

REPORT TO: CABINET

DATE: 28 MARCH 2019

TITLE: CAPITAL PROGRAMMES, QUARTER 3 FINANCE REPORT 2018/19

PORTFOLIO HOLDERS: COUNCILLOR MIKE DANVERS, PORTFOLIO HOLDER FOR RESOURCES

COUNCILLOR MARK WILKINSON, DEPUTY LEADER AND PORTFOLIO HOLDER FOR HOUSING

LEAD OFFICERS: SIMON FREEMAN, HEAD OF FINANCE AND DEPUTY TO THE MANAGING DIRECTOR (01279) 446228

CONTRIBUTING OFFICERS: SENIOR MANAGEMENT BOARD (01279) 446004

This is not a Key Decision

It is on the Forward Plan as Decision Number I008582

The decision is not subject to Call-in Procedures for the following reason:

The recommendations are within the scope of the budget which has been approved by Full Council.

This decision will affect no ward specifically.

RECOMMENDED that Cabinet:

- A** Notes the progress in the delivery of the Council's Housing and Non-Housing Capital Programmes as at Quarter 3 (30 December 2018) as follows:
- i) Housing Capital Programme –forecast outturn of £17,165,000 (original estimate £18,804,000).
 - ii) Non-Housing Capital Programme – forecast outturn of £10,378,000 (original estimate £15,250,000).
- B** Approves the Business Case to restore Netteswell Pond, financed by a grant from Essex County Council £66,000 and budget virement from Townwide Flood Alleviation £29,000.
- C** Approves a Business Case to renew the CCTV at the Bus Station at a cost of £10,000 to be funded in full from a revenue contribution.

REASON FOR DECISION

- A** To ensure that Cabinet reviews performance against the Council's approved 2018/19 Housing and Non Housing Capital Programmes.

BACKGROUND

1. This report on the Capital Programme forms part of the suite of budget monitoring reports provided to ensure close supervision over the financial position throughout the year.
2. In February 2018, Full Council approved a Housing Capital Programme for 2017/18 totalling £18,804,000 and a Non Housing Capital Programme totalling £15,250,000.
3. Carryovers requested for approval at Cabinet in July 2018 in the Housing Capital Programme of £5,187,000 and Non Housing Capital Programme of £3,996,000.
4. As reported to Cabinet on 13 September 2018 the Housing Capital Programme Budget is £24,551,000. The Non Housing Capital budget is £14,903,000, an increase of £176,000 following the addition of grant funding for work to Netteswell Pond (£66,000), the allocation of funding from the Town Centre Reserve to the Town Centre Public Realm scheme (£100,000) and the budget for CCTV work at the Bus Station (£10,000).
5. The Council continues to plan ahead using its Business planning processes to establish a short, medium and long term Asset Management Plan with Programmes of Works to its housing stock procured effectively as possible to realise efficiency, make the best use of resources, and maintain compliance with the Government's Decent Homes Standards, manage the growing complexity it meeting local priorities, as well as fulfil its wider regulatory and duties as a responsible landlord.

HOUSING CAPITAL PROGRAMME

Asset Management Priorities

6. Following the introduction of the Housing Revenue Account (HRA) self financing in 2012, the Council commenced an ambitious five year Housing Investment Programme (HIP) totalling over £100 million as part of its Asset Management short terms plans designed to bring all of Council owned housing up to the Government's Decent Homes Standard by 2015.
7. This was achieved and has continued with the modern homes programmes completing. Changes were required in 2017/18 recognising increased priorities relating to National Fire Regulation, increased costs, and scope, and complexity in delivering local priority. It includes replacement of district heating schemes,

energy efficiency programmes, and commencing a programme of Council house building within the reducing resources available.

