

NOTTINGHAM CITY HOMES**REPORT OF THE HEAD OF FINANCE****BOARD
17 May 2007****CAPITAL EXPENDITURE PROGRAMME****1 SUMMARY**

- 1.1 This report provides an update to the Strategic Board on capital investment during 2006/07 and planned investment for 2007/08.

2 RECOMMENDATIONS

- 2.1 It is recommended that:-
- the Board notes the contents of this report
 - the Board comments on how best to engage residents
 - the responsibility for monitoring expenditure and the associate VFM be delegated to the Performance & Regulatory Committee.

3 REPORT

- 3.1 Provisional figures for capital expenditure for 2006/07 have been prepared (attached).
- Total spend in the period was £40.5m against a budget of £45.5m, a shortfall of 11% mainly in Housing Retained and across a range of projects.
- 3.2 NCH spend in the year was 4.1% behind budget mainly on fencing and paving.
- 3.3 During 2006/07, NCH have introduced regular forecasting both for revenue and capital spends which has improved the level of financial control within the business. The outturn expenditure on NCH led capital projects was very close to the forecasts (after allowing for an adjustment on voids which NCC has yet to confirm).
- 3.4 The NCH capital programme for 2007/08 including carryover of under spends from 2006/07 is attached. This is subject to carryovers being agreed by NCC with a decision expected by the end of May.
- 3.5 The total budget, excluding carryover is 12.5% less than 2006/07 outturn and 29% less than was originally requested.
- 3.6 Positive meetings have been held with NCC to discuss how the approach to capital investment programmes can be improved going forwards and it has been agreed that work to realign some of the financial responsibilities will be undertaken over the next three months. This will look at processes and procedures to ensure that capital

programmes are aligned to the long term strategic plans.

- 3.7 NCH is now taking the lead responsibility for the asset management strategy and a presentation will be made to the Board in September. This plan will then drive future the capital programme.
- 3.8 As part of this new approach, residents will be consulted and involved in the prioritisation of works and detailed plans will be published so that there is clarity about what is scheduled and when this is expected to go ahead.
- 3.9 A further enhancement already being applied in the 2007/08 programme is reviewing the budget and driving a greater shift towards planned activity and away from reactive as this will drive greater efficiency. This is already being applied to the rewiring budget and other activities will be reviewed to ensure that these VFM opportunities are being maximised.
- 3.10 Monitoring of spend against budget/plan will be undertaken monthly and this will enable the revenue implications of the programme to be fully reflected in revised forecasts and plans. Updates will be provided to the Board on a regular basis.

4 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 4.1 Developing an asset management strategy and robust longer term plans for capital investment will support NCH objectives of providing good quality, affordable and well managed housing.

5 VALUE FOR MONEY & EFFICIENCY ISSUES

- 5.1 Economies and efficiencies can be delivered by managing the complete programme more effectively and moving towards a greater element of planned works.

6 EQUALITY & DIVERSITY IMPLICATIONS

- 6.1 Greater transparency and consultation on the prioritisation of investment resources supports NCH objectives on equality and diversity.

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 7.1 Provisional capital expenditure 2006/07 - NCC.
Capital expenditure programme 2007/08 - NCC

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