
HOUSING CAPITAL PROGRAMME 2007/08 – LINDEN COURT

**Responsible Cabinet Member - Councillor Bill Dixon,
Community and Public Protection Portfolio**

Responsible Director - Cliff Brown, Director of Community Services

Purpose of Report

1. The purpose of this report is to provide detailed project costs for the demolition and rebuilding of the Linden Court sheltered housing scheme and seeks approval for the revised resource implications. This follows a budget estimate prior to any detailed design works which was approved within the Housing Capital Programme cabinet report dated 20 March 2007.

Information and Analysis

2. Members agreed the Council's annual Housing Capital programme on 20 March 2007. Demolition of Linden Court was completed in March 2007 after the successful relocation of all residents. Following the completion of demolition and subsequent further site investigation, additional capital costs to the scheme have been identified that were not known at the time the budget estimate was prepared, namely:
 - A requirement for additional ground works over and above what was originally anticipated to support the final design.
 - Identification of a greater quantity of asbestos for removal and disposal during demolition.
 - Increase in procurement costs when tendering for works due to the buoyancy of the construction industry.
 - Changes in Building Regulations during the period of the design process.
3. Unfortunately, this has added to the capital costs of the scheme. The revised cost of the scheme is £2.475m, which is an increase of £.275m (12.5%) on the original £2.2m budget approved within the annual Housing Capital Programme 2007/08. This is broken down as follows:

	£'000
New Build – Cost of construction	2,110
Demolition of existing building	40
Fees, expenses, survey work and asbestos removal	<u>325</u>
Total	<u>2,475</u>

Subject to Member's approval any additional costs will be supported by further borrowing capacity and any identified savings realised within the annual Housing Capital Programme 2007/08 during the course of the financial year.

Outcome of Consultation

4. The proposed scheme is in line with Housing Business Plan priorities as agreed with tenants during the stock option appraisal process, and is aligned with the priorities for investment identified since that time. The Tenants Board were consulted on 21st February 2007 in respect of the annual Housing Capital Programme 2007/08 and supported the Linden Court redevelopment.

Legal Implications

5. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers needs to be brought to the specific attention of Members, other than those highlighted in the report.

Section 17 of the Crime and Disorder Act 1998

6. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is considered that some of the improvement works identified in this report will be beneficial in reducing crime.

Council Policy Framework

7. The issues continued within this request do not represent change to Council policy or the Council's policy framework.

Decision Deadline

8. For the purpose of the 'call-in' procedure this represents an urgent matter, in order that housing capital expenditure for 2007/08 can continue in respect of the Linden Court redevelopment.

Key Decision

9. This is a key decision because agreement to the recommendation will result in the Council incurring expenditure that is significant.

Recommendation

10. It is recommended that the further expenditure within the Housing Capital Programme 2007/08 incurred as a result of the additional foundation and ground works, additional asbestos removal works, increased procurement and building regulation costs be agreed and the funding released so that construction can commence.

Reason

11. The recommendation is supported to enable the redevelopment of the Linden Court site to provide a new modern “fit for purpose” older persons scheme.

Cliff Brown
Director of Community Services

Background Papers

- (i) Capital Medium Term Financial Plan 8 March 2007
- (ii) Annual Housing Capital Programme 20 March 2007

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