

# **APPENDIX A.4**

## **WAVERLEY BOROUGH COUNCIL**

### **COUNCIL – 18 FEBRUARY 2014**

#### **REPORT OF THE EXECUTIVE – 4 FEBRUARY 2014**

##### **HOUSING REVENUE ACCOUNT 2014/15 CAPITAL PROGRAMME, NEW AFFORDABLE HOMES PROGRAMME, STOCK IMPROVEMENT PROGRAMME**

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###### **Note pursuant to Section 100B (5) of the Local Government Act 1972**

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in the specific Paragraphs of the revised Part 1 of Schedule 12A of the Local Government Act 1972, namely:-

1. Information relating to an individual; and
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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1. This report puts forward proposals for the 2014/2015 Capital Programme element of the Housing Revenue Account (HRA) Business Plan. In addition to the programme for major works to existing stock, the Capital Programme now also encompasses the New Affordable Homes programme and the Stock Improvement programme. This report updates councillors on the Housing Revenue Account (HRA) Capital Programme and Budget for 2014/15.

2. It contains the following Annexes:

Annexe 22 – Housing Capital Programme  
Annexe 23 – New Affordable Homes Programme  
Annexe 24 – Stock Improvement Programme  
(Exempt) Annexe 25 – Property List

###### **Introduction**

3. As part of the HRA 30-year Business Plan this report focuses on the three-year Capital Programme and in particular outlines 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 estimated capital resources, fund the 30-year maintenance forecast and fund proposals for building new affordable homes and investment in stock improvement.

### **Draft 2014/2015 Capital Programme**

4. The draft Capital Programme at Annexe 22 shows the amount estimated to be spent in 2014/15 to continue the decent homes work. A list of properties identified for the work that has informed the budget detail is included ((Exempt) Annexe 25).
5. The HRA Business Plan generates sufficient revenue 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. The financial model in Waverley's Business Plan incorporates the increased resources as a transfer to the HRA Revenue Reserve to support capital expenditure.
6. The draft Capital Programme for 2014/15 and the indicative programmes for the following 2 years are based largely on the resources currently available. A modest estimate is included for residual receipts from Right-to-Buy sales that should become available after setting aside the amount required to repay debt on the sold properties, the amount allowed to be retained for building new affordable homes and the share payable to the Government under the revised pooling regulations. In compiling the draft capital programme, the priorities previously agreed by the Executive have been observed with health and safety works paramount.

### **Draft 2014/15 New Affordable Homes Programme**

7. Waverley's Housing Delivery Board was established in September 2012 to oversee the delivery of new affordable homes as set out in the Affordable Homes delivery Plan approved by the Council on 17 July 2012. In the 18 months since the Board was formed and starting from a zero base there has been much activity to assemble the delivery team, build links with the necessary industry partners in the area and carry out provisional work on the first sites that Waverley wishes to develop.
8. Start on site is expected at the Station Road, Godalming site in March 2014 and other smaller sites in Farncombe should quickly follow in 2014/15. Feasibility studies and preliminary work have also been carried out on a number of other Council-owned sites and the Programme at Annexe 23 indicates when the work is currently expected to occur. The estimated costs for proposed schemes are very much indicative as detailed schemes have not yet been prepared and costed.
9. At its meeting on 7 January 2014 the Executive approved the allocation of funds for the redevelopment of the Wey Court House site where the proposal is to provide 24 new affordable homes. This scheme should be on site before the end of 2014/15. Possible schemes are included for 2015/16 and 2016/17 and this will be continually developed as the Delivery Board establishes which schemes will be viable and offer the best value for Waverley and its housing tenants.

## **Draft 2014/15 Stock Remodelling Programme**

10. The 30-year HRA Business Plan also generates resources to fund major remodelling of the existing stock – Annexe 24 refers. Refurbishment and reconfiguration work at Rolston House is due to commence in mid January 2014 and be completed by the end of the calendar year. This work is to improve the standard of accommodation and make the units more attractive for letting.
11. The major project at Ockford Ridge will be a combination of redevelopment and refurbishment and some very broad provision is made in both the new build and the stock remodelling capital programmes. The Executive has approved the commencement of the OJEU procurement process and the appointment of an Employer's Agent to manage this process.
12. Ongoing survey work will identify further schemes to be added in due course.

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

13. Corporate O&S Committee was pleased to endorse the capital programme planned for 2014/15, including the major works capital programme, new affordable homes programme, and the stock remodelling programme, and had no additional comments to pass to the Executive.
14. Having considered the comments of the Corporate Overview and Scrutiny Committee, the Executive

### **RECOMMENDS that**

23. **the total spend proposed in the 2014/15 Housing Revenue Account Capital Programme as shown at Annexe 22 be approved;**
24. **the indicative 2014/15 New Affordable Homes Programme be approved with specific scheme approvals to be sought when detailed costs are available;**
25. **the indicative 2014/15 Stock Improvement Programme be approved with specific scheme approvals to be sought when detailed costs are available; and**
26. **the financing of these programmes be approved in line with the resources shown.**