed in Appendix E and the associated notes.

- e) To confirm inclusion of £500,000 in 2010/11, £815,000 in 2011/12 and £60,000 in 2012/13 in respect of the redevelopment works at Roman Court in the Housing Capital Investment Plan, as approved by Community Services in March 2010.
- f) To confirm inclusion of £236,000 in 2010/11, to meet the decant costs of Seymour Court in the Housing Capital Investment Plan, as approved by Community Services in March 2010.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Housing portfolio, compared to the final revenue budget, is presented in detail in Appendix A.
- 3.2 Appendix B to this report provides explanations of the main variances.
- 3.3 Appendix C sets out the final list of items, for this service portfolio, for which approval is sought to carry forward unspent revenue budget from 2009/10 to the next financial year, 2010/11.
- 3.4 The overall revenue budget outturn position for the Housing portfolio is set out in the table below:

Housing 2009/10 Revenue Summary	£
Final Budget	2,346,150
Outturn	2,136,766
Variation – (Under) / overspend for the year	(209,384)
Carry Forward Requests:	135,470
Net Variance	(73,914)

The variance represents 3.15% of the overall portfolio budget for 2009/10

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Housing portfolio funded from General Fund resources, with explanations of variances.
- 3.6 Resolution of two potential Compulsory Purchase Orders and no requirement to place management orders, combined with less than anticipated take up of Landlord Accreditation Scheme grants has resulted in underspending of £496,000. It is proposed that the funding for both management orders (£50,000) and landlord accreditation scheme grants (£46,000) be rephased into 201/11.
- 3.7 Appendix E shows the capital schemes covered by the Housing Capital Investment Plan (Housing Revenue Account and Housing General Fund schemes funded from HRA resources).
- 3.8 Appendix E summarises the outturn position for the Housing Capital Investment Plan and the associated notes give brief explanations of the variances. A net underspend of £2,403,000 is evident, combining some overspending in areas such as disabled adaptations in HRA stock, energy improvements, major voids, roof strengthening and damp works, with the requirement to carry forward a net sum of £1,373,000 to rephase expenditure in capital schemes between 2009/10 and 2010/11, predominantly in relation to investment in decent homes in our own stock (£502,000), other investment in HRA stock (£502,000), new build affordable housing (£78,000), Cambridge Standard works (£170,000), the refurbishment of and other works to the authority's sheltered schemes (£234,000), other HRA capital investment (£143,000) and private sector grants and loans (£25,000). Resources of £41,000 identified in 2010/11 to continue works to the assessment centre and £240,000 to begin the refurbishment of Brandon Court were required earlier than anticipated, during 2009/10. The Housing Capital Investment Plan has been updated to reflect changes in the phasing of capital projects
- 3.9 Resources were greater than anticipated in 2009/10, due predominantly to the receipt of income from leaseholders for major improvement works and the sale of two dwellings in Panton Street, which would otherwise have required significant investment to meet the decent homes standard and a marginal increase in right to buy sales, with thirteen sales completing during the financial year.

4. Implications

- 4.1 The net variance from final budget, after approvals to carry forward £135,470 budget from 2009/10 into the next financial year, 2010/11, would result in a reduced use of General Fund reserves of £73,914.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2010/11 the decisions made may have a number of implications. A decision not to approve a carry forward request will impact on officers' ability to deliver the service or scheme in question and this could have staffing, equal opportunities, environmental and/or community safety implications.

5. Background papers

These background papers were used in the preparation of this report:

- Closedown Working Files 2009/10
- Directors Variance Explanations – March 2010
- Capital Monitoring Report – March 2010
- Budgetary Control Reports to 31 March 2010

6. Appendices

- Appendix A - Revenue Budget 2009/10 - Outturn
- Appendix B - Revenue Budget 2009/10 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2009/10 - Carry Forward Requests
- Appendix D - Capital Budget 2009/10 - Outturn
- Appendix E - Housing Capital Investment Plan – HRA & GF
- Appendix E Notes - Notes to the Housing Capital Investment Plan.

