

## TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE 6 FEBRUARY 2008

### REPORT OF THE FINANCIAL SERVICES MANAGER

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

### CAPITAL PROGRAMME 2008/09 ONWARDS

#### EXECUTIVE SUMMARY

This report details the proposed General Fund (GF) and Housing Account (HRA) capital programmes for the period 2008/09 and beyond.

For the General Fund the existing unallocated resources available are £43k. The Executive proposes to direct these resources entirely towards the replacement desktop hardware programme.

For all Housing schemes, both GF and HRA, the estimated resources available for 2008/09 amount to £7,280k. The proposed capital programme for 2008/09 amounts to £6,576k. The unallocated resources of £704k 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 19<sup>th</sup> 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:

	2008/09 General Fund £000	2008/09 Housing £000
Current Balance	43	7,280

- 2.3 The General Fund figure shown above reflects the uncommitted balance on capital reserves. There are some future capital receipts expected totalling approximately £2m 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 49% of all resources available to finance Housing schemes.
- 2.5 Members will recall that when the ISIS Transformation Projects were approved that £2m of prudential borrowing was necessary to fund the cash flow gap between delivery of the projects and generation of future procurement gains. With regard to the new 2008/09 programme it should be noted that for both the GF and the HRA no further 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 2008/09.
- 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 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 2009/10 onwards is anticipated to be broadly similar to 2008/09, 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 £13.3m. This includes any slippage in schemes, which have been rolled forward from 2006/07 and any subsequent supplementary estimates that have been approved by Full Council (ie Plant Nursery Relocation and ISIS Transformation Projects).
- 3.2 The programme also includes the GF Housing capital programme, a summary of which is shown below:

	<b>2007/08 £000</b>	<b>2008/09 £000</b>	<b>2009/10 £000</b>	<b>2010/11 £000</b>
Renovation Grants	335	335	335	335

Disabled Facilities Grants (Private Sector)	350	350	350	350
Grants to Housing Associations	809	809	809	809
<b>Total</b>	<b>1,494</b>	<b>1,494</b>	<b>1,494</b>	<b>1,494</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 put the existing uncommitted resources of £43k into the desk top hardware replacement programme only. At this stage no other new schemes are being proposed by the Executive for inclusion in the 2008/09 programme.

- 3.4 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. The General Fund budget setting report, considered elsewhere on this agenda, highlights that the Executive propose to make a revenue contribution to capital of £15k in 2008/09. These monies have not been included in the resources mentioned previously and have not yet been allocated to any new scheme.

- 3.5 The detailed GF capital programme, which includes this new scheme now totals £13.34m 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 2008/09, 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 £1,552k and estimated useable capital receipts from the sale of Council Houses of £300k (20 sales are estimated in 2008/09).
- 4.2 The General Fund Housing Programme, as detailed in paragraph 3.2 requires the use of £1,494k of these resources, leaving £5,786k available for the HRA capital programme.
- 4.3 The proposed HRA Capital Programme for 2008/09, as detailed in Appendix B, and accompanied by the commentary in Appendix C, projects a programme of £5,082k. Members should note this programme will leave resources available to carry forward of £704k. These resources will be used to support the future Housing Capital Programmes.

- 4.4 The Overview and Scrutiny Board considered the draft programme at their meeting on 24 January and made no formal suggestions for any changes to the programme. The Housing Tenants Forum considered the draft Housing capital programme at their meeting on 4 February, a verbal update on their comments will be made at the meeting.
- 4.5 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, using the PAR format.

## **5 RECOMMENDATIONS**

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

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**Background Papers:** Executive 17 October 2007 – Capital Programme Update (report of the Financial Services Manager)

Members Budget Consultation Pack 2008/09

Overview and Scrutiny Board 24 January 2007 – Capital Programme 2008/09 onwards (report of the Financial Services Manager)

