

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## CABINET – 11 FEBRUARY 2014

Title of Report	<b>CAPITAL PROGRAMMES – GENERAL FUND, COALVILLE SPECIAL EXPENSES AND HOUSING REVENUE ACCOUNT (H.R.A). PROJECTED OUTTURN 2013/14 AND PROPOSED PROGRAMMES 2014/15 TO 2017/18</b>
Key Decision	a) Financial Yes b) Community Yes
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Purpose of Report	<p>To advise Members of the likely Capital Outturn and the relevant financing for the 2013/14 financial year for the General Fund, Coalville Special Expenses and the H.R.A. To seek approval to the proposed General Fund, Coalville Special Expenses and H.R.A Capital Programmes for 2014/15 to 2017/18 and associated funding.</p> <p>To advise Members of the proposed procurement routes for schemes over £100k and seek delegated authority to award contracts as appropriate.</p>
Reason for Decision	To enable projects included in the Programmes to proceed.
Council Priorities	The projects in the Capital Programmes help the Council achieve all its priorities.
Implications  Financial / Staff	As contained in the report.

Links to relevant CAT	The Capital programmes are potentially relevant to all Corporate Action Teams (CATs).
Risk Management	The Capital Programmes are monitored at project level to ensure they are delivered on time and within budget.
Equalities Impact Assessment	No impact at this stage.
Human Rights	None identified.
Transformational Government	The Programmes attached are integral to delivering better services.
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	As author the report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory
Consultees	CLT and budget holders.
Background Papers	None
Recommendations	<p><b>A. THAT THE ESTIMATED GENERAL FUND, COALVILLE SPECIAL EXPENSES AND H.R.A. CAPITAL OUTTURN FOR 2013/14 AND PLANNED FINANCING BE NOTED.</b></p> <p><b>B. THAT COUNCIL BE RECOMMENDED TO APPROVE EXPENDITURE IN 2014/15 AS PER:</b></p> <ul style="list-style-type: none"> <li>• <b>APPENDIX “A” GENERAL FUND AND SPECIAL EXPENSES CAPITAL SCHEMES</b></li> <li>• <b>APPENDIX “B” FOR HRA CAPITAL SCHEMES AND IN 2015/16 THESE SCHEMES ONLY:</b></li> <li>• <b>£617,000 FOR THE VEHICLE REPLACEMENT PROGRAMME, AS HIGHLIGHTED * IN APPENDIX “A”</b></li> </ul> <p><b>C. THAT CABINET NOTES THE PROPOSED PROCUREMENT ROUTES AND DELEGATES THE AUTHORITY TO AWARD THE CONTRACTS, AS DETAILED IN SECTION 7 (PROCUREMENT OPTIONS) OF THIS REPORT AND WAIVE CONTRACT PROCEDURE RULE 5.14 IN RESPECT OF THE CAR PARK RESURFACING TO BE UNDERTAKEN IN THE 2014-2015 YEAR</b></p>

## 1.0 INTRODUCTION

- 1.1 Attached at Appendix "A" is the General Fund and Special Expenses draft Capital Programme for 2014/15 to 2017/18."
- 1.2 Appendix "B" shows the H.R.A. draft Capital Programme for 2014/15 to 2017/18.
- 1.3 The Appendices also show the estimated outturn for the current year.

## 2.0 ESTIMATED OUTTURN 2013/14

- 2.1 The projected outturn for 2013/14 on General Fund schemes totals £1,936,471. This is a planned increase of £157,471 on the original budget for the year of £1,779,000.
- 2.2 This managed increase is caused by the following:

<b>Slippage from 2012/13 on:</b>	<b>£</b>	<b>£</b>
User Workstation Replacement	60,000	
Disabled Facilities Grant	263,000	323,000
<b>Additional Approved Schemes in 2013/14:</b>		
Improving Customer Service Experience (ICE)	187,000	
Waste Management System (ICE)	95,000	
Coalville Market Upgrade	68,000	
Payroll Software	20,000	
Disabled Facilities Grant	5,000	
		375,000
<b>Schemes not now being progressed /Slippage and Under spends in the year</b>		
Disabled Facilities Grant - Slippage into 2014/15	(172,629)	
Council offices Extension car park	(32,000)	
CRM Software	(70,000)	
Coalville Market Upgrade	(168,000)	
Market Hall Car Park	(64,500)	
Other Minor Under spends	<u>(33,400)</u>	
		(540,529)
<b>TOTAL</b>		<b>157,471</b>

The planned financing of the General Fund expenditure totalling £1,936,471 in 2013/14 is as follows:

	£
Disabled Facilities Grant and PCT monies carried forward	239,471
Disabled Facilities Grant	228,700
Revenue Contributions to Capital	49,000
Value for Money Reserve	183,000
Other Reserves	35,000
Salix Loan for Energy Efficient Lighting schemes	31,800
Leasing/Internal Borrowing	1,169,500
	1,936,471

- 2.3 There were sufficient funds identified prior to this capital spend being committed.
- 2.4 The slippage shown in paragraph 2.2 above is expenditure which was originally budgeted for in 2012/13 but which has been spent in 2013/14. The budgeted financing has also been carried forward.

