

HOUSING REVENUE ACCOUNT

KEY ISSUES – CAPITAL OUTTURN 2014/15

The spend for the year is **£30,225,000**. This can be compared with the budgeted figure for 2014/15 of **£34,929,000** resulting in an under spend of **£4,704,000**, which represents a percentage under spend against budget of **13.5%**.

SIGNIFICANT ISSUES FOR THE HOUSING REVENUE ACCOUNT (HRA)

The **SIGNIFICANT** key issues for the HRA are:

Well Maintained Communal Facilities

HRA 1 – Ventnor Court Central Core Refurbishment (under spend £108,000)

This project has been completed under budget

The final bill for this project has now been paid and the final expenditure is lower than anticipated. This is due, in part, to specification changes to the scheme at the start of 2014/15 which reduced the overall cost.

MAJOR ITEMS of SLIPPAGE/RE-PHASING

The major items of slippage/re-phasing are:

Estate Regeneration

HRA 2 - Townhill Park: Site Assembly (slippage £110,000)

There have been fewer early leaseholder purchases than anticipated.

The budget for this Estate Regeneration scheme provides for Phase 2 & 3 leasehold properties to be purchased early where there is an opportunity to do so. As this is opportunity led, the actual numbers and costs are hard to predict and the final number becoming available during the year was less than that allowed for.

HRA 3 – Townhill Park: Design and Contract P1, 2 & 3 (slippage £169,000)

Design works were not completed by the end of the financial year.

Design work carried out by external consultants for the Townhill Park Estate Regeneration scheme was not completed by the end of the financial year. The remaining budget is to be slipped to cover the cost of the remaining design work to be carried out in 2015/16. This work will be completed for the planning application due to be submitted in August 2015.

New Build

HRA 4 – Erskine Court Rebuild (slippage £675,000)

A revised schedule has been agreed for this scheme.

A change request for this scheme was agreed, at the Housing Capital and Projects Board on 27th February 2015, to slip the budget by £719,000 to reflect the latest forecast of when contract payments would be due. Work is now progressing slightly ahead of the revised schedule and work valued at £44,300, profiled for 2015/16, was completed in year. The scheme is still on target for completion in the summer of 2016.

Safe Wind and Weather Tight

HRA 5 – HRA Business Case Resources (slippage £378,000)

There were corporate delays impacting on the Transformation Project.

The Housing Transformation Project is progressing. However, significant funding was set aside, as part of the business case, for the roll out of mobile working within the Division and other IT developments such as the Customer Portal and Online Forms. Due to corporate delays in delivering IT projects as part of the wider transformation programme, the Housing element of the costs have not yet been incurred.

HRA 6 – Golden Grove Balconies (slippage £156,000)

The balcony repair work will now be carried out in 2015/16.

Initial investigative work has been carried out to resolve balcony defects. However, due to the complexity of the structural issues identified, this has taken longer than anticipated. The work to repair the balconies is now underway.

HRA 7 – Electrical Riser Upgrades (slippage £448,000)

There was a delay to the start of heating replacement works.

To avoid inconvenience to residents at Wyndham Court, the replacement of landlord electrical heating systems was postponed until May when the communal heating is switched off. This ensured residents were not left without heating when it might be needed.

HRA 8 – Roof Finish – Flat (forward re-phasing £123,000)

There have been additional costs due to the retendering of work.

The original tender issued did not include correct leaseholder requirements. The subsequent re-issue of the tender has resulted in unforeseen expenditure. However, the additional costs can still be met from the overall budget for the scheme.

HRA 9 – Supported Housing 2 Storey Walkway Repairs (forward re-phasing £999,000)

Work originally planned for 2015/16 was brought forward.

Work on elements of this programme has been brought forward from 2015/16 to compensate for delays caused by the insolvency of the original supplier. This will ensure continuity of the programme and prevent further delays to tenants and costs incurred in scaffolding some blocks ensuring that unit costs remain similar.

Modern Facilities

HRA 10 – Housing Refurbishment – West – Drew Smith (forward re-phasing £189,000)

Refurbishment work planned for 2015/16 was started early.

The delivery of refurbishment work on 415 kitchens and 431 bathrooms was completed earlier than anticipated, allowing work to start early on the planned programme for 2015/16.