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

Authors' Names: Julia Hovells; Karen Whyatt
Authors' Phone Numbers: Telephone: 01223 457822 and 01223 458145
Authors' Emails: julia.hovells@cambridge.gov.uk;
karen.whyatt@cambridge.gov.uk

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Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget - 2009/10 Outturn

Service Grouping	Original Budget £	Final Budget £	Outturn	Variation Increase / (Decrease) £	Carry Forward Requests - see Appendix C £	Net Variance £
Housing General Fund						
Housing Strategy, Development, Housing Aid/ Needs						
Homelessness Costs	47,640	47,640	42,488	(5,152)	0	(5,152)
Housing Aid	405,940	384,610	391,185	6,575	0	6,575
Choice Based Lettings	60,270	64,270	53,388	(10,882)	0	(10,882)
Choice Based Lettings (Scheme Costs)	46,790	46,790	39,642	(7,148)	0	(7,148)
RSL Partnership Project	0	13,270	0	(13,270)	13,270	0
Bed and Breakfast	23,420	11,420	(5,208)	(16,628)	0	(16,628)
125 Newmarket Road - Revenue costs	(1,840)	(3,490)	(5,693)	(2,203)	0	(2,203)
Single Homeless / Rough Sleepers	169,570	160,420	149,151	(11,269)	0	(11,269)
Anti Social Behaviour	61,960	61,960	61,960	0	0	0
Housing Strategy	109,710	70,500	70,688	188	0	188
Growth - Community Services	110,150	72,040	68,655	(3,385)	0	(3,385)
Travellers	5,000	5,000	0	(5,000)	0	(5,000)
Rough Sleepers Strategy	0	(40)	(111,849)	(111,809)	111,810	1
Development	120,290	112,680	138,832	26,152	0	26,152
	1,158,900	1,047,070	893,239	(153,831)	125,080	(28,751)
Private Sector Housing Renewal/ Voluntary Sector						
Home Aid	138,070	122,670	109,280	(13,390)	0	(13,390)
Grants to Housing Agencies	184,330	184,330	181,618	(2,712)	0	(2,712)
	322,400	307,000	290,898	(16,102)	0	(16,102)
Miscellaneous Housing						
Bermuda Road Garages	(7,310)	(7,310)	(7,680)	(370)	0	(370)
Racial Harassment	46,560	42,090	43,282	1,192	0	1,192
Supporting People	35,000	23,000	22,909	(91)	0	(91)
Contribution to / from HRA	356,400	356,400	338,798	(17,602)	0	(17,602)
	430,650	414,180	397,309	(16,871)	0	(16,871)
Total Housing General Fund	1,911,950	1,768,250	1,581,446	(186,804)	125,080	(61,724)
Environment and Planning - Environmental Services						
Housing Standards	602,870	485,400	479,047	(6,353)	10,390	4,037
Landlord Accreditation	0	40,660	40,643	(17)	0	(17)
Energy Officer	0	48,350	48,002	(348)	0	(348)
Miscellaneous Licensing - Housing	0	3,490	(12,372)	(15,862)	0	(15,862)
	602,870	577,900	555,320	(22,580)	10,390	(12,190)
Total Net Budget	2,514,820	2,346,150	2,136,766	(209,384)	135,470	(73,914)

Changes between original and final budgets may be made to reflect:

- portfolio and departmental restructuring
- approved budget carry forwards from the previous financial year
- technical adjustments, including changes to the capital accounting regime
- virements approved under the Council's constitution
- additional external revenue funding not originally budgeted for

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)
- and via technical adjustments/virements throughout the year

