



To Executive Councillor for Housing: Councillor Catherine Smart
Report Director of Community Services
by Director of Resources
Relevant Scrutiny Community Services 30 June 2011
Committee

2010/11 Revenue and Capital Outturn, Carry Forwards and Significant Variances

Not a Key Decision

1. Executive Summary

1.1 This report presents a summary of the 2010/11 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 2011/12 are identified.

1.2 It should be noted that this report reflects the reporting structure in place prior to the recent changes in Executive reporting responsibilities.

2. Recommendations

The Executive Councillor is recommended:

- a) To agree which of the carry forward requests, totalling £120,990 as detailed in Appendix C, are to be recommended to Council for approval.
- b) To seek approval from Council to carry forward capital resources to fund rephased net capital spending of £7,000 from 2010/11 into 2011/12, as detailed in Appendix D.
- c) To seek approval from Council to rephase capital expenditure of £32,000 in respect of investment in disabled facilities grants into 2011/12.

- d) To seek approval from Council to rephase capital expenditure of £423,000 from 2010/11 into 2011/12, in respect of investment in the creation of the Assessment Centre, and to increase the overall budget sum by a further £125,000 to meet identified additional costs of the project, resulting in £2,797,000 being available to be spent in 2011/12 and 2012/13 to complete the project. The additional £125,000 investment has been fully funded by an increase in the CLG contribution towards the project.
- e) To seek approval from Council to carry forward capital resources to fund rephased capital spending of £6,159,000 between 2010/11 and 2011/12, in relation to investment in the Housing Revenue Account, as part of the Housing Capital Investment Plan, as detailed in Appendix E and the associated notes, with the resulting need to increase the use of revenue funding of capital expenditure by £951,000 in 2011/12.
- f) To seek approval from Council to rephase anticipated capital income of £308,000, from 2010/11 to 2011/12, in the form of the final tranche of Homes and Communities Agency Grant (£25,000) and an element of prudential borrowing (£283,000), both required to complete the 7 units of new build affordable housing.

3. Background

Revenue Outturn

- 3.1 The outturn position for the Housing portfolio, compared to 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 budget from 2010/11 to the next financial year, 2011/12.
- 3.4 The overall revenue budget outturn position for the Housing portfolio is set out in the table below:

Housing 2010/11 Revenue Summary	£
Final Budget	2,771,220
Outturn	2,514,885
Variation – Underspend for the year	(256,335)
Carry Forward Requests:	120,990
Net Variance	(135,345)

The variance represents 4.88% of the overall portfolio budget for 2010/11

Capital Outturn

- 3.5 Appendix D shows the outturn position for schemes and programmes within the Housing portfolio, with explanations of variances.
- 3.6 An overall underspend of £7,000 has arisen, due to slippage in investment through the landlord accreditation scheme. Permission has been sought from the grant provider to utilise the remaining resource in 2011/12.
- 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 £6,957,000 is evident, combining overspending in areas such as kitchens, bathrooms, major voids and damp works, with the requirement to carry forward £6,614,000 of rephased expenditure in capital schemes between 2010/11 and 2011/12, predominantly in relation to investment in general fund housing (£455,000), investment in decent homes in our own stock (£435,000), other investment in HRA stock (£1,193,000), new build affordable housing (£559,000), Cambridge Standard works (£255,000), the refurbishment of and other works to the authority's sheltered schemes (£3,655,000) and other HRA capital investment (£62,000).
- 3.9 Permission is also sought to increase the overall budget for works to create an assessment centre in the city, from £3,500,000 to

£3,625,000, with the additional £125,000 cost being fully met by an increase in CLG grant, which was approved and received in 2010/11.

- 3.10 Although right to buy and other land related receipts were greater than anticipated in 2010/11, slippage in the capital investment programme resulted in both a lower requirement for revenue funding of capital expenditure and deferred the need for the HRA to prudentially borrow to meet the final costs of the 7 units of new build affordable housing. Both of these resources will be utilised in 2011/12.

