

ANNEX A

CAPITAL PROGRAMMES PERIOD 6 FINANCE REPORT, 2017/18 Update on the Status of Capital Projects

Housing Capital Programme

A1. Due to delays in starting the external works programme in 2015/16 a carryover of £3m was requested. The initial preparation work for the external works contract suggested that non-standard roof construction may result in additional costs to mitigate fire risk. Further investigation has determined that this is not a concern. However, contractor and leasehold consultation issues have further delayed the start of the work resulting in a £4.6m carryover to 2017/18. Planned works will be reviewed and re-profiled in 2017/18.

A2. **ANNUAL SERVICE CHARGE (ASC) Fixed Prices**

Works to the ASC fixed prices for 2017/18 commenced on the 1 April 2017. The number of units completed at end of October is shown in the table below.

Performance shows an over spend of £56,646 against the budget as profiled over the 12 months. Commitment (work in progress) indicates another 44 components totaling £173,804 on site and in progress. In effect the HTS budget for 1st April 2017 to 31st March 2018 is on track to outturn and be fully committed. Monthly monitoring in line with the new governance structure continues.

Element	Total Annual units agreed	Completed Units to date	Agreed Total ASC to date	Profiled budget to date	Total Value to date	Variance
Kitchens	84	50	£397,794	£232,047	£274,667	£42,621
Re-Wires	45	19	£106,428	£62,083	£37,099	-£24,984
Boiler/ Heating	142	75	£426,777	£248,953	£287,962	£39,009
Total	271	144	£930,999	£543,083	£599,728	£56,646

A3. Carryovers from 2016/17 included £628,000 for fire risk work and electrical upgrades including work to loft hatches and trunking, also a carryover in the programme of work to reduce fuel poverty (£150,000) to enable completion of schemes in progress.

Non-Housing Capital Programme

A4. The stock condition survey was split into four phases, 1; 2A; 2B and 2C. As well as these main phases, which report on the condition of the main elements of the various properties, Energy Performance Certificate (EPC) surveys were also carried out to identify what work is required to

bring them up to the minimum standard when the new energy performance legislation comes into force in April 2018.

Individual surveys have also been carried out on the Kao Hockham Building, Mead Park Depot due to leases becoming due. The Town Park Footbridge was not completed by the end of the financial year due to the complexities in resolving all issues relating to Network Rail. Specialist consultants who have the relevant permits to work on railway property have had to be engaged.

All site surveys have been completed for all phases of the stock condition survey, Kao Hockham Building and Mead Park Depot. The EPC surveys were completed by the end of the financial year, and work is underway on identifying the work that will bring them up to the minimum standard. All reports for phase 2C have been received.

Officers are awaiting the coding for the work to be uploaded by the database company Technology Forge. Once uploaded, officers will be able to run a pilot survey to ensure that the programme is working correctly before all surveys are uploaded. In the meantime, work is on-going to identify works that are required for the next financial year.

A populated database will enable a 20 year programme to be drawn up covering the development or disposal of commercial and municipal assets and will help shape and inform the future capital investment requirements for the non-housing asset portfolio.

- A5. IT schemes in 2017/18 include continuing work to upgrade backup and disaster recovery software and to progress the Windows migration project (carryovers of £275,000 and £40,000 respectively).

Within the Revenue and Benefits service area work will continue on the Civica software upgrade (£55,000) that will enable the service to interact digitally with customers and automate a range of manual processes. This work is funded from reserves.

- A6. As part of the Governance function schemes will replace the Case Management System in use in the Legal Department and enable the renewal of the microphones in the Council Chamber in 2017/18.
- A7. In Community Wellbeing schemes in 2017/18 include the on-going work to refurbish the Playhouse totalling £538,000 and work to Pets Corner and the Town Park of £169,000. In addition a grant of £33,000 has been awarded by ECC Short Breaks to enable the installation of Sensory Play facilities in the Learning Centre and wider Town Park suitable for people with disabilities.

The remaining work for the Town Park HLF project is revenue expenditure.

A scheme to install CCTV in The Stow has been carried out at a cost of £27,500 (original estimate £27,000). The purchase of a new bespoke minibus for Leah Manning Centre is projected to outturn at £64,000 (original estimate £60,000).

