

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME**KEY ISSUES – CAPITAL OUTTURN 2015/16**

The total spend for the year is **£38.81M**. This can be compared with the budgeted figure for 2015/16 of **£56.08M** resulting in an under spend of **£17.27M**, which represents a percentage under spend against budget of **30.8%**.

The programme is shown in the following summarised table:

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	£M	£M	£M	£M	£M	£M
Programme at last report	54.96	58.89	35.37	30.97	27.12	207.31
Approvals since last report	1.12	(1.12)	0.00	0.00	0.00	0.00
Programme Total	56.08	57.77	35.37	30.97	27.12	207.31
Slippage/Rephasing	(16.67)	16.67	0.00	0.00	0.00	0.00
(Under)Overspends	(0.60)					(0.60)
Total Spend	38.81	74.44	35.37	30.97	27.12	206.71

PROGRAMME CHANGES**APPROVALS SINCE LAST REPORT****HRA 1 – Estate Regeneration Woodside / Wimpson Lane (£0.50M Re-phasing)**

A separate budget was approved to cover various planning related fees.

Chief Officer Approval was given for the forward re-phasing of funding for the Estate Regeneration Woodside / Wimpson Lane scheme from 2016/17 to cover the cost of the architects, development and survey fees needed to bring the scheme to the planning stage.

HRA 2 – Golden Grove Balconies (£0.08M Re-phasing)

Work started earlier than was originally planned.

Chief Officer Approval was given for the forward re-phasing of funding for the Golden Grove Balconies scheme from 2016/17 as work started earlier than originally planned.

HRA 3 – Lift Refurbishment Programme (£0.10M Increase)

Work started earlier than was originally planned.

Chief Officer Approval was given for forward re-phasing from the 2017/18 Lift Refurbishment Programme as work started earlier than originally planned.

HRA 4 – Millbrook Towers Downpipe Replacement Scheme (£0.45M Increase)

Funding was brought forward so that work could start earlier than planned.

Chief Officer Approval was given for the forward re-phasing of funding for the Millbrook Towers Downpipe Replacement scheme from 2017/18, so that work could start earlier than planned. However, it was then decided to undertake further checks prior to works commencing, as described in HRA 24 below. Work will now be carried out in 2016/17, which is still ahead of the original plan.

The SIGNIFICANT over spends and under spends for the Housing Revenue Account are:

HRA 5 - Social Housing 2 (under spend £0.60M)

A Right-To-Buy funded grant has been declined by a Registered Provider.

Funding of £0.60M from Right-To-Buy Capital Receipts was scheduled to be paid to a Registered Provider (RP) to provide new homes. The RP was expected to additionally fund the scheme with monies from the HCA's Approved Development Programme (rent conversion funding). However, it has now been advised that Local Authority Right-To-Buy funding cannot be used in conjunction with the conversion capacity funding, as the same new affordable homes will, in effect, be counted twice. As a consequence, the RP declined the funding, which has now been returned to Central Government.

HRA 6 - Central Heating Distribution Systems Including Electrical Storage Heaters (under spend £0.10M)

This project has been completed under budget.

Energy Company Obligation (ECO) related expenditure, originally included in this budget, was transferred correctly to the ECO scheme. The saving has been used to offset overspends within the programme.

HRA 7 - Decent Homes Voids - 2015/16 (under spend £0.06M)

This project has been completed under budget.

This project has under spent mainly due to works being amalgamated into the Housing Refurbishment Programmes (HRP). The saving has been used to offset overspends within the programme.

HRA 8 - Sarnia Court Central Core Refurbishment Project (over spend £0.09M)

There has been additional work undertaken for the CCTV/Concierge upgrade.

This over spend was due to additional work undertaken to upgrade the CCTV/Concierge Milestone system. The over spend has been funded from under spends on other schemes within the Portfolio.

The MAJOR items of slippage/re-phasing are:

Estate Regeneration and New Build

HRA 9 - Weston Shopping Parade Development (slippage £0.32M)

There have been delays to the Programme.

There have been delays in the affordable housing and library works. These delays were due mainly to bad weather, compounded by staffing issues.

HRA 10 - Townhill Park (slippage £1.34M)

There has been a delay to the start of demolition works.

There have been delays in purchasing properties due to a continuing review of the delivery model for the scheme. Therefore, no further approval has been given to decant and as a result there were fewer than expected purchases of leaseholder properties in phases 2 and 3. In addition to this, there was also a longer timescale in commencing the contract for demolition work.

