

**REPORT TO:** CABINET

**DATE:** 21 JULY 2016

**TITLE:** CAPITAL OUTTURN REPORT 2015/16

**PORTFOLIO HOLDERS:** COUNCILLOR MARK WILKINSON  
COUNCILLOR MIKE DANVERS

**LEAD OFFICERS:** CORPORATE MANAGEMENT TEAM

SIMON FREEMAN, HEAD OF FINANCE  
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**This is not a Key Decision**

**It is on the Forward Plan as decision number I005990**

**This decision is not subject to Call-in procedures for the following reasons:**

**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 outturn of the Council's Housing and Non-Housing Capital Programmes as at 31 March 2016 detailed as follows:
- (i) Housing Capital Programme expenditure of £21,452,000 against an approved revised budget of £25,103,000.
  - (ii) Non-Housing Capital Programme expenditure of £3,950,000 against an approved revised budget of £6,961,000.
  - (iii) Additional capital expenditure of £1,655,000 in respect of Growth Area Funding/Programme of Development and £5,730,000 in respect of a land purchase for the Enterprise Zone.
- B** Approves the carryover of Housing Capital Programme schemes to 2016/17 of £3,823,800 to meet capital commitments.
- C** Approves the carryover of Non-Housing Capital Programme schemes from 2015/16 of £2,761,830 to meet capital commitments. The carryover includes grant funding to support these commitments of £1,103,000 and a capital receipt of £600,000.
- D** Approves business cases for the refurbishment of the Town Park cycle track bridge surface (£8,500), and emergency works to the Town Park Playground

(£20,000), to replace play equipment and furnishings. This latter work will be carried out in early 2016/17. Both schemes will be funded from the risk reserve.

- E** Recognises the operational performance that has been achieved across all Council services during 2015/16.

## **REASON FOR DECISION**

- A** To ensure that Cabinet reviews performance against the Council's approved 2015/16 Housing and Non-Housing Capital Programmes.

## **BACKGROUND**

1. Detailed budget monitoring reports are formally reviewed each month and reported to Cabinet quarterly to facilitate a close supervision over the Council's financial position throughout the year.
2. In February 2015, Council approved a Housing Capital Programme for 2015/16 totalling £26,772,000 and a Non-Housing Capital Programme totalling £5,840,000.
3. The Housing Capital Programme in 2015/16 continues to deliver significant investment plans for the Council's housing assets and builds upon the Decent Homes Standard.

## **SUMMARY OF THE 2015/16 CAPITAL PROGRAMMES' FINANCIAL PERFORMANCE**

4. Subsequent to the closure of final accounts for 2014/15, £76,000 of work was carried forward, increasing the total Housing Capital Programme to £26,848,000.
5. During 2015/16 changes to the programme approved by Cabinet in December 2015 reduced the approved budget to £25,103,000. This was due mainly to the carryover of budgets in respect of energy efficiency work (£1,450,000) and for planned works to Sumners Farm Close (£450,000). Preparation and consultation work in respect of the planned energy efficiency works was undertaken during 2015/16 to enable the schemes to progress in 2016/17. Likewise the work at Sumners Farm Close is planned to complete in 2016/17.

**TABLE 1 - Housing Capital Programme 2015/16 Outturn**

<b>2015-16 Budget Stage</b>	<b>£000s</b>	<b>Date Approved</b>
Original budget	26,772	5 Feb 15
Carryovers from 2014/15	76	23 Feb 15
	26,848	
2015/16 Revisions Quarter 1	201	17 Sept 15
2015/16 Revisions Quarter 2	(-)1,946	
Revised Approved Budget	25,103	10 Dec 15
<b>Outturn 2015/16</b>	<b>21,452</b>	
<b>Variance from Revised Budget</b>	<b>(-)3,651</b>	Below budget
To be offset by carryover requests	3,824	
<b>Pressure on Housing Capital Programme</b>	<b>173</b>	

