

CYNGOR SIR POWYS COUNTY COUNCIL

**Powys County Council
8th March 2018**

**REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance**

**SUBJECT: Capital Virements in respect of the Housing Revenue
Account**

REPORT FOR: Decision

1. Summary

1.1 This report is to request capital virements in respect of the Housing Revenue Account. The impact of the proposals detailed below will transfer £7.64m from the current financial year into 2018/19.

2 Roll forward of £1.29m into financial year 2018-2019 of the HRA Non Traditional Properties budget;

2.1 External Wall Insulation (EWI) - Initially there was a 4 month delay in procuring the EWI works and they were eventually awarded in July 2017. Two events during June and July also had an adverse effect and delayed the programme further.

2.2 We were advised by Welsh Government and attended a Seminar where one of the main topics were Radon Gas, a further delay was incurred while we sought levels of Radon in our Housing areas via a post code survey. It is conclusive that EWI increases the level of Radon in a property and therefore a monitoring exercise was carried out on some properties in the high Radon areas prior to the installation of EWI. We will continue monitoring once the EWI has been installed, this will provide us with sufficient evidence moving forward on whether we need to carry out remedial work to install additional ventilation to alleviate any raised Radon levels.

2.3 Due to the Grenfell disaster, we had to suspend all works while we firstly carried out a scrutiny of our buildings, seeking advice from experts such as Building Research Establishment (BRE) and the manufacturers of our products, to ensure they were all compliant and caused no hazards or risks to our tenants and assets in the form of our buildings. We also liaised with designers and again manufacturers, for forward planning, to determine if we needed to build in additional fire breaks especially between blocks of flats.

3 Roll forward of £4.33m of HRA budgets into financial year 2018-2019. The delay in awarding the Welsh Housing Quality Standards (WHQS) Framework Contracts until July has reduced our working year by 4 months. Furthermore, we have been waiting for the procurement of the following Contracts – Heating, doors and windows, and Dynamic Purchasing System, which will cover all our Estate Works including level access and remodelling and reconfiguration. This has prevented us from awarding many programmes of work this current financial year.

3.1 Due to the delays highlighted above, the compliance date for WHQS has been moved from March 2018 to December 2018, it is therefore imperative that we roll the underspend from this financial year forward to ensure that we meet the new target date.

The amounts to be rolled forward for each budget virement are detailed in the table below:

Project Area	Roll Forward Required
Bathrooms North	£190k
Bathrooms South	£70K
Rewiring North	£235k
Rewiring South	£19k
Windows/Doors North	£300k
Windows/Doors South	£280k
Wall work North	£60k
Wall work South	£40k
Estate Works North	£450k
Estate Works South	£450k
Gwaelod Y Bryn	£240k
Fairview	£500k
Heating North	£500k
Heating South	£105k
Fit for Purpose North	£135k
Level Access Bungalows North	£125k
Level Access Bungalows South	£155k
Fit for Purpose South	£125k
External Wall Insulation	£350k

4 Roll forward of £0.720m of HRA Roof South budget into financial year 2018-2019. Challenge from a Contractor with regards to the roofing contract in the South of the County, has prevented completion of the planned programme for 2017/2018.

5 **Roll forward of £1.3 million of the allocated new build budget into financial year 2018-2019.** The 4 current new development project officers are working at full capacity and are unable to progress more than the 8 sites currently under consideration.

6. Options Considered / Available

6.1 No alternative options are considered appropriate as a result of this report.

7. Preferred Choice and Reasons

7.1 None to consider.

8. Impact Assessment

8.1 Is an impact assessment required? Yes/No

8.2 If yes is it attached? Yes/No

9. Corporate Improvement Plan

9.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports, are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

10. Local Member(s)

10.1 This report relates to all service areas across the whole County.

11. Other Front Line Services

11.1 This report relates to all service areas across the whole County.

12. Communications

This report has no specific communication considerations. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including The Statement of Accounts.

13. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

13.1 This report has no specific impact on support services other than

reporting on those service areas with capital programmes. Financial Services work closely with all service areas in monitoring financial performance on capital programmes against budgets.

- 13.2 The Capital and Financial Planning Accountant confirms these projects are included in the Housing Revenue Account Capital Programme and form part of their Business Plan.

14. Scrutiny

- 14.1 This report presents financial information which will help inform the future capital strategy and therefore has implications for any related organisation.

15. Statutory Officers

- 15.1 The Head of Financial Services (Acting Section 151 Officer) notes the comments of the Capital and Financial Planning Accountant overall capital position.

The Monitoring Officer has no specific concerns with this report.

16. Members' Interests

- 16.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>To approve the following virements to roll forward capital budgets to the financial year 2018/19;</p> <ul style="list-style-type: none"> • £1.29m Non Traditional Properties • £4.33m Welsh Housing Quality Standards • £0.720m Roofing South • £1.3m New Build Budget <p>as detailed in this report.</p>	<p>To ensure appropriate virements are carried out that reflect the forecasted capital spend.</p>

Relevant Policy (ies):	
Within Policy:	Y
Within Budget:	Y

Relevant Local Member(s):	
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Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	