

# Taunton Deane Borough Council

## Executive - 4 February 2009

### Report of the Financial Services Manager

#### Capital Programme 2009/2010 Onwards

(This matter is the responsibility of Executive Councillor Henley, Leader of the Council)

#### Executive Summary

This report details the proposed General Fund (GF) and Housing Account (HRA) capital programmes for the period 2009/10 and beyond.

For the General Fund the estimated unallocated resources available are £15k, given these constrained resources the Executive propose to approve no new one-off schemes. The Executive proposes to fund recurring capital schemes by a revenue contribution to capital.

For all Housing schemes, both GF and HRA, the estimated resources available for 2009/10 amount to £7.716m. The proposed capital programme for 2009/10 amounts to £7.149m. The unallocated resources of £567k are proposed to be carried forward to support the Housing Capital Programme in future years.

#### 1 Introduction

1.1 The purpose of this report is to consider the proposed GF Capital Programme as outlined in Appendix A and to consider the proposed Housing Capital Programme as outlined in Appendix B. Following consideration by the Executive the programme is due to be considered by Full Council on 17 February.

#### 2 Capital Resources

2.1 All capital expenditure has to be financed from borrowing, capital receipts or other revenue funds.

2.2 The current position on the amount of unallocated resources available for both the GF and Housing is set out below:

	2009/10 General Fund £000	2009/10 Housing £000
Current Balance	15	7,716

2.3 The General Fund figure shown above reflects the uncommitted balance on capital reserves. There are some future capital receipts expected totalling approximately £1.85m from the sale of the existing Nursery Site and the sale of South Street Car Park in Wellington but as yet these amounts are estimates only. Resources for Housing include

the Major Repairs Allowance, supported borrowing, usable capital receipts and any revenue contributions to capital.

- 2.4 The figure for Housing is much higher as, unlike the GF, the HRA receives a direct grant from central Government (the Major Repairs Allowance) towards capital expenditure. This comprises around 48% of all resources available to finance Housing schemes.
- 2.5 With regard to the new 2009/10 programme it should be noted that for both the GF and the HRA no additional prudential borrowing is assumed in the table above. For Housing the only borrowing that is included in the resources is that borrowing for which central Government will provide revenue support via subsidy to meet debt costs. This is known as “supported borrowing” and amounts to £620k in 2009/10.
- 2.6 If necessary, any new loan debt will only be taken after full consideration of the Authority’s treasury management strategy and the indicators prescribed by the Prudential Code.
- 2.7 Members should note that at the time of writing this report the Department of Communities and Local Government had yet to announce the final supported borrowing, regional housing grant and disabled facilities grants levels. Once this announcement has been made, and if the allocations are greatly different from our assumptions above, then Members will be informed through the usual budget monitoring mechanisms.
- 2.8 The funding for the programmes in 2010/11 onwards is anticipated to be broadly similar to 2009/10, although it is not possible at this stage to accurately identify these. However, when details are known the programme will be amended to reflect the actual level of funding available.

### **3 General Fund Capital Programme**

- 3.1 The current approved capital programme totals £11.8m. This includes any slippage in schemes, which have been rolled forward from 2007/08 and any subsequent supplementary estimates that have been approved by Full Council.
- 3.2 The programme also includes the GF Housing capital programme, a summary of which is shown below:

	2009/10 £000	2010/11 £000	2011/12 £000
Renovation Grants	335	335	335
Disabled Facilities Grants (Private Sector)	450	450	450
Grants to Housing Associations	809	809	809
<b>Total</b>	<b>1,594</b>	<b>1,594</b>	<b>1,594</b>

Further details on the proposed GF Housing capital programme are shown in Appendix C.

### 3.3 **New Schemes**

Due to the limited amount of resource currently available the Executive are minded to approve no new one off schemes. For recurring capital schemes the Executive are minded to fund these through a specific revenue contribution to capital totalling £112k (and which has been included in the revenue budget report considered elsewhere on this agenda). Officers estimated that there will be only 5 RTB sales in 2009/10.

