

NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY

SHADOW EXECUTIVE COMMITTEE MEETING

24th September 2020

| | |
|----------------------|--|
| Report Title | Assets, Capital Schemes and Reserves Notification - Kettering Borough Council HRA Projects (Scott Road and Albert Street) |
| Report Author | Mark Dickenson Head of Resources, Kettering Borough Council MarkDickenson@kettering.gov.uk |

List of Appendices

Appendix A – KBC report HRA Projects (Scott Road and Albert Street)

Appendix B – Notifications Process

1. Purpose of Report

1.1 The purpose of this report is to inform the Shadow Executive of the tenders awarded for Kettering Borough Council's HRA Projects (Scott Road and Albert Street new build) and to request endorsement of the additional capital budget provision.

2. Executive Summary

2.1 One of the priorities of Kettering Borough Council's Housing Strategy for 2015 – 2020 was increased housing supply across all forms of tenure. This included the construction of new homes for rent.

2.2 Two brownfield sites, both vacant garage plots, were identified as suitable for housing development.

2.3 A scheme was drawn up for Scott Road comprising 22 housing units ranging from one to four bedrooms. Provision of £2.785m was made in the 2020/21 Housing capital programme. A two stage open tender process was carried out with the assistance of Gleeds Cost Management. The pre-tender questionnaire stage reduced the initial 10 tenderers to a short list of 4 who were invited to submit tenders.

2.4 Tenders were assessed on both quality and price. The selected tender would require an additional provision of £0.398m mostly to cover contingencies based on a risk assessment of the scheme. Full details of the costings are shown in the report in Appendix A.

- 2.5 The Albert Street scheme will provide 6 one-bedroom bungalows. Provision of £0.786m was made in the Council's Housing capital programme for 2020/21. A two stage open tender process was undertaken, assisted by Gleeds Cost Management. The first stage reduced the number of tenderers from 9 to a short list of 6 who were invited to tender.
- 2.6 Tenders were assessed on both price and quality. Following a risk assessment of the scheme the selected tender would require an additional provision of £0.253m. Full details are again shown in the report in Appendix A.

3. Recommendations

- 3.1 It is recommended that the Shadow Executive Committee endorses the following additional capital budgets as set out in Section 7 of the report in Appendix A:
- £398,000 for the Scott Road project
 - £253,000 for the Albert Street project

4. Report Background

- 4.1 The full report is set out in Appendix A and which is being considered at Kettering Borough Council's Executive meeting on 15th September and at Full Council on 23rd September 2020.

5. Implications (including financial implications)

5.1 Policy

- 5.1.1 The Shadow Executive Committee, at its meeting held on 25 June 2020, approved a notification process that any **proposed** purchase, disposal and transfer of assets, new capital schemes with on-going financial commitments and use of reserves **above those already set out in each council's budget**, by any of the existing councils above a set de minimis level of £100,000 must be notified to the North Northamptonshire Shadow Executive ((see Appendix B to this report for the agreed process).

5.2 Resources and Financial

- 5.2.1 The full financial implications are set out in Section 2 of the report in Appendix A. There are no human resources implications as the schemes are being managed within existing resources.

5.3 Legal

- 5.3.1 The notification process referenced in 5.1.1 above allows for the Shadow Authority to be notified and consulted on any new significant financial spend or new financial liability being considered by sovereign councils. Decision making over funding proposals in these circumstances remains with the relevant sovereign council and so endorsement, rather than approval, by the Shadow Authority has been sought in respect of the recommendations within the report.

5.3.2 Legal and equality implications in relation to Kettering Borough Council's HRA Projects (Scott Road and Albert Street) are set out in Section 5 of the report in Appendix A.

5.4 Risk

5.4.1 After concluding the competitive tender process, undertaking additional site surveys and obtaining quotes from statutory utility providers for connections to the sites, detailed cost plans and risk registers were produced. Until risks are mitigated or removed it is prudent to assume that they will be realised and therefore plans have been put in place to manage them. These include identifying the financial provision that may be required to mitigate specific risks. Details of the risk specific provisions are shown as contingencies in Table 2 (Scott Road) and Table 4 (Albert Street) of the report in Appendix A.

5.5 Consultation

5.5.1 Details of consultations are set out in Section 3 of the report in Appendix A

5.6 Consideration by Overview and Scrutiny

5.6.1 None.

5.7 Environmental Impact

5.7.1 Climate change implications are set out in Section 6 of the report in Appendix A.

5.8 Community Impact

5.8.1 The impact on the community is covered in Section 3 of the report in Appendix A.

6. Background Papers

6.1 The report attached in Appendix A summarises previous reports.