



REPORT TO EXECUTIVE

Agenda item 16(e)

PORTFOLIO AREA: FINANCE AND RESOURCES

Date of Meeting: 8 JULY 2002

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: HOUSING INVESTMENT PROGRAMME 2001/02 AND 2002/03

Report of: THE CITY TREASURER

Report reference: FINANCIAL MEMO 2002/03 NO.17

Summary:

The attached report summarises the 2001/02 provisional out-turn for the Housing Investment Programme and provides details of the revised programme for 2002/03.

Recommendations:

The Executive is asked:

- i to agree the 2001/02 out-turn, as detailed in Appendix 1, and note that the figures are provisional and subject to audit;
- ii to agree the revised programme for 2002/03, as detailed in Appendix 2, subject to approval by full Council.

Contact Officer: Alison Taylor

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Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: Year End Outturn reports

To: The Executive
8 July 2002

Financial Memo
2002/03 No. 17

HOUSING INVESTMENT PROGRAMME 2001/02 AND 2002/03

1. BACKGROUND INFORMATION AND OPTIONS

- 1.1 This report sets out the summarised provisional financial out-turn for the Housing Investment Programme (HIP) as follows:

Appendix 1 – Details the out-turn for individual schemes

Appendix 2 – Details the revised HIP for 2002/03

- 1.2 Please note that throughout this report a minus (-) figure represents a favourable variance, i.e. either an underspend or additional income received.

2. SUMMARY FINANCIAL OUTTURN 2001/02

- 2.1 **Appendix 1** sets out a detailed schedule of the provisional out-turn compared to the revised budget approved by the Council in February 2002. The totals provided in Appendix 1 are summarised in the table below:

	<u>2001/02</u> <u>Revised</u> <u>Budget</u> £	<u>2001/02</u> <u>Actual</u> £	<u>2001/02</u> <u>Underspend</u> £	<u>Slippage</u> <u>To</u> <u>2002/03</u> £	<u>2001/02</u> <u>Net</u> <u>Underspend/</u> <u>Overspend</u> £
Private Sector	843,000	816,651	-26,349	26,000	-349
Public Sector	5,948,800	3,691,600	-2,257,200	2,257,810	610
TOTAL	6,791,800	4,508,251	-2,283,549	2,283,810	261

- 2.2 This report sets out below the financial implications arising from the out-turn including the impact on the capital resource requirements for 2002/03.

3. EXPLANATION OF MAJOR VARIANCES

- 3.1 A number of capital schemes in the Public Sector were not completed as at 31 March 2002 and the budget will be required to be carried forward to 2002/03 so that the schemes can be finalised.
- 3.2 In terms of the Private Sector programme the slippage into 2002/03 is required in order to complete the Group Repair scheme.

4. FINANCING OF HIP 2001/02

- 4.1 Utilisation of resources to fund the HIP in the light of the out-turn is provisionally estimated as follows:

	<u>Revised Budget</u> £	<u>Provisional Out-turn</u> £
TOTAL EXPENDITURE	6,791,800	4,508,251
Less: Creditor Provisions 2001/02 (note 1)	0	-45,000
Total Expenditure to be financed	6,791,800	4,463,251
Financed By:		
Basic Credit Approval	966,000	966,000
Major Repairs Allowance (note 2)	3,992,000	2,975,600
Disabled Facilities Grant	153,000	153,385
Capital Receipts (note 3)	945,000	368,266
Revenue Contributions (HRA) (note 4)	735,800	0
TOTAL FINANCING	6,791,800	4,463,251

Notes:

1. Public Sector HIP (Security/Environmental Improvement work). Works completed 2001/02 but not invoiced until 2002/03.
2. In considering the financing arrangements for the Public Sector HIP, it has been deemed prudent to use the MRA to its fullest extent in preference to capital receipts or an HRA revenue contribution. The MRA is specifically earmarked for public sector improvement works and if the proposed stock transfer is approved, any outstanding balance on the MRA will, it is understood, have to be transferred across to Carlisle Housing Association. Any unused capital receipts will be retained by the City Council while the HRA balance at the date of transfer will be subsumed within

the overall General Fund balance, and used in meeting the additional cost of housing benefits in the first three years following transfer.

3. Usable capital receipts carried forward from 2000/01 and those generated during 2001/02 amount to £1,639,460 compared to the revised estimate figure of £945,000, an increase of £694,460. HIP receipts of £325,000 have been used to finance the City Gateway Scheme as approved by Council in February 2002. The balance, taken in conjunction with the reduced call on capital receipts of £576,734 due to the HIP underspend in 2001/02, results in capital receipts of £946,194 being carried forward to 2002/03. However £154,000 of this sum has previously been earmarked to fund the HIP in 2002/03 and with receipts to be generated estimated at £520,000 in 2002/03 this leaves £792,194 available to finance the commitments carried forward from 2001/02.
4. Due to the underspend in the programme in 2001/02 the Revenue Contribution will not be required and this will increase the HRA balances.
5. **HIP 2002/03**
- 5.1 The revised HIP for 2002/03 totalling £8,104,810 is detailed in **Appendix 2**. This is based upon the programme as agreed by Council in February 2002 together with the outstanding commitments brought forward from the previous financial year as also identified. These, together with the relevant proposed methods of financing, will ultimately require approval by full Council.

