

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 03/02/2015

Title:

HOUSING REVENUE ACCOUNT 2015/16 CAPITAL PROGRAMME

**[Portfolio Holders: Cllrs Stewart Stennett and
Carole King]**

[Wards Affected: All]

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)

Summary and purpose:

The report puts forward proposals for the 2015/2016 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 also encompasses the New Affordable Homes programme and the Stock Remodelling programme. This report updates the Executive on the Housing Revenue Account (HRA) Capital Programme and Budget for 2015/16.

It contains the following Annexes

- Annexe 1 – Housing Capital Programme
- Annexe 2 – New Affordable Homes Programme
- Annexe 3 – Stock Remodelling Programme
- (Exempt) Annexe 4 – Property list

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. The Business Plan provides the resources to supplement the estimated capital resources to fund the 30-year maintenance forecast and fund proposals for building new affordable homes and investment in stock remodelling.

Draft 2015/2016 Capital Programme

2. The draft Capital Programme at Annexe 1 shows the amount estimated to be spent in 2015/16 on decent homes and other maintenance work of a capital nature. A list of properties identified for the work that has informed the budget detail is included (Exempt) Annexe 4.
3. There are a number of risk areas that require a more robust approach in order to reduce risk to the Council. A 5-year programme of works has been drawn up to help ensure compliance with landlord and employee obligations and to bring systems and equipment up to standard. The significant investment required in the short term is reflected in the Health and Safety work within the capital programme.
4. The HRA Business Plan supports the capital programme to ensure that it is sufficiently funded to maintain stock in decent condition subsequent to the decent homes backlog having been cleared. The financial model in Waverley's Business Plan incorporates the transfer to the HRA Revenue Reserve to support capital expenditure.
5. The draft Capital Programme for 2015/16 and the indicative programmes for the following 2 years are based on the likely demand and priorities of differing types of work and on the resources currently available. An 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. In compiling the draft capital programme the priorities previously agreed by the Executive have been observed with health and safety works paramount.

Draft 2015/16 New Affordable Homes Programme

7. The first 7 homes to be built by Waverley since the start of self-financing for the HRA are due to be completed in February 2015. Work has started at Station Road, Godalming where a further 14 homes are to be provided and a further 16 homes on small sites around the Borough should be completed in 2015/16. Planning permission has been granted for the proposed demolition and new build work at Ockford Ridge comprising outline permission for phase 2 and full planning approval for phase 1 (site D) where work should start before the end of the 2015/16 financial year – Annexe 2 refers.
8. Feasibility studies and preliminary work are being carried out on a number of other Council-owned sites. The estimated costs for other proposed schemes over the next three years are indicative as, in some cases, detailed schemes have not yet been prepared and costed. There is also the potential to purchase or buy back properties where this is considered to be cost effective and gives the Council an instant addition to its social housing stock

Draft 2015/16 Stock Remodelling Programme

9. The 30-year HRA Business Plan also provides resources to fund major remodelling of the existing stock to make it better fit Waverley's needs going forward. The major project at Ockford Ridge will be a combination of redevelopment and remodelling existing dwellings. Estimates at this stage are on a very broad basis and will be refined as survey work is carried out. It is anticipated that a surveyor's report will be submitted to the Housing Delivery Board in April/May 2015 with recommendations on those properties viable for refurbishment.
10. The remodelling budget also provides for the conversion of underused community rooms to lettable dwellings. This will result in the addition of a further 8 units to the housing stock. Ongoing survey work will identify further schemes to be added in due course.
11. In view of the resources already available in the Stock Remodelling Reserve (which are deemed to be sufficient to finance the programme in the medium term), it is proposed that for the next two financial years, at least, the sums available from the HRA are invested just in the New Affordable Homes Reserve. This will be kept under review and regard will be had for which schemes are ready to start. The stock remodelling programme is set out at Annexe 3.

Corporate Overview and Scrutiny Committee

12. The Corporate Overview and Scrutiny Committee considered this report at its meeting on 20 January 2015. The Committee endorsed the capital programme planned for 2015/16, 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.

