

## APPENDIX A.5

### WAVERLEY BOROUGH COUNCIL

#### MEETING OF THE COUNCIL – 15 FEBRUARY 2011

#### REPORT OF THE EXECUTIVE - 25 JANUARY 2011

#### FINANCIAL STRATEGY 2010/2011 – 2013/2014

#### HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2011/2012

##### Introduction

1. Each year, the Council reviews its three-year Capital Programme and in particular agrees the provisions to be included within the Budget for the year ahead. The overall parameters for the Capital Programme are set out within the Council's Financial Strategy. The Capital Programme proposals for 2011/12 are attached for consideration at Annexe 18.
2. For a number of years the Council, through its landlord service, has been focussing on achieving the Government's decent homes standard in its dwelling stock. Despite severely limited resources much has been achieved in recent years but it is estimated that at 1<sup>st</sup> April 2011 33% of the stock will still be non-decent.
3. The Government is making capital funding available through the Homes and Communities Agency (HCA) prior to the introduction of its new self-financing system for stock-retention councils. This funding is to assist councils, like Waverley, in addressing their decent homes backlog and thus support the plans for HRA reform by enabling councils to achieve a sustainable self-financing business plan. The Waverley bid was submitted on the 11 January and funding allocations should be made known by late January/early February.

##### Draft 2011/2012 Capital Programme

4. The draft Capital Programme for 2011-12 and the indicative programmes for the following 2 years are based on the resources currently available. The Government's provisional business plan for Waverley under self-financing indicates a Major Repairs Allowance (MRA) of some £5m and this has been included from 2012-13 onwards. An underpinning model and updated indicative numbers for each council are due to be published early in 2011.
5. Resources for 2011-12 have been boosted by the recent sale of Woolmer Hill Lodge and the impending sale of Marshalls in Farnham. Further resources will become available in due course with the sale of the Rowland House site and this will enable an expansion of the proposed programme of works.
6. The draft Programme for 2011-12 was compiled prior to the details of backlog funding and the invitation to bid being released in December. The funding bid is on the basis of estimated non-decent properties at April 2011 and authorities are expected to meet the capital cost of the last 10% of their non-

decent stock. If Waverley is successful with its bid, the capital programme currently proposed for 2011-12 will need to be re-drafted and the areas of spend, as shown at Annexe 19, revised.

7. The Capital Programme, as currently drafted, proposes significant spend on particular types of work as, by letting larger contracts, Waverley can obtain better value for money. If Waverley receives an allocation of backlog funding any revised programme will need to focus on;
  - ❖ Newly-arising non-decency
  - ❖ The final 10% of non-decent backlog work not covered in the funding bid, and
  - ❖ Any additional backlog work for which Waverley does not receive an allocation of funding.
8. In compiling the draft capital programme the priorities previously agreed by the Executive have been observed with health and safety works paramount.

### **Comments from the Community Overview and Scrutiny Committee**

9. At its meeting on 17 January 2011, the Committee agreed to pass the following observations to the Executive:-

Members discussed the figures. Officers advised that some repairs such as re-wiring and re-roofing were programmed to be undertaken in one financial year in order to achieve the best possible price from contractors.

Members noted that Waverley had just submitted a bid to the Government for decent homes backlog funding and if it were successful, the capital programme would change.
10. The Executive endorsed the aspiration that double-glazing works included within the Capital Programme would be completed and that those properties which would not benefit from receiving Photo Voltaic Panels would be prioritised for other decent homes works. The Executive now

### **RECOMMENDS that**

- 24. the total spend proposed in the 2011/12 Housing Revenue Account Capital Programme be approved, as shown at Annexe 18;**
- 25. the financing of the programme be approved in line with the resources shown at Annexe 18; and**
- 26. the proposed detailed HRA capital spend be reviewed once the outcome of Waverley's bid for decent homes backlog funding is known.**