

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – 4 MARCH 2014

Title of report	ADDITIONAL COSTS OF THE DECENT HOMES IMPROVEMENT PROGRAMME 2014/15
Key Decision	a) Community Yes b) Financial Yes
Contacts	<p>Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk</p> <p>Councillor Roger Bayliss 01530 411055 roger.bayliss@nwleicestershire.gov.uk</p> <p>Chief Executive 01530 454500 christine.fisher@nwleicestershire.gov.uk</p> <p>Director of Services 01530 454555 steve.bambrick@nwleicestershire.gov.uk</p> <p>Head of Finance 01530454520 ray.bowmer@nwleicestershire.gov.uk</p>
Purpose of report	To seek Cabinet approval to recommend to the Council an amended HRA Budget, Housing Capital Programme, and Treasury Management Strategy Statement for 2014/15, in response to the increase in costs identified as part of the preparations for the delivery of the 2014/15 Decent Homes Improvement Programme.
Reason for Decision	To ensure that Council has adequate financial resources to deliver the required programme of improvement works to Council tenants homes.
Council Priorities	Value for Money Homes and Communities
Implications: Financial/Staff	Financial implications detailed in the report.
Link to relevant CAT	Not applicable

Risk Management	Making adequate budget provision to complete this work will allow the Council to achieve the objectives for the improvement programme as set out in the Housing Business Plan.
Equalities Impact Assessment	No impact identified
Human Rights	None identified
Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Deputy Monitoring Officer	On the advice of external solicitors, the report is satisfactory.
Consultees	Housing Revenue Account Business Plan Project Board
Background papers	<p>Delivery of the Decent Homes Improvement Programme 2012/13 to 2014/15 – Procurement Issues (Cabinet - 18 October 2011)</p> <p>Housing Revenue Account (HRA) Business Plan – (Cabinet 17 January 2012)</p> <p>Delivery of the Decent Homes Improvement Programme 2014/15 – Stock Condition Survey Procurement. (Cabinet – 24 September 2013)</p> <p>Capital Programmes – General Fund, Coalville Special Expenses and Housing Revenue Account (H.R.A.) Projected Outturn 2013/14 and Proposed Programme 2014/15. (Cabinet 11 February 2014)</p>
Recommendations	<p>THAT CABINET -</p> <p>1. NOTES THE PROJECTED INCREASE IN COSTS ASSOCIATED WITH COMPLETING THE 2014/15 DECENT HOMES PROGRAMME OF IMPROVEMENTS.</p> <p>2. RECOMMENDS TO COUNCIL THE REVISED</p>

	<p>2014/15 HOUSING CAPITAL PROGRAMME AND HRA BUDGET AS DETAILED IN APPENDIX 2 AND 3 OF THIS REPORT TO FUND THIS INCREASE IN COSTS, AND THE AMENDED PRUDENTIAL INDICATORS DETAILED IN APPENDIX 4.</p> <p>3. AGREES TO RECEIVE A FURTHER REPORT AT ITS NEXT MEETING ON 24 JUNE 2014 REGARDING THE FUNDING OPTIONS TO COMPLETE DECENT HOMES IMPROVEMENTS TO THE ADDITIONAL NON DECENT PROPERTIES RECENTLY IDENTIFIED.</p>
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1.0 BACKGROUND

- 1.1 The Decent Homes Improvement Programme was established in 2012/13 using a combination of the Council's own resources and £20.75 million of Government Decent Homes Backlog Funding, which was secured following a competitive bidding process in 2010/11. The programme was structured to deliver Decent Homes Improvement works to an estimated 3729 Council tenants homes over a three year period covering 2012/13, 2013/14 and 2014/15.
- 1.2 The level of Decency within the housing stock is dynamic, in that it varies on an ongoing basis due to many factors. These include reductions in Decency due to building components failing (e.g. central heating boilers breaking down), or getting older (exceeding their working life) and increases due to responsive repairs where we cannot wait for the improvement programme to pick up emerging issues. We also need to adjust the level of Decency as we sell properties under the Right To Buy or other sales, such as the recent disposal of Heather House. For these reasons the management of the delivery of the Decent Homes Improvement Programme required a degree of flexibility to react to the changing situation regarding Decency levels.
- 1.3 The nature and scope of work required in individual properties also varies significantly, from one or two elements requiring attention, to a comprehensive modernisation involving most components in the property. The process used to cost the works to be carried out is therefore based on average values of works per property, and whilst there are expected parameters to this average, the nature of the work being undertaken and the age and condition of the housing stock in any one year's programme can have a significant impact on the average cost for that year.
- 1.4 Based on the three year Decent Homes backlog funding award we have developed a three year improvement programme, designed to make all of the projected 3,729 non decent properties meet the Decent Homes standard by 31st March 2015. As part of our grant funding agreement with the Homes and Communities Agency we are required to make all of the properties that failed the Decent Homes standard before March 2012 (3390 homes), meet the Decent Homes standard by March 2015. 90% of this work is to be funded from Decent Homes Backlog Funding and the remainder from our own resources. All properties that have failed the Decent Homes standard since March 2012 are our responsibility to complete work to, and we can dictate the timetable.