- 3.4 The levels of funding for these recurring schemes is shown below, due to the constraints on the revenue budget the proposed funding is lower than that originally proposed by officers.

<b>Scheme</b>	<b>Officers Requested Amount £000</b>	<b>Executive Councillors Revised Amount £000</b>
Grants to Clubs	60	45
Play Equipment – grants to parishes	31	20
Replacement Play Equipment	13	10
New Play Equipment	13	10
Energy Conservation	50	0
Desktop Hardware Replacement (£60k thereafter from 2010/11 onwards)	17	17
Replacement Car Parking Pay & Display Machines	20	5
Replacement Car parking Hand Held enforcement equipment	5	5
<b>Schemes to be funded by a specific Revenue Contribution to Capital</b>	<b>209</b>	<b>112</b>
Taunton Canal Grant – proposed to be funded by a revenue budget allocation to sustainable transport schemes	10	10
Disabled Facility Grants – expected ongoing additional demand due to change in policy re care for the elderly – proposed to be funded for 2009/10 by Additional Regional Housing Grant	100	100
<b>Total Recurring Schemes</b>	<b>319</b>	<b>222</b>

3.5 Future General Fund projects can be undertaken when resources become available. This could be through either borrowing, revenue contributions or through the sale of assets.

3.6 The detailed GF capital programme, which includes the new recurring schemes now totals £12.7m and is shown in Appendix A.

#### **4. Housing Revenue Account Capital Programme**

4.1 The table in paragraph 2.2 shows the level of resources available to finance the proposed Housing capital programme for 2009/10, and as mentioned above, includes no unsupported borrowing. By limiting the borrowing necessary for the programme to the amount of supported borrowing ensures that the HRA will not have to meet any unsupported borrowing costs. Included within this sum is a contribution to capital

from the HRA of £1.7m and uncommitted useable capital receipts from the sale of Council Houses received in previous years of £1.2m.

- 4.2 The General Fund Housing Programme, as detailed in paragraph 3.2 requires the use of £1.594m of these resources, leaving £6.122m available for the HRA capital programme.
- 4.3 The proposed HRA Capital Programme for 2009/10, as detailed in Appendix B, and accompanied by the commentary in Appendix C, projects a programme of £5.555m. Members should note this programme will leave resources available to carry forward of £567k. These resources will be used to support future Housing Capital Programmes.
- 4.4 For both the GF and HRA any new schemes, which emerge during the lifespan of the programmes, will be funded through existing unallocated resources or through new resources, such as new capital receipts. Bids for additional schemes to those set out above should be made through the Executive.
- 4.5 The Overview and Scrutiny Board considered the draft programme at their meeting on 22 January and requested details of the impact of the Executive's proposal not to support the Officer bid for a £50k budget for energy conservation works – these will be sent out under separate cover. However, there were no formal amendments to the programme proposed by the Board.

## **5 Recommendations**

- 5.1 The Executive is requested to recommend the General Fund and Housing Revenue Account Capital Programme to Full Council for approval.

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**Background Papers:** Members Budget Consultation Pack 2009/10  
(Orange folder)

Overview and Scrutiny Board 22 January 2009 –  
Capital Programme 2009/10 onwards (report of the  
Financial Services Manager)