- A8. Cabinet on 15 September 2016 approved an increase in funding to enable the refurbishment of Nichols Field Pavilion as part of the Pitch Regeneration programme. The increased outturn and additional funding were carried over in the non housing capital programme to 2017/18 to enable the work to complete in 2017/18 (£426,000).
- A9. At Parndon Mill Lock Meadows work continues in partnership with the Land Trust in 2017/18 (£21,000), This is fully grant funded.
- A10. Cabinet 23 March 2017 approved a business case to erect a new stand-alone Changing Places, disabled access toilet located near the entrance to Pets' Corner in the Town Park. The installation began in 2016/17 and with a carryover of £80,000 will complete in early 2017/18. It is fully funded using a grant of £105,000 administered by "Shortbreaks for disabled children and Young People", accessed through Essex County Council (ECC).
- A11. Schemes originally approved at the Latton Bush Centre total £478,000 and include structural repairs and roofing works, refurbishing the Election Team offices and the old Dining Hall and Kitchen area. A review of work required and scheduling has resulted in carryovers of £132,000 with additional spend on the Dining Hall and Kitchen which will outturn at £56,000 (original estimate £41,868).
- The refurbishment of office 29 (£20,000) previously tenanted by Child Health is funded from the previously approved budget to refurbish the existing Archive Room. This latter work is no longer required.
- A12. Home Repairs Assistance Loans are made available by the Council to owner occupiers for work to improve homes which are repayable when the property is sold. Demand for such loans has increased in recent years with anticipated outturn £15,000 in 2017/18 (original estimate £20,000).
- A13. As part of a new lease to HTS Ltd for Mead Park Depot, works are needed to meet regulatory requirements resulting in business cases for refurbishment works being included in the non housing capital programme. In 2017/18 these include health and safety work to mitigate fire risks, improve the lift (£89,000) and install an air conditioning unit (£12,000). Funding is from dilapidation costs agreed with Kier Harlow at the end of the JVCo contract.
- A14. Work to the Council's Commercial portfolio in 2017/18 includes roofing to various properties, the refurbishment of Spurriers Flats and to the garages at Leah Manning Centre. In addition there is a budget to

renovate Barn Mead Sports Pavilion, work which is on hold pending consultation. Further work to Stewards Farm is required to the rendering of the walls following the removal of cladding. The final outturn on the Small Roofing Schemes is expected to achieve a saving of £17,000 and work to Ladyshot Pavilion and Herons Wood Depot are on hold pending interest from potential tenants.

- A15. Other works planned by Place Services will improve the Neighbourhood Shopping Centres (£41,000) and Town Centre Public Realm (£343,000), this latter work will carryover £100,000 to 2018/19 for proposed work to Market Square. In addition work to Abercrombie Playbarn and the Paddling Pool Plant Room roofs are planned.

A new business case for the restoration of Oakwood Pond (£81,000) will bring in grant funding of £61,000 from the ECC Community Flood Improvement Fund. The scheme aims to restore the historic pond and surrounding landscaped area which form part of the former Little Parndon Hall and grounds to create a diverse array of habitats.

- A16. A budget for Energy Performance Certificates (£50,000) will enable capital works to upgrade commercial properties to meet the minimum EPC rating in line with the Energy Act (2011) and EU legislation set to come into force 1 April 2018. This will increase the sustainability of the commercial portfolio as the regulations will apply from the granting or renewing of leases to tenants.
- A17. The Regeneration of Prentice Place was approved by Cabinet 31 March 2016 and a business case included in the Non Housing Capital Programme 2017/18. The work planned is anticipated to take 2 years with a budget of £2m. The anticipated outturn in 2017/18 of £374,000 will be funded from ring-fenced capital receipts. The total scheme budget of £4m which will require future borrowing of £1.754m.
- A18. Potential carryovers to 2018/19 identified in Place Services at period 6 total £346,000.
- A19. The Council is undertaking a major project to construct premises on the Enterprise Zone requiring expenditure of £5.961m in 2017/18 (£7.914m 2018/19). The project will be part funded from the remaining CLG grant of (£1.150m) and from borrowing (£12.725m). Income will be generated through future business rate receipts.