- 1.5 In preparation for the delivery of the Decent Homes Improvement Programme, Cabinet approved a series of recommendations which created the governance infrastructure to appoint contractors and deliver the works on the 18 October 2011. This involved delegation of the authority to award works to the Director of Services in consultation with the Head of Finance as Section 151 Officer. It also included financial projections relating to the level of capital resources predicted to be needed/available to complete the full three year programme of works, but noted that with Housing Revenue Account Reform to be implemented, the situation was likely to be subject to change. It also noted that we projected that £10m of borrowing headroom was likely to be available from HRA reform and that this could provide funding capacity by saying the headroom "...this does offer us some flexibility to react to any negative short term funding issues" (section 4.7 of the report).
- 1.6 Having taken advice from our professional advisors Savills, we undertook an OJEU compliant procurement process to appoint two contractors to complete the required improvements. This competitive process led to the appointment of Kier and Lovell as service providers under the terms of five-year Term Partnering Contract (TPC), to spend a projected £35 million on improvement works to Council tenants homes between 2012/13 and 2016/17.
- 1.7 Performance in terms of delivering the required programme is currently progressing well, with over 1800 properties already made Decent by our contractors by the end of January 2014. Improvement works to a further 1561 properties were projected to be required in 2014/15, to complete the original programme.

2.0 CURRENT SITUATION

- 2.1 The Term Partnering Contract that we have with our service providers, Kier and Lovell, commits us to undertaking an estimated £35 million of work over the five years of the contract term. The process through which each year's programme of work is annually commissioned is for the Council to provide each service provider with a Term Brief, which specifies details of the addresses where work is required, and the specific work required at each address.
- 2.2 The service providers then use the Term Brief to produce a Task Price, which is then submitted to the Council for consideration. The annual price is driven by a number of factors, including the volume and complexity of the works required, and the costs to the contractor of completing the work, in terms of labour, materials, and overheads. The Council then considers the contractors submitted Task Price, and if it is accepted we issue a Task Order which confirms the works required and the price to be charged for the year's programme. This is our third year of the five year programme, with this process being used each year to commission works.
- 2.3 In order to ensure that the annual Term Brief we issue to the contractors is as accurate as possible, Cabinet has agreed to the completion of scoping surveys of all the homes to be included in the programme to assess their condition. This has proved to be invaluable for us in terms of being able to minimise variations in the specified work that would have arisen if we had based our Term Brief on our historic stock condition information.
- 2.4 There remains a degree of variation in works process as a result of the individual needs and preferences of customers, and any unforeseen works which only become apparent once other works commence. These are managed on an ongoing basis as part of the contract management process. We also have to amend the programme on an ongoing basis due to -

- Refusals – where tenants do not want any work completing.
- Part refusals – where tenants want some but not all of the required work completing.
- Deferrals – where tenants want the works completing, but at a later date.
- No access – where we cannot make contact with the tenants.

All of these issues require properties to be moved backwards and forward in the annual programmes, with all of these movements having an effect on the contract price, as the properties brought forward may require more or less work than those originally specified. This process is also managed on a day to day basis by the Planned Improvement Team.