5.2 The revised HIP could be financed as follows:

	<u>Original Budget</u> £	<u>Revised Budget</u> £
Original Programme	5,821,000	5,821,000
Add: Slippage from 2001/02	0	2,283,810
Revised Programme	0	8,104,810
Add: Creditor Provisions 2001/02	0	45,000
Total Expenditure to be financed	5,821,000	8,149,810
<u>Financed By:</u>		
Basic Credit Approval	1,110,000	1,110,000
Major Repairs Allowance	3,881,000	4,896,940
Disabled Facilities Grant	156,000	156,000
Capital Receipts (note 1)	674,000	1,466,190
Revenue Contributions (note 1)	0	520,680
TOTAL FINANCING	5,821,000	8,149,810

Notes:

1. The requirement for Revenue Contributions to the Capital programme has reduced due to a significant increase in Capital Receipts during 2001/02 (see note 3 paragraph 4.1).

6. CONSULTATION

- 6.1 Consultation to Date.
Service Managers have been consulted in the preparation of this report.
- 6.2 Consultation proposed.
Not applicable

7. STAFFING/RESOURCES COMMENTS

Not applicable

8. CITY TREASURER'S COMMENTS

Included within the main body of the report.

9. LEGAL COMMENTS

Not applicable

10. CORPORATE COMMENTS

CMT and Portfolio Holders considered the report on 17 June 2002.

11. RISK MANAGEMENT ASSESSMENT

Not applicable

12. EQUALITY ISSUES

Not applicable

13. ENVIRONMENTAL IMPLICATIONS

Not applicable

14. CRIME AND DISORDER IMPLICATIONS

Not applicable

15. RECOMMENDATIONS

15.1 The Executive is asked:

- i to agree the 2001/02 out-turn, as detailed in Appendix 1, and note that the figures are provisional and subject to audit;
- ii to agree the revised programme for 2002/03, as detailed in Appendix 2, subject to approval by full Council.

16. REASONS FOR RECOMMENDATIONS

As stated above.

Contact Officer: Alison Taylor

Ext: 7289

D. THOMAS
City Treasurer

PRIVATE SECTOR HIP

PROVISIONAL OUTTURN 2001/02 SCHEME	REVISED BUDGET £	OUTTURN £	VARIANCE £	SLIPPAGE £	FINAL VARIANCE £
RENOVATION GRANTS	292,000	297,067	5,067	0	5,067
MINOR WORKS GRANTS	103,000	101,485	-1,515	0	-1,515
DISABLED FACILITIES GRANTS 89 ACT	255,000	257,449	2,449	0	2,449
GROUP REPAIR SCHEMES 89 ACT	136,000	104,509	-31,491	26,000	-5,491
ENERGY EFFICIENCY GRANTS	57,000	56,141	-859	0	-859
GRAND TOTAL	843,000	816,651	-26,349	26,000	-349

PUBLIC SECTOR HIP

PROVISIONAL OUTTURN 2001/02	REVISED BUDGET £	OUTTURN £	VARIANCE £	SLIPPAGE £	FINAL VARIANCE £
SCHEME					
SPECIAL NEEDS	0	350	350		350
RAFFLES AREA STRATEGY	50,000	4,333	-45,667	45,670	3
ENG EFF WINDOW REP 41	0	515	515		515
WALL TIE / CAVITY CLEAN	5,000	3,405	-1,595		-1,595
OTHER STRUCTURAL WORK	8,000		-8,000	8,000	0
C SOUTH CAVITY WALL	0	11,570	11,570		11,570
99/00 CAPITAL SCHEMES	63,000	20,173	42,827	53,670	10,843
SPECIAL NEEDS	20,000	10,746	-9,254	9,300	46
RAFFLES AREA STRATEGY	380,000	374,335	-5,665	5,600	-65
NEW DEAL INT	16,000	16,000	0		0
SECURITY / ENV IMPS	10,000	43,875	33,875		33,875
ENG EFF WINDOW REP 42	240,000	227,944	-12,056	12,000	-56
ENG EFF HEATER REPL	0	15,192	15,192		15,192
ENG EFF HEATER PROV	130,000	117,580	-12,420		-12,420
ENG EFF PORCHES	26,000	29,894	3,894		3,894
REWIRING	230,000	190,542	-39,458	38,500	-958
CARLISLE SOUTH	2,000	2,000	0		0
STRUCT WORK WALL TIES	87,800	59,900	-27,900	16,000	-11,900
STRUCT WORK CHIMNEYS	12,600	93,767	81,167		81,167
STRUCT WORK SURVEYS	6,400		-6,400	6,400	0
00/01 CAPITAL SCHEMES	1,160,800	1,181,775	-20,975	87,800	108,775

