

Report of the Deputy Chief Executive

CAPITAL PROGRAMME 2020/21 – NEW BUILD OAKFIELD ROAD1. Purpose of report

To seek approval to allocate an additional £65,000 from the 2020/21 HRA Capital Programme to build 5 highly energy efficient flats for the housing revenue account at Oakfield Road, Stapleford.

2. Background and detail

The Housing Delivery Plan was approved by Housing Committee and the Finance and Resources Committee in June and July 2019 respectively. Providing new build housing on HRA owned sites is a key component of the delivery plan to help ensure a minimum of 230 new social rented homes are provided over the next 10 years.

Planning permission has been secured to build 5 one bedroom flats on the former garage site at Oakfield Road for ex-service personnel. A recent OJEU compliant tender exercise has been undertaken, however the successful tender price is above the approved Housing Capital budget of £700,000 (Finance and Resources Committee 8/10/20).

The reason for the higher tender price is mainly related to the lack of capacity with the existing electrical network at Oakfield Road and the subsequent upgrade work required by Western Power, at a cost of £46,000. In addition, the recent remediation strategy for the site has identified a potential risk of contaminated material. A contingency sum needs to be allocated for the potential remediation work.

Additional funding of £65,000 is required to progress the scheme. Officers are looking at the possibility of using commuted sums secured by the Council on section 106 site, for the provision of affordable housing in the district, to help subsidise the scheme.

3. Financial Implications

It is proposed that the additional £65,000 anticipated costs as set out in the report be financed, like the £700,000 budget previously allocated to this scheme, from available HRA capital receipts. A report including an update on the availability of HRA capital receipts can be found on this agenda.

Should insufficient HRA capital receipts be available to finance this scheme in full, consideration will be given to utilising other sources of finance including direct revenue contributions and borrowing.

Recommendation

Committee is asked to RESOLVE that the 2020/21 capital programme be amended so that the budget for the New Build – Oakfield Road scheme be increased from £700,000 to £765,000 with the additional £65,000 cost met from HRA capital receipts.

Background papers

Nil