

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO HEALTH AND HOUSING COMMITTEE

DECISION

Agenda Item No 6

meeting date: 23 JANUARY 2014
 title: PROPOSED CAPITAL PROGRAMME 2014/17
 submitted by: DIRECTOR OF RESOURCES
 principal author: AMY JOHNSON

1 PURPOSE

1.1 To approve the proposed future three-year capital programme (2014/15 - 2016/17) for this committee.

2 BACKGROUND

2.1 This report will review the draft programme of schemes to be carried out in the following three years (2014/15 to 2016/17) based on the bids that have been received from Heads of Service.

2.2 Schemes were previously requested at this time last year for the 2014/15 and 2015/16 financial years. However, no bids have previously been requested for the 2016/17 financial year.

2.3 In the same manner as last financial year, all Heads of Service were asked to submit capital bids, bearing in mind the limited financial resources that are available to finance the capital programme. Heads of Service were asked to put forward schemes which were the absolute basic requirement to keep the council's services running.

3 DRAFT PROGRAMME 2014/15 TO 2016/17

3.1 Heads of Service were asked to review the current programme and submit any new scheme bids for consideration. Annex 1 shows the scheme bids for this Committee in detail and how each particular scheme links to the Council's ambitions. Annex 2 shows a summary table of the financial impact for each financial year.

3.2 It should be noted that at this stage these are only potential bids that will also require further consideration by the Budget Working Group and by Policy and Finance Committee who will want to make sure that it is affordable, both in capital and revenue terms.

3.3 Members should therefore consider the forward programme as attached and put forward any amendments you may wish to make at this stage.

3.4 A summary of the three-year programme for Health and Housing Committee is shown below:

Schemes	2014/15 £	2015/16 £	2016/17 £	TOTAL £
Previously Approved	195,000	184,000	0	379,000
New Bids (incl requests for additional funding)	80,540	112,000	471,000	663,540
Total of all Bids	275,540	296,000	471,000	1,042,540

- 3.5 As the capital programme has already been approved for 2014/15 and 2015/16 last year, we would not normally anticipate new bids for these years unless new funding has been identified or there were circumstances unforeseen at this time last year. However, for this committee just over 29% (by value) of the bids received relate to 2014/15 and 2015/16.
- 3.6 The Council receives unringfenced funding from the government towards the provision of Disabled Facilities Grants. In 2013/14 the capital budget was limited to the funding received from the government.
- 3.7 We have recently been notified of our allocation of Disabled Facility Grant funding for the 2014/15 financial year, which is much earlier than notifications received in previous years. For 2014/15 our funding, which currently comes through the Department for Communities and Local Government, will be £119,536.
- 3.8 During the government's Spending Review (June 2013) it was announced that as from 2015/16 funding for Disabled Facility Grants would instead be provided by the Department of Health). Such funding would be included within the new Better Care Fund which is a fund of £3.8 billion, with an aim to promote closer working of health and social care services in local areas, based on a plan agreed between the NHS and local authorities.
- 3.9 Plans for the use of the pooled monies must be developed by a Clinical Commissioning Group and local authorities (usually top tier) and signed off by the Health and Wellbeing Board. It is not clear to what extent second tier authorities, such as Ribble Valley, will be engaged within this process and on the whole the lead will be coming from Social Services.
- 3.10 Our Disabled Facilities Grant allocation has been announced for 2015/16 as £161,000. However, there is a degree of uncertainty as to whether the announced level of funding will actually be received. Approval of funding has to be obtained from both the East Lancs Health & Wellbeing Board and the Central Lancs Health & Wellbeing Board based upon a perceived perception of need. The perception of need may impact upon the actual level of funding received.
- 3.11 Disabled Facility Grant funding for 2016/17 has been assumed at the same level as 2015/16 in the table below.

