

ITEM NO: 11 Appendix 2

EXPLANATION OF MAIN SPENDING CHANGES

Decent Homes

Decent Homes City Wide – £2,089k increase

The Decent Homes' programmes across the city have been revised for the following reasons:

- Central and Harefield: At the time we prepared the budget for this scheme (November 2009) we had only surveyed 50% of properties in these two areas. Surveys were completed in the first quarter of 2010/11. Therefore more properties need Decent Homes work and thus have been added to the programme which has increased the budget required for the Central and Harefield areas.
- Shirley/Maybush and Millbrook: This programme was based on surveys of tenants' homes. A number of residents originally refused access to our surveyors/contractors. Following commencement of the programme, tenants that had not replied to surveys or work requests, changed their minds and requested Decent Homes refurbishment – as these homes did not meet the Decent Homes standard we have had to add them in to the programme increasing the cost of the programme in these areas.
- Weston and Swaythling: The original number of properties identified as requiring Decent Homes work has reduced as there have been some tenants who have declined works being carried out to their homes.
- Peartree and Sholing: The original number of properties identified as requiring Decent Homes work has reduced from that originally estimated. The average cost per property has also reduced due to the amount of work required.
- Sheltered: There have been some additional works required which were not included in our estimates at the time the budget was put together. The cost has also increased due to changes in overhead recovery rates.

Reason for bringing £1.6M forward

In February 2010 Council agreed to a 3 year programme of works. The first year (2010/11) was set to ensure compliance to the Decent Homes Standard by 31st December 2010. The second and third years, 2011/12 and 2012/13, were budgeted to enable as many tenants homes as possible to have their failing kitchen or bathroom to be refurbished. In order to achieve value for money and to reassure tenants that the refurbishment of kitchens and bathrooms was **not** stopping at the end of December 2010, we propose to bring forward budgets of £1.6m to January for works that were due to commence in April 2011. This will allow our contractors to carry out projected work over the next 12months and bring some of the projected works forward to tenant's homes earlier than anticipated.

The £1.6M being brought forward will facilitate the following:-

- Harefield (approx 100 kitchens and 50 bathrooms)
- Central (approx 65 kitchens and 40 bathrooms)
- Sheltered (approx 40 kitchens)

Roof Replacement Townhill Park - £350k decrease

The tender return for the Townhill Roof Replacement Programme was less than the pre-tender estimate.

Disabled Adaptations - £1.35M brought forward

In order to meet the demand for disabled adaptations that has built up over the last 18 months and meet the timescale for carrying out adaptation work within a 12 month period we need to bring forward expenditure agreed for the financial year 2011/12 and bring this into the current financial year. The spending of this money in the current year will remove the backlog of tenants requiring adaptations work providing that the number of critical adaptations is not higher than our forecast.

Decent Homes plus

Door Entry City Wide - £127k Increase

The tender returns for Door Entry were higher than the Pre-Tender estimates. The additional cost has been agreed to be funded from Decent Neighbourhoods

Digital TV - £370k decrease overall, with £243k brought forward

The Tender return was lower than the pre-tender estimate.

In addition a full programme has been developed by the contractor. Work is progressing faster than originally envisaged, therefore funding is being brought forward from 2011/12.

Shirley Towers Windows - £979k Saving

Following lengthy testing and inspections of individual windows at Shirley Towers we have concluded that there are no major failings with the original windows other than some individual gaskets, hinges, locks failing etc. Any local repairs required will be carried out when reported via Actionline by our day to day maintenance team.

Sheltered Communal Improvements Graylings - £559k slippage

Following consultation with residents, we have slipped this programme into the next financial year in order that we learn from the Manston Court work which is on-going at the present time.

Window replacement - £184k brought forward

The bringing forward of additional funds within the Window Replacement Programme is to even out the spend profile, allowing an equal amount to be spent within each of the two financial years. This will provide the window installation team with an even workload over the next two years. Following consultation with the Decent Homes' Tenant Focus Groups it was agreed this would be the preferred approach to enable some properties to be completed sooner than originally planned.

Decent Neighbourhoods

International Way Improvements - £319k increase

Scheme projected to overspend against original budget and this will be funded from the currently uncommitted Weston Improvements budget.

Holyrood Improvements - £500k saving

The budgets for the Central areas of the city have been reviewed to see how best to improve these areas for the residents. As a result, Holyrood's budget has been reduced and this is partly reflected in an increase to the Northam Improvements.

Northam Improvements - £245k increase

This increase in budgeted spend is as a result of reviewing the improvements required for the Central areas of the city and is funded from a reduction in the Holyrood Improvements budget.

Budget slippages

There are a number of schemes where the work timetable has been brought forward which has resulted in budgets being slipped into 2011/12 as follows:

- Millbrook Towers £295k – this reflects a revision in the anticipated start on site date from February to May 2011;
- Holyrood £372k – this reflects that it is not anticipated all the work will be undertaken in 2010/11;
- Weston £407k –this is to fund the £319k overspend in International Way;
- Harefield / Townhill Park £685k – this project was originally scheduled for 2010/11 but has been moved back to 2011/12 due to the volume of other projects currently underway

Estate Regeneration

Hinkler Parade - £318k increase

There are projected over-spends for this financial year arising from the financial difference between actual costs and the agreed contribution from Thornhill Plus You for the community facility and shops, plus additional professional fees and costs for commercial tenant relocations over estimate.

Brought forward spending in 2010/11 at Cumbrian Way (£158k), Exford Avenue (£121k) and Laxton Close (£196k).

There is no increase in the overall cost of these schemes. The additional spending in 2010/11 arises because the schemes are progressing faster than expected and there are therefore compensating savings in later years.

LA New build

Cumbrian Way - £473k increase

The scheme at Cumbrian Way is forecast to overspend by £473k due to unexpected contamination and general redesign required through the planning process with consent for additional 3 units to the original bid approval.

Borrowdale £122k reduction and Grately Close £184k reduction

Following the planning process, both schemes now have fewer units than included in the original bid, and flats have been changed to houses. In addition, estimated bid costings for each site made allowances for various site issues which are proving not to be as extensive as first estimated.