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**HOUSING CAPITAL PROGRAMME 2007/8**

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**Responsible Cabinet Member - Councillor Bill Dixon,  
Community and Public Protection Portfolio**

**Responsible Director - Cliff Brown, Director of Community Services**

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**Purpose of Report**

1. The purpose of this report is to advise Members of the resources available for the housing capital programme during 2007/08 and to recommend a programme to utilise these resources.

**Information and Analysis**

2. Members agreed the Council's 2007/08 Capital Medium Term Financial Plan on 8 March 2007, including the Housing Capital Programme. Prior to works commencing this detailed report is required to approve the physical works and formally release the Capital resources. Capital resources have increased by £31,000 since Members approval. This is due to the recent announcement of reduced SHIP2 allocation of £65,000 and an increase in prudential borrowing of £96,000. Table 1 below details the estimated housing capital resources for 2007/08.

**Table 1: Estimated Capital Resources 2006/07**

| <b>Resources</b>                  | <b>£000's</b> |
|-----------------------------------|---------------|
| Major Repairs Allowance (a)       | 3,508         |
| SHIP Funding (Private Sector) (b) | 736           |
| SHIP Funding (DFG's) (c)          | 261           |
| Prudential Borrowing (d)          | 3,739         |
| Capital Receipts (e)              | 700           |
| Disabled Facilities Grant (f)     | 273           |
| RCCO (g)                          | 2186          |
| <b>Total</b>                      | <b>11,403</b> |

- (a) The Major Repairs Allowance (MRA) is 100% grant funding received from Communities and Local Government. The MRA can only be used for capital improvements to the Council's housing stock.
- (b) Private Sector SHIP Funding is provided on an application basis by the Regional Housing Board. Previously this funding was given purely as a borrowing approval, but now comes as a capital grant. This funding is to be used for Private Sector investment according to the new Private Sector Financial Assistance Policy.

- (c) SHIP Funding (DFG's) comes from the same source as (b), and is a contribution to Private Sector Disabled Facilities funding that the Council provided from the old supported borrowing (Housing Capital Programme) allocation to compliment the existing DFG grant from central Government.
- (d) It was agreed at Council on 22nd July 2004, to retain the Council housing stock in-house and use prudential borrowing of up to £20m, over the next 6 years, to meet the new Darlington Standard for Council housing. This is the second year that prudential borrowing is being utilised, approximately £2.5m has been utilised to date in the financial year 2006/07.
- (e) Comprising 25% of usable capital receipts from the anticipated sale of Council houses, under the Right to Buy scheme.
- (f) Communities and Local Government contribution to the provision of adaptations for people with disabilities in the Private Sector. Adding the SHIP allocation for DFG's (c) to this gives a total DFG budget of £534,150.
- (g) The Revenue Contribution to Capital Outlay (RCCO) is funding from the Housing Revenue Account used to fund major capital works.
3. The priorities identified through the Housing Business Plan to be funded from the estimated capital resources for 2007/08 are shown in Table 2 below:-

**Table 2: Housing Investment Programme 2006/07**

| <b>Programme</b>  | <b>£000's</b> | <b>Total</b> |
|---|---------------|--------------|
| <b>Planned Maintenance &amp; Renewals</b>                               |               |              |
| Adaptations <sup>(1)</sup>  | 330           |              |
| Heating Replacement <sup>(2)</sup>                                      | 645           |              |
| Flat Remodelling <sup>(3)</sup>   | 1570          |              |
| Internal Planned Maintenance <sup>(4)</sup>                             | 3264          |              |
| Linden Court <sup>(5)</sup>   | 2000          |              |
| Structural Repairs <sup>(6)</sup>                                       | 92            |              |
| TV Aerials <sup>(7)</sup>   | 50            |              |
| Warden Link and Sheltered Housing <sup>(8)</sup>                        | 80            | <b>8031</b>  |
| <b>Estates &amp; Community Improvements</b>                             |               |              |
| Environmental Works <sup>(9)</sup>                                      | 419           |              |
| Footpaths/Construction <sup>(10)</sup>                                  | 333           |              |
| Fencing <sup>(11)</sup>   | 291           |              |
| Sheltered Housing Schemes <sup>(12)</sup>                               | 500           |              |
| Garage Improvements <sup>(13)</sup>                                     | 135           |              |
| Repairs Before Painting <sup>(14)</sup>                                 | 124           |              |
| Roof work <sup>(15)</sup>   | 300           | <b>2102</b>  |
| <b>Private Sector</b>   |               |              |
| DFG Grants <sup>(16)</sup>  | 534           |              |
| Private Sector Decent Homes Financial Assistance Policy <sup>(17)</sup> | 736           | <b>1,270</b> |
| <b>Total</b>  |               | <b>11403</b> |