8. The tragic fire at Grenfell Tower in North Kensington in June 2017 focussed national attention on fire safety and regulation in tower blocks. Phase One of the Public Inquiry came to an end in December 2018 with Phase Two not expected to commence until Autumn 2019. Whilst the Hackett Review into Building Regulations and Fire Safety was published in May 2018, the Government response is still awaited.
9. In 2017/18 a review of the Council's tower block fire risk assessments confirmed that all blocks were inherently safe. The budget for 2018/19 includes schemes which respond to the conclusions of the Hackett Report and also provides funding for fire risk works as they are identified.
10. The budget for Fire Safety is £1,746,000. This has enabled the Council to tackle more complex works to ensure the Council's asset remain safe and align to Building Regulation, and Statutory/Regulatory requirements both in the short and long term. Works continue to be identified through inspection regimes, Fire Risk Assessments and advice from the Ministry of Housing, Community and Local Government (MHCLG). With ongoing testing still being undertaken and the updates still pending from Phase 2 of the Hackett review there will be a requirement to carryover £996,000 in to 2019/20.
11. The previous external works programme being undertaken by Mulalley and Company is nearing completion. The majority of sites have now been handed back as completed and signed off, however a limited number of sites remain open. The additional health and safety related works that were referred to within the previous report to Cabinet have now been quantified and signed off by Building Control and instructed. These works will be funded from within the existing budget however, as the contract is set to pay on completion of the full task order value and requires all site to have been handed over complete prior to the final payment being made, a carryover of funding of £582,000 will be required.
12. The Council is developing a new five year HIP programme in response to the above and constraints around future resources which includes the development of targeted works programmes. The process of procuring the new phase of targeted external works to a number of priority sites across the town continues. The first such works packages, relating to The Hides and The Hornbeams are now on site. Procurement is only resourced to deliver £18 million per annum. Therefore the full planned programme of works is not now expected to complete until 2019/20 requiring an anticipated carryover of £2.8 million.
13. Significantly, the Council received a Government grant under their round 1 funding to tackle Rough Sleepers at Harlow in support of its wider housing strategy. As part of the action plan, The Council has undertaken the refurbishment of 1 and 2 Bromley Cottages as "move on" Temporary Accommodation in partnership with Streets2Homes. Works are due to complete in early March. The original cost of works was £174,000 but due to unforeseen

works identified through the build process the anticipated outturn is now expected to be in the region of £200,000. The Council is waiting to hear if it has been successful in its bid for further funding under the Government's round 2.

Building Council Homes

14. The Council is developing a programme to build new council homes within its HRA, funded from retained pooled receipts and, when appropriate, external borrowing. This includes:

- a) Temporary Accommodation – An increase in the number of bed spaces available for Temporary Accommodation. This will result in an additional one bed unit, a two bed unit and four additional bedrooms, for both general needs and temporary accommodation. The work is expected to commence January 2019, with progress subject to weather conditions.
- b) Sumners Farm Close – Planning determination is still pending following advice received from the County Council Historic Buildings and Conservation Advice which has raised questions relating to the proposed scheme which officers are working through with Planners.
- c) The Readings – The construction of three units, approved by Cabinet 6 December, preparatory costs in 2018/19 (£75,000).
- d) Bushey Croft and Elm Hatch – Work will commence in 2018/19.
- e) Lister House site, Perry Road – Work is planned to commence late 2019/20.

15. Set out in Table 1 below is the likely pattern of expenditure.

Table 1 – Council Home Building Programme. Figures £'000

	2018/19			2019/20		2020/21 onwards	Total
	Original Est.	Current Est.	Forecast	Carry Over	New	New	
Existing programme							
Sumners Farm Close	500	500	50	450		-	500
Temporary Accommodation	281	304	153	151		-	304
Planned programme							
The Readings			75		560	271	906
Bushey Croft			78		2,621	503	3,202
Elm Hatch			12		-	4,181	4,193
Lister House site / Perry Road			-		31	11,851	11,882
Total	781	804	368	3,813		16,806	20,987

Heating Systems Replacement

16. In 2017/18 Cabinet approved a contract for HTS (Property and Environment) Ltd to deliver the replacement of four District Heating Schemes. The original programme of installation was delayed until after the winter season and the budget of £1,412,000 carried forward to 2018/19. The anticipated outturn is £1,125,000.
17. Alongside the Heating System Replacement programme a programme of urgent works was put in place to install new gas 'wet' system boilers and heating systems and to decommission the associated air ducts in tower blocks. This work affects five tower blocks (Stort, Moor, Edmund, Willowfield and Nicholls). Due to the complex nature of the work the replacement programme commenced with a pilot scheme at Willowfield Tower in August 2018, works are due to complete by the end of March 2019, with a forecast outturn of £545,000, and a carryover of £508,000 to enable further works to be carried out in 2019/20.
18. Over the five sites the work affects 248 individual properties (140 tenanted, 108 leaseholders), and includes consultation with residents. Full completion of the project across all tower blocks is currently forecasted for March 2020.
19. At its meeting on 19 July 2018 Cabinet approved a tender of £2,360,000 to enable the replacement of communal boilers during the summer months in Sheltered schemes, as part of the Heating System Replacement programme, (original budget £1,700,000). Due to the complex nature of works and requirement to extend the scope of works identified during the build process, costs have increased and the anticipated outturn is £2,427,000. Works continue to progress well with handover of all sites anticipated by mid-March.