TDBC CAPITAL PROGRAMME 2008/09 ONWARDS

Appendix A

PRIMARY CODE	RESPONSIBLE OFFICER	PORTFOLIO	SCHEME / PROJECT	BUDGET PROFILE				
				2008/09 £	2009/10 £	2010/11 £	2011/12 onwards £	Total
T30	George Stark	CORPORATE	Public Buildings -Disabled Access (aka DDA Works)	0	0	0	18,170	18,170
T31	George Stark	CORPORATE	Energy Conservation/Water Management	0	0	0	43,530	43,530
T53	Claire Bramley	CORPORATE	CCTV Flook House	2,000	0	0		2,000
T58	Fiona Kirkham	CORPORATE	IT Improvements	84,360	59,000	60,000	60,000	263,360
T59	George Stark	CORPORATE	Asbestos Removal	0	0	0	21,650	21,650
W46	Shirlene Adam	CORPORATE	SAP Transformation Project	678,780	0	0		678,780
W47	Shirlene Adam	CORPORATE	Procurement Transformation Project	944,750	0	0		944,750
W48	Shirlene Adam	CORPORATE	Customer Access Initiation	417,130	0	0		417,130
-	Shirlene Adam	CORPORATE	Transformation Project Staff Backfill	67,000	0	0		67,000
<b>CORPORATE Total</b>				<b>2,194,020</b>	<b>59,000</b>	<b>60,000</b>	<b>81,650</b>	<b>2,456,370</b>
T40	Tony Turner	ECONOMIC	Grass Cutting Equipt.	36,000	0	0		36,000
T41	Tony Turner	ECONOMIC	Vehicle Acquisitions	198,000	138,230	0		336,230
T61	Tim Haynes	ECONOMIC	Parking on Estates	0	0	0	15,000	15,000
T67	Alex Stevens	ECONOMIC	Tone Mill	10,000				10,000
W37	Joy Wishlade	ECONOMIC	Project Taunton - Firepool	302,000	0	0		302,000
W70	Adrian Preist	ECONOMIC	Blackdown Business Park	10,000	0	0	26,200	36,200
W71	Phil Sharritt	ECONOMIC	Business Park Development, Wiveliscombe	0	0	0	150,000	150,000
<b>ECONOMIC Total</b>				<b>556,000</b>	<b>138,230</b>	<b>0</b>		<b>885,430</b>
T27	Paul Rayson	ENVIRONMENTAL	Wellington Cemetery Extension	0	0	0	6,960	6,960
T74	Ian Clark	ENVIRONMENTAL	Taunton/Bridgwater Canal	10,000	10,000	10,000	10,000	40,000
W12	Paul Rayson	ENVIRONMENTAL	Crematorium - Exension	0	0	0	37,100	37,100
W13	Paul Rayson	ENVIRONMENTAL	Cemetery & Crematorium Car Park Lighting	0	0	0	5,500	5,500
W36	Ian Clark	ENVIRONMENTAL	Neroche Project	14,700	14,700	0		29,400
W43	Paul Rayson	ENVIRONMENTAL	Mercury Abatement Works (Extension and Filters)	85,000	0	0	285,000	370,000
W45	George Stark	ENVIRONMENTAL	Highfields Nursery	510,000	0	0		510,000
W68	Bruce Carpenter	ENVIRONMENTAL	Waste Initiative *	15,000	44,000	0		59,000
<b>ENVIRONMENTAL Total</b>				<b>634,700</b>	<b>68,700</b>	<b>10,000</b>	<b>344,560</b>	<b>1,057,960</b>
V95	David Whitehead	HOUSING (NON HRA)	Disabled Facilities Grants - Private Sector	350,000	450,000	450,000	450,000	1,700,000
V97	David Whitehead	HOUSING (NON HRA)	Private Sector Renewal Grants	335,000	335,000	335,000	335,000	1,340,000
V99	David Whitehead	HOUSING (NON HRA)	Grants to RSLs	809,000	809,000	809,000	809,000	3,236,000
<b>HOUSING Total</b>				<b>1,494,000</b>	<b>1,594,000</b>	<b>1,594,000</b>	<b>1,594,000</b>	<b>6,276,000</b>
T01	Karen Hughes	LEISURE	Corporate Priorities - Grants to Clubs	220,900	45,000	45,000	45,000	355,900
T04	Karen Hughes	LEISURE	Corporate Priorities - Play Equipt. Grants to Parishes	88,300	20,000	20,000	20,000	148,300
T05	Karen Hughes	LEISURE	Play Equipt. Replacement	220,370	20,000	20,000	20,000	280,370

