

REPORT TO: CABINET

DATE: 1 DECEMBER 2022

TITLE: CAPITAL PROGRAMMES, OUTTURN REPORT
QUARTER 2 2022/23

PORTFOLIO HOLDERS: COUNCILLOR JAMES LEPPARD, PORTFOLIO
HOLDER FOR FINANCE

COUNCILLOR DAN SWORDS, DEPUTY LEADER
AND PORTFOLIO HOLDER FOR REGENERATION

LEAD OFFICERS: SIMON FREEMAN, DEPUTY CHIEF EXECUTIVE
AND DIRECTOR OF FINANCE (01279) 446228

SENIOR MANAGEMENT BOARD

This is not a Key Decision

It is on the Forward Plan as Decision Number I0138593

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

The recommendations are within the scope of the budget approved by Full Council in January 2022.

This decision will affect no ward specifically.

RECOMMENDED that Cabinet:

A Notes the progress and forecasts in the delivery of the Council's Housing Capital Programme (HCP) as at Quarter 2 2022/23 as follows:

- i) The current budget is £34.715 million, including £2.762 million carried forward from 2021/22. The projected outturn at Quarter 2 is £23.935 million as set out in Appendix 1 to the report.

B Notes the progress in the delivery of the Council's Non-Housing Capital Programme (NHCP) as at Quarter 2 2022/23 as follows:

- i) The current budget is £22.846 million, including £4.066 million carried forward from 2021/22. The projected outturn at Quarter 2 is £19.325 million as set out in Appendix 2 to the report.

C Approves the inclusion in the HCP budget of an additional £835,542 for the purchase of land at Parnall Road. Expenditure is to be fully financed from a s.106 agreement.

REASON FOR DECISION

- A** To ensure Cabinet reviews the performance against the approved 2022/23 Housing and Non-Housing Capital budgets.

BACKGROUND

1. Cabinet approved the 2022/23 HCP budget of £30.169 million in January 2022. Quarter 3 2021/22 re-profiling of £6.465 million was approved in March 2022 and further carry-overs of £2.761 million were agreed in July 2022.
2. The NHCP budget of £18.603 million was also approved by Cabinet in January 2022. Quarter 3 2021/22 re-profiling of £0.117m was approved in March 2022, further carry overs of £4.066 million were agreed in July 2022 and £60,083 in September 2022.
3. The report compares the actual expenditure as of 30 September 2022 with the 2022/23 budget and following consultation with budget managers, forecasts the projected outturn at year end.
4. The ongoing implications of the Covid Pandemic over the last two years still have a number of implications in terms of reducing the size of the Council's capital programme from £48.772 million to £43.260 million and availability of Contractors, increased complexity of works, limited supply chains and programme and project management capacity. This has / will mean the requirement for significant reprofiling and reprogramming of the capital schemes into next year.
5. In addition, national increase in demand with a limited resources market are significantly driving the scheme costs, are also resulting in the need to reprioritize the programme of works within approved resources.

ISSUES/PROPOSALS

HOUSING CAPITAL PROGRAMME 2022/23 – Quarter 2

6. Set out in Appendix 2 is the 2022/23 HCP Quarter 1 capital monitoring statement which summarises expenditure to date and compares the current budget against projected outturn for the year.

Annual Works Packages

7. The current gap between the afforded "core" housing capital programme and forecast backlog is £14.904m over the first five years of the programme. Analysis is being undertaken to confirm the backlog of roofing replacements with additional programmes currently being costed and developed.

Fire Safety

8. Fire Risk Assessments continue to be carried out over the approved three-year programme. Current indications illustrate these have been more complex than anticipated with additional Government statutory regulation on building safety. New Government legislation for fire safety has meant changes to the additional requirements for smoke/heat detectors, compartmentation works and changes to fire door requirements, continue to impact on the delivery timetable. Due to the intrusive nature of the works in relation to compartmentation and fire stopping in flat blocks access to individual properties continues to challenge programme delivery.

External Works

9. The External Works programme, programme recommenced in 2021. It involves extensive consultation with Leaseholders with works to properties to renew, improve, and maintain the housing stock in accordance with Housing Revenue Account (HRA) Business Plan Asset Management principles. The approved schemes in 2022/23 include Five Acres Felmongers, Arkwrights, Parsonage Leys, Milward's and Wedhey.
10. Increased consultation and the availability of the supply chains, it is expected for some of these works to be re-profiled into 2023/24.

Internal Works

11. The Decent Homes works are set within a 5-year programme which allows the programme to roll over the entire 12 months. Due to the pandemic, there is still a significant back log of work, with the programme for 21/22 only just concluding. Work has however commenced on the 22/23 programme with additional resources but is still forecast to run over into 23/24 due to the volume of works required to catch up.