HRA 11 – Supported Kitchen – Current (slippage £300,000)

Less work was allocated than expected during the year.

There have been issues correctly predicting the actual expenditure incurred due to system changes within Housing Operations. This has resulted in less work being allocated than expected for 2014/15. Work completed includes 184 kitchens, 91 standard bathrooms and 24 level access showers. The budget will be slipped to support further works in 2015/16.

HRA 12 – Housing Refurbishment – East Mitie Property Services (slippage £466,000)

There was slippage due to lower uptake from residents.

The reduction in spend in the current year was due to the number of refusals received despite considerable efforts to encourage residents. As a result, work completed was lower than anticipated.

A change request for this scheme was agreed, at the Housing Capital and Projects Board on 27th February 2015, to slip £379,000 into 2015/16. £227,000 of this budget was moved to the Housing Refurbishment Programme West to allow all Neptune Court kitchens to be replaced one year earlier than planned and £152,000 was agreed slippage to 2015/16, which will enable some residents to have their kitchen / bathroom refurbished one year early. There is also further slippage at year end of £86,500, which is again due to the number of refusals.

HRA 13 – Temporary Homeless Accommodation (slippage £88,000)

Final payments are outstanding for this scheme.

The slippage relates to the final payments for this project. The retention sum is expected to be released in 2015/16 following final inspection of the work carried out.

Well Maintained Communal Facilities

HRA 14 – Lift Refurbishment (slippage £244,000)

There has been a delay in the commencement of these works.

A change request for this scheme was agreed, at the Housing Capital and Projects Board on 27th February 2015, to slip lift refurbishment budgets by £235,000 due to delays with the commencement of the works at Sarnia and Manston Court. The contractor is now on site and works are due to be completed by the end of July 2015.

HRA 15 – DN: Millbrook Towers Improvements (slippage £131,000)

A supplier invoice payment just missed inclusion in 2014-15 accounts

A supplier invoice for £101,000 has been paid early in the New Year after just missing the deadline for being included in 2014/15.

HRA 16– Small Blocks Communal Works (slippage £122,000)

There was a delay in the start of the Lundy Court Scheme.

As work on the Lundy Court Scheme has been delayed, due to asbestos issues, the project was still at the design stage at the end of March 2015.

HRA 17 – THP Phase 2 MacArthur/Vanguard (slippage £252,000)

There has been a lower level of fees for this scheme.

This slippage is due to consultants having completed 43% of the work ordered, compared to a budget assumption that 60% of the work would be completed by year end.

HRA 18 – DN: Shirley (slippage £458,000)

The budget will be slipped pending a review of outstanding work.

Although a significant value of work (over £1,000,000) was completed, there was an under spend in the year of £458,000 against the approved budget. This was due, in part, to the repercussions of the Howard's Grove explosion. As work is still needed in the Shirley area, a review will be carried out to ascertain whether there will be any savings in the budget.

HRA 19 – Weston Court Communal Works (slippage £136,000)

There was slippage due to design changes.

There are outstanding design change issues to be resolved with the consultants, which have resulted in a change to the phasing of the programme. All of the expenditure is now expected to be incurred in 2015/16 but the project will still be completed within the original programme.

HRA 20 – Estate Parking Improvements (slippage £180,000)

There were delays due to construction issues.

There have been a range of construction issues resulting in a delay in work on four of the five sites outlined in this programme. At the year end this project was 72% complete.

Warm & Energy Efficient

HRA 21 – Energy Efficiency Works (slippage £609,000)

There has been a delay in the Energy Companies' Obligation (ECO) Programme.

A delay in the start of the ECO programme has resulted in an under spend on the budget for 2014/15. Work will start in Summer 2015.

HRA 22 – External Wall Insulation – Kingsland Estate (slippage £134,000)

Final payments are outstanding for this scheme.

The work on insulation on the Kingsland Estate has been completed. The slippage relates to the final payments, which are being held pending inspection of a wider programme of works.

HRA 23 – Thornhill District Heating Scheme (slippage £300,000)

Expenditure for 2014/15 has been grant funded.

The capital budget is being slipped as expenditure for 2014/15 was treated as revenue and was funded by a grant received as part of the ECO programme. The capital element of the funding is expected to be spent in 2015/16.