

Housing Revenue Account

Report:	Q3 2016-17 Capital Programme Budget Monitoring Report
<p>Report Summary:</p> <p>This report provides a quarterly update on the progress of the HRA Capital programme agreed by Cabinet in February 2016.</p>	
<p>Introduction:</p> <p>In February 2016 the HRA capital programme was agreed by Cabinet and includes budgets for Major Works and New Development.</p> <p><u>Major Works 2016-17:</u></p> <p>The 2016-17 capital programme budget for major works was £3.8m. The programme includes the following capital works to HRA properties:</p> <p><i>Repair & Replacement:</i> Re-roofing, replacement windows & doors, kitchen and bathroom replacements, electrical re-wiring, structural repairs/ repointing and lift refurbishments</p> <p><i>Health & Safety:</i> Heating, fire precautions and rainwater goods</p> <p><i>Improvements:</i> Planned refurbishments, thermal insulation, disabled adaptations and estate improvements</p> <p>The budgets are managed by East Kent Housing and progress is reviewed on a monthly basis.</p> <p>Disabled adaptations and estate improvements are funded by a revenue contribution to capital. The other budgets are funded by the major repairs reserve.</p> <p><u>New Development 2016-17 to 2021-22:</u></p> <p>The HRA has a number of ongoing property development projects:</p> <p><i>Empty Property Programme (2011-2016):</i> This was a £4.7m programme which is now complete and 29 affordable rent units have been let.</p> <p><i>LGF Development Scheme:</i> The £3.1m LGF development scheme has been withdrawn as detailed in the Cabinet report dated March 2016.</p> <p><i>Ramsgate Housing Intervention (2014 – 2016):</i> This was a £2.6m programme which is now complete and 17 affordable rent units have been let.</p>	

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Margate Housing Intervention (2010-2022):

The £12.3m programme will fund development projects in in two of England's most deprived wards, Cliftonville West and Margate Central. To date 5 sites are already complete creating 13 units of affordable housing. The remaining sites are on-going and due to complete from 2017-18 onwards.

Buy Back Scheme:

£100k has been allocated to enable the buy-back of former owned Council dwellings. Suitable properties are being reviewed by the Housing team and an update will be available once costs of works have been obtained.

New Build Programme (2015-2018):

The £10.3m programme, funded by HCA grant funding will create 57 affordable homes. All units are due to complete by March 2018.

Coastguard Cottages (2016-2017):

£350k has been allocated to complete the refurbishment works required on the blocks of flats. The works are due to complete by May 2017. 3 of the 7 freehold units have been sold, 4 units will be sold this financial year and the remaining unit will be sold in 2017-18.

The budgets are managed by Thanet District Council and progress is reviewed on a monthly basis.

Progress on Capital Projects:

Major Works (£3.8m 2016-17)

There is currently no roofing contract in place to carry out any major roof replacements. Procurement is due to commence during this financial year. As the budget reflected a full years' programme, the £400k budget will be required to slip and rolled forward to 2017-18.

There is currently no contract in place to carry out the window and door replacements. A programme of works has been established to commence in 2017-18 and procurement is due to commence during this financial year. Demand is currently low and a virement of £12k to electrical re-wiring has been requested.

The 2016-17 budget for kitchen and bathrooms included an additional amount to fund the backlog of works from previous years. The backlog is now complete and £165k can be returned to the Major Repairs Reserve to fund other projects.

Electrical re-wiring is now being carried out at the same time as the kitchen and bathroom replacements. A full re-wire is also being carried instead of a partial re-wire. Costs per unit have therefore increased and a virement from under spent ad-hoc budgets such as windows & doors, rainwater goods and thermal insulation is requested in addition to any remaining underspent 2015-16 budgets.

There has been a delay in the fire precautions programme due to contract issues but programmed works are still due to commence this financial year. £105k of the budget will be required to slip and roll forward to 2017-18.

The planned refurbishments programme in relation to door entry systems has been delayed. The programme of works is due to start in 2017-18 and the £45k budget will be required to slip and roll forward to 2017-18.

The works at Churchfields and Chatham Court have been delayed and will not be ready to start on site as planned. The works at these sites will now be included in the 2017-18 programme. A number of structural/ repointing works have been identified as part of the external decorations programme and a new programme and costs are being established with anticipation that the new programme will be able to commence this financial year. The 2016-17 programme will continue into 2017-18 and the remaining budget will roll forward.