Housing ICT

20. Each year Cabinet approves a programme of Housing IT enhancements as part of the wider housing capital programme. This has included replacement modules for Asset Management, Responsive Repairs, as well as upgrades and interfaces to and from the Orchard Housing Management system, the allocated budget is £463,000 plus a requested carryover of £153,000, focuses on improving and enhancing Homelessness Management together with customer access. This programme will be phased over three years with an anticipated outturn in 2018/19 of £162,000.

HOUSING CAPITAL PROGRAMME 2018/19

21. The Housing Capital Programme in 2018/19 will continue to deliver the investment priorities for the Council's housing assets outlined in the approved HRA Business Plan 2017-2047. The governance around Programme and Project management remains robust and the Council continues to monitor contract performance and delivery making adjustments to the programme as the year proceeds.

22. Table 2 below provides a summary of the approved Housing Capital Programme. It includes carry forwards from 2017/18 and is the current projection of expenditure to 31 March 2019.

Table 2 – Housing Capital Programme Projection as at Period 9

2018-19 Budget Stage	£000s	Date Approved
Original budget	18,804	1 Feb 18
Carryovers from 2017/18	5,187	19 July 18
Other additions / adjustments	560	
Revised Current Budget	24,551	13 Sept 18
HTS Carryover 2019/20	(-)2,048	
Carryovers to 2019/20	(-)5,548	
New build carryovers	(-)601	
Additional expenditure	811	
Forecast Outturn	17,165	

23. Table 3 below provides a more detailed view of the approved Housing Capital Programme. As a result of the current forecast it is expected that Direct Revenue Financing required from the HRA will be £4,137,000.

Table 3 – Housing Capital Programme 2018/19

	Original Budget	Current Budget with carryovers	Projected Outturn	Variance Current Budget (Projected Outturn)	Report Ref.
	£'000	£'000	£'000	£000	
Expenditure					
Council Home Building	781	804	368	(-)436	Table 1
Internal Works	4,351	4,518	3,427	(-)1,091	24i
Windows & Doors	100	370	379	9	
External Works	3,732	7,705	4,461	(-)3,244	Para 11, 12 & 24iv
Environment Work	0	0	125	125	24ii
Damp & Structural Works	200	200	200	0	
Other Works: Lifts Asbestos, Garages,	1,400	1,547	1,681	134	24v & vi

	Original Budget	Current Budget with carryovers	Projected Outturn	Variance Current Budget (Projected Outturn)	Report Ref.
	£'000	£'000	£'000	£000	
Electrical Upgrades & Fire Safety	500	997	435	(-)562	24vii
Fire Safety Regulation – SE Ducts removal	1,053	1,053	545	(-)508	Para 17
Fire Safety & Regulation – Other work	1,590	1,746	750	(-)996	Para 10
Energy Efficiency	3,312	3,816	3,783	(-)33	16 & 19
Disabled Adaptations	900	1,079	649	(-)430	24viii
Surveyors Fees	422	0	0	0	24iii
Bromley Cottages	0	100	200	100	13
Housing IT Development	463	616	162	(-)454	20
TOTAL EXPENDITURE	18,804	24,551	17,165	(-)7,386	
Financed by:					
Capital Receipts: Right to Buy	(-)1,217	(-)1,217	(-)1,217	0	
Retained Receipts	(-)234	(-)242	(-)95	147	
Unapplied Receipts	0	(-)1,535	(-)1,535	0	
Major Repairs Reserve	(-)11,439	(-)12,320	(-)9,940	2,380	
Rough Sleeper Grant	0	(-)100	(-)116	(-)16	
Environment Reserve	0	0	(-)125	(-)125	
Direct Revenue Contribution	(-)5,914	(-)9,137	(-)4,137	5,000	
TOTAL FINANCING	(-)18,804	(-)24,551	(-)17,165	7,386	

24. Table 3 revised current budget reflects the following:

- a) The variance for internal works of £1,091,000 includes anticipated carryovers arising within the HTS programme of work, set out in Table 4.
- b) A programme of Environmental works is being undertaken across the town funded from Reserves as approved by Council 1 February 2018. Some of the works are to HRA areas, so the cost is therefore reported in the Capital Programme.
- c) The establishment of a Technical Services Team within the HRA is funded in part from a reduction in surveyor's fees.

- d) Urgent external roofing works at Hookfield and Dellfield Court require an additional budget of £180,000 which will be recouped in part from leasehold contributions to the work being undertaken. However, this work will now be carried over for completion in 2019/20.
 - e) The increased expenditure (£350,000) for asbestos is as a direct result of works being identified whilst undertaking various capital improvements to both individual and block works across the town. Due to the complex nature of the works currently being undertaken as part of this year's Programme the Council has been required to carry out extensive testing and additional removal.
 - f) A review of the works included in this year's Capital Programme and reprioritisation of schemes within the Programme has resulted in an increase to works on tenanted garages at an additional cost of £86,000. However, a carryover of £57,000 is anticipated due to the allocation of carryover and original budgets between the HRA and General Fund capital programmes.
 - g) Since 2013, the Council has installed a large number of composite fire doors to its properties that meet Building Regulations and were fit-for-purpose at that time of installation. Following recent advice from the MHCLG regarding the safety of composite fire doors, the Council has taken the decision to suspend new Fire Door installations to all properties. The Council is awaiting further guidance from MHCLG to clarify the specific door models that are deemed to require further testing and to recommend a suitable replacement product, if required, for the doors that may need to be replaced. The guidance received from MHCLG has confirmed that the risk posed from the installation of composite fire doors is low. The Council will be commencing a further programme of Fire Risk Assessments within this financial year starting with all tower blocks over six floors. The budget for new Fire Door installations within the Capital Programme has been transferred to the budget for "Other works" until further guidance and test results are received from MHCLG.
 - h) The Programme to install aids and adaptations in tenanted properties is demand led and works schedules are subject to detailed specification. Requests continue to be received and to ensure the Council commitment to this Programme can be realised it is expected to carryover £410,000 to complete planned works in 2019/20.
25. From February 1 2017, HTS (Property and Environment) Ltd, a subsidiary company of the Council, were contracted to undertake a range of housing related works including compliance, energy and efficiency, windows and doors, garage and disabled facility works to council dwellings.
26. The 2018/19 HTS work programme has been realigned as part of the three year delivery of planned works. Details of the 2018/19 budget are reported in Table 4.

Table 4 – HTS (Property & Environment) Ltd., Work Packages 2018/19

Work Packages	Current Contract	2018/19 Projected Outturn	Carryover
	£'000	£'000	£'000
Internals	3,380	2,423	(-)957
Aids & Adaptations	900	490	(-)410
Compliance	757	194	(-)563
Contingency	227	227	0
Windows and Doors	266	275	0
Communal Boilers	1,125	1,125	0
Energy Efficiency	330	269	(-)61
Garage Doors	50	50	0
Garage Doors Carryover 17/18 (rev'd HRA/GF allocation)	85	53	57
Lift Replacement	122	122	0
Bromley Cottages	174	200	0
TOTAL	7,342	5,427	(-)2,048

27. The Housing Capital Programme delivered 48,200 new components such as windows, doors, kitchens, bathrooms and boilers in dwellings between 1 April 2013 and 31 March 2018, with a further 2,787 planned by 31 March 2019.
28. The Council only pays for completed work when it is signed off by an independent clerk of works. There is a time lag, however, with this invoicing due to the necessary requirement that works can only be invoiced once they are satisfactorily completed and all associated paperwork/certification (gas, electric, asbestos etc.) is compiled and formally handed over. The Council is committed to prompt payment once these processes have been completed.
29. The original estimate approved by Council 1 February 2018 assumes 50 "Right to Buy" (RTB) sales in 2018/19. Thirty-three RTB disposals had been completed by 30 December 2018.
30. At 31 March 2018 there was a nil balance on the Major Repairs Reserve (MRR). Under proper accounting practice, the charge to the HRA for depreciation is projected to be £9,940,000 (original estimate £11,439,000) in 2018/19. At year end this is transferred to the MRR which, in turn, is utilised to support the Housing Capital Programme.