PUBLIC SECTOR HIP

PROVISIONAL OUTTURN 2001/02	REVISED BUDGET £	OUTTURN £	VARIANCE £	SLIPPAGE £	FINAL VARIANCE £
SCHEME					
SPECIAL NEEDS	200,000	68,305	-131,695	131,000	-695
SP NEEDS M ADAPTS	150,000	12,092	-137,908	137,000	-908
CARELINE EQUIPMENT (2)	100,000	99,976	-24		-24
RAFFLES AREA STRATEGY	555,000	273,647	-281,353	281,000	-353
SECURITY / ENV IMPS	225,000	100,595	-124,405	90,000	-34,405
PAINTING PROGRAMME	320,000	0	-320,000	320,000	0
DOOR ENTRY SYSTEMS	50,000	1,300	-48,700	48,700	0
DRAINAGE IMPROVEMENTS	75,000	2,650	-72,350	72,350	0
NEW DEAL INITIATIVE	50,000	50,750	750		750
REGENERATION PROGRAMME	150,000	6,785	-143,215	143,200	-15
WINDOW REPLACEMENT	900,000	769,874	-130,126	130,000	-126
HEATING PROVISION	650,000	390,105	-259,895	259,000	-895
REWIRING	750,000	485,323	-264,677	264,000	-677
STRUCTURAL WORKS	250,000	60,367	-189,633	108,000	-81,633
PROVISION OF PORCHES (2)	50,000	40,332	-9,668	9,700	32
FLAT ROOF REPLACEMENT	100,000	55,941	-44,059	44,000	-59
HEATING - MED. REQUESTS	150,000	71,610	-78,390	78,390	0
01/02 CAPITAL SCHEMES	4,725,000	2,489,652	-2,235,348	2,116,340	-119,008
GRAND TOTAL	5,948,800	3,691,600	-2,257,200	2,257,810	610

PUBLIC SECTOR HIP	Original	Revised
	2002/03	2002/03
<u>Capital Schemes Pre 2002/03</u>	£	£
New Deal	16,000	16,000
Special Needs (2000/01)	0	9,300
Special Needs	0	131,000
Special Needs Medical Adaptations	0	137,000
Security/Env Imps	0	90,000
Raffles Area Strategy (1999/00)	0	45,670
Raffles Area Strategy (2000/01)	0	5,600
Raffles Area Strategy	0	281,000
Windows 42 (2000/01)	0	12,000
Windows 43	0	130,000
Painting Programme	0	320,000
Door Entry Systems	0	48,700
Drainage Improvements	0	72,350
Regeneration Programme	0	143,200
Heater Provision	0	259,000
Heating Provision Medical Requests	0	78,390
Rewiring (2000/01)	0	38,500
Rewiring	0	264,000
Structural Works	0	108,000
Other Structural Work (1999/00)	0	8,000
Energy Efficiency - Porches	0	9,700
Flat Roof Replacement	0	44,000
Structural Works - Wall Ties (2000/01)	0	16,000
Structural Works - Surveys (2000/01)	0	6,400
	16,000	2,273,810
<u>Capital Schemes 2002/03</u>		
Window Replacements	950,000	950,000
Heating Provision	800,000	800,000
Provision of Porches (Phase 3)	75,000	75,000
Rewiring	500,000	500,000
Structural Works (incl Wall Ties)	275,000	275,000
Special Needs Improvements	450,000	450,000
Raffles Areas Strategy (Phase 4)	497,000	497,000
Security/Env Programme	150,000	150,000
New Deal Initiative	35,000	35,000
Careline Equipment (Phase 3)	150,000	150,000
Painting Programme	350,000	350,000
Gelt Road Roofs (Phase 2)	200,000	200,000
Hutton Way	0	75,000
Contingency	300,000	300,000
Unallocated	105,000	30,000
	4,837,000	4,837,000
TOTAL PUBLIC SECTOR HIP	4,853,000	7,110,810

PRIVATE SECTOR HIP	Original	Revised
	2002/03	2002/03
	£	£
Renovation Grants	430,000	430,000
Group Repair	100,000	126,000
Disabled Facility Grants	260,000	260,000
Home Repairs Assistance	108,000	108,000
Empty property Initiatives	10,000	10,000
Slum Clearance	3,000	3,000
Energy Efficiency Initiatives	57,000	57,000
TOTAL PRIVATE SECTOR	968,000	994,000
GRAND TOTAL 2002/03 HIP	5,821,000	8,104,810

