

APPENDIX A

CAPITAL PROGRAMMES QUARTER 2 FINANCE REPORT, 2019/20 Update on the Status of Capital Projects

Housing Capital Programme

A1. ANNUAL SERVICE CHARGE (ASC) Fixed Prices

Works to the ASC fixed prices for 2019/20 commenced on the 1 April 2019. The number of units completed at end of August 2019 is shown in the table below.

Performance shows a variance of £224,425 collectively against the work streams for the month of August against the 12 months profiled budget.

Element	Total Annual units agreed	Agreed Total ASC to date	Completed Units to date	Total Value to date	Variance to Profiled Budget
Kitchens	84	£228,886	60	£300,051	£204,681
Re-Wires	45	£107,887	8	£19,588	(-)£25,365
Boiler/ Heating	142	£677,420	97	£307,856	£25,598
Bathrooms			10	£19,511	£19,511
Total	271	£1,104,193	175	£647,006	£224,425

Non-Housing Capital Programme

- A2. In Community Wellbeing schemes in 2019/20 include ongoing work to refurbish the Playhouse totalling £265,000, work to The Stow in front of the Moot House (£188,000) and plans to refurbish 21 The Rows (£350,000). In addition there is a budget of £70,000 to provide new signage at the entry points to Harlow.
- A3. As part of the carryovers a scheme to upgrade the main Council website, £38,000 has been completed (approved February 2017).
- A4. Schemes originally approved at the Latton Bush Centre total £567,000 to enable work to the boilers and to provide additional parking spaces. A carryover of £18,000 will complete the work of asbestos removal begun in 2018/19. However, it is anticipated that substantial work including asbestos removal required to both the North and South Boiler Houses will mean that the work to replace the boilers will not commence until 2020/21 and therefore the budgets, which total £325,000, are expected to be carried over.
- A5. Home Repairs Assistance Loans (estimate £15,000) are made available by the Council to owner occupiers for work to improve their homes.

- A6. The Council's Commercial portfolio in 2019/20 includes schemes to refurbish Ladyshot Pavilion (£160,000) and Cannons Cottages (£110,000). Following the tender process for work to Bush Fair Offices (original estimate £58,000) the forecast expenditure is £130,000. Work to refurbish Bush Fair Pavilion (£89,250) is deferred and included in the Non Housing Capital bids for 2020/21.
- A7. Other schemes in Place Services include work to the Leah Manning Centre (£65,000), a scheme to improve the public realm at Bush Fair (£94,000) partly funded from a revenue contribution in 2018/19 and roofing work to Abercrombie Play Barn and the Barbara Castle Health Centre (£179,000).
- A8. A budget of £329,000 is available for refurbishment works to Harlow Museum. The majority of this will be used for roofing works which are not expected to commence until 2020/21 and therefore it is anticipated that £239,000 will be carried over to enable this work to take place.
- A9. Included in the capital programme is a scheme at Passmores House to take down and rebuild defective sections of the brick boundary wall which in places is leaning dangerously into the garden (£75,000). A contribution of £10,000 has been received for this work.
- A10. A carryover of £13,000 for Energy Performance Certificates will enable capital works to commercial properties to be completed to meet the minimum E 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.
- A11. The scheme to install a new telephone system in the Civic Centre is expected to complete in 2019/20 funded from a carryover of £200,000.
- A12. 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. Work will continue in 2019/20 with a budget of £2,158,000 funded from the remaining capital receipt of £404,000 and borrowing of £1,754,000.
- A13. The Council is undertaking a major project to construct premises on the Enterprise Zone with expenditure in 2018/19 of £5,530,000 and a current forecast outturn of £6,246,000 (original estimate of £5.58m) in 2019/20. The project from 2018/19 will be funded from borrowing to be financed from future business rate receipts.
- A14. Cabinet approved the funding of £7.2 million over two years to develop Plot H of the Harlow Science Park into a range of 'mid-tech' units combining office, research and manufacturing/assembly space, to be

known as Modus. It is anticipated that £2m will be spent in 2019/20 with the remainder carried over to 2020/21. The development will be retained by Harlow Council as an investment with the development likely to comprise a mix of long leasehold disposals providing a capital receipt and shorter leases providing an ongoing revenue stream. The development will be funded through borrowing repaid by the Enterprise Zone business rate uplift retention as agreed with the South East Local Enterprise Partnership (SELEP).