Thermal insulation works are now being carried out when the property is void. The number of void units requiring works is lower than expected this year. A virement of £17k to electrical re-wiring has been requested.

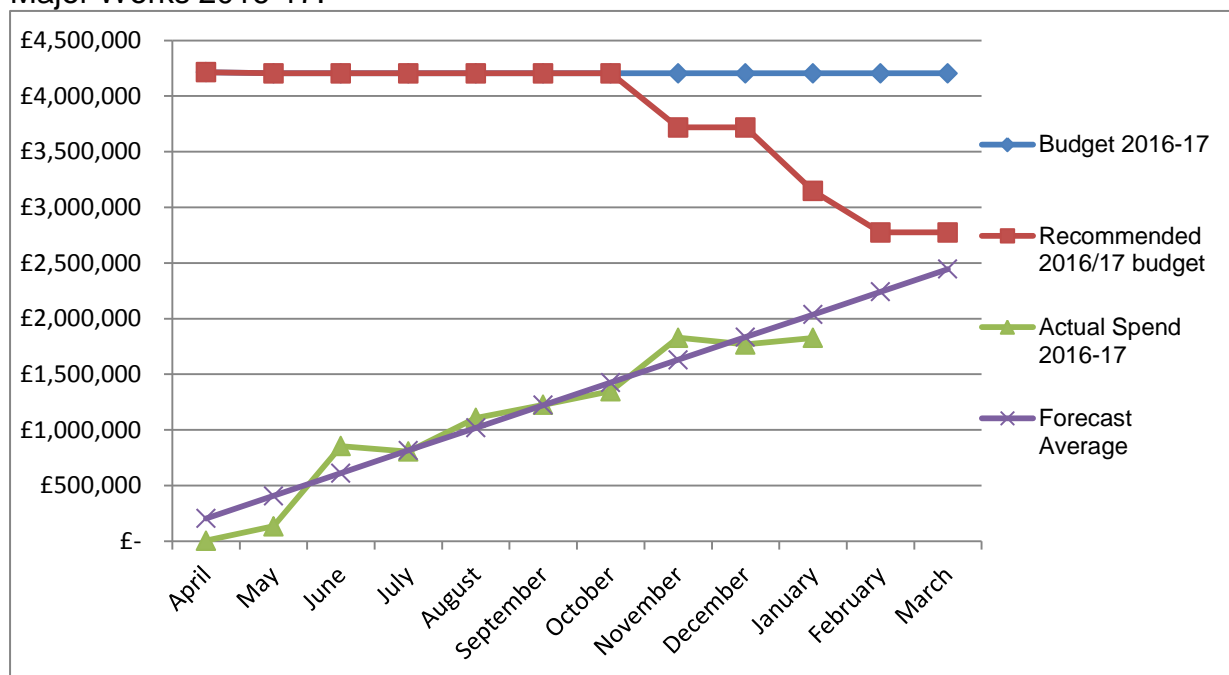
Rainwater goods is an ad-hoc demand led budget. Demand is currently low and a virement of £14k to electrical re-wiring has been requested.

The Environmental Improvement Programme, following consultation with the tenant and leasehold area board, resulted in capital projects of £64k. A number of revenue projects were also approved. Remaining budget to be returned to balances.

There have been a number of payments made in this financial year that relate to last financial year's programme of works and a transfer from the 2016-17 budgets has been authorised to cover expenditure within the 2015-16 programme of works.

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Major Works 2016-17:



Actual spend is detailed from April to December. Spend from January to March has been estimated.

New Development (£18m 2016-17 to 2021-22):

Ramsgate Housing Intervention:

The remaining Ramsgate Housing Intervention development programmes are now complete and all 17 units have been let. Final contractor payments are due in February 2017.

Margate Housing Intervention (2010-2022):