### **3.0 GENERAL FUND CAPITAL PROGRAMME 2014/15 TO 2017/18 – INDIVIDUAL SCHEMES**

- 3.1 The programme for 2014/15 to 2017/18 detailed in Appendix A provides for a continuation of the current Disabled Facilities Grants Scheme and the Vehicle Replacement Programme. The following new schemes are included in the programmes for approval to commence in 2014/15:

3.1.1 Network Upgrade (£100,000)

The network infrastructure and the Core and Edge switches are at the heart of the corporate network, providing access to the entire network and internet to the whole of the council. Our current Core and Edge Switches are coming to the end of their lives, an upgrade is therefore required to mitigate against the risk of network failure, as well as faster connectivity that the latest technology will provide.

3.1.2 Replacement Back-up and Disaster Recovery Solution (£37,000)

To replace our current tape backup solution with an online data store at our Disaster Recovery site 'Hermitage Leisure Centre'. This will reduce the risk of data loss from an old tape media device, and also terminate the need for a backup Disaster Recovery Contract.

3.1.3 Hermitage Recreation Ground – Astroturf Replacement (£140,000)

The existing surface was laid in 2000 with a life expectancy of 10 years. The carpet has an annual independent inspection and in March 2013 this identified that the pile had reduced from 14mm to 7.6mm. The fencing is also in poor repair despite regular and ongoing investment to maintain it. Due to the deterioration in quality, income has reduced by over 50% between 2008/09 and 2013/14 by replacing the Astroturf, the Council maintenance costs will reduce and also bring in extra income over the future years.

- 3.1.4 Hood Park Leisure Centre Fire Alarm Audit (£12,000)  
This was identified by William Saunders Partnership (WSP) when they undertook a condition survey in 2010. In Order to be BS5839 compliant, they advised that various emergency signs and break glass points needed replacing to improve their Ingress Protection Factor, that further detection be provided in the Sports Hall, Function Room, the outdoor pool plant and various corridors throughout the building. BS5839 is the Approved Code of Practice for the design, installation, commissioning and maintenance of fire detection and fire alarm systems
- 3.1.5 South Street car park Ashby Resurfacing (£22,500)  
The car park surface condition has deteriorated due to age and use, giving rise to the development of defects. Repairs are not economical neither practical. Resurfacing of the entire car park is required.
- 3.1.6 Hermitage Recreation Ground all weather pitch area car park (£11,500)  
Resurfacing of two access roads leading to the all weather Play area car park. Resurfacing is required to address the defects and add structural strength in order to preserve the road for the future.
- 3.1.7 Whitwick Business Centre – Central Heating System. (£150,000)  
The Current Central heating system is very old and does require expensive repairs on a regular basis. The optimum solution to avoid these expensive repairs on a regular basis is to replace the existing system with a new environment friendly central heating system
- 3.1.8 Caravan Site Appleby Magna – Fire Risk Scheme (£175,000)  
Following the recent completion of an updated Fire Risk Assessment of this asset, a number of items of remedial work have been identified. These include the need to address the spacing between some of the mobile homes, removal of combustible materials stored between plots and alterations to the access road layout. The implementation of these requirements is currently being planned for, and the provision of a prudent level of funding to address this is therefore considered essential.
- 3.1.9 Material Separating Technology – Linden Way Depot (£190,000)  
This was highlighted in the waste service review. Extra income could be generated by bringing in this technology to separate plastic and cans collected by our refuse department. This technology is widely available and used by other councils.

3.2 The General Fund capital programme (2014/15) will be funded by:

	£
S106	43,000
Internal Borrowing	1,239,000
Reserves	638,500
Revenue Contribution	149,300
Disabled Facilities Grants	224,000
	2,293,800

#### 4.0 COALVILLE SPECIAL EXPENSES – ESTIMATED OUTTURN AND INDIVIDUAL SCHEMES

4.1 The projected out turn for Coalville Special Expenses is £95,000 as detailed in Appendix A. This is £93,000 less than the approved budget of £188,000.

<b>Slippage from 2013/14 on:</b>	<b>£</b>	<b>£</b>
Coalville Park Improvements	14,000	
Melrose Road Play Hub	30,000	
Broomleys Allotments	6,000	
Urban Forest Park - Play equipment	40,000	
Owen Street -Floodlights	9,000	99,000
<b>Additional Approved Scheme in 2013/14:</b>		
BMX Cropston drive	10,000	10,000
<b>Schemes now identified as Slippage in the year</b>		
Scotlands Recreation Ground	-10,000	
Cropston Drive BMX Track	-42,000	
Thringstone Miners Social Centre	-5,000	
Urban Forest Park-Footway and drainage improvements	-30,000	
Owen Street - Changing Rooms	-115,000	
		-202,000
<b>TOTAL</b>		<b>-93,000</b>

4.2 Apart from the slippage shown above there are no new schemes planned for 2014/15.

#### 5.0 H.R.A. CAPITAL PROGRAMME 2014/15 - 2017/18 – INDIVIDUAL SCHEMES

5.1 The HRA Capital programme (Appendix “B”) covers in detail the capital schemes for the period 2014/15 to 2017/18.

5.2 Planned spend in 2014/15 and onwards mainly consists of

##### 5.2.1 Decent Homes Improvement Programme (DHIP)

The Decent Homes standard was introduced by the last Government to drive up the quality of social housing across the country. The standard sets a range of indicators for different elements of tenant’s homes. North West Leicestershire has the highest national level of predicted Non Decency on this assessment at 70%.

