

Report to: Housing Overview and Scrutiny Committee - Thursday 10th October 2002, and Executive Board - Monday 11th November 2002.

MAJOR REPAIRS ALLOWANCE (MRA) - VOIDS BUDGET OVERSPEND

<p>Report of: <i>Business Manager, Oxford Building Solutions.</i></p> <p>Report Author: <i>Chris Pyle Technical Services Unit Tel no. 01865 335411 Email: cpyle@oxford.gov.uk</i></p> <p>Lead Member Responsible: <i>Housing Portfolio Member</i></p> <p>Overview and Scrutiny Committee Responsibility: <i>Housing Overview and Scrutiny Committee</i></p> <p>Key Decision: <i>Yes</i></p>	<p>WARDS AFFECTED ALL</p>
<p>SUMMARY AND RECOMMENDATIONS</p> <p>This report is to advise Members on how the potential overspend of the Major Void Works budget N6332 can be funded.</p> <p>It was requested by Committee Members following a report on Voids Policy and Performance presented to Housing Overview and Scrutiny Committee on 19th September 2002.</p> <p>The Housing Overview and Scrutiny Committee is asked to note the report and to recommend to the Executive Board the following viring of money within the Major Repairs Allowance (MRA) budget:-</p> <ol style="list-style-type: none"> 1. The viring of £300,000 from the Sheltered Blocks Refurbishment budget N6337. 2. The viring of £49,300 from the Aerial Upgrades budget N6318 and £25,000 from the Aerial Upgrades budget N6339. 3. The viring of £100,000 from the Heating New/Upgrades budget N6331. 4. The viring of £75,700 from the Plumbing Works budget N6334. 5. The viring of £20,000 from the Structural Works budget N6343. 	

1. At their last meeting in September of this year, the Housing Overview and Scrutiny Committee was advised that there was likely to be an overspend of approximately £570,000 on the Major Void Works budget within the Major Repairs Allowance (MRA). The reasons were explained in detail within that report.
2. It is proposed that the projected overspend shall be funded from the Major Repairs Allowance by viring the following:-
 - a) the viring of £300,000 from predicted under spend this year in the Sheltered Blocks Refurbishment budget N6337. This underspend is likely due to delays in the completion of the refurbishment of Birch Court Sheltered scheme. The Sheltered Blocks Refurbishment scheme was the subject of a separate report to the Housing Overview and Scrutiny Committee, copy attached.
 - b) the viring of £49,300 from the Aerial Upgrade budget N6318 and the viring of £25,000 from the Aerial Upgrade budget N6339. These budgets were in place to fund works to upgrade aerials to flats to comply with the Governments timescale for the changeover to digital television. Due to the timescale involved, money could be allocated from future MRA allowances or alternative funding such as leasing could be explored. Again this will be the subject of a separate report at a later date.
 - c) the viring of £100,000 from the Heating New/Upgrades budget N6331, this will meet the cost of heating and associated work within the void properties.
 - d) the viring of £75,700 from the Plumbing Works budget N6334, this will help meet the cost of new plumbing within voids. The remaining budget will be sufficient to complete the projects planned for this year.
 - e) the viring of £20,000 from the Structural Work budget N6343, this will fund any structural works necessary within the void properties. This budget is based upon a prediction of what might be needed in the year, at this stage, it is predicted that there will be an underspend of £20,000.

THIS REPORT HAS BEEN SEEN AND APPROVED BY: The Housing Portfolio Member, the Business Manager Oxford Building Solutions, The Group Accountant.

Background papers:

Report to: Housing Overview and Scrutiny Committee - Thursday 10th
October 2002.