Funding	2014/15 £	2015/16 £	2016/17 £	TOTAL £
Total of New Bids	80,540	112,000	471,000	663,540
External Funding	-10,540	-52,000	-161,000	-223,540
Net Total Bids Submitted	70,000	60,000	310,000	440,000

- 3.12 The level of the council's capital resources available to fund those bids that are not supported by external funding is currently low.
- 3.13 It must also be noted that the bids shown here represent only those that have been submitted with regard to this committee's services. Other committees will be receiving similar reports, and all bids will finally be considered alongside each other by the Budget Working Group and Policy and Finance Committee in relation to the limited internal funding available.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications

- Resources – The proposals as submitted in the bid forms would require a substantial level of funding from council resources of £440,000.
- Technical, Environmental and Legal – None
- Political – None
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the council
- Equality and Diversity – Equality and Diversity issues are examined as part of the capital bid appraisal process.

5 CONCLUSION

5.1 Bids were initially invited for the 2016/17 financial year, however bids have been submitted for the 2014/15 and 2015/16 financial years for this committee. Only the Disabled Facilities Scheme bid has associated external funding. The Council's existing capital resources to fund schemes are currently low.

5.2 There are a number of additional schemes submitted that have no associated external funding, yet the Council's existing capital resources to fund such schemes are currently low.

6 RECOMMENDED THAT COMMITTEE

6.1 Consider the future three-year programme for 2014/15 to 2016/17 as attached and agree any amendments you wish to make.

6.2 Recommend to Policy and Finance Committee a future three-year capital programme for this committee's services.

SENIOR ACCOUNTANT

DIRECTOR OF RESOURCES

HH1-14/AJ/AC
9 January 2014

Health and Housing Committee New Capital Bid Submissions

BID 1: Purchase & Repair

Service Area: Regeneration Services

Head of Service: Colin Hirst

Brief Description:

Offer grant assistance of £10k per unit for the purchase and repair of 3 x one bed units for Ribble Valley Homes to purchase and renovate. They will then be let at affordable rent level.

Overriding aim/ambition that the scheme meets:

To match the supply of homes in our area with the identified housing need.

Government or other imperatives to the undertaking of this scheme:

The introduction of welfare reform has significantly increased the demand for one bed units.

Improving service performance, efficiency and value for money:

The housing service struggle to find 1 bed accommodation of households. This impacts on the length of stay in temporary accommodation and on the waiting list.

Consultation:

The SHMA identified the need for 1 bed units throughout the borough. Liaison with RVH and Places for People and all RP's operating in the borough has supported the need.

Start date, duration and key milestones:

To start December 2013 and complete December 2014 to purchase 3x1 bed flats and renovate and allocate from the housing waiting list.

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Other	30,000	-	-
TOTAL	30,000	-	-

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Health and Housing Committee New Capital Bid Submissions

Useful economic life:

Once renovated the properties will remain as affordable rented properties in perpetuity.

Additional supporting information:

The increase in demand for 1 bed properties is having an effect on the length of time households are remaining in temporary accommodation.

The council has received repayment of a Home Improvement Grant and a Homebuy Scheme Grant (totalling £31,786) which could be recycled to fund this scheme.

Impact on the environment:

Any renovation would include substantial energy efficiency work to make the properties as efficient as possible.

Risk:

- **Political:** *There is political pressure to respond to the implications of the Welfare Reform.*
- **Economic:** *One bed units are required by households currently occupying 2 bed units.*
- **Sociological:** *Welfare reform changes penalized anyone over occupying a property.*
- **Technological:** *No comment made.*
- **Legal:** *No comment made.*
- **Environmental:** *No comment made.*

Health and Housing Committee New Capital Bid Submissions

BID 2: Landlord Tenant Grants

Service Area: Regeneration Services

Head of Service: Colin Hirst

Brief Description:

The scheme match funds a landlord's investment in a property in return for an affordable rental property. Conditions of the grant are nomination rights and a set rent level in line with LHA. The scheme is crucial for move on accommodation for families in the hostel as the social housing waiting list is so long. The scheme is also used to bring empty properties back into use.

Overriding aim/ambition that the scheme meets:

To match the supply of homes in our area with the identified housing need.

Government or other imperatives to the undertaking of this scheme:

We have a statutory duty to find homeless households affordable housing and without this scheme we would be reliant on social housing.

Improving service performance, efficiency and value for money:

The scheme improves service performance in that the length of time families stay in temporary accommodation is reduced. The service is improved in that we are able to offer a housing choice through the scheme.

Consultation:

Landlords are consulted through a newsletter and discussion about the scheme held at the Housing Forum.

Start date, duration and key milestones:

The scheme runs through the financial year and has run successfully for over 15 years.

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Other	-	-	120,000
TOTAL	-	-	120,000

Health and Housing Committee New Capital Bid Submissions

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Useful economic life:

No comment made.

Additional supporting information:

The scheme has become popular with landlords and the number of properties we have nomination rights to through the scheme increases annually. These properties are essential in providing a Housing Needs Service.

Impact on the environment:

In renovating the property we ensure energy saving measures are installed.

Risk:

- **Political:** *The scheme has had very positive political support and has been highlighted as good practice by DCLG Homeless Specialist Advisor.*
- **Economic:** *Encourages investment in properties in the lowest council tax bands.*
- **Sociological:** *Choice of tenure for low income households is required.*
- **Technological:** *No comment made.*
- **Legal:** *Changes to Local Housing allowance will impact on the scheme. Any reduction will have a negative impact as landlords will not agree to lower rent.*
- **Environmental:** *No comment made.*

Health and Housing Committee New Capital Bid Submissions

BID 3: Disabled Facilities Grants

Service Area: Regeneration Services

Head of Service: Colin Hirst

Brief Description:

The scheme provides mandatory grant aid to adapt homes so elderly and disabled occupants can remain in their own home. The maximum grant is £30,000 and for adults is means tested. The grants can provide for minor adaptation, for example, the installation of a stair lift up to the provision of a bathroom and bedroom extension.

Overriding aim/ambition that the scheme meets:

To make peoples lives safer and healthier.

Government or other imperatives to the undertaking of this scheme:

The grants are mandatory. The Council has a statutory duty to provide adaptations as instructed by the Occupational Therapist. Grant funding is currently provided by the Department for Communities to help fund this scheme, however from 2015/16 funding will be received from the Department of Health as part of the Better Care Fund.

Improving service performance, efficiency and value for money:

Provision of an adequate Disabled Facilities Grant budget ensures households can be offered assistance once a referral has been received.

Consultation:

Bi-monthly meetings with Occupational Therapists and regular contact with technical staff.

Start date, duration and key milestones:

The Disabled Facilities Grant budget operates on a financial year basis ie April – March.

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Grants	-	-	161,000
<u>Sources of External Funding</u>			
Department of Health	-	-	-161,000
NET COST TO THE COUNCIL	-	-	0

Health and Housing Committee New Capital Bid Submissions

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Useful economic life:

No comment made.

Additional supporting information:

The provision of disabled facilities grants is a statutory function of the council. Ensuring a no-wait service is essential to address the housing needs of the borough, an ambition of the council.

Impact on the environment:

All equipment is maintained and kept in the ownership of social services to enable it to be recycled where possible.

Risk:

- **Political:** *The population age of Ribble Valley occupants is increasing and therefore demand for the service will continue.*
- **Economic:** *A high % of applicants pass the means test in the current economic climate.*
- **Sociological:** *Increased expectation that disabled applicants will remain at home through adaptation of the property.*
- **Technological:** *Improvements in technology allow the specific needs of the applicants to be met.*
- **Legal:** *N/A.*
- **Environmental:** *N/A.*

Health and Housing Committee New Capital Bid Submissions

BID 4: Boiler Replacement Scheme

Service Area: Regeneration Services

Head of Service: Colin Hirst

Brief Description:

For the past 2 years we have run a boiler replacement scheme which has assisted vulnerable households without heating. The scheme has previously been funded by 'Warm Homes' grant monies received.

Overriding aim/ambition that the scheme meets:

To make peoples lives safer and healthier.

Government or other imperatives to the undertaking of this scheme:

Winter morbidity and addressing affordable warmth are public health priorities. Both topics have been identified as objectives within the Year of Health.

Improving service performance, efficiency and value for money:

The housing service will be able to directly assist households struggling to keep warm in winter.

Consultation:

Our partners in delivering the scheme for the past 2 years: Age UK, Help Direct, CAB are all keen to see the grant available.

Start date, duration and key milestones:

The scheme would run in line with the financial year.

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Other	15,000	15,000	15,000
TOTAL	15,000	15,000	15,000

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Health and Housing Committee New Capital Bid Submissions

Useful economic life:

No comment made.

Additional supporting information:

Fuel poverty is higher than average in the Ribble Valley and it is important that vulnerable households have some assistance in winter months.

Impact on the environment:

The boilers installed would be more energy efficient than those being replaced.

Risk:

- **Political:** *No comment made.*
- **Economic:** *Fuel poverty is a national issue.*
- **Sociological:** *There is better understanding of the link between cold homes and poor health.*
- **Technological:** *The cost of boilers and their efficiency has improved significantly.*
- **Legal:** *No comment made.*
- **Environmental:** *Energy efficiency is a world issue.*

Health and Housing Committee New Capital Bid Submissions

BID 5: Clitheroe Market Improvement Scheme

Service Area: Market

Head of Service: James Russell

Brief Description:

To provide environmental improvements to refresh the market and address long standing design and maintenance issues to ensure better use of site and income generation;

- Replace existing stalls with new 'Tudor styled' timber cabins - realign nearer to cabins in more compact layout – reduce from 31 to 20/25;
- Relocate/modify site electrics to restore lighting/power to new stalls;
- Create additional car park in area cleared, create access from hammerhead, priority to stall traders on market days 'in return for payment', make available to public on non market days;
- Relocate/replace central light column;
- Replace uneven stone sets and relay drainage channels on site with covered channels;
- Relay stone flags beneath stalls as necessary. Replace stone flags where significant vehicle movement in bullring and created car park area with suitable alternative surface;
- Create 6 additional car parking spaces by replacing shrubbery on New Market Street adj hammerhead (Parson Lane section) ;
- Erect 'Welcome to Market' old style cast iron archway across New Market Street (King Street section);
- Provide suitable street furniture – hanging basket posts, soft landscaping, public seating including public shelter and sculpture in recognition of former bullring and local heritage;
- Overhaul and deep clean public toilets

Overriding aim/ambition that the scheme meets:

To be a well managed council

To help make peoples lives safer and healthier.

To protect and enhance the existing environmental quality of our area.

To sustain a strong and prosperous Ribble Valley.

Government or other imperatives to the undertaking of this scheme:

Health & Safety at Work etc Act 1974

'Love Your Market' – Mary Portas high street & market initiative

Improving service performance, efficiency and value for money:

Reduce maintenance costs in long term and increase potential income from better use of site and maintaining trader level in bad weather/winter months.

Consultation:

Market traders have been pressing for some time for improvements to layout, aesthetics and weather protection for stall holders and public – reduce stock damage.

Start date, duration and key milestones:

2015/16: Develop scheme and obtain detailed estimates in conjunction with engineers for improvements

2016/17: Undertake scheme in phased stages

Health and Housing Committee New Capital Bid Submissions

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Contractors	-	-	55,000
Equipment/Materials	-	-	120,000
TOTAL	-	-	175,000

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Premises Related Costs (reduced maintenance)	-2,500
Estimated Additional Income (stall rental)	-1,500
Estimated Annual Income (car park charges)	-5,000
Total Estimated <u>Annual</u> SAVING	-9,000
Estimated Lifespan	20 years
Total Estimated <u>Lifetime</u> SAVING	-180,000

Useful economic life:

N/A.

Additional supporting information:

Clitheroe Market was rebuilt & relocated in 1994/5 with increased trading from 2 to 3 days per week. The layout adopted was a very modern open plan site, which was intended to have a dual use to enable public performances in a town centre open space. The site has never been used as intended as never demand nor opportunity to remove and restore stalls between market days. In addition, the market has never worked as intended with the site being a large bowl when windy and wet. The site is also on incline and has suffered from heavy rain/site water causing significant on-going flag instability. Little investment has been made in past 19 years other than routine repair & maintenance. There is now an increasing need to reinvest to ensure and attractive and viable site and the successful continuation of a market in Clitheroe.

In addition, one of the primary functions of markets is to provide a low cost opportunity to people wishing to enter the retail sector before expanding to occupying shop/commercial units. Markets are therefore an important and fundamental part of a healthy and forward thinking local economy.

Impact on the environment:

To be determined.

Health and Housing Committee New Capital Bid Submissions

Risk:

- **Political:** *Need to reinvest in an important public facility and for the good of the local economy.*
- **Economic:** *As above.*
- **Sociological:** *Provides low cost opportunity for people to enter the retail trade.*
- **Technological:** *Need to compete with markets operated elsewhere – to be attractive to ensure ongoing and if possible increased usage and footfall to remain viable and competitive - ensure adequate investment.*
- **Legal:** *N/A.*
- **Environmental:** *Ensure adequate investment to maintain modern and attractive facility that's fit for purpose and can complement and compete with modern retailing.*

**Health and Housing Committee
New Capital Bid Submissions**

BID 6: Request for Additional Funding - Landlord Tenant Grants

Service Area: Regeneration Services

Head of Service: Colin Hirst

Brief Description:

The scheme match funds a landlord's investment in a property in return for an affordable rental property. Conditions of the grant are nomination rights and a set rent level in line with LHA. The scheme is crucial for move on accommodation for families in the hostel as the social housing waiting list is so long. The scheme is also used to bring empty properties back into use.

Overriding aim/ambition that the scheme meets:

To match the supply of homes in our area with the identified housing need.

Government or other imperatives to the undertaking of this scheme:

We have a statutory duty to find homeless households affordable housing and without this scheme we would be reliant on social housing.

Improving service performance, efficiency and value for money:

The scheme improves service performance in that the length of time families stay in temporary accommodation is reduced. The service is improved in that we are able to offer a housing choice through the scheme.

Consultation:

Landlords are consulted through a newsletter and discussion about the scheme held at the Housing Forum.

Start date, duration and key milestones:

The scheme runs through the financial year and has run successfully for over 15 years.

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Previously Approved Capital Bid	75,000	75,000	-
TOTAL CAPITAL COST	75,000	75,000	-
Request for Additional Funding – Grants	25,000	45,000	-
REVISED CAPITAL SCHEME COST	100,000	120,000	-

Health and Housing Committee New Capital Bid Submissions

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Useful economic life:

No comment made.

Additional supporting information:

The scheme has become popular with landlords and the number of properties we have nomination rights to through the scheme increases annually. These properties are essential in providing a Housing Needs Service.

Impact on the environment:

In renovating the property we ensure energy saving measures are installed.

Risk:

- **Political:** *The scheme has had very positive political support and has been highlighted as good practice by DCLG Homeless Specialist Advisor.*
- **Economic:** *Encourages investment in properties in the lowest council tax bands.*
- **Sociological:** *Choice of tenure for low income households is required.*
- **Technological:** *No comment made.*
- **Legal:** *Changes to Local Housing allowance will impact on the scheme. Any reduction will have a negative impact as landlords will not agree to lower rent.*
- **Environmental:** *No comment made.*

**Health and Housing Committee
New Capital Bid Submissions**

BID 7: Request for Additional Funding - Disabled Facilities Grants

Service Area: Regeneration Services

Head of Service: Colin Hirst

Brief Description:

The scheme provides mandatory grant aid to adapt homes so elderly and disabled occupants can remain in their own home. The maximum grant is £30,000 and for adults is means tested. The grants can provide for minor adaptation, for example, the installation of a stair lift up to the provision of a bathroom and bedroom extension.

