

APPENDIX -

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 29TH NOVEMBER 2011

Title:

HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME 2011-12 UPDATE

**[Portfolio Holders: Cllrs Mike Band and Keith Webster]
[Wards Affected: All]**

Summary and purpose:

This report is to advise the Executive of the latest anticipated position on the HRA capital programme for 2011-12

How this report relates to the Council's Corporate Priorities:

Maintaining the Council's housing stock through the HRA capital programme maintains the supply of affordable housing and through this helps to improve lives.

Equality and Diversity Implications:

There are no direct equality and diversity implications relating to this report.

Resource/Value for Money implications:

This report deals with the letting of new contracts that will produce savings or enable more work to be carried out more effectively on council dwellings

Legal Implications:

There are no direct legal implications relating to this report.

Introduction and Background

1. The Council has been carrying out a major procurement exercise, re-letting the majority of the contracts for major works on its housing stock. The work was divided into 10 lots and 8 of these lots have now been awarded to the successful bidders.
2. The HRA Capital Programme for 2011-12 had anticipated that new contracts would be in place before the final quarter of the year and much of the planned programmes of work had been scheduled for the last quarter of the year to achieve the savings that were anticipated as part of the retendering exercise..
3. The procurement process has taken longer than originally projected due to the volume of work required to undertake such a large project and the importance of ensuring that the process was robust and would achieve best

value for money for the Council and its tenants. The Executive received a comprehensive report on this on 4 October and contract award notices were issued on 5 October 2011, later than anticipated.

4. Pre-contract discussions have started with the successful contractors and it has been agreed to prioritise the Responsive Repairs and Void and Gas and Home Safety contracts because these are the most complex contracts and they will affect the most customers. These contracts are due to start in February and March. The provisional dates that have been agreed so far for the start of the planned Capital contracts are during April 2012. For some types of work, current contracts are now expiring and it will not be cost effective to procure work in the short term when much better opportunities will exist within the new contracts starting in April.
5. It is therefore estimated that the HRA Capital Programme for 2011-12 will have approximately £1m of spending slippage into 2012-13 mainly for kitchen and bathroom renewal and for heating upgrades.

Windows and Doors

6. The contract for replacement windows and doors has yet to be awarded which also means that no planned work will be carried out in the current year. The estimated spending on this is included in the £1m above. It is likely that the contract for this work will be retendered.
7. Tenders were recently invited for a small one-off contract to replace windows and doors at Wyatts Close, Godalming that are of a specialised nature. The guideline price was prepared by a supplier of specialist windows who unfortunately did not pre-qualify to tender. Bids subsequently received have all been in excess of the guideline by some £30k due mainly to the range of trades involved and the required management of those trades. Your officers now seek authority to proceed with the most competitive bid. The additional resource could be allocated from the proceeds of open market sales of properties formerly owned by the HRA which so far amount to some £790,000 in 2011-2012.

Recommendation

It is recommended that

1. the likely slippage of £1m on the HRA 2011-12 Capital Programme into 2012-13 be noted; and
2. the additional resource of £30,000 for the replacement doors/windows at Wyatts Close be approved, to be funded from the proceeds of open-market sales of HRA properties.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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