TDBC CAPITAL PROGRAMME 2008/09 ONWARDS

Appendix A

PRIMARY CODE	RESPONSIBLE OFFICER	PORTFOLIO	SCHEME / PROJECT	BUDGET PROFILE				
				2008/09 £	2009/10 £	2010/11 £	2011/12 onwards £	Total
T46	Steve Hughes	LEISURE	Taunton Green Multi Use Games Area	0	0	0	8,650	8,650
W09	Steve Hughes	LEISURE	Tennis Centre Extension	0	0	0	8,340	8,340
W39	Steve Hughes	LEISURE	Hamilton Gault Pavillion	425,500	0	0		425,500
W40	Steve Hughes	LEISURE	Galmington Pavillion	425,500	0	0		425,500
W41	Steve Hughes	LEISURE	Vivary Park Tennis Courts	0	0	0	6,200	6,200
W44	Joy Wishlade	LEISURE	Museum Funding Grant	20,000	0	0		20,000
		<b>LEISURE Total</b>		<b>1,400,570</b>	<b>85,000</b>	<b>85,000</b>	<b>108,190</b>	<b>1,678,760</b>
T45	John Lewis	PLANNING	Parking Strategy - Payment Equipment Replacement	1,860	10,000	10,000	11,860	33,720
T60	John Herrington	PLANNING	Contributions to Footpaths and Streetlighting	25,000	0	0	65,200	90,200
T82	John Lewis	PLANNING	Paul St Car Park	0	0	0	100,550	100,550
T86	George Stark	PLANNING	Town Centre Improvements	0	0	0	7,600	7,600
W32	John Lewis	PLANNING	Multi-Storey Car Park - Drying Room	0	0	0	10,000	10,000
W33	John Lewis	PLANNING	Anti Suicide Measures - Paul St Car Park	55,000	0	0		55,000
		<b>PLANNING Total</b>		<b>81,860</b>	<b>10,000</b>	<b>10,000</b>	<b>195,210</b>	<b>297,070</b>
			<b>Total Expenditure</b>	<b>6,361,150</b>	<b>1,954,930</b>	<b>1,759,000</b>	<b>2,323,610</b>	<b>12,651,590</b>

\* Includes £44,000 supplementary estimate which has been approved by the Executive but has yet to be formally considered by Full Council.



Housing Capital Programmes 2008/09 to 2012/13

Appendix B

Area	Original Budget 2008/09	Revised Budget 2008/09	Proposed Budget 2009/10	Indicative Budget 2010/11	Indicative Budget 2011/12	Indicative Budget 2012/13
<b>Decent Homes</b>						
Kitchen Improvements + bathroom fttgs }		3,000,000	3,400,000	3,200,000		
Roofing - Pitched - age renewal }						
Roofing - Pitched - early failure }						
Roofing - flat - age renewal }						
Roofing - flat - early failure }	4,512,390	400,000	600,000	400,000	3,754,030	3,922,960
Windows }		580,000	430,000			
Doors }			200,000			
Electrical Testing - 10 years }						
Rewiring }						
Heating Improvements }		267,500	115,000	215,000		
Refurbishments - one-off }						
	<b>4,512,390</b>	<b>4,247,500</b>	<b>4,745,000</b>	<b>3,815,000</b>	<b>3,754,030</b>	<b>3,922,960</b>
<b>Other Works</b>						
Integrated Housing Management System	20,000	10,010	15,000	0	0	0
Communal TV Aerials	20,000	39,790	0	0	0	0
Door Entry Systems	20,000	24,850	20,000	20,000	20,000	20,000
Aids and Adaptations	200,000	226,280	200,000	200,000	200,000	200,000
Soundproofing	20,000	20,540	20,000	20,000	20,000	20,000
DDA Work	20,000	20,000	20,000	20,000	20,000	20,000
Asbestos Works	20,000	40,000	20,000	20,000	20,000	20,000
Works to Priory Depot to support Housing Restructure		10,000	50,000			
Roland Close/Sneddon Gove - renovation works		82,490				
Choice based Lettings system		133,440				
Extension of TAH Homeless Hostel		269,330				
Lindley House		512,000	115,000	115,000		
	<b>4,832,390</b>	<b>5,636,230</b>	<b>5,205,000</b>	<b>4,210,000</b>	<b>4,034,030</b>	<b>4,202,960</b>
Community Alarm Systems	45,000	52,710	45,000	45,000	45,000	45,000
Tenants Imps.	5,000	7,560	5,000	5,000	5,000	5,000
Cash Incentive Scheme		54,990	0	0	0	0
Disabled Facilities Grants (HRA Stock)	200,000	200,000	300,000	300,000	300,000	300,000
<b>Total HRA Capital</b>	<b>5,082,390</b>	<b>5,951,490</b>	<b>5,555,000</b>	<b>4,560,000</b>	<b>4,384,030</b>	<b>4,552,960</b>
<b>General Fund Housing Capital Schemes</b>						
Grants to RSLs	809,000	795,000	809,000	809,000	809,000	809,000
Private Sector Renewal Grants	335,000	592,240	335,000	335,000	335,000	335,000
Disabled Facility Grants - Private Sector	350,000	251,610	450,000	450,000	450,000	450,000
<b>Total GF Housing Capital</b>	<b>1,494,000</b>	<b>1,638,850</b>	<b>1,594,000</b>	<b>1,594,000</b>	<b>1,594,000</b>	<b>1,594,000</b>
<b>Total Housing Capital Programme</b>	<b>6,576,390</b>	<b>7,590,340</b>	<b>7,149,000</b>	<b>6,154,000</b>	<b>5,978,030</b>	<b>6,146,960</b>

