

## BOROUGH OF KETTERING

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<b>Report Originator</b>	Mark Dickenson - Head of Resources John Conway - Head of Housing	Work Programme	
<b>Wards Affected</b>	All	12 <sup>th</sup> December 2018	
<b>Title</b>	<b>CAPITAL PROGRAMME AMENDMENTS</b>		

**Portfolio Holder: Cllr L Bunday, Cllr M Rowley**

### **1. PURPOSE OF REPORT**

In accordance with the Council's Constitution, this report seeks Council's approval for changes to the General Fund and HRA capital programme.

### **2. INFORMATION**

- 2.1 Following the Executive meetings on the 17<sup>th</sup> October and the 14<sup>th</sup> November a number of recommendations were made to Council for amendments to both the General Fund and HRA Capital Programmes, Members may wish to refer to these reports considered by the Executive Committee.
- 2.2 The Council's Corporate Plan includes the ambitious programme of council house building as a key priority in achieving sustainable growth across the borough. To support this strategy, budgets to support some of the key projects were taken to the Executive Committee for consideration.
- 2.3 The Executive at the meeting held on the 17<sup>th</sup> October recommended amendments to the HRA capital programme to facilitate the new build schemes at Scott Road and Albert Street and for a land acquisition at Stamford Road. The Executive also recommended changes to the General Fund Capital programme for pre-contract works on the Willow Close and Lawrence's sites.
- 2.4 Kettering Borough Council's flagship housing refurbishment project, Homes for the Future, aims to improve existing older council housing so that it continues to be fit-for-purpose, easy-to-let and require lower maintenance over the long term.
- 2.5 The total Capital Budget for Montrose House (Block A) was £1,900,000. The cost of the project increased by £480,000 to £2,380,000. This was mainly due to additional works that were required following changes to the original specification and works that were identified after initial demolition and opening up works were undertaken.
- 2.6 The Montrose House project is the largest refurbishment scheme the Council has undertaken for many years. When refurbishing existing buildings of this age it is inevitable that the need for additional works will be identified throughout the project. The scale of the variations on this project reflects the fact that the Council

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has been dealing with a building that is more than 90 years old. The Council has ensured that the issues encountered throughout the Block A project have been learnt from and reflected in the specification for Block B.

- 2.7 At the Executive meeting on the 14<sup>th</sup> November 2018 the Executive committee recommended variations to the Homes for the Future projects at Hampden Crescent for Montrose House (Block A) and Hamilton House (Block B).
- 2.8 Since 22<sup>nd</sup> November 2017, Kettering Borough Council has been working closely with Corby Borough Council to create a shared service to deliver the street scene function across both geographical areas. In order to facilitate this there is a requirement to buy the grounds equipment for use over the wider area which the Executive considered at the November meeting and have recommended to Council for approval.
- 2.9 To comply with financial regulations and the Council's Constitution, any change to the capital programme greater than £250,000 needs to be recommended to full Council for approval. The changes to the 2018/19 Capital programme for which Council approval is required are summarised in Table 1.

<b>Table 1 – Capital Programme Changes 2018/19</b>			
	Current Budget 2018/19	Changes to the 2018/19 Capital Programme	Proposed Budget 2018/19
	£000	£000	£000
<b>HRA Capital Changes</b>			
Scott Road	2,753	151	2,904
Albert Street	0	827	827
Montrose House (Block A)	454	480	934
Stamford Road Acquisition	0	210	210
<b>General Fund Capital Changes</b>			
Pre Contract Works	0	200	200
Street Scene – Grounds Equipment	0	322	322

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Financed by:			
HCA	630	(630)	0
1-4-1 Receipts	0	1,119	1,119
Capital Receipts	454	480	934
Prudential Borrowing (HRA)	2,123	489	2,612
Prudential Borrowing (GF)	0	732	732

2.10 The HRA capital programme currently contains provision for Hamilton House of £700,000 in 2018/19 and £1,000,000 in 2019/20. This was based on indicative cost estimates prior to a tender process. Based on the costs contained in the recommended tender, this project now requires additional provision of £404,000 to be made within the indicative HRA capital programme for 2019/20. The changes required are set out in table 2.

<b>Table 2 – Capital Programme Changes 2019/20</b>			
	Indicative Budget 2019/20	Changes to the 2019/20 Capital Programme	Proposed Budget 2019/20
	£000	£000	£000
<b>HRA Capital Changes</b>			
Hamilton House (Block B)	1,000	404	1,404
Financed by:			
Existing Revenue Contributions / Capital Receipts	1,000	404	1,404

### **3. POLICY IMPLICATIONS**

3.1 None arising from this report.

### **4. CONSULTATION AND CUSTOMER IMPACT**

4.1 None arising from this report.

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### 5. FINANCIAL RESOURCE IMPLICATIONS

5.1 The financial implications are outlined in the report.

### 6. HR IMPLICATIONS

6.1 None arising from this report

### 7. LEGAL IMPLICATIONS

7.1 The legal implications are outlined in the report.

### 8. RECOMMENDATION

8.1 That the changes to the Council's Capital Programme as outlined in 2.9 and 2.10 be approved.

#### Previous Reports/Minutes:

Ref: 18.EX.38

Date: Executive 17<sup>th</sup> October 2018

Ref: 18.EX.49, 18.EX.50

Date: Executive 14<sup>th</sup> November 2018