Government has set aside £2.1bn, out of which £0.6bn is ring fenced to new Stock Transfer gap funding and the remaining £1.5bn is available for councils, with over 10% of their stock non decent, to bid for. The Council bid was successful and it received £3.7m for 2012/13, with further funding of £8.5m for years 2013/14 and 2014/15 respectively.

The Decent Homes Improvement Programme for 2014/15 will invest £10.85 million in improving tenants' homes.

5.2.2 Housing Planned Investment Programme (HPIP)

In addition to delivering the Decent Homes Improvement Programme, there are a wide range of other investments required to maintain and enhance the housing stock and associated services and assets, which are outside the Governments definition of Decent Homes works. This part of the housing capital programme is funded from receipts from Council Housing sales (Right to Buy) and the annual transfer of a Major Repairs Allowance from the Housing Revenue Account.

**6.0 CAPITAL RESOURCES**

6.1 The resources estimated to be needed to finance the General Fund programme 2014/15 to 2017/18 total £5,763,200 as follows:

	£
2014/15	2,293,800
2015/16	1,122,300
2016/17	1,280,800
2017/18	1,066,300
<b>Total</b>	<b>£5,763,200</b>

6.2 Funding is in place in 2014/15 for the Disabled Facilities Grants Scheme (£546,300) consisting of £224,000 Disabled Facilities Grants, £173,000 of reserves and £149,300 of Revenue Contribution. The remaining schemes can be funded through either leasing or borrowing depending on value for money and provision has been made in the 2014/15 Revenue Budget.

6.3 With regard to the Fleet Replacement Programme, each year a number of vehicles either come to the end of their lease period or their lease extensions are reviewed. Each vehicle is reviewed based on its age, condition, mileage, potential risk of major repairs (due to being out of warranty) and a decision is made whether to extend the lease or replace the vehicle.

6.4 These decisions are made in the previous year in order to allow a suitable lead-in period from order to delivery in April, particularly for large items such as refuse vehicles. Many of these vehicles are built to order and these orders have to be placed before October for delivery the following April. Therefore, although they are actually acquired in April a commitment has to be made in the previous year.

6.5 In order to progress with the 2015/16 purchases approval is sought for the following vehicles:

	£
Refuse Vehicle and Kerbsider	450,000
Vans Small	12,000
Vans Medium	40,000
Vans Pickup	65,000
Tractor/Plant	50,000
	617,000

6.6 As far as the Coalville Special Expenses Programme is concerned, the following resources are available:

	£
Resources available as at 1st April 2013	151,289
S15 in 2013/14	10,000
S106 Funding	<u>139,842</u>
<b>Resources available to finance 2012/13 capital expenditure</b>	<b>301,131</b>
<u>Less:</u>	
Capital Programme Expenditure 2013/14	<u>94,798</u>
Resources available at 1st April 2014	206,333
<u>Add:</u>	
S106 Contributions for 2014/15	<u>0</u>
<b>Resources available to finance 2013/14 capital expenditure</b>	<b>206,333</b>
<u>Less:</u>	
Capital Programme Expenditure 2014/15	<u>202,047</u>
Resources available at 1 <sup>st</sup> April 2015	<u><b>4,286</b></u>

It can therefore be seen that there are sufficient resources to finance the Coalville Special Expenses Capital Programme as proposed.

- 6.7 The following resources are estimated to be available for financing the Housing Revenue Account Programme. A surplus of £613k can be carried forward to 2015/16.

Major Repairs Reserve Balance at 1st April 2013	2,961,000
Available Capital Receipts at 1st April 2013	1,230,000
RCCO	250,000
Major Repairs Allowance 2013/14	3,991,000
Decent Homes Funding 2013/14	<u>9,026,000</u>
Resources available to finance 2013/14 capital expenditure	17,458,000
<u>Less:</u>	
Used to finance HRA capital expenditure in 2013/14	<u>15,737,500</u>
Resources available at 1st April 2014	1,720,500
Contribution to Major Repairs Reserve 2014/15	3,991,000
Decent Homes Funding 2014/15	8,560,000
Revenue Contribution in 2014/15	490,000
Retained Right to Buy Receipts	203,618
Capital Receipts /Allowance	<u>325,000</u>
Resources available to finance 2014/15 capital expenditure	<u>15,290,118</u>
<u>Less:</u>	
Used to finance HRA capital expenditure in 2014/15	<u>14,676,667</u>
	<u>613,451</u>
Resources available at 1st April 2015	<u><u>613,451</u></u>



## **7.0 PROCUREMENT OPTIONS**

7.1 Where the authority is required to enter into a contract which has a value of £100,000 or more, Cabinet authority is sought prior to award of the contract. As Cabinet is considering the budgetary implications of the Capital Programmes, it is efficient for Cabinet to consider the award of subsequent high-value contracts at the same time. Cabinet is also asked to address a request for a waiver to the Contract Procedure Rules (CPR) for a particular selection of contract opportunities. Each will be considered in turn.