4. Implications

- 4.1 The net variance from final budget, after approvals to carry forward £120,990 budget from 2010/11 to the next financial year, 2011/12, would result in a reduced use of General Fund reserves of £135,345.
- 4.2 In relation to anticipated requests to carry forward revenue budgets into 2011/12 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 2010/11
- Directors Variance Explanations – March 2011
- Capital Monitoring Reports – March 2011
- Budgetary Control Reports to 31 March 2011

6. Appendices

- Appendix A - Revenue Budget 2010/11 - Outturn
- Appendix B - Revenue Budget 2010/11 - Major Variances from Final Revenue Budgets
- Appendix C - Revenue Budget 2010/11 - Carry Forward Requests
- Appendix D - Capital Budget 2010/11 - Outturn

7. Inspection of Papers

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

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Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget - 2010/11 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	171,780	111,480	127,633	16,153	0	16,153
Housing Aid	399,040	490,740	486,341	(4,399)	0	(4,399)
Choice Based Lettings	45,010	46,490	22,581	(23,909)	0	(23,909)
Choice Based Lettings (Scheme Costs)	47,250	36,950	38,788	1,838	0	1,838
RSL Partnership Project	0	13,270	0	(13,270)	13,270	0
125 Newmarket Road - Revenue costs	(3,530)	5,680	4,562	(1,118)	0	(1,118)
Single Homeless / Rough Sleepers	165,930	175,020	173,043	(1,977)	0	(1,977)
Anti Social Behaviour	58,010	58,010	58,010	0	0	0
Housing Strategy	110,060	121,950	123,665	1,715	0	1,715
Growth - Community Services	75,240	74,940	53,970	(20,970)	0	(20,970)
Travellers	5,050	0	0	0	0	0
Rough Sleepers Strategy	0	111,810	17,326	(94,484)	94,480	(4)
Development	119,760	129,060	134,907	5,847	0	5,847
	1,193,600	1,375,400	1,240,826	(134,574)	107,750	(26,824)
Private Sector Housing Renewal/ Voluntary Sector						
Home Aid	130,730	166,730	125,555	(41,175)	0	(41,175)
Grants to Housing Agencies	186,160	186,160	184,326	(1,834)	0	(1,834)
	316,890	352,890	309,881	(43,009)	0	(43,009)
Miscellaneous Housing						
Bermuda Road Garages	(7,380)	(7,380)	(6,411)	969	0	969
Racial Harassment	43,770	46,700	47,000	300	0	300
Supporting People	22,910	22,910	17,765	(5,145)	0	(5,145)
Contribution to / from HRA	350,940	350,940	323,917	(27,023)	0	(27,023)
	410,240	413,170	382,271	(30,899)	0	(30,899)
Total Housing General Fund	1,920,730	2,141,460	1,932,978	(208,482)	107,750	(100,732)
Environment - Refuse and Environment						
Housing Standards	556,740	517,860	507,627	(10,233)	7,820	(2,413)
Landlord Accreditation	111,970	41,540	39,621	(1,919)	0	(1,919)
Energy Officer	49,490	49,100	46,554	(2,546)	5,420	2,874
Miscellaneous Licensing - Housing	(118,660)	21,260	(11,895)	(33,155)	0	(33,155)
Total Environment	599,540	629,760	581,907	(47,853)	13,240	(34,613)
Total Net Budget	2,520,270	2,771,220	2,514,885	(256,335)	120,990	(135,345)