**MAJOR REPAIRS ALLOWANCE (MRA) - SHELTERED SCHEME
REFURBISHMENT, BIRCH COURT CONTRACT DELAYS.**

<p>Report of: <i>Business Manager, Oxford Building Solutions.</i></p> <p>Report Author: <i>Chris Pyle Technical Services Unit Tel no. 01865 335475 Email: cpyle@oxford.gov.uk</i></p> <p>Lead Member Responsible: <i>Housing Portfolio Member</i></p> <p>Overview and Scrutiny Committee Responsibility: <i>Housing Overview and Scrutiny Committee</i></p> <p>Key Decision: <i>No</i></p>	<p>WARDS AFFECTED Quarry & Risinghurst, Woodfarm</p>
<p>SUMMARY AND RECOMMENDATIONS</p> <p>This report is to advise Members on the delays that have occurred on the contract for the Refurbishment of Birch Court sheltered scheme and the likely cost implications for additional works that have been found necessary.</p> <p>The Housing Overview and Scrutiny Committee are asked to note the report.</p> <p>1. At their meeting on 5 March 2001, the Council approved a budget of</p>	

£1,500,000 within the Major Repairs Allowance (MRA) for Management Void Refurbishment to enable difficult to let sheltered schemes to be upgraded. Subsequently, a further budget of £350,000 was approved, again from the MRA, by Council in March 2002 to "top up" the budget for the refurbishment to Atkyns Court.

2. A "Power to incur expenditure" report to the Executive Board in May of this year advised Members that the Contract for the refurbishment of Birch Court had been awarded to Oxford Building Solutions (OBS) in the sum of £795,620. It was stated that the works were in progress and that the completion date was expected to be the end of November 2002.
3. Since that report, a number of issues have come to light which have resulted in a predicted overrun of that completion date and a likely overall increase in costs. Some of these were not addressed at the design stage by an Architect specifically employed, on a temporary basis, to design and specify the project. The main issues and estimated cost of these are as follows:-
 - a) Asbestos removal - costs to be borne by the asbestos removal budget.
 - b) Heating upgrade to condensing boilers and improved pipework - estimated additional cost £24,956. It is proposed to install a solar heating and electrics system, this will be the subject of a 65% grant application and will reduce future heating and electricity costs as well as help to meet the Council's obligations to Agenda 21, carbon footprint reductions and independent power. The solar system will cost an estimated £45,000 less the grant sum of £29,250, £18,000 has been allowed for in the contract which will cover the cost of this work.
 - c) Removal of walls highlighted a disparity with floor and ceiling levels, requiring new ceilings and new concrete screeds to ensure level areas - estimated additional cost £73,703.
 - d) Roof felt at eaves level was found to be defective, £15,455 costs to be borne by the re-roofing budget.
 - e) Drainage pipe runs needed adapting to suit new sanitary ware positions - estimated additional cost £5,000.
 - f) Pilkington K glass - now a requirement within the Building Regulations - additional cost £3,000, will of course reduce future heating costs.
 - g) Structural beams where walls removed - additional cost £1,000.
 - h) Extra smoke screen doors required by Fire Officer - cost £3,200.
 - i) Provision of wheelchair store as bin store cannot be used - estimated cost £8,000.
 - j) Preparation and decorating - additional cost £5733.
 - k) Lift installation, structural changes - estimated additional cost £2,500.
 - m) Provisional / Contingency Sums - the contractor, OBS, is entitled to profit and attendance on these items to the sum of £19,500. In addition, due to the extension of the contract period, OBS is entitled to the sum of £21,153.80.
3. To offset some of these additional costs, officers have been looking at

areas where savings may be available and have estimated the cost of these as follows:-

- a) The contractor, OBS have agreed to reduce it's entitlements in item (m) above by £10,625 and £5,288.50 respectively. Total saving - £15,913.50.
 - b) Re-tendered fire protection equipment - saving £1,300.
 - c) Reduction in landscaping - saving £4,000.
 - d) Savings on provisional sum for 3 phase electric supply £5,000.
 - e) PVCu windows in conservatory in lieu of timber - saving £1,066.
4. The result of these estimated costs is a likely increase in the contract sum of £108,981.90 and a likely completion date during March 2003. This will of course mean that there will be a delayed start of the Atkyns Court project. Residents of the block are being consulted on this and the revised time scale.
5. There are sufficient funds within this years budget to cover this additional cost because it will not be possible to commence work on Atkyns Court until Birch Court has been completed. However, funds will need to be allocated to the Atkyns Court scheme from the MRA in the next financial year to compensate for it.

THIS REPORT HAS BEEN SEEN AND APPROVED BY: The Housing Portfolio Member, the Business Manager Oxford Building Solutions, the Group Accountant.

Background papers: