

Meeting: COUNCIL
Portfolio Area: Resources & Housing

Agenda Item:

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Date: 17 JULY 2013

CAPITAL BUDGET 2013/2014 – VIREMENT

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1. PURPOSE AND REASON FOR URGENCY

- 1.1 Capital Outturn 2012/13 report will be presented to Executive on the 23 July and includes a recommendation to Council to approve a £1million virement to facilitate heating and mains water improvements to two sheltered housing schemes. In accordance with financial regulations budget virements to capital schemes over £250,000 must be approved by Council.
- 1.2 In July the Council meeting date precedes the Executive meeting and officers are therefore requesting the approval in advance of the July Executive on the 23 July 2013 as the next Council meeting is October which would mean the works would not be complete before the winter.

2. RECOMMENDATIONS

- 2.1 That Council approve a virement of £1,000,000 from the Decent Homes Roofing capital budget to the Decent Homes capital heating budget to facilitate the upgrade of heating and water systems in two sheltered housing schemes.

3. BACKGROUND

- 3.1 In the 2012/13 Capital Outturn Report to the July Executive there is a request by officers for a virement of £1,000,000 from the Decent Homes Roofing capital budget to the Decent Homes capital heating budget. These additional works relate to an upgrade of the heating and mains water supply systems for two sheltered housing schemes which were not anticipated when the budgets were allocated. As a result of survey work officers have discovered that both systems are still in their original format and no upgrades have been done since the schemes were first opened. The current systems do not allow for individual residents to control the temperature within their flats and the heating system cannot be upgraded without removing the old pipe-work and installing a new system.

4. REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 The £1million virement will facilitate a timely upgrade of the heating and mains water supply systems for two sheltered housing schemes.

- 4.2 A recent survey of the schemes prior to undertaking works as part of the Decent Homes programme highlighted inefficiencies within the existing systems, which it would appear have been in place since the properties were constructed. These are sister schemes, and the only two constructed in this manner within Stevenage.
- 4.3 The upgrades will allow tenants to control the heating independently within their flat whilst also improving cold water pressure, which will ensure top floor flats can have the benefit of a shower installation without the need to rely on individual booster pumps within the flats.
- 4.4 As the value of the virement is above Executive authorisation limits (of £250,000) approval of the virement must be escalated to Council. The next Council meeting post the July Executive is not until October. Delaying the approval of the virement and consequentially the authorisation of the scheme, would result in the works not being able to be completed in time for the winter months. Anticipated completion date is October 2013.
- 4.5 It is anticipated that the additional works can be funded from the 2013/14 HRA capital programme, via the virement, without the need for additional funding because a delay in procuring the roofing and external overview contract has meant that the budget allocated to these schemes will not be spent in 2013/14.
- 4.6 Where works are identified during surveying, as was the case with the schemes to which this report refers, it is the practice of Officers to take an holistic view to asset management and to ensure funds are allocated to those properties which make a positive contribution to the HRA, and where the scheme has a useful purpose. It is anticipated that the upgrades to these schemes will allow for continued use as flatted accommodation for between 15 – 25 years.

5. IMPLICATIONS

5.1 Financial Implications

- 5.1.1 The Council's Financial Regulations require Council approval for virements over £250,000.
- 5.1.2 This report is financial in nature and consequently financial implications are included in the above.

5.2 Legal Implications

- 5.2.1 None identified at this time.

5.3 Policy Implications

- 5.3.1 The approval of the virement would enable work already identified and included in the Decent Homes capital programme to be completed earlier than originally planned.

5.4 Equality and Diversity Implications

- 5.4.1 None of the budget changes reported will change any existing equalities and diversity policies and it is not expected that these budget changes will impact on any groups covered by statutory equalities duties.

5.5 Risk Implications

- 5.5.1 Delay in the improvements to the heating and water systems may lead to the works not being completed before the winter months.

BACKGROUND DOCUMENTS

- Capital Strategy Update July 2013 (Executive)