- 2.5 There is an annual Partnering Timetable as part of the contract's requirements, which gives agreed deadlines for the supply of information by both the service providers and the Council regarding the agreement to a Task Order.
- 2.6 At its meeting on 11 February 2014 the Cabinet was made aware in an addendum to Item 7 on the agenda regarding the Capital Programme, (see Appendix 1), that as part of the process of agreeing the Task Price for the completion of works to the 1561 tenants homes in the 2014/15 programme, additional costs of £1.873 million were identified, and additional funding will be required before these works can be commissioned as the cost currently exceeds the available draft capital budget.
- 2.7 Section 3 of this report will examine the options available to fund this work and/or reduce the additional budget requirement. This issue has prevented us from placing an order for the entire 2014/15 programme, so as an interim step we intend to commission a revised Task Price 5 for 800 properties (400 each for the two service providers) as this can be funded from within the existing draft capital budget. Subject to the outcome of Cabinet's decisions regarding funding the rest of the programme, a further Term Brief will be issued, which will lead to the agreement of a Task Price 6 for the remaining properties in the 2014/15 programme. Prices for Task Price 5 and Task Price 6 have been received from the contractors and validated, and the final confirmed funding shortfall is £1.65 million. The reason for this reduction is that Lovell have taken the opportunity to refine their price for roofing works, making a consequent reduction. This is as a result of them changing their projected roof type profile, with an associated reduction in the projected cost of completing the works. This cost reduction would have been addressed as part of the ongoing contract management process, as the specific nature of roofing works completed is confirmed at the property handover stage, and the accounts submitted for payment have to reflect this final agreed position.
- 2.8 In addition to surveying the properties that were to form part of the 2014/15 improvement programme, Cabinet also agreed in September 2013 to commission surveys of the properties that we believed already met the Decent Homes standard. This was considered prudent to ensure that our information regarding these properties was as accurate as the data we held on all the other properties in the housing stock. Consequently a total of 2100 surveys were commissioned from Savills, and as a result of the outcomes from these surveys an additional 296 non Decent Homes were identified. Initial consideration of the options available with respect to addressing these properties will be considered in section 5.0 of this report, although it is proposed that a more detailed evaluation of the options available will be presented to Cabinet in June.

3.0 ADDITIONAL COSTS

3.1 As a result of the Task Price supplied by the contractors for the completion of the 2014/15 programme, we estimate an additional £1,650,058 will be required to complete the improvement work. This is because the prices supplied exceed the draft Housing Capital Programme budget provision by this amount. The draft Housing Capital programme budget was established in 2013/14 based on a projection from our historic stock condition records and historic rates charged for the completion of each element of the required improvement works. Table 1 below illustrated the position re the budget.

Table 1 –Comparison of draft budget provision and Task Price 5.

	Value (‘000’s)
Combined Task Price 5 and 6	£12,501,725
Available Draft Budget	£10,851,667
Difference	£1,650,058

3.2 The contract is based on partnering open book principles, and therefore the contractors supply details of the reasons for any cost increases as part of the pricing process. Our assessment of these prices is completed in three phases, 1) examining their arithmetic correctness of the prices, 2) checking the prices submitted against the specification, and 3) considering the wider Value For Money implications of the prices submitted.

3.3 Our arithmetic checks have identified no errors or omissions, and our assessment of the detailed prices submitted against properties has also identified no significant errors to date. In the event that any issues are identified after the Task Price has been agreed, these will be rectified on an ongoing basis throughout the year by adjusting prices accordingly.

3.4 The Value For Money assessment of the prices submitted will be conducted by comparing the projected costs against benchmarking data provided by the Homes and Communities Agency. The Homes and Communities Agency have advised that this analysis will not be available until 7 March 2014 as it is still being analysed by them. As soon as it is available a comparison will be completed and any necessary action with respect to issue identified will be taken.

3.5 The reasons that the costs have exceeded the draft budget are mainly -

- Roofing – An increase in the number of properties requiring roof replacement over previous years programmes, from 224 in the 2013/14 to 305 in the 2014/15, and an increase in the average cost of completing roofing works. .

- Asbestos removal –increase in the projected amount of asbestos treatment and removal as a result of age and type of properties in the programme meaning there is more asbestos to be removed.
- Level access showers – An increase in the number of properties eligible for a Level Access Shower in lieu of a bathroom replacement which we offer in bungalows and elderly/disabled designated flats. This is mainly as a result of our sheltered housing schemes all being within the 2014/15 programme. There were 130 eligible properties in the 2013/14 programme and 295 in the 2014/15 programme. Each Level Access Showers each cost an average of an additional £2500 over the cost of a standard bathroom, but this saves money in the longer term by removing the need to replace the bathroom with a Level Access Shower at some point in the future if the tenant requests it through an adaptation, and also makes our older persons housing stock more attractive to potential tenants. Although this is optional work, we have seen 90% of tenants in previous years accepting this offer, and we are therefore budgeting on an assumed 100% take up rate.
- Inflationary increases for materials and labour – with increased activity in the housing market generally, prices that have been held in previous years by suppliers are being increased. Examples include projected 5% increase in the cost of kitchens from our specified suppliers Rixonway; increases of between 5% and 10% in the cost of roofing materials by our specified suppliers Redland and Forticrete; and a 4% increase by our nominated Level Access Shower equipment supplier AKW.