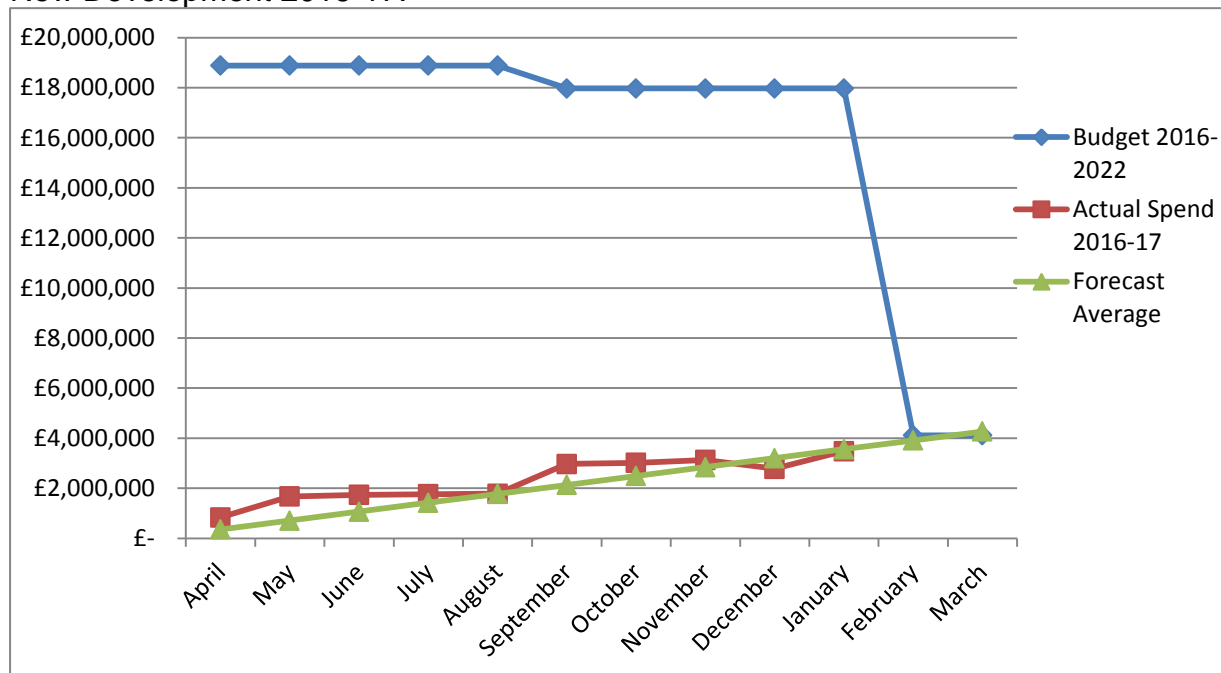
The redevelopments at Athelstan Road are complete and all 5 units have been let as affordable housing. The 2 units at Trinity Square are due to complete in February 2017. The remaining projects will carry on from 2017-18 onwards and so £3,684k will slip and be rolled forward to 2017-18.

New Build Programme (2015-2018):

The new build programme has been further delayed. Phase 1 is now due to start on site in March 2017 and Phase 2 will follow. Both phases are still due to complete by March 2018. As the project has slipped, £9,207k will be rolled forward to 2017-18.

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New Development 2016-17:



The above is for 2016-17 spend only. Actual spend is detailed from April to December. Spend from January to March has been estimated. The development programme budget will roll forward until the development programmes are complete.

Summary:

	Budget 2016/17 incl B/F and Q3 virements	Actual Spend 2016/17	Percentage of Budget Spent 2016/17
	£'000	£'000	%
HRA Major Works	2,775	1,826	65.82
HRA New Development	4,120	3,485	96.46
Total	6,895	5,311	92.86

A breakdown of each programme and the available funding is detailed on the following pages.