7.2 Although the procurement processes may be commenced sooner, the contract award will not take place before Council has approved the budget for the Capital Programmes. The authority's procurement documentation gives a right not to award a contract, should Council not approve the budget.

### **7.3 Hermitage Recreation Ground – Astroturf Replacement**

7.3.1 Further to paragraph 3.1.3 above, the existing surface has exceeded its life expectancy and needs replacing. Three options were considered: close the Astroturf facility, maintain in current state or replace. The current state of the surface makes it unattractive for paying users and will become increasingly dangerous. Closing the facility would result in a significant reduction in income and loss of a well used local leisure facility. Resurfacing the facility to the latest 3G specification would significantly increase demand for the facility by local sports clubs and lead to an increase in income for the authority through facility hire. External survey and benchmarking work carried out by the Football Association in 2013, identified that the authority should ideally have between three and four 3G pitches in order to satisfy local football demand. At present, the district only has one at Newbridge School.

7.3.2 To prevent vandalism and deterioration of the facility from use by unauthorised persons, a new more robust fencing structure will need to be erected. It has been determined that the two requirements (replacement surface and fencing) will be procured together as having one contractor will be more efficient for officers to manage and will minimise the risk of the surface being completed and left exposed while the fence is erected. It is likely that the successful bidder will sub-contract the fencing element of the contract and bidders will be made aware of the authority's desire to support local businesses.

7.3.3 Soft market testing indicates that the contract value would be approximately £140,000, which would be a Band D (Large) Contract under the CPR, requiring a full tender process to be followed. It is proposed to follow an open procedure (CPR 7.5 – 7.6), aiming for delivery in summer 2014. Bidders will be evaluated on the basis of 60:40 Quality: Price split.

7.3.4 Cabinet is asked to delegate award of the subsequent contract for replacement of the Hermitage recreation ground Astroturf surface to the Director of Services in consultation with the Corporate Portfolio Holder.

### **7.4 Refuse Vehicles and Kerbsider**

7.4.1 Further to paragraphs 6.3 - 6.5 above, as part of the Fleet Replacement Programme, replacements will need to be made to some of the vehicles in the Waste Services fleet. These have previously been purchased through an ESPO framework (in compliance with CPR 2.2.3), whereby ESPO undertake a mini-competition on behalf of the authority, to ensure that the price per vehicle represents value for money.

7.4.2 Cabinet is asked to delegate award of the subsequent contracts for refuse vehicles and kerbsider to the Director of Services in consultation with the Portfolio Holder.

## 7.5 Car Park Resurfacing

7.5.1 Further to paragraphs 3.1.5 and 3.1.6, the Council will need to resurface three car parks in the 2014-2015 financial year: South Street car park, Ashby de la Zouch, Hermitage Recreation Ground all-weather pitch car park and the Council Offices extension car park, Coalville (which was not included in the recent resurfacing works).

7.5.2 Where we are purchasing similar goods, works or services, we are under an obligation to aggregate the value so as to ensure, where that value is above the thresholds (for services contracts, the threshold is £172,514), the opportunity is advertised to potential European bidders. The aggregate value of these contract opportunities is £66,000, so below the thresholds which would require the authority to advertise the opportunity in Europe. At this value, it is a Band C contract requiring a request for quotation process be followed, pursuant to CPR 5.14.

7.5.3 To assist officers with scheduling the pre-procurement work and delivery of the resurfacing, Cabinet is requested to grant a waiver to the CPR so the contract opportunities can be disaggregated. Each contract would then be procured in accordance with CPR, according to its own value. This would bring all into Band B (Small) Contracts, requiring three written quotations be sought and opening up the opportunities in the first instance to suitable businesses registered on the Buy Local portal. If Members do not grant the waiver, it is not proposed that Cabinet approval will be sought in relation to award of the aggregated contract, as it is below delegated levels.

7.5.4 Pursuant to CPR 3.2, Cabinet is asked to grant a waiver to CPR 5.14 so that each of the three car park resurfacing programmes can be treated as individual contract opportunities and procured in accordance with the CPR, relating to their particular value. Cabinet is asked to delegate award of the subsequent contracts to the Director of Services in consultation with the Portfolio Holder.

## 7.6 Material Separating Technology – Linden Way Depot

7.6.1 Further to paragraph 3.1.9, Waste Services currently collect mixed plastic and cans and sell these on to generate income for the authority. A higher price can be obtained for separated material. It is proposed to purchase and install technology which separates the materials automatically.

7.6.2 There are three elements to this project and soft market testing has produced indicative pricing:

- Material Separation Machinery – the separation technology itself. Approximately £160,000.
- Covered storage bay – this would be to protect the equipment and materials from the elements. Approximately £20,000.
- Electrical improvements – the machinery would need an enhanced power supply and improvements to the current supply at Linden Way. Approximately £5,000 – 10,000.

7.6.3 The covered storage bay and the electrical improvements are low value and will be procured in accordance with the CPR as usual. Award of these contracts are within existing delegations to officers.