6. The adverse variance of £173,000 is due to a number of factors including:
- i. The final account for the Pathfinder Scheme in 2015/16 outturned at £2,128,000 in 2015/16, an increase of £282,000 against the revised estimate. Financing of the scheme in 2015/16 will be met from increased grant funding of £197,000 from Programme of Development funding and additional retained receipts of £85,000 from CLG (Annex A10).
7. A total of £3.824m of work is requested to be carried forward to 2016/17:
- i. A carryover of £3.0m has been identified in respect of external works, see Annex A4/A5. The revised work schedule means that income from work to leasehold properties will now be receivable in 2016/17. The original estimate for leaseholder contribution in 2016/17 is £1,218,000.
  - ii. A carryover of £400,000 on work to kitchens, bathrooms, heating and electrics due to contractor resourcing and performance. Measures are now in place to ensure that the revised work plan will achieve the agreed outcomes.
  - iii. A carryover of £357,000 for electrical works due to delays to the start of planned works.
  - iv. A carryover of £71,000 from Housing IT development to support the implementation of corporate systems and the introduction of HTS

(Property and Environment) Limited from February 2017.

8. Following Cabinet approval on 26 March 2015, Kier Harlow Ltd was awarded housing works packages under the SCAPE National Minor Works Framework up to a value of £5,863,800 in 2015/16. This is EU procurement compliant and covers internal work to properties including windows and doors, disabled adaptations and garages (Annex A8).
9. The outturn of the Housing Capital Programme of £21,452,000 represents an underspend of £3,651,000 against an approved budget of £25,103,000, the details of which are reported in Table 2. However, a carryover of £3,824,000 will impact on financing in 2016/17.

**TABLE 2 - Housing Capital Programme Expenditure 2015/16**

	Approved Budget Feb 2015	Current Approved Budget	Outturn 2015/16	Variance Outturn to Current Budget	Carry overs	Note
	£000s	£000s	£000s	£000s	£000s	
Internal Works	6,330	7,543	7,397	(-)146	400	A2/A8
Structural Barley Croft and Lower Meadow	3,286	1,000	869	(-)131		A1
Windows & Doors	3,530	3,100	3,750	650		A3
Damp/Structural	152	174	151	(-)23		
External Works – Roofing	4,420	5,085	2,107	(-)2,978	2,996	A4/A5
Environmental Works	51	141	146	5		
Other Works	1,496	2,027	2,281	254		A6
Flat Block Refurbishments	576	0	-68	-68		A4/A5
Electrical Upgrades and Fire Safety	1,011	1,071	755	(-)316	357	Para 7 (iii)
Energy Efficiency	1,769	683	598	(-)85		
Disabled Adaptations	809	965	1,153	188		A7
Pathfinder Scheme	1,856	1,845	2,128	283		Para 6 / A10
Surveyors Fees – <b>allocated at year end</b>	1,256	1,214	0	(-)1,214		
Housing IT Development	306	256	185	(-)71	71	Para 7 (iv)
<b>TOTAL</b>	<b>26,848</b>	<b>25,103</b>	<b>21,452</b>	<b>(-)3,651</b>	<b>3,824</b>	
Capital Receipts – RTB	(-)1,338	(-)1,574	(-)2,046	(-)472		Para 12
Retained capital receipts	(-)551	(-)553	(-)545	8		
Major Repairs Reserve	(-)11,270	(-)10,811	(-)11,105	(-)294		Para 14
Leasehold and Other Contributions	(-)486	(-)600	(-)5	595		Para 13
Grant Funding	(-)1,017	(-)1,067	(-)1,325	(-)258		Para 13
Direct Revenue Contribution	(-)12,186	(-)10,498	(-)6,426	4,072		Para 10
<b>TOTAL FINANCING</b>	<b>(-)26,848</b>	<b>(-)25,103</b>	<b>(-)21,452</b>	<b>3,651</b>		

10. There was a direct revenue contribution from the HRA of £6,426,000 (original estimate £12,110,000). This lower direct revenue financing requirement in 2015/16 is due to carryovers totalling £3,824m in 2015/16 to 2016/17 and will impact on the 2016/17 revenue contribution required, (original estimate £7,559,000).