Non-Housing Capital Programme

31. Full Council on 1 February 2018 approved a Non Housing Capital Programme of £15,250,000, which included major works at the Enterprise Zone and Prentice Place. See Table 5 below:

Table 5 – Non Housing Capital Programme as at Period 9

2018-19 Budget Stage	£'000s	Date Approved
Original budget (Core)	3,946	1 Feb 18
Enterprise Zone	8,031	
Prentice Place	3,273	
Approved budget	15,250	
Carryovers 2017/18	3,996	19 July 18
Deferral of EZ expenditure to 2019/20 and other minor forecast adjustments	(-)4,519	
Revised Current Budget	14,727	13 Sept 18
Town Centre Funding	100	Annex A12
Netteswell Pond	66	Annex A14
Bus Station CCTV	10	
Current budget	14,903	
Carryovers / Estimates 2019-20	(-)3,509	24.1.19
Carryovers at year end	(-)756	Para 39
Other income/expenditure variations	(-)260	
Projected outturn at 31.3.19	10,378	

32. Further details of expenditure relating to projects are contained within Annex A to this report, together with financing implications related to these.
33. Estimated capital receipts from asset disposals in 2018/19 (original estimate £824,000) are not expected to proceed due to the move towards council house building. However, income is anticipated in relation to the disposal of land for the new motorway junction (£11,000).
34. The Council has been awarded a Disabled Facilities Grant (DFG) for 2018/19 of £740,000 from the MHCLG. This increases the budget available by £205,000, however expenditure is determined by demand and is currently forecast at £477,000, (original estimate of £535,000).
35. A review of the works to garages included in this year's capital programme resulted in a reprioritisation of schemes and a reduction in work attributable to non tenanted garages. The anticipated outturn is therefore £67,000 (original estimate £242,000) with an expected carryover of £252,000, based on the revised allocation and outturn of costs between the HRA and General Fund capital works.
36. Estimated internal borrowing to support the core programme in 2018/19 is £2,394,000 (original estimate £2,010,000). The increase is due to approved capital and revenue carryovers from 2017/18, plus amendments to budgets in 2018/19.
37. In addition there is estimated internal borrowing of £5,790,000 in line with the current forecast of expenditure in 2018/19 for the Enterprise Zone.

38. Work to Prentice Place in 2018/19 will be funded from ring-fenced capital receipts in 2018/19 due to delays to the programme of work necessitating an anticipated carryover of £2,348,000 to 2019/20.
39. In addition to the carryovers included in the estimates for 2019/20 a further estimated £756,000 has been identified to be carried over at year end. This is due to delays in progressing schemes as planned and uncertainty over the future use of some assets.
40. Details of the Non-Housing Capital Programme expenditure and financing are given in Table 6 below.

Table 6 – Non-Housing Capital Programme 2018/19

	Original Budget	Current Budget	Forecast Outturn	Variance Outturn to Current Budget	Report Ref.
	£'000	£'000	£'000	£'000	
Expenditure:					
Place Services	2,630	3,456	2,487	(-)969	A9-17
Governance	15	0	0	0	
Finance	236	236	236	0	A4
Community Wellbeing	1065	1,338	863	(-)475	A5-8
Subtotal Core Programme	3,943	5,030	3,586	(-)1,444	
Prentice Place	3,273	3,350	1,002	(-)2,348	A18
Enterprise Zone	8,031	6,523	5,790	(-)733	A19
Sub total	11,304	9,873	6,792	(-)3,081	
Total Expenditure	15,250	14,903	10,378	(-)4,525	
Financed by:					
Capital Receipts / Right to Buy	(-)205	(-)205	(-)205	0	
Asset Disposals	(-)824	(-)624	(-)11	613	Para 33
Earmarked Resources	(-)100	(-)209	(-)209	0	
Direct Revenue Contribution	(-)242	(-)630	(-)250	380	A12/ para 35
Disabled Facilities Grant	(-)535	(-)466	(-)477	(-)11	
Renovation Loans & Contributions	(-)30	(-)25	(-)40	(-)15	

Prentice Place capital receipt	(-)1,519	(-)1,595	(-)1,002	593	
Prentice Place borrowing	(-)1,755	(-)1,755	0	1,755	
Enterprise Zone Internal borrowing	(-)8,030	(-)6,523	(-)5,790	733	
Prudential borrowing	(-)2,010	(-)2,871	(-)2,394	477	
Total Financing	(-)15,250	(-)14,903	(-)10,378	4,525	