- (1) The adaptations budget (£330,000) is to deliver adaptations within the Council's housing stock to enable tenants with a disability to remain in their own home across the Borough.
- (2) New condensing boiler central heating systems will be fitted to around 236 dwellings throughout the Borough but predominately in Firthmoor, Redhall, Branksome, Harrogate Hill and Rise Carr. As utility companies have caused significant delays in programmes in earlier years due to missed schedules for installing new gas services to properties that are being converted from electric to gas central heating, a specific programme has been developed over the next five years to deliver such works, thereby speeding up future replacement.
- (3) The successful remodelling programme of 40 flats will continue with work commencing at Hornby House and Kilburn House.
- (4) A programme to upgrade kitchen, bathrooms, electrical rewiring, including security lighting and where appropriate TV aerials and communal works which will cover approximately 351 dwellings located predominantly at Redhall, Cockerton, Rise Carr, Branksome and Whinfield areas of the Town. The extra investment in this area will help towards delivering the commitment as part of the Darlington Standard to reduce the replacement cycle for these works from 30 years to 20 years.
- (5) £2m is set aside for the demolition and new build of Linden Court. The Capital Receipt from the sale of surplus land on the site will be used to offset some of these costs.
- (6) A small budget has been set aside to address any structural issues that may be identified within the year.
- (7) Funding will be spent improving communal television aerials at a variety of locations throughout the Borough to better facilitate the reception of digital television. This work will be in addition to further expenditure in this area, to be included in the specifications of contracts to carry out Internal Planned Maintenance (paragraph 4 above) on blocks of flats and the communal areas.
- (8) £80,000 has been put aside to continue to provide upgrades to the Warden Call services (in addition to those picked up in the costs for remodelling works) within sheltered housing schemes and blocks of flats throughout the town, and to provide upgrades and modernisation to communal facilities in sheltered housing schemes such as common rooms and kitchens.
- (9) £419,000 has been set aside to undertake environmental works at Firthmoor including pavement crossings, verge hardening for parking and associated incurtilage footpath and fencing works.
- (10) £333,000 is to be spent on improvements to footpaths at Branksome, Haughton and Lingfield.

- (11) £291,000 will be spent on fencing works at Lingfield, Firthmoor, Lascelles and Branksome.
- (12) £500,000 has been set aside in 2007/08 to undertake improvement works at Branksome Hall including refurbishment of assisted bathing areas, decoration of communal areas and lift improvements.
- (13) Improvements to the Council's garage blocks focusing on security and appearance along with general maintenance will continue in the Rise Carr, Lascelles, Branksome, Hurworth and Middleton St George areas of the Borough.
- (14) Joinery works in anticipation of the 5 year cyclical external painting programme will take place on those dwellings that require it.
- (15) Based on previous experience, a figure of £300,000 has been set aside for roofing works throughout the Borough.
- (16) DFG grants will continue to be offered according to the mandatory limit of £25k, plus the additional optional "Top up" Financial Assistance Loan of up to £10K as agreed by Cabinet in 2005. The total budget for mandatory DFG grants is £534,000. Additional "Top UP" Financial Assistance Loan can be applied for from the Financial Assistance budget of £736,000.
- (17) Private Sector funding of £736,000, will help deliver Decent Homes in the private sector through the new Financial Assistance Policy.

### **Outcome of Consultation**

4. The proposed programme is line with Housing Business Plan priorities as agreed with tenants during the stock option appraisal process, and is aligned with the priorities for investment that have identified since that time. The Tenants Board was consulted on 21st February 2007 and supported the proposals.

### **Legal Implications**

5. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers needs to be brought to the specific attention of Members, other than those highlighted in the report.

## **Section 17 of the Crime and Disorder Act 1998**

6. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is considered that some of the improvement works identified in this report will be beneficial in reducing crime.

## **Council Policy Framework**

7. The issues continued within this request do not represent change to Council policy or the Council's policy framework.

## **Decision Deadline**

8. For the purpose of the 'call-in' procedure this represents an urgent matter, in order that housing capital expenditure for 2007/08 can be commenced with immediate effect.

## **Key Decision**

9. This is a key decision because agreement to the recommendation will result in the Council incurring expenditure that is significant. There will also be a significant effect on the communities living or working in an area comprising two or more wards within the area of the Local Authority.

## **Recommendation**

10. It is recommended that the Housing Capital Programme for 2007/08 be agreed and the funding released.

## **Reason**

11. The recommendation is supported to enable the works and projects identified in the Housing Capital Programme for 2007/08 to proceed.

**Cliff Brown**  
**Director of Community Services**

## **Background Papers**

- (i) Capital Medium Term Financial Plan 8 March 2007

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JW/SL