PRIMARY CODE	RESPONSIBLE OFFICER	PORTFOLIO	SCHEME / PROJECT	FORECAST BUDGET PROFILE				
				2007/08 £	2008/09 £	2009/10 £	Post 2010 £	Total £
T30	George Stark	CORPORATE RESOURCES	Public Buildings -Disabled Access (aka DDA Works)	0	0	0	236,620	236,620
T31	George Stark	CORPORATE RESOURCES	Energy Conservation/Water Management	5,000	5,000	0	33,530	43,530
T58	Simon Kirkham	CORPORATE RESOURCES	IT Improvements	67,500	60,000	42,850	0	170,350
T59	George Stark	CORPORATE RESOURCES	Asbestos Removal	0	0	0	31,420	31,420
W46	Shirlene Adam	CORPORATE RESOURCES	SAP Transformation Project		657,360			657,360
W47	Shirlene Adam	CORPORATE RESOURCES	Procurement Transformation Project		944,750			944,750
W48	Shirlene Adam	CORPORATE RESOURCES	Customer Access Initiation		417,130			417,130
-	Shirlene Adam	CORPORATE RESOURCES	Transformation Project Staff Backfill		67,000			67,000
		<b>CORPORATE RESOURCES Total</b>		<b>72,500</b>	<b>2,151,240</b>	<b>42,850</b>	<b>301,570</b>	<b>2,568,160</b>
T40	Tony Turner	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Grass Cutting Equipt.	35,400	0	0	0	35,400
T41	Tony Turner	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Vehicle Acquisitions	109,500	0	0	0	109,500
T61	Tim Haynes	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Parking on Estates	15,000	0	0	0	15,000
T82	John Lewis	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Paul St Car Park	0	0	0	116,850	116,850
W37	Joy Wishlade	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Project Taunton - Firepool	1,667,000	0	0	0	1,667,000
W38	Joy Wishlade	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Project Taunton - Town Centre Retail	0	0	0	250,000	250,000
W70	Adrian Preist	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Blackdown Business Park	0	0	0	56,700	56,700
W71	Steve Kendall	ECONOMIC DEVELOPMENT, PROPERTY & TOURISM	Business Park Development, Wiveliscombe	150,000	0	0	0	150,000
		<b>ECONOMIC DEVELOPMENT, PROPERTY &amp; TOURISM Total</b>		<b>1,976,900</b>	<b>0</b>	<b>0</b>	<b>423,550</b>	<b>2,400,450</b>
T27	Paul Rayson	ENVIRONMENTAL SERVICES	Wellington Cemetery Extension	0	0	0	6,960	6,960
T52	Bruce Carpenter	ENVIRONMENTAL SERVICES	Refurbish Public Conveniences	21,800	0	0	0	21,800
T74	Ian Clark	ENVIRONMENTAL SERVICES	Taunton/Bridgwater Canal	10,000	10,000	0	0	20,000
W12	Paul Rayson	ENVIRONMENTAL SERVICES	Crematorium - Extension	0	0	0	37,100	37,100
W13	Paul Rayson	ENVIRONMENTAL SERVICES	Cemetery & Crematorium Car Park Lighting	16,200	0	0	0	16,200
W36	Ian Clark	ENVIRONMENTAL SERVICES	Neroche Project	29,400	14,700	14,700	0	58,800
W43	Paul Rayson	ENVIRONMENTAL SERVICES	Mercury Abatement Works (Extension and Filters)	0	85,000		285,000	370,000
W45	George Stark	ENVIRONMENTAL SERVICES	Highfields Nursery	427,000				427,000
W68	Bruce Carpenter	ENVIRONMENTAL SERVICES	Waste Initiative	199,100	0	0	397,400	596,500
		<b>ENVIRONMENTAL SERVICES Total</b>		<b>703,500</b>	<b>109,700</b>	<b>14,700</b>	<b>726,460</b>	<b>1,554,360</b>