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2010/11 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Customer & Community Services - Housing Strategy, Development, Housing Aid / Needs, Private Sector Housing and Miscellaneous Housing			
CLG Homelessness Grant	Underspending in CLG Homelessness Grant for 2010/11, with expenditure committed, but not realised in respect of meeting identified priorities in homelessness prevention and support. £60,000 of this underspend relates to grant received from CLG on 30/3/2011, with the expectation that the authority will carry this forward to meet homelessness priorities in 2011/12. 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.	(94,484)	D Greening
Home Aid	Underspending is due to a combination of underspending in employee costs due to a vacancy in the team and an over-achievement of fee income and repayment of de-minimus loans awarded in prior years.	(41,175)	D Irving
Contributions to the HRA	The recharge from the Housing Revenue Account for shared amenities was less than anticipated due to a reduction in estate management and bulky refuse removal expenditure in 2010/11.	(27,023)	J Hovells
Choice Based Lettings	Underspending due to staff vacancies within the team, reduced use of occupational therapist consultancy and reduced IT investment.	(23,909)	D Greening
Growth	A vacant post was held within the Growth / Development Team, due to the uncertainty surrounding the future funding for growth related posts. Funding has not been requested for the continuation of this post from 2011/12.	(20,970)	S Lyons
Homelessness Costs	Spending on bed and breakfast provision was higher than anticipated in 2010/11, while the project to set up alternative provision was being implemented. This project is expected to be complete by June 2011.	16,153	D Greening
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 2011/12 to meet the costs of commissioning procurement consultants to progress the affordable housing development partnership, programmed to complete by September 2011.	(13,270)	A Carter
Minor Variations		(3,804)	
		Total	(208,482)
Environment and Planning - Environmental Services			

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2010/11 - Major Variances from Final Revenue Budgets

Service Grouping	Reason for Variance	Amount £	Contact
Miscellaneous Licensing - Housing	The variance is due to additional HMO income as a result of a greater number of licensed properties. The budget will be reviewed as part of the forthcoming budget cycle.	(33,155)	C Allison
Minor Variations		(14,698)	
		Total	
		(47,853)	
Total for Housing Portfolio / Community Services Scrutiny Committee		(256,335)	

Housing Portfolio / Community Services Scrutiny Committee

Revenue Budget 2010/11 - Carry Forward Requests

Request to Carry Forward Budgets from 2010/11 into 2011/12

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. .£60,000 of this carry forward relates to grant received from CLG on 30/3/2011, on the proviso that the authority will take this forward to meet homelessness priorities in 2011/12.	94,480	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 2011/12 to meet the costs of commissioning procurement consultants to progress the development partnership for the housing service.	13,270	A Carter
	Director of Environment		
3	A carry forward of the underspend of the Housing Management Orders budget to 2011/12 is requested in order to carry out CPO work, if necessary, next year.	7,820	S Anderson
4	An underspend on the budget set aside for energy/poverty monitoring has occurred as the contractor we have used fell into financial difficulty. A review of how we carry out this work is required before we can proceed. It is requested to carry this forward so that it can be completed in 2011/12.	2,530	J Dicks
5	There has been an underspend on energy promotion work in 2010/11. It is asked that £2,890 is carried forward in order to facilitate work on the green deal in 2011/12.	2,890	J Dicks
	Total Carry Forward Requests for Housing Portfolio / Community Services Scrutiny Committee	120,990	

Housing Portfolio / Community Services Scrutiny Committee

Capital Budget 2010/11 - Outturn

Capital Ref	Description	Lead Officer	Original Budget £000	Final Budget £000	Outturn £000	Variance £000	Rephase £000	Over / (Under) Spend £000	Comments
Housing General Fund									
	No schemes in current programme								
Environment - Refuse and Environment									
SC163	Compulsory Purchase Orders (CPOs)	S Anderson	400	0	0	0	0	0	
SC414	Landlord Accreditation Scheme	J Dicks	50	31	24	(7)	7	0	Permission has been received from EERA to use the money in 2011/12 and therefore a rephase of the unspent budget to 2011/12 is requested.
Total for Housing Portfolio			450	31	24	(7)	7	0	

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)