7.6.4 In relation to the machinery, this would be a Band D (Large) Contract under the CPR, requiring a full tender process to be followed. It is proposed to follow an open procedure (CPR 7.5 – 7.6), aiming for delivery to commence in winter 2014-15. Bidders will be evaluated on the basis of 60:40 Quality: Price split.

7.6.5 Cabinet is asked to delegate award of the subsequent contract for the material separation machinery to the Director of Services in conjunction with the Portfolio Holder.

7.7 Whitwick Business Centre – Central Heating System. (£150,000)

This work will be procured through the Property Services Framework Contract. As the contract value is expected to exceed £100,000 delegated authority is requested to award the contract. Cabinet is requested to delegate awarding this contract to the Chief Executive in consultation with the Corporate Portfolio holder.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

APPENDIX A

DRAFT GENERAL FUND CAPITAL PROGRAMME 2014/15 to 2017/18

SCHEME	2013/14	2013/14	2013/14	2014/15	2015/16	2016/17	2017/18	GRANTS/ S106 CONTRIB	VFM RESERVES	OTHER RESERVES	FUNDING RESERVES ASSET PROT FUND	REVENUE	LEASING OR BORROWING	SALIX LOAN
	ORIGINAL BUDGET	Actual @ Period 6	FORECAST nc 12/13 slippage)	£	£	£	£	£	£	£	£	£	£	£
	£	£	£	£	£	£	£	£	£	£	£	£	£	£
<b>CHIEF EXEC DIRECTORATE</b>														
Network Upgrade	-	-	-	100,000	-	-	-	-	-	-	-	-	100,000	-
SAN and Virtual server replacement	142,000	115,200	146,600	-	-	-	-	-	-	-	-	-	146,600	-
User Work Station Replacement	60,000	-	120,000	-	-	-	-	-	-	-	-	-	120,000	-
CRM Software	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Improving Customer Experience Project (ICE)	-	-	187,000	-	-	-	-	-	68,000	35,000	-	49,000	35,000	-
Waste management System (ICE)	-	-	95,000	-	-	-	-	-	95,000	-	-	-	-	-
Payroll Software	-	3,400	20,000	-	-	-	-	-	20,000	-	-	-	-	-
Replacement backup and disaster recovery solution	-	-	-	37,000	-	-	-	-	-	-	-	-	37,000	-
<b>DIRECTOR OF SERVICES</b>														
Disabled Facilities Grants	373,300	183,200	467,871	546,300	373,300	373,300	373,300	1,124,717	-	262,854	-	746,500	-	-
Refuse Vehicles and Refuse Kerbsider *	545,000	518,800	518,800	340,000	450,000	310,000	315,000	-	-	-	-	-	1,933,800	-
Box van	-	-	-	-	-	-	70,000	-	-	-	-	-	70,000	-
Sweeper *	112,000	115,500	115,500	50,000	-	120,000	80,000	-	-	-	-	-	365,500	-
Market Vehicles/Cars	-	-	-	20,000	-	15,000	-	-	-	-	-	-	35,000	-
Vans Small *	-	-	-	35,000	12,000	40,000	-	-	-	-	-	-	87,000	-
Housing Vans	41,000	41,600	41,600	-	-	-	-	-	-	-	-	-	41,600	-
Vans Medium *	-	-	-	15,000	40,000	30,000	105,000	-	-	-	-	-	190,000	-
Vans Pickup *	-	-	-	100,000	65,000	-	50,000	-	-	-	-	-	215,000	-
Bin Lifter *	-	-	-	-	-	20,000	-	-	-	-	-	-	20,000	-
Digger *	-	-	-	65,000	-	-	-	-	-	-	-	-	65,000	-
Chipper machine	-	-	-	20,000	-	-	-	-	-	-	-	-	20,000	-
Tractor / Plant	-	-	-	-	50,000	250,000	-	-	-	-	-	-	300,000	-
Mowing machines	52,000	44,800	44,800	-	-	50,000	-	-	-	-	-	-	94,800	-
Hood Park Leisure Centre - Pool Changing Rooms	25,000	-	25,000	-	-	-	-	-	-	-	-	-	25,000	-
Hood Park Leisure Centre - Studio Air Con	15,000	12,000	12,000	-	-	-	-	-	-	-	-	-	12,000	-
Hermitage Recreation Ground - Astroturf Replacement	-	-	-	140,000	-	-	-	-	-	-	-	-	140,000	-
Hermitage Leisure Centre - Regrouting Pool	-	-	-	-	-	-	23,000	-	-	-	-	-	23,000	-
Hood Park Leisure Centre - Fire Alarm Upgrade	-	-	-	12,000	-	-	-	-	-	-	-	-	12,000	-
Hood Park Leisure Centre - Upgrade Outdoor Pool Electrics	-	-	-	-	-	20,000	-	-	-	-	-	-	20,000	-
Hood Park Leisure Centre - Replace Outdoor Learner Pool Boiler and Pipework	-	-	-	-	-	-	10,000	-	-	-	-	-	10,000	-
Hood Park Leisure Centre - Replace Office and Function Room Air Con	-	-	-	-	-	-	25,000	-	-	-	-	-	25,000	-
Fitness Equipment	62,000	59,900	61,000	-	-	-	-	-	-	-	-	-	61,000	-
Hood Park Leisure Centre - Outdoor Pool Change Roof Replacement	-	-	-	-	15,500	-	-	-	-	-	-	-	15,500	-
Coalville Park - Replace Building	-	-	-	-	30,000	-	-	-	-	-	-	-	30,000	-
Council Offices Access & Main CP, C'ville, Resurfacing.	49,500	-	49,500	-	-	-	-	-	-	-	-	-	49,500	-
Council Offices Ext'n CP, C'ville - Resurfacing.	32,000	-	-	32,000	-	-	-	-	-	-	-	-	32,000	-
Market Hall CP, C'ville - Resurfacing.	64,500	-	-	64,500	-	-	-	-	-	-	-	-	64,500	-
South Street Car Park, Ashby - Resurfacing.	-	-	-	22,500	-	-	-	-	-	-	-	-	22,500	-
Hermitage Rec Grounds AWP Area Access, Whitwick -Resurfacing.	-	-	-	11,500	-	-	-	-	-	-	-	-	11,500	-
North Street Car park, Ashby - Resurfacing	-	-	-	-	41,500	-	-	-	-	-	-	-	41,500	-
Hermitage Leisure centre Car Park Resurface (Section of)	-	-	-	-	15,000	-	-	-	-	-	-	-	15,000	-
Hermitage Recreation Grounds, Whitwick, All Weather Play Area Car Park.	-	-	-	-	-	2,500	-	-	-	-	-	-	2,500	-
Silver Street Car Park, Whitwick - Resurface (original main public car park section).	-	-	-	-	-	50,000	-	-	-	-	-	-	50,000	-
Hood Park Leisure Centre - Car park	-	-	-	-	-	-	15,000	-	-	-	-	-	15,000	-
Lighting Scheme at Leisure centres - SALIX	36,000	31,800	31,800	-	-	-	-	-	-	-	-	-	31,800	-
Coalville Market Upgrade	100,000	-	-	168,000	-	-	-	43,000	72,430	52,570	-	-	-	-
Market Hall Wall	-	-	-	-	30,000	-	-	-	-	-	-	-	30,000	-
Whitwick Business Centre - Central Heating System	-	-	-	150,000	-	-	-	-	-	150,000	-	-	-	-
Caravan Site - Appleby Magna, Fire Risk Scheme	-	-	-	175,000	-	-	-	-	-	-	-	-	175,000	-
Materials Separating Technology - Linden Way Depot	-	-	-	190,000	-	-	-	-	190,000	-	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>1,779,300</b>	<b>1,126,200</b>	<b>1,936,471</b>	<b>2,293,800</b>	<b>1,122,300</b>	<b>1,280,800</b>	<b>1,066,300</b>	<b>1,167,717</b>	<b>445,430</b>	<b>500,424</b>	<b>-</b>	<b>795,500</b>	<b>4,790,600</b>	<b>-</b>