Housing IT Development

12. Housing Services commenced a three-year ICT enhancement programme, aligned to the Council's Corporate and Access Strategy. Work has been completed to upgrade the current reporting structures in Housing. The Business Objects reporting tool has been migrated to the latest version which will improve the reporting capabilities for PI's and allow us to introduce target rent reporting for Locata Advertisements.
13. Work has also been completed on migrating the physical servers to a new virtual server to maintain a more robust database, increase security and provide confidence in the longevity and expansion of the orchard housing management system.
14. Work has now commenced on new projects such as the Asset Management model which is one of the largest upgrades to be implemented since the introduction of the Orchard Management System. This project will also run

alongside an Orchard Mobile project which is a tablet version of Orchard and can be used on site visits for real time interfacing with the management system. The project will be running in stages over the next 12 months with wider expansion expected over the next 2 years. The project will ensure valuable strategic planning and provide a full asset management functionality. This will ensure effective day-to-day management and maintenance, including current and predicted performance. The software will also provide trigger events such as Fire risk assessments and upcoming service/inspection or asbestos surveys. This will result in customers experiencing less compliance issues.

15. Work has also commenced to apply target rents to the rent accounting module and testing is scheduled for October for a live roll out in April 2023.

New Build Programme

16. Current active housing delivery pipeline is reviewed on a regular basis. Whilst at the present time no schemes are in construction phase, the following are either in pre-delivery or feasibility stage.

Scheme	Total No. of Units	Notes
Bushey Croft	16	Scheme Completed. In 12 months Defect Period.
Perry Road (Lister House)	12	Planning permission granted on 17/08/22, now in stage 3 design
Staple Tye Depot	10	Stage 3 Design
The Yorkes	6	Planning permission granted on 17/08/22. Looking to procure for contractor.
Arkwrights	8	Planning permission granted on 9/11/22. Procurement underway
Sherards House	14	Awaiting independent Arboricultural/Habitat survey and report. Entering into procurement for demolition of the existing dwelling and concrete slab.
Woodleys	6	Planning permission granted on 12/10/22. Preparing tender pack
Pytt Field	5	Pre-app advice has been received and is being reviewed by the Regeneration Team.
Red Lion Lane	3	Regeneration Team currently reviewing the design of the scheme
Elm Hatch	6	Moving to Stage 3 Design and submission of planning application.
Parnell Road	6 flats/6 houses	Feasibility Stage. Site surveys and investigations have been commissioned
Potter Street Neighbourhood Office (Conversion to residential)	5	Feasibility Stage.
Lower Meadow Garage Site	9	Scheme at first feasibility stage; carrying out Due Diligence (awaiting Title Report).

NON-HOUSING CAPITAL PROGRAMME 2022/23 – QUARTER 2

17. Set out in Appendix 2 is the 2022/23 NHCP Quarter 2 capital monitoring statement which summarises expenditure to date and compares the current budget against projected outturn for the year.

Latton Bush Centre

18. Refurbishment works at Latton Bush, are currently under review subject to further surveying requirement, resulting in £183k carried over into 23-24. Contract cost of the south boiler house and controls project is above the available budget and therefore a £69k virement is proposed from the Potter Street N.O. capital budget.

Commercial Properties

19. Ladyshot Sports Pavilion works options of either refurbishment or demolition are currently under review in conjunction with pursuit of leasehold expressions of interest. Scheme unlikely to progress in 22-23 therefore £148k carry over of budget proposed. Contract cost of Mead Park depot boiler replacement is above the available budget and additional £178k budget to be identified. Contract cost for Pypers Hatch works come in £15k less than budget.

Community Buildings

20. Museum boiler replacement complete at £12k less than the available budget. Museum walled gardens repairs need to be delivered in fair weather therefore £146k carry over into 23-24 required. Sherards Hatch Common Room works deferred to 23/24 £11k. Osler House internal refurbishment works £114k more than available budget. Potter Street N.O. boiler flooring and new fire escape project no longer progressing therefore £69k of funds to be vired to Latton Bush centre replacement scheme and £41k not needed. Refurbishment of the toilets adjacent to the Greyhound Public House no longer proceeding thus releasing £200k.

Other Public Schemes

21. Asbestos Removal budget demand led subject to updated survey findings therefore £50k reduced outturn anticipated. Town Park Railway Bridge project partially deferred to 23-24 and £35k carry over of funds required. No further expenditure anticipated in River Stort Tow Path project and £12k available.

Civic Centre

22. Civic Centre windows replacement deferred to 23-24 therefore £30k carry over of funds required. Part of the budget for the Accommodation Review to be utilised to support funding shortfall for Civic Centre Fire safety project leaving £262k balance.

IMPLICATIONS

Strategic Growth and Regeneration

None specific.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

As contained in the report.

Author: Simon Freeman, Deputy Chief Executive and Director of Finance

Housing

As contained in the report.

Author: Andrew Murray, Director of Housing

Communities and Environment

None specific.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

None specific

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix 1 - Housing Capital Programme, Quarter 2, Budget Monitoring Report

Appendix 2 - Non-Housing Capital Programme, Quarter 2, Budget Monitoring Report

Glossary of terms/abbreviations used

HCP – Housing Capital Programmes

HRA – Housing Revenue Account

NHCP – Non-Housing Capital Programmes