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HRA CAPITAL REPAIRS FUND BUDGET MONITORING 16-17					
Details	Budget Approved	Cabinet Virements	Budget to be Approved by Cabinet	Committed Spend to Date 31/01/17	Notes
EAST KENT HOUSING MANAGED BUDGETS					
STRUCTURAL REPAIRS 13/14	1,364		1,364	1,364	Works carried out in current year relating to 13/14 programme. To be funded from 16/17 budgets.
RE-ROOFING 15/16	0		0	0	Underspend rolled into 2016-17
REPLACEMENT WINDOWS & DOORS 15/16	2,483		2,483	2,482	
KITCHEN & BATH REPLACEMENTS 15/16	2,921		2,921	1,121	Works carried out in current year relating to 15/16 programme. To be funded from 16/17 budgets.
ELECTRICAL WIRING 15/16	8,096	13,101	21,197	21,197	Works carried out in current year relating to 15/16 programme. To be funded from 16/17 budgets.
HEATING 15/16	0		0	-3,748	
FIRE PRECAUTION 15/16	0		0	-206	
STRUCTURAL REPAIRS 15/16	49,974	-13,915	36,059	36,059	Underspend rolled into 2016-17
THERMAL INSULATION 15/16	464		464	464	Underspend rolled into 2016-17
RAINWATER GOODS 15/16	793		793	793	
DISABLED ADAPTATIONS 15/16	21,334		21,334	21,334	Underspend rolled into 2016-17
ESTATE IMPROVEMENTS 15/16	4,283		4,283	4,283	Works carried out in current year relating to 15/16 programme. To be funded from 16/17 budgets.
ESTATE REPOINTING 15/16	5,479		5,479	1,955	Works carried out in current year relating to 15/16 programme. To be funded from 16/17 budgets.
LIFT REFURBISHMENT 15/16	3,603		3,603	3,603	
RE-ROOFING 16/17	400,000	-394,475	5,525	5,519	£400k slipped to 2017-18
REPLACEMENT WINDOWS & DOORS 16/17	107,517	-12,126	95,391	54,019	£12k moved to electrical re-wiring
KITCHEN & BATH REPLACEMENTS 16/17	1,335,000	-165,000	1,170,000	731,491	£165k to be returned to MRR
ELECTRICAL WIRING 16/17	149,008	30,992	180,000	125,459	To fund additional costs
HEATING 16/17	415,000		415,000	380,615	
FIRE PRECAUTION 16/17	190,000	-105,000	85,000	14,702	£105k slipped to 2017-18
PLANNED REFURBISHMENTS 16/17	55,000	-45,000	10,000	1,453	£45k slipped to 2017-18
STRUCTURAL REPAIRS/REPOINTING 16/17	363,431	-163,000	200,431	104,191	£163k slipped to 2017-18
THERMAL INSULATION 16/17	57,760	-17,760	40,000	33,055	£17k moved to electrical re-wiring
RAINWATER GOODS 16/17	19,207	-14,207	5,000	3,588	£14k moved to electrical re-wiring
DISABLED ADAPTATIONS 16/17	404,335		404,335	281,410	Demand - budget remaining to roll over
ESTATE IMPROVEMENTS 16/17	120,595	-56,600	63,995	193	£56k to be returned to balances
ESTATE REPOINTING 16/17	0		0	0	
SUB Total	3,717,647	-942,990	2,774,657	1,826,395	
THANET DISTRICT COUNCIL MANAGED BUDGETS					
EMPTY PROPERTIES PROGRAMME	0		0	-5,018	
KING STREET	1,472,080		1,472,080	602,496	
MARGATE INTERVENTION	4,936,238	-3,534,000	1,402,238	2,043,141	£150k SELEP bid increased funding. £3,684 slipped to 2017-18
VOID WORKS FOR INTERVENTION PROGRAMME	0		0	0	
BUY BACK SCHEME	100,000	-100,000	0	0	£100k slipped to 2017-18
NEW BUILD PROGRAMME	10,076,814	-9,331,736	745,078	362,084	£124k consultancy saving. £9,207k slipped to 2017-18
FORT ROAD HOTEL	950,000	-886,250	63,750	92,140	£63.7k grant for Fort Road Hotel legal costs. £950k slipped to 2017-18
COASTGUARD COTTAGES	348,450		348,450	320,127	
93 WESTCLIFFE ROAD	88,244		88,244	69,541	
	17,971,826	-13,851,986.00	4,119,840	3,484,511	
Total	21,689,473	-14,794,976.00	6,894,497	5,310,907	

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Funded By	Budget Approved	Adjustment	Budget to be Approved by Cabinet
Major Repairs Allowance & Reserve	3,812,404	- 886,390	2,926,014
Revenue Contribution	1,960,363	- 1,524,336	436,027
HRA Revenue Projects Reserve	-		-
Capital Grant	1,378,379	- 1,165,000	213,379
HCA Ramsgate Empty Property Round 1	-		-
HCA Ramsgate Empty Property Round 2	-		-
DCLG Cluster bid Funding	1,254,283		1,254,283
RTB 1-4-1 Receipts	344,534	- 416,000	- 71,466
Capital RTB Receipts	361,251		361,251
New Properties Reserve	4,766,775	- 3,825,000	941,775
Prudential Borrowing	7,041,914	-6,675,000	366,914
Coastguard Cottages Sales	30,000		30,000
Section 106	147,904		147,904
LEP Funding	516,666	-367,000	149,666
New Homes Bonus	75,000		75,000
PR Grant	-	63750	63,750
Total	21,689,473	-14,794,976	6,894,497