

# APPENDIX B.5

## WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 25 JANUARY 2011

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### Title:

**FINANCIAL STRATEGY 2010/2011 – 2013/2014**  
**DRAFT HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2011/2012**  
[Wards Affected: All]

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### Summary and purpose:

The report puts forward proposals for the draft 2011/2012 Capital Programme in respect of the Housing Revenue Account (HRA) for consideration by the Executive. The purpose of this report is to agree the final recommendation to Council regarding the Programme for 2011/2012. The report contains observations from the Overview and Scrutiny Committees (to follow).

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### How this report relates to the Council's Corporate Priorities:

The Council has a set of specific Capital Priorities. The HRA Capital Programme is particularly relevant to Improving Lives through the provision of decent Affordable Housing.

### Equality and Diversity Implications:

The capital programme continues to make substantial targeted provision for disabled adaptations in council dwellings.

### Resource/Value for Money implications:

Resource implications are contained throughout the report.

### Legal implications:

There are no direct legal implications as a result of the recommendations of this report.

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### 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 1.
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 2, 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.

### **Recommendation**

The Executive recommend that Council:

1. approves the total spend proposed in the 2011/12 Housing Revenue Account Capital Programme as shown at Annexe 1;

2. approves the financing of the programme in line with the resources shown at Annexe 1; and
3. reviews the proposed detailed HRA capital spend once the outcome of Waverley's bid for decent homes backlog funding is known.

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#### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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