

APPENDIX B.4

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 05/02/2013

Title:

HOUSING REVENUE ACCOUNT 2013-14 CAPITAL PROGRAMME, NEW AFFORDABLE HOMES PROGRAMME, STOCK IMPROVEMENT PROGRAMME

**[Portfolio Holders: Cllrs Mike Band & Keith Webster]
[Wards Affected: All]**

Summary and purpose:

The report puts forward proposals for the 2013/2014 Capital Programme element of the Housing Revenue Account (HRA) Business Plan for consideration by the Executive. 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. The purpose of this report is to agree the final recommendation to Council regarding the Programme for 2013/2014. The report will be updated with observations from the Corporate Overview and Scrutiny Committee (to follow).

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.

Introduction

1. 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. The Capital Programme proposals for 2013/14 are attached for consideration at **Annexe 1**, the New Affordable Homes Programme at **Annexe 2** and the Stock Improvement Programme at **Annexe 3**.

2. Having successfully bid for decent homes backlog funding, Waverley was invited by the Homes and Communities Agency (HCA) in September 2012 to submit a proposal for bringing forward the funding allocation. The proposal was agreed by the HCA and £2.9m of funding has been brought forward, £400k into 2012-13 and £2.5m into 2013-14. This will enable the decent homes backlog programme to be completed by 31 March 2014, a year earlier than originally planned.

Draft 2013/2014 Capital Programme

3. The draft Capital Programme at Annexe 1 shows the amount estimated to be spent in 2013-14 to complete the decent homes backlog work as referred to in (2) above. This will be funded largely by decent homes backlog funding grant together with Waverley's own resources.
 4. 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.
 5. The draft Capital Programme for 2013-14 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.
 6. Due to previous issues in the start up of the Decent Homes work, funding identified in the 2012-13 other programmed maintenance budget for spend on Kitchen and bathroom layout alterations and wash hand basins has been identified for reprogramming. This is now included into the fitting of the Decent Homes Kitchen and Bathroom work in 2013-14 as approved at the Executive meeting of 4 December 2012.
 7. In compiling the draft capital programme the priorities previously agreed by the Executive have been observed with health and safety works paramount.
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Draft 2013-14 New Affordable Homes Programme

8. 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.

9. Feasibility studies and preliminary work have already been carried out on a number of Council-owned sites that are included in the 2013-14 proposed programme. The estimated costs at this stage are very much indicative as, apart from Station Road, detailed schemes have not yet been prepared and costed, when they have been they will be reported to the members with a business case.

Draft 2013-14 Stock Improvement Programme

11. The 30-year HRA Business Plan also generates resources to fund major improvement of the existing stock. To date, Rolston House has been identified for major remodelling to improve the standard of accommodation and make the units more attractive for letting. Indicative costs as approved by the Executive on 4 December 2012 are included in the 2013-14 Programme at Annexe 3.

12. 2 further projects and broad indicative costs are included. These will be considered by the Housing Delivery Board in due course and the Programme updated accordingly.

Recommendation

Having considered the comments of the Corporate Overview and Scrutiny Committee the Executive recommend to Council that :

1. the total spend proposed in the 2013/14 Housing Revenue Account Capital Programme as shown at Annexe 1 be approved;
 2. the indicative 2013/14 New Affordable Homes Programme be approved with specific scheme approvals to be sought when detailed costs are available;
 3. the indicative 2013/14 Stock Improvement Programme be approved with specific scheme approvals to be sought when detailed costs are available; and
 4. the financing of these programmes be approved in line with the resources shown.
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Background Papers (DCE)

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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