\* Indicates 2015/16 Vehicle Replacement Programme of £617,000

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

APPENDIX A

**DRAFT GENERAL FUND CAPITAL PROGRAMME 2014/15 to 2017/18**

SCHEME	2013/14	2013/14	2013/14	2014/15	2015/16	2016/17	2017/18	GRANTS/ S106 CONTRIB	VFM RESERVES	OTHER RESERVES	FUNDING		REVENUE	LEASING OR BORROWING
	ORIGINAL BUDGET	Actual @ Period 6	FORECAST nc 12/13 slippage)	£	£	£	£				RESERVES ASSET PROT FUND	£		
<b>COALVILLE SPECIAL EXPENSES</b>														
Coalville Park Improvements		-	14,000					14,000						
Melrose Road Play hub		28,000	30,000									30,000		
Cropston Drive BMX Track	32,047	-	-	42,047				25,000				7,047	10,000	
Broomleys Allotments		1,400	5,798									5,798		
Thringstone Miners Social Centre	5,000	-	-	5,000								5,000		
Urban Forest Park - Play Equipment	31,000	-	41,000					41,000						
Urban Forest Park - Footway and Drainage improvements	-	-	-	30,000				30,000						
Scotland's Recreation Ground	80,000	-	-	10,000								10,000		
Owen Street Floodlights Upgrade/Extension	10,000	3,100	4,000					-				4,000		
Owen St - Changing Rooms	30,000	-	-	115,000				30,000				85,000		
	<b>188,047</b>	<b>32,500</b>	<b>94,798</b>	<b>202,047</b>	-	-	-	<b>140,000</b>	-	-		<b>146,845</b>	<b>10,000</b>	-