2010/11 Housing Capital Investment Plan - HRA & GF

	Original Budget £000's	Current Budget £000's	Outturn £000's	Variance £000's	Notes	2011/12 £000's
General Fund Housing Capital Spend						
Investment in Affordable Housing	0	15	16	1		0
Other General Fund Housing	1,740	1,624	1,162	(462)	1	3,557
Total General Fund Housing Capital Spend	1,740	1,639	1,178	(461)		3,557
HRA Capital Spend						
Decent Homes Programme	5,208	5,377	4,936	(441)	2	5,342
Other Spend on HRA Stock	2,902	3,091	1,744	(1,347)	3	4,222
HRA New Build	895	1,341	782	(559)	4	1,606
Cambridge Standard Works	200	370	111	(259)	5	455
Sheltered Housing Capital Investment	3,637	4,116	472	(3,644)	6	5,095
Other HRA Capital Spend	330	513	267	(246)	7	392
Total HRA Capital Spend	13,172	14,808	8,312	(6,496)		17,112
Total Housing Capital Spend	14,912	16,447	9,490	(6,957)		20,669
Housing Capital Resources						
Right to Buy Receipts	(207)	(430)	(660)	(230)	8	(327)
Other Capital Receipts (Land and Dwellings)	0	0	(132)	(132)	8	0
MRA	(5,020)	(5,020)	(5,020)	0		(5,119)
Client Contributions	0	0	(152)	(152)	9	0
Direct Revenue Financing of Capital	(2,743)	(2,743)	(1,792)	951	10	(2,972)
Other Capital Resources (Grants / Shared Ownership / Loan Repayments)	(1,744)	(2,199)	(2,166)	33	11	(611)
Section 106 (Affordable Housing)	(182)	(314)	(322)	(8)		(331)
Prudential Borrowing	(283)	(283)	0	283	12	(283)
Total Housing Capital Resources	(10,179)	(10,989)	(10,244)	745		(9,643)
Net (Surplus) / Deficit of Resources	4,733	5,458	(754)	(6,212)		11,026
Capital Balances b/f	(13,943)	(13,943)	(13,943)			(13,794)
Use of / (Contribution to) Balances in Year	4,733	5,458	(754)	(6,212)		11,026
Ear-Marked for Future Investment in HRA stock	0	0	0	0		0
Ear-Marked for Future Investment in Affordable Housing	1,080	682	903	221	13	(903)
Capital resources remaining to fund future Housing Investment Programme	(8,130)	(7,803)	(13,794)	(5,991)		(3,671)

Appendix E Notes

Notes to the Housing Capital Investment Plan

Note	Reason for Variance
1	<p>The final outturn position of Disabled Facilities Grants, results in a request to re-phase £32,000 from 2010/11 into 2011/12 as opposed to the provisional sum of £40,000 identified in March 2011.</p> <p>Work to create an assessment centre is now progressing well, with a request to rephase £548,000 of work into 2011/12, with an anticipated completion date of April 2012. This sum comprises £423,000 of currently approved spend and an additional £125,000 to meet the anticipated final costs of the project, with the £125,000 fully funded by an increase in grant from CLG which was received in 2010/11.</p>
2	<p>A net underspend of £441,000 has occurred in the decent homes programme due to slippage and underspending in roofing works, re-wiring, central heating, entrance doors, wall finishes, sulphate works and health and safety rating system (HHSRS) works, partially offset by overspending in major voids, kitchens, bathrooms and damp works. Re-phasing into 2011/12 is requested in respect of roofing (£71,000), re-wiring (£64,000), central heating (£12,000), entrance doors (£145,000), wall finishes (£20,000), sulphate works (£25,000) and HHSRS works (£90,000), where work will take place in 2011/12. Resources of £8,000 are requested to be carried forward in respect of energy improvement works, where grants received in 2010/11 were used to fund additional expenditure.</p>
3	<p>Re-phasing is requested in relation to fencing (£16,000), garage improvement works (£16,000), tenants incentive schemes (£4,000), hard surfacing works on HRA land (£120,000), hard surfacing works for recycling areas (£99,000), TV aerials (£8,000), works to communal flooring (£27,000), works to balconies (£181,000), works to the laundry at Hanover Court (£3,000) and disabled adaptations (£37,000), where works had begun but not been completed by 31st March 2011. Resources of £682,000 are also required to be re-phased in respect of fire safety works, where risk assessments have taken longer than anticipated and the resulting works needed to be procured appropriately.</p>
4	<p>Resources of £453,000 are requested to be re-phased into 2011/12, predominantly in respect of the last 3 of the 8 units of new build accommodation, where works are still outstanding. Resources of £106,000 are requested to be carried forward in respect of the redevelopment of the Seymour Court / Street site, where decant of the 50 dwellings is now complete and discussions with the developer are progressing well.</p>
5	<p>Approval was given for the 2009/10 and 2010/11 Cambridge Standard allocations to be spent on a variety of environmental and parking projects across the city. Some of these projects are yet to be completed and resources of £255,000 are requested to be carried forward into 2011/12 to allow this to take place.</p>
6	<p>Re-phasing of £3,045,000 in respect of the refurbishment of Brandon Court is requested to allow completion of the scheme by March 2012. The remaining allocation for upgrading the emergency alarm systems in sheltered schemes (£96,000), £9,000 of the anticipated up front costs of a project to refurbish the extra care housing at Ditchburn Place and the final sum for residual works to Talbot House (£5,000) are also requested to be carried forward into 2011/12. Funding of £500,000, included in 2010/11 to meet the early costs associated with the approval to progress a joint refurbishment project with Papworth Trust at Roman Court was not utilised in year, with a request to rephase this into 2011/12.</p>