## FINANCING

11. At the end of 2014/15 the Council had a Capital Receipts Reserve as per Table 3, which was applied as shown:

**TABLE 3 - CAPITAL RECEIPTS RESERVE**

	<b>1 APRIL 2015</b>	<b>Capital Receipts 2015/16</b>	<b>Total funding available</b>	<b>Capital Funding Applied 2015/16</b>	<b>Balance 31 MARCH 2016</b>
<b>Housing:</b>	£000	£000	£000	£000	£000
RTB receipts	0	2,046	2,046	(-)2,046	0
Re-invigoration Receipts b/fwd	545	0	545	(-)545	0
Housing Receipts	543	0	543	(-)543	0
<b>TOTAL</b>	<b>1,088</b>	<b>2,046</b>	<b>3,134</b>	<b>(-)3,134</b>	<b>0</b>

12. The original capital programme had assumed 60 “Right to Buy” (RTB) Sales in 2015/16. As at 31 March 2016, 73 RTB disposals had been completed. The impact of the additional sales on the financing of the Housing Capital Programme increases the capital receipts from RTB sales to £1,663,000 (revised estimate £1,574,000). The sale of properties continues to be driven by the Government’s re-invigoration of RTB sales which increased the discount available and has raised tenant awareness. Incentives included a reduced qualification time limit, from five years to three years, before a tenant can buy their property. There is currently no evidence that this reduction has had an impact on the planned or actual RTB sales.
13. Leasehold contributions were curtailed by the reduction to planned external works in 2015/16. However, grant funding included the additional funding for Pathfinder Homes from Programme of Development funding, monies from Stansted Area Partnership in respect of the development of Wissants and the capital grant from CLG in support of the Right to Buy Social Mobility scheme.

14. The Major Repairs Reserve had a nil balance as at 31 March 2015. The notional depreciation charge for dwellings in the HRA for 2015/16 was £11,105,000 and was applied to fund the Housing Capital Programme, resulting in a nil closing balance on the MRR at 31 March 2016. The MRR can only be used to repay debt or to fund capital expenditure.

*For more information see Appendix C of the HRA Outturn report elsewhere on the Cabinet Agenda.*

Details	Original Estimate £000's	Outturn £000's	Variance £'000s
Balance at 1 April 2015	0	0	0
Depreciation Charge 2015/16	(-)11,270	(-)11,105	165
Capital Financing	11,270	11,105	(-)165
<b>Estimated Balance at 31 March 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### NON- HOUSING CAPITAL PROGRAMME

15. Following closure of accounts in 2014/15, £884,000 of work was carried forward bringing the total 2015/16 Non-Housing Capital Programme to £6,724,000. Schemes were planned to enable expenditure to meet health and safety requirements, legally committed work and statutory expenditure to properties within the Asset Management Plan.
16. The outturn for 2015/16 was revised to £6,961,000 at Cabinet in March 2016 and at revised estimate schemes totalling £784,000 were deferred to 2016/17.

**TABLE 4 - Non-Housing Capital Programme 2015/16 Outturn**

2015-16 Budget Stage	£000s	Date Approved
Original budget	5,840	5 Feb 15
Carryovers from 2014/15	883	23 Feb 15
	6,723	
2015/16 Revisions Quarter 1	60	17 Sept 15
2015/16 Revisions Quarter 2	162	
Approved Budget - revised	6,961	10 Dec 15
<b>Outturn 2015/16</b>	<b>3,950</b>	
<b>Variance from Revised Budget</b>	<b>(-)3,011</b>	Below budget

To be offset by carryovers	2,762	
<b>Underspend 2015/16</b>	<b>(-)249</b>	

17. 2015/16 schemes fell within the service areas of Finance, Community Wellbeing and Place including the Town Park refurbishment scheme.
18. The net variance of £3,011,000 under budget is due mainly to the following factors:

**TABLE 5 - Non-Housing Capital Programme - Major Variations 2015/16**

	£000s	£000s	Annex A /Reference
<b>New schemes:</b>			
Harlow Transformation Project – software upgrade		98	Annex 21
Sumners Retaining Wall		13	Annex 22
Playhouse refurbishment – 2016/17 scheme costs incurred in 2015/16.		8	Annex16
<b>PLACE SERVICES:</b>			
Commercial properties: Re- roofing Latton Bush Centre – majority of work carried over to 2016/17	(-)93		
Latton Bush Structural works – to complete in 16/17	(-)14		
Refurbishment of vacant commercial properties at The Stow - underspend at final outturn	(-)80		
Re-roofing at The Stow and Bush Fair proposed carryover to enable work to commence in 2016/17	(-)226		
Windows and Doors at the Stow and Bush Fair – underspend at final outturn	(-)55		
PLACE SERVICES: other schemes			
Disabled adaptations and Repairs Assistance – carryover of committed adaptations work	(-)65		
Planning delivery grant funded work carryover to complete software updates	(-)18		