	Notes	2013/14 Approved Programme	2013/14 Revised Programme Jan 2014	2014/15	2015/16	2016/17	2017/18
<b>2012-17 DHIP Programme</b>							
Year 1 programme slippage (including Major Aids & Adaptations completed under DHIP)			1,192,450				
Year 1 Programme Additional costs			-				
HCA Funded Properties (90% of pre 2012 failures)		8,500,000	9,026,000	8,560,000	-	-	-
NWLDC Funded Properties (10% + post 2012 failures)	Post 2015/16 as per PIMSS	1,417,000	1,376,000	1,426,667	4,500,000	4,500,000	4,500,000
Major Aids & Adaptations completed under DHIP			453,000				
Enabling Works Provision	Works in addition to core DHIP spec which are essential to complete jobs.	415,000	415,000	415,000	132,000	132,000	132,000
Enabling Works for Decants	Including decs/soft furnishing and decant allowance	30,000	30,000		-	-	-
Asbestos Handling	Disposal of asbestos, following R&D asbestos surveys	450,000	450,000	450,000	50,000	50,000	50,000
Year 3 Scoping Surveys	Assumed cost £164 per survey	225,000	267,000				
Year 4 Scoping Surveys	Assumed cost £164 per survey. Year 1-4 scoping surveys = 4,475 = total stock.						
<b>2012-17 HPIP Programme</b>							
Fire Risk Assessment Remedial Works	Includes provision for fire risk assessment work, including doors, signage, external openings.	80,000	35,500	40,000	40,000	40,000	40,000
Lift Replacement	6 lift replacements at Sheltered Schemes	300,000	-	300,000			
Fire Alarm / Emergency Lighting	Sheltered scheme & communal flats emergency lighting and fire alarm upgrades	340,000	146,000	194,000			
Communal Boilers	4 schemes + Woulds/Cherry Tree	146,000	80,000				
Measham (Riverway) Staircases	Reinforced concrete communal staircase remedial works	60,000	32,000				
Defective floor slabs (red ash floors)/Damp proofing (loughborough rd and other identified in year)	Assumption of average of 25 properties p.a. @ £6k each. Loughborough rd - 17 properties, other - 15 properties pa £2.5k each. Budget originally intended for chemical injection, likely that other remedial works will be completed instead within same budget provision	422,500	300,000	310,000	187,500	187,500	187,500
Fuel swaps (solid fuel to gas supply)	Energy company rebate on fuel swaps income = £12k estimate	67,000	67,000	78,000	25,000	25,000	25,000
In Year Priorities	No current provision held			-	-	-	-
Garage Modernisation	One off £100k provision for demolitions, resurfacing & lighting works	50,000		100,000	-	-	-
Carbon Monoxide Detectors	Potential delivery through solid fuel servicing contractor as will not exceed CV by more than 50%	15,000	15,000	-	-	-	-
DH Works in Voids and Tenanted Properties	Additional provision added 13/14 to reflect historic expenditure trends	1,455,000	850,000	850,000	850,000	850,000	850,000

Major Aids & Adaptations	Expenditure on flat floor shower on DHIP needs a virement of additional costs over standard bathroom to be transferred out of this budget where there is not an active A&A referral @ an approx cost of £1200 pp	380,000	140,000	380,000	350,000	350,000	350,000
Development Site Preparations	Related to decommissioned sheltered schemes. £20k, provision left in for 12/13 for rebuilding wall at Heather House	40,000	40,000	40,000	-	-	-
Insulation Works	Principally external wall works. External grant income anticipated.	525,000	-	660,000	-	-	-
Green & Decent Installations	Pilot costs for 2013/14, recurring budget requirement from 2015/16 for ongoing programme. External grant income anticipated.	125,000	-	125,000	250,000	250,000	250,000
IBS Upgrade (Contract Module)	Provision for repairs data requirements required to support implementation of repairs diagnostics and mobile working. Moved from 2012/13 to 2013/14.	25,000	25,000				
Dynamic Scheduling	Required for Mobile Working (Dynamic Scheduling) project.	34,550	34,550				
Speech Module	Replacement of speech module equipment in hard wired older persons accommodation.			50,000	50,000	50,000	50,000
Capital Programme Delivery Costs	Includes Decent Homes Improvement Programme contingency	763,000	763,000	698,000	623,000	623,000	623,000
Unallocated/Contingency	Contingency prior to 2015/16 incorporated into individual budget lines. For 2015/16 onwards separate provision held to ensure adequate capacity available to meet in years needs as and when identified.			-	500,000	500,000	500,000
<b>Capital Allowances</b>							
Programme to be defined	Review of income from asset disposals will determine capacity within this budget. Potential option of funding works within Other Investment category from this source						
<b>Total Programme Costs</b>		<b>15,865,050</b>	<b>15,737,500</b>	<b>14,676,667</b>	<b>7,557,500</b>	<b>7,557,500</b>	<b>7,557,500</b>
<b>Funding</b>							
A&A Grant Usable balances held @ 31/03/12		2,913,000	4,008,000	1,720,500	613,452	625,296	608,796
Retained Right to Buy Receipts (RTB)	Based on projections from Spreadsheet agreed on 01/11/2012. Target/estimate to be used one year in arrears.	174,000	143,000	203,618	228,344	200,000	200,000
RCCO	Balancing transfer from HRA to be verified through HRA Business Plan Model.	250,000	250,000	490,000	3,250,000	3,250,000	3,250,000
Decent Homes Backlog Funding		8,500,000	9,026,000	8,560,000	-	-	-
Major Repairs Allowance	More detailed work to be undertaken as part of HRA Business Planning and in reference to HRA component depreciation.	3,991,000	3,991,000	3,991,000	3,991,000	3,991,000	3,991,000
Asset Disposals (Capital Allowance)	Income from sale of HRA (non RTB) assets. Target/estimate to be used one year in arrears. (Includes Broughton Street District Heating building).	65,000	40,000	325,000	100,000	100,000	100,000
<b>Total Funding</b>		<b>15,893,000</b>	<b>17,458,000</b>	<b>15,290,118</b>	<b>8,182,796</b>	<b>8,166,296</b>	<b>8,149,796</b>
<b>Cumulative Over / (Under Resource)</b>		<b>27,950</b>	<b>1,720,500</b>	<b>613,452</b>	<b>625,296</b>	<b>608,796</b>	<b>592,296</b>