Housing Capital Programme 2009/10 Funding (Estimated)		£
<b>HRA Schemes</b>		
Major Repairs Allowance		3,704,420
Revenue Contribution to Capital		1,735,580
Capital Grants		115,000
<b>Total</b>		<b>5,555,000</b>
<b>GF Housing Schemes</b>		
Regional Housing Grant		532,000
Supported Borrowing		620,000
Govt support for Disabled Facility Grants		210,000
Capital Receipts		232,000
<b>Total</b>		<b>1,594,000</b>
<b>Grand Total</b>		<b>7,149,000</b>

## APPENDIX C

### 1. Housing Capital Programme Commentary

- 1.1 The Capital Programme projected for 2009/10 is based on a realistic assessment of the resources that are available. The programme is designed to achieve an investment strategy to meet the demands for the improvement of public and private housing and to make a significant contribution to Joint Commissioning for the provision of new homes. The programme follows the priorities outlined in our housing strategy and HRA business plan, which in turn properly considers the links to the overall strategy of the Council.

### 2. Comments

- 2.1 The comments focus on the main items of expenditure as set out in Appendix B.

#### 2.2 **Local Authority Owned Stock**

- 2.3 The future major investment into the Housing Stock will concentrate on delivering 'Decent Homes'.

- 2.4 Delivering Decent Homes (HP 4, Continued Investment in Management and Maintenance of Housing Stock) £4,745,000

In July 2001 the Council received guidance on the Government target to 'ensure that all social housing meets set standards of decency by 2010 by reducing the number of households living in social housing that does not meet these standards'. The definition of what is a decent home was updated in June 2006 to reflect the Housing Health and Safety Rating System. There are four criteria used to determine a "decent home" and each property has to satisfy these in order to be classified as decent.

The four criteria are:-

- A. It meets the current statutory minimum standard for housing
- B. It is in a reasonable state of repair
- C. It has reasonably modern facilities and services
- D. Provides a reasonable degree of thermal comfort

Predominantly, this work will concentrate on upgrading kitchens and bathrooms, re-roofing, provision of double glazed PVCu replacement windows, replacement of external doors (with improved security where appropriate), upgrading central heating systems and testing electrical installations, ensuring compliance the latest IEE regulations.

Decent Homes contract works are continuing positively, and the database and programming software recently installed by Housing Property Services will, by the end of the financial

year, give us our Decent Homes programme for at least the next two years as previously reported and discussed.

Housing Officers will be present at the meeting to update Members on progress made during 2008/09 on meeting the Decent Homes Standard.