3.6 In response to this situation we have three options -

Option A – reduce the costs by reducing the amount of work to be completed

Option B – reduce the specification of components to reduce costs

Option C – identify alternative funding sources for the required budget to complete the works.

4.0 OPTIONS

4.1 Examining the three options identified in more detail -

4.2 ***Option A – Reducing the amount of work to be completed.***

By removing 207 properties from the 1561 in the current 2014/15 programme, we could still complete the amount of improvement work required by the Homes and Communities Agency Backlog funding agreement from within the existing draft budget provision. This would mean that improvements to 207 tenants homes would need to be deferred until 2015/16 when a revised budget provision could be made. We could also consider removing the option for tenants in appropriately designated properties to have a Level Access Shower replacement instead of a standard bathroom.

4.3 ***Option B – reducing the specification or materials and components***

By removing our specified supplier requirements we could allow the service providers to source materials at the cheapest prices they could obtain from the market. This

introduces risks of premature component failures due to a lower specification, which will increase subsequent maintenance costs and introduces non standard components into our repairs supply chain when we have been working to standardize the specification for the last 6 years.

4.4 Option C – identify alternative sources of funding for the required budget to complete all the required work

There are a number of options available to secure the additional funds required to fully fund the 2014/15 programme of works. These include -

4.4.1 Additional borrowing – following the implementation of Housing Revenue Account reform, we currently have “headroom” within our HRA Business Plan of circa £11m. This represents an increase from the £10m original headroom level mentioned in 1.5, as a result of repayments already made on annuity loans. This is funding which we could access at any time subject to the Business Plan being able to sustain the repayment of any loans incurred over their full life and us having a business need which required the funding.

4.4.2 Use of HRA reserves – the portfolio of loans established when implementing HRA reform included both maturity and annuity borrowing. In order to create the budget capacity required to repay our first two loans with a combined value of £13 million which are both due in 2021/22, we have been building a surplus on the Housing Revenue Account, which is estimated to be £6.7 million at the end of 2014/15.

There is an option to use some of this surplus to provide the funding to support the additional costs identified. The mechanism to achieve this would be through an increase in the Revenue Contribution to Capital Outlay, or RCCO through which funding is transferred from the HRA to the Housing Capital Programme.

If some of the surplus were to be used, in order to rebalance the HRA Business Plan, revisions to our assumptions would need to be made in terms of our strategy to repay the loans, or our forecast expenditure levels in future years to increase our balances again back to the levels required for loan repayment on 28 March 2022. Alternatively the Council could agree to a revised borrowing strategy which re-borrowed any required funding on 28 March 2022 to refinance any outstanding balances. There is also an option to part repay and part re-borrow. Any strategy to re-borrow introduces the risk that interest rates could increase making the borrowing more expensive than currently being projected. Longer term interest rate projections will need to be obtained from our treasury advisors, Arlingclose, as part of a detailed evaluation of the options for rebalancing the HRA Business Plan.

4.4.3 Use of additional windfall capital income – 2014/15 has seen a significant increase in Right To Buy levels following the Governments “reinvigorating the Right To Buy” initiative. As a result of the increase in discounts the resultant lower average sale prices have meant that despite selling more properties than we had projected, we have not yet reached the income levels that trigger the Governments “One for One” replacement policy, which we have subscribed to. However the increase in activity has produced some additional capital receipts which are not currently part of our projected sources of funding within the capital programme. These additional receipts total £461k for the first three Quarters of 2014/15. The amount for the final quarter of the year (Q4) will not be known until April 2014.

As these additional receipts are a windfall gain to the Housing Capital Programme, they can be used to offset part of the increase in costs with no consequential implications. This approach is therefore recommended.