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2009/10 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Community Services - Housing Strategy, Development, Housing Aid / Needs			
CLG Homelessness Grant	Underspending in CLG Homelessness Grant for 2009/10, with expenditure committed, but not realised in respect of meeting identified priorities in homelessness prevention and support. A carry forward of this external grant balance is requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. £30,000 of this funding is held by Cambridge City on behalf of 5 local authorities in the sub-region for additions to the Homelink system. The balance has been ear-marked for investment in tenancy sustainment, mediation, a visiting service, reconnections work and an employment worker to work with the homeless.	(111,809)	D Greening
Development	Under-achievement in fee income, with two major projects (Assessment Centre and CCC New Build) being in the early stages of development. Fees will be claimed in relation to both projects in 2010/11.	26,152	A Carter
Choice Based Lettings	Underspending in respect of the operational costs of the CBL team (printing and postage), combined with an over-achievement of income from housing associations and registered social landlords for advertising in the Homelink magazine.	(18,030)	D Greening
Contribution to the HRA for Shared Amenities	The year end recharge from the Housing Revenue Account in respect of shared amenities was less than anticipated as a result of underspending in estate management costs.	(17,602)	J Hovells
Bed and Breakfast	Housing Benefit received in relation to stays in Bed and Breakfast was greater than anticipated in 2009/10, due in part to both better recovery of housing benefit and to benefit being paid inclusive of vat.	(16,628)	D Greening
Home Aid	Fee income for 2009/10 was greater than anticipated, coupled with receipt of de-minimus sums in respect of repayment of private sector housing loans, which can't be budgeted for with any reliability.	(13,390)	D Irving
RSL Partnership Project	A balance still exists in RSL contributions for work to be undertaken in relation to strategic housing initiatives across the city. This funding is requested to be carried forward to either resurrect this work in 2010/11 or to allow return of the funding to the RSL contributors if not.	(13,270)	A Carter
Single Homeless / Rough Sleepers	Underspending in employee costs due to vacancies within the team during 2009/10 and in the costs of operating the strategy car during the year.	(11,269)	D Greening

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2009/10 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Minor Variations		(10,958)	
Total		(186,804)	
Environment and Planning - Environmental Services			
Minor Variations		(22,580)	
Total		(22,580)	
Total for Housing Portfolio / Community Services Scrutiny Committee		<u>(209,384)</u>	

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2009/10 - Carry Forward Requests

Request to Carry Forward Budgets from 2009/10 into 2010/11

Item		Request £	Contact
	Director of Community Services		
1	CLG Homelessness Grant - A carry forward of this external grant balance is requested to allow existing commitments in respect of homelessness prevention work and support activity to be fully met. £30,000 of this funding is held by Cambridge City on behalf of 5 local authorities in the sub-region for additions to the Homelink system. The balance has been ear-marked for investment in tenancy sustainment, mediation, a visiting service, reconnections work and an employment worker to work with the homeless.	111,810	D Greening
2	RSL Partnership Project - A balance still exists in RSL contributions for work to be undertaken in relation to strategic housing initiatives across the city. This funding is requested to be carried forward to either resurrect this work in 2010/11 or to allow return of the funding to the RSL contributors if not.	13,270	A Carter
	Director of Environment & Planning		
3	A carry forward is requested to transfer the unspent budget of the Management Orders budget for future CPO work.	7,820	S Anderson
4	A carry forward is requested for a training course expected to be run in 2009/10 but has been delayed by the course provider and is now happening in September 2010.	2,570	S Anderson
	Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee	135,470	

Housing Portfolio / Community Services Scrutiny Committee

Capital Budget 2009/10 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget 2009/10 £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000	Comments
Housing General Fund									
	No schemes in current programme								
Environment & Planning - Environmental Services									
SC163	Compulsory Purchase Orders (CPOs)	S Anderson	400	400	0	(400)	0	(400)	2 CPOs which were proposed for 2009/10 were resolved.
SC386	HMOs - Management Orders	S Anderson	50	50	0	(50)	50	0	There is a statutory requirement to have funds available to process management orders if necessary. It is requested that the unspent budget be rephased to 2010/11
SC414	Landlord Accreditation Scheme	Y O'Donnell	50	50	4	(46)	46	0	Take up for this grant has been slow. A drive to publicise it is currently taking place to increase take up. Report went to AMG to inform of low spend. Request to rephase the unspent budget.
Total for Housing Portfolio			500	500	4	(496)	96	(400)	

Changes between original and final budgets may be made to reflect:

- rephased capital spend from the previous financial year
- rephased capital spend into future financial periods
- approval of new capital programmes and projects

and are detailed and approved:

- in the June committee cycle (outturn reporting and carry forward requests)
- in September (as part of the Medium Term Strategy (MTS))
- in the January committee cycle (as part of the budget setting report)

2009/10 Housing Capital Investment Plan - HRA & GF

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Notes	2010/11 £000's
General Fund Housing Capital Spend						
Investment in Affordable Housing	220	0	4	4	1	0
Other General Fund Housing	765	900	958	58	2	1,724
Total General Fund Housing Capital Spend	985	900	962	62		1,724
HRA Capital Spend						
Decent Homes Programme	7,929	9,577	8,195	(1,382)	3	5,710
Other Spend on HRA Stock	2,456	2,782	2,310	(472)	4	3,404
HRA New Build	0	127	49	(78)	5	973
Cambridge Standard Works	200	305	89	(216)	6	370
Sheltered Housing Capital Investment	154	1,424	1,401	(23)	7	4,367
Other HRA Capital Spend	330	468	174	(294)	8	473
Total HRA Capital Spend	11,069	14,683	12,218	(2,465)		15,297
Total Housing Capital Spend	12,054	15,583	13,180	(2,403)		17,021
Housing Capital Resources						
Right to Buy Receipts	(309)	(413)	(505)	(92)	9	(207)
Other Capital Receipts (Land and Dwellings)	0	(1,850)	(2,359)	(509)	10	0
MRA	(5,048)	(5,048)	(5,048)	0		(5,020)
Client Contributions	0	0	(361)	(361)	11	0
Direct Revenue Financing of Capital	(2,993)	(3,001)	(3,001)	0		(2,743)
Other Capital Resources (Grants / Shared Ownership)	(562)	(2,319)	(2,066)	253	12	(2,131)
Section 106 (Affordable Housing)	0	(108)	(108)	0		(182)
Prudential Borrowing	0	0	0	0		(283)
Total Housing Capital Resources	(8,912)	(12,739)	(13,448)	(709)		(10,566)
Net (Surplus) / Deficit of Resources	3,142	2,844	(268)	(3,112)		6,455
Capital Balances b/f	(13,675)	(13,675)	(13,675)			(12,844)
Use of / (Contribution to) Balances in Year	3,142	2,844	(268)	(3,112)		6,455
Ear-Marked for Future Investment in HRA stock	0	0	0	0		
Ear-Marked for Future Investment in Affordable Housing	(220)	641	1,099	458	13	
Capital resources remaining to fund future Housing Investment Programme	(10,753)	(10,190)	(12,844)	(2,654)		(6,389)
Section 106 Capital	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Notes	2010/11 £000's
Section 106 Spend on external Affordable Housing	0	135	120	(15)	14	15
Section 106 Spend on CCC Affordable Housing	0	108	108	0		182
Total Section 106 Capital Expenditure	0	243	228	(15)		197

Appendix E Notes

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	Residual costs were incurred during 2009/10, in relation to the decant of residents from Elmfield Close / Road, causing an overspend of approximately £4,000.
2	Costs of £151,000 were incurred in 2009/10 in relation to the creation of the Assessment Centre at the Zion Baptist Church (Jimmy's) on East Road, against an anticipated spend of £110,000, with expenditure anticipated in 2010/11 reducing correspondingly. The cost of the works are being met by funding of £3,000,000 from the CLG, with the Council contributing a total of £500,000 to the project. The £20,000 annual allocation for working with long term vacancies in the private sector has not been required during 2009/10. A grant of £130,000 was made to Wintercomfort following receipt of CLG funding in this respect. Expenditure in relation to both private sector housing grants and loans and disabled facilities grants has been less than anticipated, resulting in underspends of £63,000 and £30,000 respectively. Private sector grant and loan resources of £25,000, brought forward into 2009/10 at revised budget stage are requested to be returned to 2010/11 to meet demand in the current year.
3	A net underspend of £1,270,000 has occurred in the decent homes programme due to underspending in roofing works, re-wiring, central heating, entrance doors, wall finishes, kitchens, bathrooms and health and safety rating system (HHSRS) works, partially offset by overspending in major voids, roof strengthening works, energy improvements and damp works. Re-phasing into 2010/11 is requested in respect of roofing (£16,000), re-wiring (£139,000), bathrooms (£19,000), central heating (£185,000), PVCU (£10,000), entrance doors (£16,000), and kitchens (£102,000), where work will take place in 2010/11. Resources of £15,000 are requested to be carried forward in respect of energy improvement works, where grants received in 200/10 were used to fund additional expenditure.
4	Re-phasing is requested in relation to fencing (£18,000), garage improvement works (£10,000), tenants incentive schemes (£6,000), hard surfacing works on HRA land for recycling areas (£9,000), TV aerials (£58,000), works to communal areas (£25,000) and the retrofit project (£131,000), where works had begun but had not been completed by 31st March 2010, due in part to bad weather conditions during the winter of 2009/10 . Resources are also required to be re-phased in respect of health and safety works (£145,000) and communal area floor coverings (£100,000), where work is also yet to take place. Additional underspending in hard surfacing works and savings in the TV aerial programme have been more than offset by overspending in respect of asbestos removal (£98,000) and disabled adaptations (£19,000), where demand has been greater than anticipated.
5	Resources of £78,000 are requested to be re-phased in respect of the 8 units of new build accommodation, where preparatory costs have not been incurred in full as early in the project as anticipated. Work began on site in March 2010 as planned, with completion still anticipated by March 2011.

