

MUNICIPAL YEAR 2009/2010 REPORT NO. **79A**

MEETING TITLE AND DATE:

Cabinet - 16.9.09
Council – 23.9.09

REPORT OF:

Director of Place Shaping
& Enterprise

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Agenda – Part: 1

Item: 8

Subject:

Revised Housing Capital Programme
2009/10

Wards: All

Cabinet Member consulted: Councillor
Matthew Laban and Councillor Ertan Hurer

1. EXECUTIVE SUMMARY

- 1.1 Following the award of two stars on publication of the Enfield Homes inspection report in July 2009, the Homes and Communities Agency has now confirmed that the Council will receive £14.5M in 2009/10, £34M in 2010/11 to support its Decent Homes' Programme work, along with £1.5M made available through the Social Housing Energy Saving Programme. This totals £50M over the first two years of Enfield Homes Decent Homes Programme.
- 1.2 The purpose of this report is to ask Cabinet to agree the proposed revised Housing Capital Programme to take account of the additional funds available and to ask Cabinet to recommend the extended capital programme to Council.
- 1.3 A detailed report detailing the delivery strategy of the programme will be submitted to the October Cabinet meeting.

2. RECOMMENDATIONS

- 2.1 That the Council is recommended to approve the revised Housing Capital Programme for 2009/10.
- 2.2 That where the schemes have not already been tendered, they are, with the tender acceptance reports subject to sign off by the Lead Member for Housing and Community Safety.

3. DETAIL

- 3.1 The Cabinet in July 2009 previously approved a Housing Major Works Programme of £22.299M based upon existing Council resources. (including £900k leaseholder income).

- 3.2 The current programme is based on the minimum work required had Enfield Homes been unsuccessful at achieving two stars in the 2009 Audit Commission inspection.
- 3.3 £9.063M (41%) of the budgeted current programme of £22.299M was allocated to Decent Homes' Works which includes external works, internal works (kitchens and bathrooms) heating, windows and security (door entry systems).
- 3.4 The award of two stars to Enfield Homes following the 2009 Audit Commission inspection unlocks potential additional government resources of £137M over five years to invest in the Council's housing stock.
- 3.5 £14.5M of this additional government funding has now been confirmed for 2009/10, with a further £34M confirmed for 2010/11 along with £1.5M made available through the Social Housing Energy Saving Programme [SHESP]. The remaining £87M is subject to the next government comprehensive spending review.
- 3.6 The investment criteria for prioritising expenditure on the Council's housing stock are set out in the Council's Housing Asset Management Plan and have been subject to extensive consultation with residents.
- 3.7 The scope of work included within the programme includes major works to estates, upgrading kitchens, bathrooms, windows and heating (Decent Homes); external works; door entry systems (Security); structural repairs; boiler replacement, lift modernisation, and environmental improvements.

4. ALTERNATIVE OPTIONS CONSIDERED

The Council is committed to spending the additional government resources to deliver the Decent Homes Programme.

5. REASONS FOR RECOMMENDATIONS

To ensure that the housing capital programme is delivered in 2009/2010.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE RESOURCES AND OTHER DEPARTMENTS

6.1 Financial Implications

This report recommends that the 2009/10 Capital Programme be increased from £22.299m to £33m. This will be funded by the Decent Homes Allocation of £14.5m, £0.5m from the SHESP and £18m of existing resources.

The original Capital Programme for 2009-10 proposed using £22m of capital resources; however it is now planned that £4m of this will be retained as capital reserves and only £18m will be used in 2009-10.

The original capital programme would have used all available reserves by the end of 2009/10 but given the size of the programme it is prudent to retain a reserve.

It should be stressed that there is no guarantee of the level of resources after 2010/11. The council funding is made up of the Major repairs allowance (MRA) paid through the subsidy system and supported capital expenditure (SCE). Supported capital expenditure is only agreed for 1 further year. Given the national review of housing finance there could also be changes to the major repairs allowance.

The remainder of the funding beyond 2010/11 is also subject to the comprehensive spending review so it is not possible to predict with certainty the level of funding in future years. The programme is therefore based on the best available information and will be subject to change depending on the resources available.

The table below sets out the potential resources (confirmed for the first two years only) over the medium term.

	2009/10	2010/11	2011/12	2012/13	2013/14
	£m	£m	£m	£m	£m
Decent Homes funding	14.5	34.0	29.0	29.0	29.0
SHESP	0.5	1.0			
MRA	9.0	9.0	9.0	9.0	9.0
SCE	5.0	5.0	5.0	5.0	0
Other resources *	4.0				
Total	33.0	49.0	43.0	43.0	38.0

* Other resources include capital receipts, grant income and leaseholder income.

In addition there will be £4m capital reserves and any potential receipts generated from future disposals.

Enfield Homes will have to fully spend its Decent Homes allocations of £14.5m in 2009/10 and £34.0m in 2010/11. The Homes and Communities Agency (HCA) has indicated that the Decent Homes budget is under severe pressure, and any failure to utilise the resources allocated to us could potentially result in loss of funding. At £33.0m the overall programme will be three times the size of the programme for 2007/08.

The funding for the Decent Homes element in 2009/10 programme has been reduced by the HCA from a total of £25.0m to £14.5m, with £9.0m moved to 2010/11 and £1.5m now coming from SHESP.

6.2 Legal Implications

Section 2 of the Local Government Act 2000 provides that local authorities have power to do anything they consider likely to promote or improve the social, economic or environmental well being of their area or the persons resident therein. Therefore the Council has a discretionary power to pursue a course of action if it considered it likely to have social, economic or environmental advantages in the area. Members need to be satisfied that the above proposals concur with this legislation.

The Council must ensure that in the tendering of any works/services/goods required under this report that such is procured in compliance with the Councils Constitution, in particular Contract Procedure Rules. The Council must also ensure value for money in accordance with the Best Value principles under the Local Government Act 1999 and that legal agreements are in a form approved by the Borough Solicitor.

6.3 Property Implications

There are no specific property implications.

7. RISK MANAGEMENT IMPLICATIONS

It is important for the Council to commit to and deliver the additional resources made available by the government in order to ensure future funding.

As included in the financial implications above the level of funding remains an area of risk since funding is only confirmed for 2009/10 and 2010/11.

8. PERFORMANCE MANAGEMENT IMPLICATIONS

Adopting these recommendations will strengthen the Council's ability to achieve the Decent Homes Standard in a timely manner.

9. PUTTING ENFIELD FIRST

The primary objectives of Enfield Homes are to achieve the Decent Homes Standard for every home it manages

Background Papers

None.