## **CABINET**

**11 FEBRUARY 2014**

### **ITEM 7 – CAPITAL PROGRAMME GENERAL FUND – COALVILLE SPECIAL EXPENSES AND HOUSING REVENUE ACCOUNT (H.R.A.) PROJECTED OUTTURN 2013/14 AND PROPOSED PROGRAMME 2014/15 TO 2017/18**

#### **UPDATE TO SECTION 5 – H.R.A. CAPITAL PROGRAMME 2014/15 – 2017/18 – INDIVIDUAL SCHEMES**

Preparations for the delivery of the 2014/15 Decent Homes Improvement Programme have identified two issues which could have an impact on the 2014/15 Capital budget and related reports on this agenda.

#### **1. Cost of Completing 2014/15 Decent Homes Improvement Programme**

The Decent Homes Improvement Programme delivery contractors (Kier and Lovell) have produced a price for the completion of the improvements we have specified to the 1561 tenants homes currently contained within the 2014/15 programme. Due to a number of factors, this price exceeds the draft 2014/15 Capital budget allocation by £1.874 million.

The principal reasons for this are -

- Asbestos removal costs are higher than projected due to a higher volume of properties with asbestos that requires treating.
- Inflationary increases have been applied by the contractors in some areas and provisions in specific commodities and trades price increases have been factored in (these prices were fixed for 2012/13 and 2013/14).
- Higher roofing costs due to an increase in the volume of roof replacements and the types of roof requiring work being of a more complex nature.
- A significant increase in the proportion of properties potentially requiring a Flat Floor Showers, which are offered to all Older Persons' designated properties in lieu of a bathroom replacement.

We are currently conducting a Value For Money assessment of the prices received to ensure they reflect current market rates. This will be completed through use of the Homes and Communities Agency benchmarking data for the works costs of all Councils delivering Decent Homes Backlog Funding works.

There are a range of options available to secure the funding required to complete this work, and these need to be evaluated in a considered way before a recommended way forward can be proposed to Members. It is intended that this will be completed and a report addressing the financial and budget implications will be submitted to the next meeting of Cabinet, in March 2014, for consideration and referral on to Council if appropriate.

External advice is currently being sought on the most appropriate way to maintain continuity of workload for the contractors and avoid any potentially unnecessary costs being incurred. Subject to that advice, it is intended to issue an order to the contractors to complete the first 800 properties in the 2014/15 programme (400 to Kier and 400 to Lovell), with the remainder



to be confirmed once the funding sources have been determined. This approach would commit £6.48 million of the draft budget (£10.85 million). The remaining budget would not be committed until the further report had been considered by Members in March.

## **2. Number of Non Decent Properties**

Following Cabinets approval to appoint Savills as our stock condition survey consultants in September 2013, an assessment of the required works to the properties in the 2014/15 programme has been completed. In addition the properties we believed from historic data were already at the Decent Homes standard have also been surveyed making a total of 2100 surveys.

Analysis of the outputs from these surveys has identified that 296 properties from the 800 surveyed do not meet the Decent Homes standard. This was a known risk, as a proportion of the properties considered to be Decent were assessed on the basis of data from surveys of other neighbouring/similar properties. There is no contractual obligation to the Homes and Communities Agency as part of their grant funding agreement for the Council to complete these additional properties next year, and the additional cost of completing the work in 2014/15 has been estimated to be £2.4 million based on the average unit costs submitted by the contractors for the 2014/15 programme.

Cabinet will recall that the decision to commission a survey of these homes was taken to verify that our historic data was accurate, and it was anticipated that additional Non Decent homes may be identified as part of this process. Cabinet will consider the financial implications of these properties being brought up to the Decent Homes Standard at a future meeting.

## **3. Way Forward**

Officers are currently evaluating the various options available regarding the timing and funding for completing improvement work to these tenants homes, and will report back in detail on these matters to the next meeting of Cabinet on 4 March 2014.

If significant changes are required to the Capital Programme approval would be also required from Council on 25 March 2014. It is also possible that Cabinet and Council would need to make amendments to the Treasury Management Strategy Statement 2014/15 and potentially the Housing Revenue Account budget if additional funding is provided from revenue resources.

## **SUPPLEMENTARY RECOMMENDATION**

**That Cabinet notes the two issues relating to the available budget for the 2014/15 Decent Homes Improvement Programme, and the recently identified additional number of non decent homes, and agrees to receive a further report detailing the implications for the 2014/15 Capital Programme at the Cabinet meeting on 4 March 2014.**