PRIMARY CODE	RESPONSIBLE OFFICER	PORTFOLIO	SCHEME / PROJECT	FORECAST BUDGET PROFILE				
				2007/08 £	2008/09 £	2009/10 £	Post 2010 £	Total £
V95	David Whitehead	HOUSING (NON HRA)	Disabled Facilities Grants - Private Sector	350,000	350,000	350,000	350,000	1,400,000
V97	David Whitehead	HOUSING (NON HRA)	Private Sector Renewal Grants	335,000	335,000	335,000	335,000	1,340,000
V99	Lesley Webb	HOUSING (NON HRA)	Grants to RSL	809,000	809,000	809,000	809,000	3,236,000
		<b>HOUSING (NON HRA) Total</b>		<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>5,976,000</b>
T01	Karen Hughes	LEISURE, ARTS & CULTURE	Corporate Priorities - Grants to Clubs	101,310	109,130	14,970	0	225,410
T04	Karen Hughes	LEISURE, ARTS & CULTURE	Corporate Priorities - Play Equipt. Grants to Parishes	59,900	31,000	0	0	90,900
T05	Karen Hughes	LEISURE, ARTS & CULTURE	Play Equipt. Replacement	26,000	26,000	0	115,510	167,510
T46	Steve Hughes	LEISURE, ARTS & CULTURE	Taunton Green Multi Use Games Area	9,900	0	0	0	9,900
W09	Steve Hughes	LEISURE, ARTS & CULTURE	Tennis Centre Extension	22,000	0	0	0	22,000
W41	Steve Hughes	LEISURE, ARTS & CULTURE	Vivary Park Tennis Courts	35,000	0	0	0	35,000
W44	Joy Wishlade	LEISURE, ARTS & CULTURE	Museum Funding Grant	20,000				20,000
		<b>LEISURE ARTS &amp; CULTURE Total</b>		<b>274,110</b>	<b>166,130</b>	<b>14,970</b>	<b>115,510</b>	<b>570,720</b>
T45	John Lewis	PLANNING POLICY & TRANSPORTATION	Parking Strategy - Payment Equipment Replacement	29,100	0	0	0	29,100
T60	John Herrington	PLANNING POLICY & TRANSPORTATION	Contributions to Footpaths and Streetlighting	25,000	25,000	0	57,350	107,350
T86	George Stark	PLANNING POLICY & TRANSPORTATION	Town Centre Improvements	0	0	0	7,600	7,600
W32	John Lewis	PLANNING POLICY & TRANSPORTATION	Multi-Storey Car Park - Drying Room	0	0	0	10,000	10,000
W33	John Lewis	PLANNING POLICY & TRANSPORTATION	Anti Suicide Measures - Paul St Car Park	0	0	0	40,700	40,700
W42	Tim Burton	PLANNING POLICY & TRANSPORTATION	Development Control Software	80,000	0	0	0	80,000
		<b>PLANNING POLICY &amp; TRANSPORTATION Total</b>		<b>134,100</b>	<b>25,000</b>	<b>0</b>	<b>115,650</b>	<b>274,750</b>
		<b>Grand Total</b>		<b>4,655,110</b>	<b>3,946,070</b>	<b>1,566,520</b>	<b>3,176,740</b>	<b>13,344,440</b>

## Housing Capital Programmes 2007/08 to 2011/12

Appendix B

Area	Original Budget 2007/08	Current Budget 2007/08	Proposed Budget 2008/09	Indicative Budget 2009/10	Indicative Budget 2010/11	Indicative Budget 2011/12
<b>Decent Homes</b>						
Kitchen Improvements + bathroom fittgs }						
Roofing - Pitched - age renewal }						
Roofing - Pitched - early failure }						
Roofing - flat - age renewal }						
Roofing - flat - early failure }	4,277,700	4,277,700	4,512,390	4,735,400	4,920,030	5,005,380
Windows }						
Electrical Testing - 10 years }						
Rewiring }						
Heating Improvements }						
Refurbishments - one-off }						
	<b>4,277,700</b>	<b>4,277,700</b>	<b>4,512,390</b>	<b>4,735,400</b>	<b>4,920,030</b>	<b>5,005,380</b>
<b>Other Works</b>						
Integrated Housing Management System	80,000	143,000	20,000	0	0	0
Communal TV Aerials	20,000	20,000	20,000	0	0	0
Door Entry Systems	20,000	20,000	20,000	20,000	20,000	20,000
Aids and Adaptations	200,000	200,000	200,000	200,000	200,000	200,000
Soundproofing	20,000	20,000	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	20,000	20,000	20,000	20,000	20,000
Works to Priory Depot to support Housing Restructure		60,000				
Sneddon Gove - renovation works		140,000				
Roland Close		15,000				
Choice based lettings system		160,000				
Extention of TAH Homeless Hostel		250,000				
	<b>4,657,700</b>	<b>5,345,700</b>	<b>4,832,390</b>	<b>5,015,400</b>	<b>5,200,030</b>	<b>5,285,380</b>
Community Alarm Systems	45,000	45,000	45,000	45,000	45,000	45,000
Tenants Imps.	5,000	5,000	5,000	5,000	5,000	5,000
Cash Incentive Scheme	0	60,000	0	0	0	0
Disabled Facilities Grants (HRA Stock)	200,000	200,000	200,000	200,000	200,000	200,000
	<b>4,907,700</b>	<b>5,655,700</b>	<b>5,082,390</b>	<b>5,265,400</b>	<b>5,450,030</b>	<b>5,535,380</b>
<b>Total HRA Capital</b>	<b>4,907,700</b>	<b>5,655,700</b>	<b>5,082,390</b>	<b>5,265,400</b>	<b>5,450,030</b>	<b>5,535,380</b>
<b>General Fund Housing Capital Schemes</b>						
Grants to RSLs	809,000	809,000	809,000	809,000	809,000	809,000
Private Sector Renewal Grants	335,000	335,000	335,000	335,000	335,000	335,000
Disabled Facility Grants - Private Sector	350,000	350,000	350,000	350,000	350,000	350,000
	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>
<b>Total GF Housing Capital</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>	<b>1,494,000</b>
<b>Total Housing Capital Programme</b>	<b>6,401,700</b>	<b>7,149,700</b>	<b>6,576,390</b>	<b>6,759,400</b>	<b>6,944,030</b>	<b>7,029,380</b>