6	Approval was given for the 2009/10 Cambridge Standard allocation to be spent on a variety of environmental projects across the city. Many of these projects are yet to be completed and resources of £170,000 are requested to be carried forward into 2010/11 to allow this to take place.
7	Re-phasing of retention monies in respect of the refurbishment of Talbot House (£77,000), the resources to create a communal lounge for School Court (£48,000), an allocation for upgrading the emergency alarm systems in sheltered schemes (£106,000) and access improvements (£3,000) is requested to complete existing projects. Funding of £500,000 is included in 2010/11 for the early costs associated with the approval to progress with a joint refurbishment project with Papworth Trust at Roman Court and £236,000 to meet the decant costs at Seymour Court. Expenditure of £240,000 was incurred in 2009/10 in respect of the refurbishment of Brandon Court, with resources originally anticipated to be spent in 2010/11 requiring re-phasing into 2009/10 to meet this cost.
8	A decision to delay the upgrade of the Orchard Housing Management Information System until 2010/11 to ensure transfer to the latest release, results in the need to request re-phasing of £138,000 into 2010/11. A request to carry forward £5,000 to complete works to HRA commercial properties is also requested.
9	Capital receipts from right to buy sales, which were anticipated to stay low in 2009/10, saw a marginal increase in the latter part of the year, with 13 completions in total.
10	The sale of 2/2a Panton Street and the transfer by lease, of land in Baldock Way to a housing association and the granting of an easement in Tenby Close, during the latter part of 2009/10, delivered a net capital receipt of £509,000 that was neither anticipated nor budgeted for.
11	Income was due from leaseholders in 2009/10 in relation to their share of the cost of major improvements undertaken as part of the decent homes and Cambridge Standard programmes (£361,000).
12	Receipts from the re-sale of shared ownership properties were less than anticipated in 2009/10 and Homes and Communities Agency grant for our new build properties and retrofit grant were not claimed as early as anticipated. This reduction in capital resource was partially offset by receipt of £130,000 CLG grant, which was passed on to Wintercomfort, energy grants of £80,000 and repayment of £40,000 in respect of private sector housing loans. Resources are re-phased into 2010/11 in respect of repairs and renewals funding for the Orchard upgrade project (£138,000), grant for the retrofit project (£131,000) and HCA grant for new build dwelling (£118,000) in line with anticipated expenditure.
13	The level of resources ear-marked for future investment in affordable housing have been re-visited to ensure that the balance of funding available relates to monies remaining from receipts arising from the sale of council dwellings outside of the right to buy process and land disposed of as a result of land audit recommendations. This now also includes the capital receipt from the sale of 2/2a Panton Street.
14	The final payment in relation to the investment in an affordable housing scheme funded by Section 106 money at Baldock Way (£15,000), requires approval to be carried forward into 2010/11, to meet our total agreed investment.