4.4.4 Reprioritising schemes within the 2014/15 programme – by deferring other improvement work proposed within the current draft Housing Capital Programme, it is estimated that we could release up to £980k as detailed below –

£660,000	Deferral of insulation programme (this is a two year provision as 2013/14 allocation is being deferred to 2014/15). Budget provision to supplement our ECO programme, although detailed analysis of requirement not yet concluded as works not yet priced.
£100,000	Garage site improvements. New funding to commence the implementation of our garage site survey's outcomes.
£50,000	Reduction in void and major works provision (£850k budget).
£40,000	Development site preparations (provision for demolition of decommissioned sheltered scheme buildings).
£80,000	Removal of contingency within capitalised salaries provision
£50,000	Defer speech module upgrade in some Older Persons alarm system properties pending the outcome of the Older Persons Support re-tender process

All of these options simply delay expenditure requirements to a subsequent financial year. They all form part of the draft Housing Capital budget so the funds are available, but their use is not recommended as it will simply defer the need to commit expenditure on these items to a subsequent year.

- 4.5 Having evaluated the available options as described in 3.6, it is recommended that Option C represents the most effective response to the increase in costs.
- 4.6 Following evaluation of the funding options in section 4.4 of the report, the combination of using an increase in the Revenue Contribution to Capital Outlay (4.4.2) and the windfall increase in Right To Buy income (4.4.3) is considered to be the most cost effective option to secure the required funds. This would result in the required funding being obtained from the sources identified in Table 2 below.

Table 2 – Proposed sources of additional funding for 2014/15 Decent Homes Improvement Programme

Required funding	£1,650,058
Windfall additional Right to Buy income (4.4.3)	£461,000
Additional Revenue Contribution to Capital Outlay (RCCO) (4.4.2)	£1,189,058
Net balance	£0

- 4.7 The Amended Housing Revenue Account Summary attached as Appendix 2, and the Amended HRA Capital Programme 2014/15 to 2017/18 attached as Appendix 3 reflect these recommended changes, and it is proposed that these amended budgets be recommended to the next meeting of Full Council on 25 March 2014.
- 4.8 The Local Government Act 2003 requires the Authority to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out a number indicators that must be set and monitored each year.
- 4.9 The Council was asked to approve the Prudential Indicators for 2014/15 to 2016/17 at its meeting on 25 February 2014. As a result of the proposed changes to the HRA Capital Programme detailed in this report it is necessary for the Cabinet to recommend revised Prudential Indicators to Council for approval. The revised Prudential Indicators are set out in Appendix 4.
- 4.10 Members will be aware that external advisors were instructed to give advice on the initial procurement process for the Decent Homes Improvement Programme and in the interests of consistency the legal advisors they employed have been asked to advise on this report. The additional budgetary requirements contained in this report were previously brought to the attention of both Cabinet (when making its recommendations) and Council (when approving the initial budget on 25 February). This report provides Cabinet (and Council on 25 March 2014) with the detail of the additional expenditure that had previously been brought to their attention.
- 5.0 ADDITIONAL NON DECENT PROPERTIES**
- 5.1 As mentioned in section 2.7 of this report, the completion of the scoping surveys of the 2014/15 programme was supplemented by surveys of the properties projected to already meet the Decent Homes standard. This has identified an additional 296 Non

Decent homes, with two principal options regarding completing works to these properties.

5.2 ***Option 1 – Complete the properties in 2015/16.***

There are no contractual commitments relating to the Decent Homes Backlog Funding that require the works to be completed before March 2015. Completing the works in 2015/16 will allow a longer lead in time to manage their addition to the improvement programme.

5.3 ***Option 2 - Complete the properties in 2014/15 and amend the capital programme to provide the required additional funds.***

Completing the required works has been estimated to require funding of £2.37 million, based on the use of the 2014/15 revised average cost per property. The final cost for the works will only be known once the Term Brief to Task Price process has been completed for an additional order to the service providers. There will also be risks that commissioning the additional works part way through the year, would introduce delivery challenges to the service providers which could negatively impact on the delivery of the core 2014/15 programme by the March 2015 deadline.

5.4 It is proposed that a further report examining the options to complete works to these properties will be presented to Cabinet in June 2014, and Cabinet is invited to offer any initial views regarding its preference between Options 1 and 2 as described in sections 5.2 and 5.3.

