

## APPENDIX A.5

### WAVERLEY BOROUGH COUNCIL

#### COUNCIL MEETING – 21 FEBRUARY 2012

#### REPORT OF THE EXECUTIVE - 7 FEBRUARY 2012

#### FINANCIAL STRATEGY 2012/2013 – 2015/2016

#### HOUSING REVENUE ACCOUNT BUSINESS PLAN - CAPITAL PROGRAMME 2012/2013

##### Introduction

1. As part of the HRA 30-year Business Plan, this report focuses on the three-year Capital Programme and in particular agrees the provisions to be included within the Business Plan and the Budget for the year ahead. The overall parameters for the Capital Programme are set out within the Council's Financial Strategy. There is sufficient revenue resource within the Business Plan to supplement the estimate capital resources and fund the 30-year maintenance forecast. The Capital Programme proposals for 2012/13 are attached for consideration at Annexe 1.
2. At the beginning of 2011 Waverley submitted a bid for Government capital funding made available to help address backlog decent homes work. In February 2011 Waverley was awarded £8.46m which will be paid over 3 years starting in 2012-13.

##### Draft 2012/2013 Capital Programme

3. The draft Capital Programme at Annexe 1 shows the level of decent homes backlog work still to be carried out in order to achieve the Government's decent homes standard by 2014-15. This will be funded largely by decent homes backlog funding grant together with Waverley's own resources.
4. The self-financing settlement provides additional resources to support the capital programme to ensure that it is sufficient to maintain stock in decent condition once the decent homes standard has been achieved. It also now includes an allowance for disabled adaptation work. The financial model in Waverley's draft Business Plan incorporates the increased resources as a transfer to the Major Repairs Reserve to support capital expenditure. The Business Plan supports a continuing revenue contribution to capital expenditure to fund the estimated shortfall of capital resources over the 30 year period.
5. The draft Capital Programme for 2012-13 and the indicative programmes for the following 2 years are based on the resources currently available. Additional resource is being generated by the open market sale of some decommissioned properties. Some sales have already taken place and receipts from remaining properties will be included in the resources statement as they are achieved.

## **Contracts**

6. During 2011-12 the landlord service has tendered and awarded new contracts for many areas of major maintenance work. These contracts will be mobilised during the early part of the 2012-13 financial year. Compared with carrying out similar volume and type of work under the previous contracts it is estimated that savings in the order of £500k can be achieved or that more work can be procured. The draft capital programme has been compiled on the basis of the new prices.
7. In compiling the draft capital programme the priorities previously agreed by the Executive have been observed with health and safety works paramount.
8. The Executive now

## **RECOMMENDS**

- 18. the total spend proposed in the 2012/13 Housing Revenue Account Capital Programme as shown at Annexe 1 be approved; and**
- 19. the financing of the programme be approved in line with the resources shown at Annexe 1.**