Abercrombie Car Park – awaiting contractor to complete work	(-)32		
Estate Flood Alleviation work – committed works delayed by poor weather conditions	(-)50		
ECC Flood Alleviation match funded scheme in progress	(-)48		
Water Treatment work – demand led and underspent at year end	(-)17		
Asbestos removal work to public buildings – demand led and underspent at year end	(-)49		
Community Map Pro scheme to update the environmental database – in part EU funded – to be combined with underspend on Handheld for Stock Condition Survey and used for upgrade of Corporate GIS in 2016/17	(-)28		
Town Centre Public Realm - scope of scheme under review	(-)65		
Fernhill Travellers site – awaiting external funding and start of work	(-)628		
Town Park HLF funded work – part underspend at completion of major capital works – carryover of HDC remaining funding	(-)110		
General Fund garages – underspend against revised estimate	(-)51		
Latton Farm – delay in completion of legal transactions	(-)710		
<b>FINANCE:</b> IT scheme to complete in 2016/17	(-)47		
<b>COMMUNITY WELLBEING:</b>			
Pitch Regeneration – grant funded work planned to Nicholsfield Pavilion	(-)498		
Regeneration of Public Tennis Courts – carryover for work to Prentice Place Multi Games Areas 2016/17	(-)58		



Leah Manning Centre Lighting awaiting updated work specification	(-)20		
Leah Manning Centre – decision on new minibus pending decision from ECC on contract renewal	(-)60		
Playhouse Glazing – work in progress at year end	(-)62		
Other minor variances	(-)46		
	<b>(-)3,130</b>	<b>119</b>	
<b>TOTAL</b>			<b>(-)3,011</b>

19. Carryovers including grant funded schemes committed to in 2015/16 which are work in progress or will commence in 2016/17 total £2,762,000 as detailed below. Note the cost of the Latton Farm purchase will be offset in part by a capital receipt of £600,000.

**TABLE 6 – CARRYOVERS**

Service Area	HDC funding £000	Grant Funding £000	Total Carryover £000
Finance/IT	50	0	50
Community Wellbeing	209	498	707
Place	626	605	1,231
Place: Town Park	64	0	64
Latton Farm	710	0	710
<b>Total</b>	<b>1,659</b>	<b>1,103</b>	<b>2,762</b>

20. The outturn and financing of the 2015/16 Non-Housing Capital Programme is summarised in Table 7.

**TABLE 7 - NON-HOUSING CAPITAL PROGRAMME 2015/16**

	Approved Budget 2015/16	Current Approved Budget	Outturn 2015/16	Variance Outturn to Current budget
<b>EXPENDITURE</b>	£000s	£000s	£000s	£000s
Governance	15	0	0	0
Finance	236	174	223	49
Community Wellbeing	763	1,003	301	(-)702
Place	2,878	2,658	1,171	(-)1,487
Place: Town Park	1,300	2,158	2,048	(-)110
GF Garages	648	258	208	(-)50
Lattton Farm	0	710	0	(-)710
<b>TOTAL</b>	<b>5,840</b>	<b>6,961</b>	<b>3,950</b>	<b>(-)3,011</b>

<b>FINANCED BY:</b>				
Capital Receipts – RTB	(-)204	(-)199	(-)199	0
Asset Disposals	(-)1,124	(-)600	(-)46	(-)554
Earmarked Resources: Grants	(-)1,693	(-)3,247	(-)2,032	(-)1,215
Disabled Facilities Grant- Strategic Housing	(-)323	(-)323	(-)323	0
Renovation Loans	(-)5	(-)5	(-)6	1
Direct Revenue Financing	(-)719	(-)286	(-)330	44
Prudential Borrowing	(-)1,772	(-)2,301	(-)1,014	(-)1,287
<b>TOTAL</b>	<b>(-)5,840</b>	<b>(-)6,961</b>	<b>(-)3,950</b>	<b>(-)3,011</b>

21. The Non-Housing Capital Programme assumes that a proportion of Right to Buy receipts received by the Council will be applied as funding. Current regulations do not place any restrictions on these receipts and the Council allocates 50% of usable capital receipts remaining after pooling for this purpose.
22. Funding of the Non-Housing Capital Programme included grant funding from Heritage Lottery Fund (HLF) of £1,273,000 in respect of work in the Town

Park supported by a contribution of £136,000 from the CLG through the Programme of Development funding.