7	<p>Capital resources of £138,000, set aside to meet the costs of upgrading the Orchard Housing Management Information System, was not required in 2010/11. The system was upgraded using very minimal resource from Orchard, with work undertaken by a mixture of employing a project resource using Serco application support days and utilising existing departmental IT staff. A decision has been taken not to integrate the system with the Customer Relations Module, which has reduced anticipated investment further. £24,000 of the originally approved resource is however requested to be carried forward into 2011/12 to allow for the replacement and virtualisation of the two life expired servers which enable effective deployment of the Orchard application to pc's.</p> <p>Resources of £38,000 are also requested to be rephased to complete the work to demolish the redundant nursery school building on the site in Wadloes Road, where work began in March 2011.</p>
8	<p>Capital receipts from right to buy sales were higher than anticipated, with 17 properties sold during 2010/11. Unanticipated receipts of £132,000 were also received, predominantly in respect of the granting of an easement over land in Mortlock Avenue.</p>
9	<p>Income was due from leaseholders in 2010/11 in relation to their share of the cost of major improvements undertaken as part of the decent homes programme (£69,000) and was also received from private residents in relation to contributions towards, or repayments of, private sector housing repair grants (£83,000).</p>
10	<p>Due to slippage in the housing capital programme in 2010/11, the use of revenue funding for capital purposes was significantly less than anticipated. A request to increase the use of revenue funding of capital expenditure in 2011/12 by the £951,000 not required in 2010/11, will ensure that there is sufficient funding to meet the rephased expenditure requested above.</p>
11	<p>The final instalment of grant (£25,000), from the Homes and Communities Agency, for the two dwellings in Church End, Cherry Hinton is not anticipated to be received until 2011/12, when the properties are now scheduled for completion. The other five grant funded dwellings were completed and let in January 2011 as planned. Repairs and renewals funding of £24,000 to meet the costs of the Orchard servers is not anticipated to be required until early in 2011/12.</p>
12	<p>The prudential borrowing required to meet the total cost of the construction of the seven units of new build affordable housing will not now be required until 2011/12, due to the above delay in the completion of the units in Church End. The grant received and the Council's own resources have been utilised to fund the earlier expenditure incurred, with the element of borrowing required being the last resource to be drawn upon.</p>
13	<p>The level of resources ear-marked for future investment in affordable housing remain committed to meet the costs of the re-supply of a dwelling in Teversham Drift and to contribute towards the cost of the redevelopment of the Seymour Court / Street site to deliver 21 units of additional affordable housing. The current resource is anticipated to be fully utilised by the completion of these projects.</p>