Housing Capital Programme 2008/09 Funding (Estimated)	
<b>HRA Schemes</b>	£
Major Repairs Allowance	3,530,234
Revenue Contribution to Capital	1,552,156
<b>Total</b>	<b>5,082,390</b>
<b>GF Housing Schemes</b>	
Regional Housing Grant	412,110
Supported Borrowing	620,000
Govt support for Disabled Facility Grants	201,000
Capital Receipts	260,890
<b>Total</b>	<b>1,494,000</b>
<b>Grand Total</b>	<b>6,576,390</b>

## **APPENDIX C**

### **1. Housing Capital Programme Commentary**

- 1.1 The Capital Programme projected for 2008/09 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) £4,512,390

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.

- 2.5 Door Entry Systems (HP 4 Continued Investment in Management and Maintenance of Housing Stock) £20,000

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.

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|------|---|----------|
| 2.6  | <u>Soundproofing Work (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u><br>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. | £20,000  |
| 2.7  | <u>New Housing Management IT System (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u><br>This project commenced in 2006/07, however, due to some delays implementation will now be complete during 2008/09.  | £20,000  |
| 2.8  | <u>Communal TV Aerial Systems</u><br>In line with the Government requirements, as existing communal T.V. aerial systems become time expired, these will be replaced with systems capable of receiving a digital signal, in order to meet the first anticipated switchover for this region in 2009.  | £20,000  |
| 2.9  | <u>Aids and Adaptations (inc parking) (HP 5 Continued Support for Vulnerable Groups)</u><br>Continued assistance to provide small, essential adaptations to Council dwellings to meet the needs of disabled and elderly tenants.  | £200,000 |
| 2.10 | <u>DDA Work</u><br>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.  | £20,000  |
| 2.11 | <u>Asbestos Investigations (HP 4 Continued Investment in Management and Maintenance of Housing Stock)</u><br>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.   | £20,000  |
| 2.12 | <u>Tenants Improvements and the provision of Community Alarm Systems</u><br>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                           | £50,000  |

Compensation legislation when they vacate their homes.

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| 2.13 | <u>Disabled Facilities Grants (HRA Stock) (HP 5 Continued Support for Vulnerable Groups)</u> | £200,000 |
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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.

<b>Total Housing Revenue Account Capital Programme</b>	<b>£5,082,390</b>
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3. **Private Sector Renewal**

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|-----|---|----------|
| 3.1 | <u>Grants to Registered Social Landlords (HP 1)</u> | £809,000 |
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These grants are given to provide Affordable Housing through RSL's to complement additional funding provided through the Housing Corporation.

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| 3.2 | <u>Private Sector Renewal Grants (HP 3)</u> | £335,000 |
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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.

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|-----|---|----------|
| 3.3 | <u>Disabled Facilities Grants – Private Sector (HP 5)</u> | £350,000 |
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Disabled and elderly Owner Occupiers qualify for mandatory means tested grants for large, essential adaptations to their homes based on recommendations made by Occupational Therapists.

<b>Total General Fund Housing Capital Programme</b>	<b>£1,494,000</b>
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<b>Total Housing Capital Programme</b>	<b>£6,576,390</b>
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