Impact of Prudential Borrowing	£'000s
Borrowing to support Non Housing Capital Programme as at 31 March 2018	9,535
New borrowing to finance shortfall in Non Housing Capital Programme, 2018/19	8,184
Borrowing to support Non Housing Capital Programme as at 31 March 2019	17,719

Risks and Opportunities

41. There is national concern about fire safety and regulation in tower blocks in the wake of the Grenfell Tower fire. The outcomes from the Inquiry are likely to have far reaching consequences, with a potential requirement to totally recast the housing capital programme of works during 2019/20.
42. Key risks in the delivery of the HIP are the performance of contractors and the Council's capacity to deliver a housing capital programme revised in light of changing priorities and funding available from the HRA. The Council's management of the appointed contractor for these works has been subject to an Internal Audit which reported a 'Substantial Assurance' outcome in December 2016.
43. Housing capital funding is affected by reducing rents until 2020.
44. Key risks in the Non Housing Capital Programme are centred on the implications for the Asset Management Plan and for future capital budgets and income generation following the completion of the Stock Condition Surveys.
45. An additional risk in the Non Housing Capital Programme is the cost of removing asbestos as works are undertaken.

IMPLICATIONS

Place (Includes Sustainability)

As contained within the report.

Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning

Finance (Includes ICT)

As contained within the report.

Author: Simon Freeman, Head of Finance and Deputy to the Managing Director

Housing

As contained within the report.

Author: Andrew Murray, Head of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific.

Author: Jane Greer, Head of Community Wellbeing

Governance (Includes HR)

None specific.

Author: Simon Hill, Head of Governance

Appendices

Annex A – Capital Programmes Quarter 3 Finance Report, 2018/19 – Update on the Status of Capital Projects

Background Papers

None.

Glossary of terms/abbreviations used

HIP – Housing Investment Programme

HRA – Housing Revenue Account

MHCLG – Ministry of Housing, Communities and Local Government

MRR – Major Repairs Reserve

RTB – Right to Buy

ANNEX A

CAPITAL PROGRAMMES QUARTER 3 FINANCE REPORT, 2018/19 Update on the Status of Capital Projects

Housing Capital Programme

- A1. Expenditure on the Mulalley External Works Programme (budget carried over from 2017-18) remains low at the end of Quarter 3, however in line with commentary provided at the end of Quarter 2 some significant movement is now being seen, with the December Valuation Certified at c.£1.1m. As previously reported this is a result of the contractual payment mechanism associated with three large schemes within the Task Order (Longbanks, Moorfields and Northbrook's) payments on these schemes only become due once all elements of works to an entire block are accepted as complete and handed over.

We anticipate further significant expenditure through to the end of Quarter 4 and whilst we continue to pursue a cautious approach to assumptions in respect of commercial risks, current re-forecasting anticipates that the programme will be delivered within the current budget allocation.

Procurement of the new phase of External Works is progressing with the first contract awards made in November. Tender, decision making and consultation periods associated with the works prioritised for this programme will mean that it will be necessary for a significant proportion of the attendant budget to be carried into 2019-20. The phasing of works and financial out-turn expectations for the current financial year are being re-cast on a monthly basis and currently foretell a carry-over of c. £2.6m. The current programme suggests that works are now likely to run into Quarter 3 of the financial year 2019-20. .

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

Works to the ASC fixed prices for 2018/19 commenced on the 1 April 2018. The number of units completed at end of December is shown in the table below.

Performance shows an adverse variance of £94,418 collectively against the three work streams for the month of December against the 12 months profiled budget. The variance against the profiled spend is as a result of the exceptionally high demand for boiler replacements and Kitchens. Bathrooms now form part of the ASC fixed priced items as agreed with 6 having been completed to date. Due to the exceptionally high demand for fixed priced items the Council continues, where possible to capitalise major works and structural voids where the scope of works dictates. The Council is currently considering how the demand for decent homes works can be supported by the main Capital Programme of works. Close scrutiny, monthly reporting and escalations as appropriate continue in line with the agreed governance structure.