23. Income from garages allocated to the general fund made a direct revenue contributions of £207,000 and reserves of £123,000 were drawn on to support the Harlow Transformation Project (Civica upgrade), the refurbishment of the watercolours in the Gibberd Gallery and the replacement of the surface on the cycle bridge in the Town Park.
24. The Non-Housing Capital Programme outturn of £3,950,000 requires additional internal borrowing of £1,014,000, bringing totalling borrowing to £3,809,000. The £2,762m carryover effectively defers additional borrowing to 2016/17.

**TABLE 8**

	<b>£000's</b>
<b>Borrowing to support Non-Housing Capital Programme as at 31 March 2015</b>	<b>2,795</b>
New borrowing to finance shortfall in Non-Housing Capital Programme, 2015/16	1,014
Borrowing to support Non-Housing Capital Programme as at 31 March 2016	<b>3,809</b>

25. In 2014/15 CLG provided a grant of £11,205,000 for the acquisition of land and infrastructure work relating to the Harlow Enterprise Zone which seeks to attract 100 businesses and create more than 2,500 jobs to the area over two linked sites on the eastern side of Harlow, at Templefields and on the London Road. During 2015/16 a second payment of £5,730,000 was made in respect of the acquisition of additional freehold land to the west of London Road.
26. In 2014/15 a capital receipt was received of £2,237,000 in respect of the Growth Area Funding work at Prentice Place and other sites in Harlow and was ring fenced for the further development of Prentice Place. In 2015/16 £82,000 was allocated from these monies in support of development work at Prentice Place.

### **Risks and Opportunities**

27. Key risks in the delivery of the 5 year Housing Investment programme are the performance of contractors and the Council's capacity to deliver a greatly increased housing capital programme with changing priorities.
28. Housing capital funding is at risk from the proposed rent reduction to tenanted properties announced in the Government's Summer Budget. This has major implications for the 30 year HRA Business Plan, which were reported to

Council on 4 February 2016.

29. Key risks in the Non-Housing Capital Programme are centred around the outcome of the stock condition surveys and reviews including the result of the local plan review and the implications for future capital budgets.
30. The impact on the Council's capital programmes of the transfer of resources from Kier Harlow to HTS (Property and Environment) Limited in February 2017 have yet to be identified.

## **IMPLICATIONS**

### **Place (includes Regeneration)**

Contained within the report.

Author: **Graeme Bloomer, Head of Place Services**

### **Finance (Includes ICT)**

Contained within the report.

Author: **Simon Freeman, Head of Finance**

### **Housing**

Contained within the report.

Author: **Andrew Murray, Head of Housing**

### **Community Wellbeing (includes Equalities and Social Inclusion)**

Contained within the report.

Author: **Jane Greer, Head of Community Wellbeing**

### **Governance (includes HR)**

None Specific.

Author: **Brian Keane, Head of Governance**

## **Glossary of terms/abbreviations used**

CLG	Communities and Local Government
RTB	Right to Buy
MRR	Major Repairs Reserve
SCAPE	National Minor Works Framework for procurement

## ANNEX A

### CAPITAL PROGRAMMES FINANCE REPORT, 2015/16 Update on the Status of Capital Projects

#### Housing Capital Programme

- A1. Within the original estimate for Internal Works there was an allocation of £3.2m for Barley Croft and Lower Meadow to facilitate extensive refurbishment works. Following consultation with residents a revised scope of works was agreed to include internal works to boilers, kitchens and bathrooms and windows. The scheme completed in 2015/16 with an outturn for the year of £869,000.
- A2. Internal works were slow to commence due to contractor issues, arising from delays at the beginning of the programme of work in 2015/16. This has resulted in the need to carryover £400,000 to complete the work in early 2016/17. Included in the final cost of internal works is settlement of a final account from 2014/15 which was successfully resolved in 2015/16.
- A3. The Windows and Doors contract for 2015/16 was included in the SCAPE funded programme to be carried out by Kier Harlow. Following a pilot programme in 2014/15 the original estimate in 2015/16 for the work was £3.53m revised in year to a current budget of £3.1m. Outturn at 31 March 2016 is £3.2m plus fees with the additional cost offset by savings in other areas of the housing capital programme. This is a two year programme of work which will complete in 2016/17. A budget for this is included in the 2016/17 estimate.
- A4. Preparation work for the external works contract identified that a substantial number of properties have roofs of a non-standard construction and may require additional unforeseen work to mitigate fire risks. Work with legal and planning was undertaken to resolve the issues involved. And a technical solution was found for the roofs with non-standard construction. It is anticipated that the carryover of £2 996,000 including the leasehold element of the works together with the 2016/17 budget of £4,305,000 will be sufficient to meet the likely costs in 2016/17.
- A5. The original intention to have an eight year planned programme of external works has had to be reassessed following the outcome of the four pilot schemes, leasehold consultation and the reduction in the funding available to the capital programme in future years following the statutory 1% rent reduction from 2016/17. The pilot schemes and leasehold consultation identified a number of factors relating to specification, cost, quality standards, roofing issues, and tenant and leaseholder expectations which has meant a reprogramming of work such that a carryover to 2016/17 of £3m was