HRA 11 – Erskine Court Rebuild (slippage £1.27M)

There has been an amended payment schedule to the contractor.

The slippage reflects the scheme running three weeks late and is also due to a re-worked payment schedule to the contractor based on work completed. This has been revised from the schedule agreed when the scheme was created.

HRA 12 – Estate Regeneration Woodside / Wimpson Lane (slippage £0.19M)

There have been delays due to a requirement to have a bat licence.

Demolition work has been delayed due to the presence of bats. A bat licence application was applied for and demolition work commenced when this licence was in place.

Safe Wind and Weather Tight

HRA 13 – Roofing East & West and Roof Finish (slippage £1.53M)

The requirement for a second tender process has created a delay.

The procurement failed due to issues with the original tender process, requiring a second tender process to be completed. This has caused a delay to the start of this project.

HRA 14 – Structural Works (slippage £0.39M)

The delay is due to the late delivery of final structural accounts.

There is a significant amount of outstanding work built up as a result of a delay in receiving final structural accounts.

HRA 15 – Wall Structure & Finish (slippage £0.16M)

There is a delay to due full planning permission being required.

Due to restrictions on the area where work is to be completed, full planning permission is required, along with additional consultation, which has led to a delay in the scheme.

HRA 16 – Lift Refurbishment – Canberra Towers (slippage £0.83M)

There are procurement delays.

There have been delays to the start of this project due to issues with the tender for the procurement of the lift contract prior to start of work. A full procurement process is required because the lift has been exempted from being part of the wider refurbishment contract. Part of the site also suffered some vandalism which further added to the delay.

HRA 17 – Rozel Court - New Lift and associated works (slippage £0.36M)

There has been a delay due to asbestos being found.

This scheme has been delayed due to work needed to safely clear asbestos found at the site. Additionally, a delay has also been caused by planning and procurement issues.

HRA 18 – Sprinkler Project (slippage £0.45M)

A delay has been caused due to the request to use a specialist contractor.

Hampshire Fire and Rescue Service requested that SCC use their specialist contractor. A subsequent delay has been caused due to the additional processes that we have been required to go through to make this happen.

Well Maintained Communal Facilities

HRA 19 – DN: Thornhill (slippage £0.10M)

These landscape works will commence as ECO works are completed.

This budget has been created to repair any soft landscaping that has been damaged from scaffolding and site works and is closely linked to the ECO works. Since the ECO project is currently delayed this scheme will need to be slipped as well.

HRA 20 – Communal Areas Works (slippage £0.49M)

There has been a delay in laying the high temperature pipework.

The boxing in of the high temperature pipework has been delayed, as it is linked to the ECO project work. The ECO project itself has been delayed because of planning and contractor issues.

HRA 21 – Floor Coverings to Communal Corridors (slippage £0.12M)

There is no framework agreement in place to progress this scheme.

This project has been delayed as there is no existing framework agreement in place which has led to a delay in the procurement of a contractor. This project is also linked to the Thornhill District Energy scheme which has also contributed to the late start of these works.

HRA 22 – Bellamy Court SHAP Refurbishment Project (slippage £0.11M)

An extension of time was granted due to additional works identified.

The time frame for this project was extended following some additional work being identified for the removal of a ceiling.

HRA 23 – Roads/Paths/Hard Standing (slippage £0.22M)

There has been reduced engineering design capacity from the SSP.

The project has been delayed following the downsizing of the Council's partners' engineering design team, which has reduced their capacity to deliver. Their procurement team are now reviewing other suppliers to assist with this project.

HRA 24 – Millbrook Towers S/V Downpipe Replacement (slippage £0.45M)

Further checks have been made to understand the extent of the work required.

To avoid the need to make wholesale replacements of pipes, it was decided to examine the inside using cameras. Whilst the result is a delay in the scheme, it has been found that not all pipes need to be replaced.

Warm and Energy Efficient

HRA 25 – Thornhill District Energy Scheme (ECO) (slippage £7.23M)

A change of contractor has led to additional planning work being needed.

The contractor for this large scheme was changed and this has resulted in additional planning work being needed, causing a delay in the progress of this scheme.

HRA 26 – Renewable Energy Source (slippage £0.24M)

There have been delays in the unique designs for two dwellings.

The unique energy design works required have led to a delay. However this work has now been completed and the scheme is proceeding.