Appendix 1

CABINET

11 FEBRUARY 2014

ITEM 7 – CAPITAL PROGRAMME GENERAL FUND – COALVILLE SPECIAL EXPENSES AND HOUSING REVENUE ACCOUNT (H.R.A.) PROJECTED OUTTURN 2013/14 AND PROPOSED PROGRAMME 2014/15 TO 2017/18

UPDATE TO SECTION 5 – H.R.A. CAPITAL PROGRAMME 2014/15 – 2017/18 – INDIVIDUAL SCHEMES

Preparations for the delivery of the 2014/15 Decent Homes Improvement Programme have identified two issues which could have an impact on the 2014/15 Capital budget and related reports on this agenda.

1. Cost of Completing 2014/15 Decent Homes Improvement Programme

The Decent Homes Improvement Programme delivery contractors (Kier and Lovell) have produced a price for the completion of the improvements we have specified to the 1561 tenants homes currently contained within the 2014/15 programme. Due to a number of factors, this price exceeds the draft 2014/15 Capital budget allocation by £1.874 million.

The principal reasons for this are -

- Asbestos removal costs are higher than projected due to a higher volume of properties with asbestos that requires treating.
- Inflationary increases have been applied by the contractors in some areas and provisions in specific commodities and trades price increases have been factored in (these prices were fixed for 2012/13 and 2013/14).
- Higher roofing costs due to an increase in the volume of roof replacements and the types of roof requiring work being of a more complex nature.
- A significant increase in the proportion of properties potentially requiring a Flat Floor Showers, which are offered to all Older Persons' designated properties in lieu of a bathroom replacement.

We are currently conducting a Value For Money assessment of the prices received to ensure they reflect current market rates. This will be completed through use of the Homes and Communities Agency benchmarking data for the works costs of all Councils delivering Decent Homes Backlog Funding works.

There are a range of options available to secure the funding required to complete this work, and these need to be evaluated in a considered way before a recommended way forward can be proposed to Members. It is intended that this will be completed and a report addressing the financial and budget implications will be submitted to the next meeting of Cabinet, in March 2014, for consideration and referral on to Council if appropriate.

External advice is currently being sought on the most appropriate way to maintain continuity of workload for the contractors and avoid any potentially unnecessary costs being incurred.

Subject to that advice, it is intended to issue an order to the contractors to complete the first 800 properties in the 2014/15 programme (400 to Kier and 400 to Lovell), with the remainder to be confirmed once the funding sources have been determined. This approach would commit £6.48 million of the draft budget (£10.85 million). The remaining budget would not be committed until the further report had been considered by Members in March.

2. Number of Non Decent Properties

Following Cabinets approval to appoint Savills as our stock condition survey consultants in September 2013, an assessment of the required works to the properties in the 2014/15 programme has been completed. In addition the properties we believed from historic data were already at the Decent Homes standard have also been surveyed making a total of 2100 surveys.

Analysis of the outputs from these surveys has identified that 296 properties from the 800 surveyed do not meet the Decent Homes standard. This was a known risk, as a proportion of the properties considered to be Decent were assessed on the basis of data from surveys of other neighbouring/similar properties. There is no contractual obligation to the Homes and Communities Agency as part of their grant funding agreement for the Council to complete these additional properties next year, and the additional cost of completing the work in 2014/15 has been estimated to be £2.4 million based on the average unit costs submitted by the contractors for the 2014/15 programme.

Cabinet will recall that the decision to commission a survey of these homes was taken to verify that our historic data was accurate, and it was anticipated that additional Non Decent homes may be identified as part of this process. Cabinet will consider the financial implications of these properties being brought up to the Decent Homes Standard at a future meeting.

3. Way Forward

Officers are currently evaluating the various options available regarding the timing and funding for completing improvement work to these tenants homes, and will report back in detail on these matters to the next meeting of Cabinet on 4 March 2014.

If significant changes are required to the Capital Programme approval would be also required from Council on 25 March 2014. It is also possible that Cabinet and Council would need to make amendments to the Treasury Management Strategy Statement 2014/15 and potentially the Housing Revenue Account budget if additional funding is provided from revenue resources.

SUPPLEMENTARY RECOMMENDATION

That Cabinet notes the two issues relating to the available budget for the 2014/15 Decent Homes Improvement Programme, and the recently identified additional number of non decent homes, and agrees to receive a further report detailing the implications for the 2014/15 Capital Programme at the Cabinet meeting on 4 March 2014.