requested at year end 2015/16.

- A6. Other works carried out include work to lifts at Sumners Farm Close and Morris House which outturned £60,000 over budget due to additional work identified during installation. A requirement to install automatic vents in the corridors at Pennymead Tower was identified during 2015/16 and outturned at £60K, whilst additional costs were incurred in the removal of asbestos from council dwellings.
- A7. Demand for disabled adaptations to tenanted properties continues to be high and the budget was exceeded by £188,000 in 2015/16.
- A8. Kier works packages have been aligned to link closely to local area investment planning. This will reduce the impact of delivering multiple works to tenants' properties and should alleviate potential issues with access whilst providing a more efficient service. The contract value is £5,863,800 plus an element of surveyors fees allocated to SCAPE schemes giving a total outturn of £6,968,586

<b>SCAPE Works Packages</b>	<b>Work Content</b>	<b>Value (£)</b>
Internal works	Kitchens, Bathrooms, Heating and Electrical work	1,097,580
Internal works	Emergency Heating Installations	9,931
Internal works	Fuse Pulling	91,968
External works	Windows and Doors	3,850,549
External works	Damp and structural	25,311
Related Assets	Garage Improvement Programme	537,875
Lifts	Sumners Farm and Morris House	169,703
Disabled Adaptation Works	Various major and minor adaptations	978,069
Non-Housing Capital Programme: Garages		207,601
	<b>Total</b>	<b>6,968,586</b>

- A9. Forming part of the 2015/16 housing capital programme are the JVCo fixed price works allocated to Kier Harlow through the annual service charge. This work is undertaken in void properties and delivered improvements as follows:
- 84 Kitchens
  - 43 Rewires
  - 143 Boilers
- A10 The contract for a Pathfinder Project was approved in October 2013. Eighteen new houses have been completed at Felmongers, Fesants Croft and The Hill and have been added to the Council's housing stock. The final account is £3,343,000 (revised estimate 2015/16 £3,060,000). Funding for the scheme is from retained:
- |  |            |
|--|------------|
| RTB capital receipts                                 | £1,003,000 |
| direct revenue contribution from the HRA             | £ 290,000  |
| grant income, from: Programme of Development Funding | £ 885,000  |

Moat Housing	£ 868,000
Stansted Area Partnership	£ 297,000

### ***Non-Housing Capital Programme***

- A11. Officers have drawn up plans to carry out a series of stock condition surveys of Non-Housing stock over the next two years. The contract for phase one was awarded in January 2016 with work commencing on 1 February 2016. The work will take 4 months to complete and will cover 60 properties including Latton Bush Centre, the Advice Centre and the Civic Centre.
- A stock condition report and theatre management report commissioned in 2015/16 form the basis of a business case included in the Capital Estimates Report 2016/17 and approved by Council 4 February 2016.
- A separate stock condition survey and dilapidation survey in respect of Mead Park Depot was undertaken in 2015/16 and the report received mid January 2016. It details the work required to be carried out now and over the next 20 years. The general condition of the depot complex is good.
- A12. The survey work will enable a schedule of non-housing assets for development or disposal to be produced and will also help shape and inform the future capital investment requirements for the non-housing asset portfolio.
- A13. Delays to planned IT work in 2014/15 resulted in the carryover of schemes to facilitate upgrades to the ICT infrastructure, software and backup solutions, totalling £104,000 some of which were completed in 2015/16. Within these schemes the proposed backup and disaster recovery work specification were finalised and agreed by a Waiver Report (10 August 2015) to the Portfolio Holder, amending the budget to £36,000 (original carryover £28,000). The scheme to facilitate Windows Migration is included in the 2015/16 carryovers (£47,088).
- A14. Preparation for the upgrade to the Financial Management System, Agresso began in 2015/16. However, due to the need to ensure that the required infrastructure is in place, and that key personnel are available within IT and Accountancy, the majority of the work will be carried out in 2016/17 necessitating a carryover at year end of £3,000, total budget in 2016/17 £173,000. Cabinet on 28 January 2016 approved the contract award under delegated authority and the contract for the upgrade was awarded in early February 2016.
- A15. In Community Wellbeing new schemes in 2015/16 include the purchase of a new van for the Community Rangers. In addition there are various schemes to support work being undertaken in the Town Park.