Overriding aim/ambition that the scheme meets:

To make peoples lives safer and healthier.

Government or other imperatives to the undertaking of this scheme:

The grants are mandatory. The Council has a statutory duty to provide adaptations as instructed by the Occupational Therapist. Grant funding is provided by the Department for Communities to help fund this scheme.

Improving service performance, efficiency and value for money:

Provision of an adequate Disabled Facilities Grant budget ensures households can be offered assistance once a referral has been received.

Consultation:

Bi-monthly meetings with Occupational Therapists and regular contact with technical staff.

Start date, duration and key milestones:

The Disabled Facilities Grant budget operates on a financial year basis ie April – March.

Health and Housing Committee New Capital Bid Submissions

Financial Implications – CAPITAL:

Breakdown	2014/15 £	2015/16 £	2016/17 £
Previously Approved Capital Bid	109,000	109,000	-
TOTAL CAPITAL COST	109,000	109,000	-
Request for Additional Funding – Grants	10,540	52,000	-
REVISED CAPITAL SCHEME COST	119,540	161,000	-
<u>Additional Sources of External Funding</u>			
Department for Communities (funding to be received from the Department of Health from 2015/16 as part of the Better Care Fund).	-10,540	-52,000	
Net Additional Cost to the Council	0	0	

Financial Implications – ANNUAL REVENUE:

Breakdown	£
Existing Service – no change	-

Useful economic life:

No comment made.

Additional supporting information:

The provision of disabled facilities grants is a statutory function of the council. Ensuring a no-wait service is essential to address the housing needs of the borough, an ambition of the council.

Impact on the environment:

All equipment is maintained and kept in the ownership of social services to enable it to be recycled where possible.

Risk:

- **Political:** *The population age of Ribble Valley occupants is increasing and therefore demand for the service will continue.*
- **Economic:** *A high % of applicants pass the means test in the current economic climate.*
- **Sociological:** *Increased expectation that disabled applicants will remain at home through adaptation of the property.*
- **Technological:** *Improvements in technology allow the specific needs of the applicants to be met.*
- **Legal:** *N/A.*
- **Environmental:** *N/A.*

**Health and Housing Committee
Financial Impact of the Proposed Three-Year Capital Programme**

Scheme Title	2014/15	2015/16	2016/17	TOTAL	
	£	£	£	£	
<u>Previously Approved Bids</u>					
Landlord/Tenant Grants	75,000	75,000		150,000	
Disabled Facilities Grants	109,000	109,000		218,000	
Replacement of Pest Control Vehicle PO07 WPB	11,000			11,000	
Subtotal of Previously Approved Bids	195,000	184,000	0	379,000	
<u>New Bids Received (as at Annex 1)</u>					BID NUMBER
Purchase and Repair Scheme	30,000			30,000	1
Landlord/Tenant Grants			120,000	120,000	2
Disabled Facilities Grants			161,000	161,000	3
Boiler Replacement Scheme	15,000	15,000	15,000	45,000	4
Clitheroe Market Improvement Scheme			175,000	175,000	5
Subtotal of New Bids Received (as at Annex 1)	45,000	15,000	471,000	531,000	
<u>Requests for Additional Funding (as at Annex 1)</u>					BID NUMBER
Landlord Tenant Grants	25,000	45,000		70,000	6
Disabled Facilities Grants	10,540	52,000		62,540	7
Subtotal of Requests for Additional Funding (as at Annex 1)	35,540	97,000	0	132,540	
TOTAL	275,540	296,000	471,000	1,042,540	
Confirmed External Funding or Revenue Contributions Due	2014/15	2015/16	2016/17	TOTAL	
	£	£	£	£	
Disabled Facilities Grants - DCLG (2016/17 allocation based on 2015/16 allocation)	-119,540	-161,000	-161,000	-441,540	
TOTAL External Funding or Revenue Contributions Due	-119,540	-161,000	-161,000	-441,540	
Net Total Bids Submitted	156,000	135,000	310,000	601,000	