Element	Total Annual units agreed	Agreed Total ASC to date	Completed Units to date	Total Value to date	Variance to Profiled Budget
Kitchens	84	£409,728	71	£346,318	£39,022
Re-Wires	45	£107,472	23	£54,930	(-)£25,674
Boiler/ Heating	142	£439,580	129	£399,337	£69,652
Bathrooms			6	£11,418	£11,418
Total	271	£956,780	229	£812,003	£94,418

Non-Housing Capital Programme

- A3. The completed stock condition survey 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.
- A4. In Community Wellbeing schemes in 2018/19 include the on-going work to refurbish the Playhouse totalling £434,000), schemes in the Town Park (£308,000). Work to the Stow in front of the Moot House (£195,000) is now expected to carryover to 2019/20.
- A5. Included in the Town Park Schemes is the Inclusive Play Scheme approved in 2018/19 with a budget of £200,000 which has secured an additional £11,000 from Essex County Council (ECC) for a new footpath and footpath improvements. This will assist with the creation of the Inclusive Play facility in the Town Park.
- A6. A new van for the Community Rangers is included in the programme with a budget of £30,000. Delivery took place in December 2018 with the final cost being £22,000.
- A7. Urgent works are required to upgrade the main Council website, £40,000, to be funded in part from the approved budget of £20,000 to upgrade council websites (approved February 2017).
- A8. Schemes originally approved at the Latton Bush Centre total £361,000 plus a carryover of £173,000 to support the roofing work. In addition there are schemes to replace one of the two boilers (£95,000) and asbestos removal work (£50,000). The work on the boiler will now take place in 2019/20 requiring a carryover of £92,000.
- A9. Home Repairs Assistance Loans (estimate £15,000) are made available by the Council to owner occupiers for work to improve their homes.
- A10. The Council's Commercial portfolio in 2018/19 includes roofing work to

various properties and schemes to refurbish Ladyshot Pavilion (£60,000), Bush Fair Offices (£55,000), Barbara Castle Health Centre (£65,000) and the Leah Manning Centre (£40,000). Carryovers of £259,000 are anticipated to work planned due to the amalgamating of tenders and the procurement process.

- A11. The Town Centre Public Realm Improvements scheme (carryover £205,000) is expected to complete in 2018/19. To facilitate completion the budget is increased by £100,000 from the Town Centre Reserve.

Other works in Place Services include the replacement of the boiler and control system at Abercrombie Playbarn (£65,000) in order to replace an obsolete and inefficient gas boiler. This will mean that there is reliable heating and hot water to the buildings and will also reduce energy usage and CO2 emissions. Work to the toilets by Pets Corner in the Town Park (£75,000) and the continued restoration work at Oakwood Pond (£15,000).

- A12. Renewal of the existing obsolete and inefficient gas boilers providing both central heating and hot water to Sumners Leisure Centre is estimated to outturn at £78,000, funded from an approved budget of £58,000 and a tenant contribution of £20,000.

- A13. A successful bid for grant funding of £66,000 from ECC Flood Improvement Fund has resulted in a programme of restoration work being carried out at Netteswell Pond. The scheme will include improving fishing facilities and flood prevention measures and will be supported by a virement of £29,000 from the Townwide Flood Alleviation budget, giving a total scheme budget of £95,000.

- A14. At Harlow Museum health and safety works are planned for 2018/19 (£20,000) with the remaining approved budget included in the estimates for 2019/20 (£180,000).

- A15. A budget for Energy Performance Certificates (£26,000) will enable capital works to upgrade commercial properties to meet the minimum EPC rating in line with the Energy Act (2011) and EU legislation which came 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. By 2023 properties leased with less than an E rating will be subject to a penalty payment.

- A16. The CCTV at the Bus Station is no longer fit for purpose and unable to provide the quality of image required for evidential purposes. Replacing the system will cost £10,000 financed from a revenue contribution and is expected to be completed by 31.3.19. The budget and financing will be included in the outturn report for 2018/19.

- 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. A carryover from 2017/18 of £76,000 results in a budget for 2018/19 of £3,350,000. However, the work has been delayed due to complications to the adopted road works at the rear and the main sub-contractor going into administration which means that there is an expected carryover of £2,348,000 to 2019/20. The work undertaken in 2018/19 will be financed from ring fenced capital receipts (total £1,595,000).

- A18. The Council is undertaking a major project to construct premises on the Enterprise Zone with expenditure of £4.195m in 2017/18 and a current estimate of £5.79m 2018/19 (original estimate £6.523m). The lower spend in 2018/19 is forecast based on a delay to the start of construction work and an updated schedule of works. The project from 2018/19 will be funded from borrowing. Income will be generated through future business rate receipts.