- A16. At the Playhouse the scheme to renew the windows was reviewed due to cost implications resulting in a carryover of £62,490 at year end. In addition work planned and approved for 2016/17 incurred costs in 2015/16 of £8,000 which will reduce the budget available in 2016/17.
- A17. Cabinet approved a report (23 July 2015) to upgrade ten existing plots at Fern Hill Lane Travellers Site. There are twenty-two plots in need of upgrade at an estimated cost of £628,000. A grant application for £490,000 has been approved by the Homes and Community Agency to carry out work to twelve plots. The cost of the refurbishment of the other ten plots will be met by Essex County Council and Harlow Council, each providing up to £70,000 (50%) of the cost. The expenditure and funding are carried over to 2016/17.
- A18. The approved budget for Disabled Facilities work to owner occupied properties is £610,000 which is supported by a grant from Communities and Local Government (CLG) of £323,000 for 2015/16. The Council has a statutory duty to carry out disabled facilities work to both tenanted and private properties. At year end the budget is fully committed but work still to be completed in 2016/17 means that a carryover of £43,000 is requested.
- A19. 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 such that a budget of £25,000 has been allocated from the 2015/16 Disabled Adaptations Budget, outturn in 2015/16 £7,000.
- A20. Work to refurbish two offices and the reception area at Latton Bush Centre was completed in 2015/16. The funding of £15,000 was drawn from the approved funding pot for Latton Bush Centre and is in two parts, one to refurbish two offices which will maintain income from office rentals and the second to provide a new reception area which will also improve security for the staff.
- A21. The software supporting the Benefits system requires an upgrade to improve and modernise the handling of benefit claims. The work planned known as the Harlow Transformation Project will be fully funded from reserves accumulated for this purpose. Cost in 2015/16 £98,000.
- A22. At Sumners Hatch a health and safety issues arose concerning a defective retaining wall which is part of the landscaping at the front of Hatch and which needed replacing. The cost of £13,000 is included in the Non-Housing capital outturn.
- A23. Work on the capital contracts to restore the Town Park are complete. The



landscaping contract resulted in extensive works across the Park including introducing new paths and restoring the water garden area. The capital build contract refurbished various buildings including Pets Corner which reopened after refurbishment and included a new Events Barn, new surfacing and a reconfigured layout. Work on the bandstand also completed as did work to the new Learning Centre and the refurbishment of Spurriers House.

Changes and variations to both the landscape contract and the building contract due to several unforeseen changes and the complexity of the project means that the final account for the two contracts in 2015/16 is £2,048,000 (Original estimate £1,648,000). Funding is from the Heritage Lottery Fund (£1,273,000), Programme of Development Funding (£673,000) and approved Council expenditure.

- A24. A carryover of £14,000 is included in the Place Service carryovers to enable works to strengthen the apron of the bandstand. A contribution of £8,000 from the design contractors will support this work which is required on grounds of health and safety.
- A25. In March 2015 Cabinet approved the sale of land at Ram Gorse and the purchase of land at Latton Farm to enable Harlow Rugby Club to move to a larger site. Housing will be built at Ram Gorse, including a proportion of social housing to which the Council will have nomination rights. This transaction took place in 2016/17 with a capital receipt of £600,000 to offset the purchase cost of £650,000, not including VAT or stamp duty. A capital receipt from overage arising on the sale of the properties (estimate £200,000) is included in the forward forecast.
- A26. There were no asset disposals to support the Non-Housing Capital Programme in 2015/16.