- |      |   |          |
|------|---|----------|
| 2.5  | <p><u>New Housing Management IT System (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u></p> <p>This project commenced in 2006/07, however, due to some delays implementation will now be complete during 2008/09. This figure for 2009/10 represents the retention payment after completion of the contract.</p>                            | £15,000  |
| 2.6  | <p><u>Door Entry Systems (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u></p> <p>Historically door entry systems have been installed in Sheltered Housing schemes and in blocks of flats subject to Anti-Social Behaviour. Work is continuing where there is a demonstrated need relating to serious and persistent reported incidents.</p> | £20,000  |
| 2.7  | <p><u>Aids and Adaptations (inc parking) (HP 5 Continued Support for Vulnerable Groups)</u></p> <p>Continued assistance to provide small, essential adaptations to Council dwellings to meet the needs of disabled and elderly tenants.</p>   | £200,000 |
| 2.8  | <p><u>Soundproofing Work (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u></p> <p>The programme, which started with the Duplex flats at Holway, Taunton in 1997 has been extended to other flats with timber floors where sound transmission problems exist and is now carried out in conjunction with Decent Homes work.</p>                | £20,000  |
| 2.9  | <p><u>DDA Work</u></p> <p>In order to ensure that buildings used by the public comply with the Disability Discriminations Act, certain modifications are necessary. Work is concentrating on sheltered scheme meeting halls on a five year programme.</p>   | £20,000  |
| 2.10 | <p><u>Asbestos Investigations (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u></p> <p>Work is underway to survey property types within the Housing stock to identify where asbestos based products exist and to compile a register of these.</p>  | £20,000  |
| 2.11 | <p><u>Works to Priory Depot to support Housing Restructure</u></p>  | £50,000  |

The restructure within Housing following the Stock Transfer vote meant that the best solution for Housing Property Services staff was to all be at one location. The most suitable location was considered to be the Depot and a phased transfer of staff ensued. Space was limited and not all suitable for purpose, this funding will meet these needs. The process has been delayed due to changing requirements and situation at the Depot.

2.12	<u>Lindley House</u> This represents the budget for the conversion of the property to a homeless hostel – it is funded by Government Grant	£115,000
2.13	<u>Tenants Improvements and the provision of Community Alarm Systems</u> This budget allows continued investment into the Community Alarm Service, assisting elderly, infirm and vulnerable people to remain in their homes. It also compensates tenants for improvements they have undertaken under the Rights to Compensation legislation when they vacate their homes.	£50,000
2.14	<u>Disabled Facilities Grants (HRA Stock) (HP 5 Continued Support for Vulnerable Groups)</u> These means tested grants are given for large adaptations to the homes of Council tenants in order to meet the needs of their disabilities, based upon recommendations made by Occupational Therapists. This budget has been increased by £100k to take account of the expected additional demand for DFGs due to changes in SCC policy re care for the elderly.	£300,000
<b>Total Housing Revenue Account Capital Programme</b>		<b>£5,555,000</b>
3.	<b><u>Private Sector Renewal</u></b>	
3.1	<u>Grants to Registered Social Landlords (HP 1)</u> These grants are given to provide Affordable Housing through RSL's to complement additional funding provided through the Housing Corporation.	£809,000
3.2	<u>Private Sector Renewal Grants (HP 3)</u> Grants and supported loans are given on a discretionary basis for essential repairs for Owner Occupiers. Home Aid, the Council's Home Improvement Agency, acts on behalf of vulnerable residents using grants to carry out essential repairs, improvements and adaptations to their homes.	£335,000
3.3	<u>Disabled Facilities Grants – Private Sector (HP 5)</u> Disabled and elderly Owner Occupiers qualify for mandatory means tested grants for large, essential adaptations to their homes based on recommendations made by Occupational	£450,000

Therapists. Again this budget has been increased by £100k to fund the expected additional demand for DFGs due to changes in SCC policy re care for the elderly.

**Total General Fund Housing Capital Programme** **£1,594,000**

**Total Housing Capital Programme** **£7,149,000**