

Report of:	Head of Housing and Head of Finance
Contact Officer:	Bob Kean Nirmal Samrai
Telephone No:	01543 464334 01543 464210
Portfolio Leader:	Housing
Key Decision:	No
Report Track:	Cabinet: 01/02/16 Council: 16/02/16

**CABINET
1 FEBRUARY 2016
HOUSING REVENUE ACCOUNT CAPITAL PROGRAMMES 2015-16 TO 2018-19**

1 Purpose of Report

- 1.1 To review the 2015-16 HRA Capital Programme
- 1.2 To refresh the Housing Revenue Account Capital Programme budgets for the period 2016-17 to 2017-18 and introduce the 2018-19 Capital Programme.
- 1.3 To determine a proposed three year Housing Revenue Account Capital Programme for consideration by Council on 16 February 2016.

2 Recommendations

- 2.1 That the estimated availability of Housing Revenue Account capital resources for the period 2016-17 to 2018-19 (as set out in Appendix 1) be noted
- 2.2 That Council on 16 February 2016 are recommended to approve:-
 - (i) The three year Housing Revenue Account Capital Programme for the period 2016-17 to 2018-19 (as set out in Appendix 2).

3 Key Issues and Reasons for Recommendation

- 3.1 This report considers the draft proposed three year HRA Capital Programme for the period 2016-17 to 2018-19, together with the forecast outturn for 2015-16, compiled within the financial framework provided by the revised HRA Business Plan.

- 3.2 Details of the estimated availability of HRA capital resources during the three year period are set out in Appendix 1, whilst a three year HRA Capital Programme is set out in Appendix 2.
- 3.3 A comparison of estimated resource availability with the proposed HRA capital expenditure programmes is also set out below:

	<u>2015-16</u> £000's	<u>2016-17</u> £000's	<u>2017-18</u> £000's	<u>2018-19</u> £000's
Net Resources Brought Forward	3,270	2,158	565	655
New Resources	12,202	9,634	9,551	5,578
Total Resources:	15,472	11,792	10,116	6,233
Less:				
Expenditure Programme	(13,314)	(11,227)	(9,461)	(4,973)
Resources carried forward to future years	2,158	565	655	1,260

4 Relationship to Corporate Priorities

- 4.1 The proposed HRA budgets would contribute to the following strategic objectives, which form part of the Housing Portfolio section within the 2016-17 "More and Better Housing" Priority Delivery Plan, i.e.
- (i) Increase the supply of affordable housing.
 - (ii) Improving the Council's social housing stock

5 Report Detail

- 5.1 Cabinet on 10 December 2015 considered an Interim Housing Revenue Account Business Plan for the continued implementation of the devolved HRA "self financing system". It was reported that the revised plan would provide the financial framework within which the Council's three year HRA revenue and capital programme budgets are determined for the period 2016-17 to 2018-19.
- 5.2 This report considers the formulation of a proposed three year HRA Capital Programme for consideration by Council on 16 February 2016.

Estimated Availability of HRA Capital Resources

- 5.3 Details of the estimated availability of HRA capital resources for the period 2016-17 to 2018-19 are set out in Appendix 1. These are in accordance with the assumptions in the revised Business Plan with subsequent adjustments to reflect:-

- (i) Approved changes arising from the Interim Review of the HRA Business Plan
- (ii) The anticipated outturn in respect of the 2015-16 HRA Capital Programme
- (iii) Amendments to the revenue contribution to capital outlay following the detailed budget formulation work in respect of the three year Housing Revenue Account.

5.4 The changes arising from the Interim Review in relation to 2019-20 included :-

- a) Deletion of the uncommitted element of the Council's new build programme Years 5 (2016 -17) & Year 6 (2017-18) to provide an additional 16 Council dwellings. 1,940,000
- b) Capital Programme Contract Works savings
 - Double glazing Year 6 (2017-18) 250,000
 - Kitchens upgrade Year 7 (2018-19) 300,000

5.5 No material changes arise in relation to the 2015-16 capital programme subject to certain expenditure slipping into 2016-17.

5.6 The HRA Revenue Budget , included elsewhere on the Agenda, includes the following Revenue Contributions to Capital Outlay during the three year programme period:-

<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
£	£	£	£
6,993,960	4,352,760	2,445,860	1,785,190

5.7 The increase in Revenue Contribution to Capital Outlay and other minor variations results in Available Capital resources as at 31 March 2019 amounting to £1,258,900 an increase of £227,940 as compared to the Interim Business Plan. Subject to the achievement of capital resources, as referred to in the report, the increase may offset the requirement to the deferment of planned expenditure on external work (arising from stock condition survey) as previously indicated for 2019-20.

HRA Capital Programme 2016-17 to 2018-19

5.8 A proposed HRA Capital Programme for 2016-17 to 2018-19 is set out in Appendix 2. This is in accordance with the capital expenditure programme within the revised Business Plan with subsequent adjustments to account for the anticipated outturn in respect of the 2015-16 HRA Capital Programme.

5.9 The proposed programme will deliver:-

- (i) The continuation of the following planned maintenance programmes:-

- * External and Environmental Works
 - * Kitchen and bathroom replacement.
 - * Electrical upgrading.
 - * Central heating upgrading.
 - * Window refurbishment and double glazing programme
- (ii) The completion of the replacement of the Council's social alarms in 2016-17.
- (iii) The provision of 87 Council houses.

5.10 Details of the dwelling outputs (in terms of completions) which will result from the implementation of the proposed HRA Capital Programme are set out below:-

	<u>Number of Dwellings</u>			<u>Total</u>
	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	
External and Environmental Works	720	637	722	2079
Kitchen Replacement	70	67	70	207
Bathroom Replacement	340	160	95	595
Central Heating Improvements	300	290	220	810
Electrical Upgrades	600	595	575	1770
Window Refurbishment and Double Glazing	1178	529	-	1707
Provision of additional Council Dwellings	48	39	-	87

6 Implications

6.1 Financial

The financial implications have been referred to throughout the report.

6.2 Legal

None

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

The proposed three year HRA Capital Programme 2016-17 to 2018-19 includes a number of schemes to reduce anti-social behaviour, including environmental and fencing improvements as part of the proposed External and Environmental Works Programme.

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the inadequate management of the HRA Capital Programme. These risks are minimised by the Council's agreed Capital Expenditure Control Procedures which includes a requirement for regular monitoring including quarterly reports to Cabinet.

6.8 Equality & Diversity

The revised HRA Business Plan has been subject to an Equality Impact Assessment (EIA). As the proposed HRA Capital Programme for the period 2016-17 to 2018-19 has been formulated in accordance with the revised Business Plan, the Business Plan EIA also applies to the proposed three year Capital Programme.

The outcome of the Business Plan EIA is that it would have a positive impact for certain of the protected characteristics with no identified negative implications.

6.9 Best Value

None

7 Appendices to the Report

Appendix 1: Estimated Housing Revenue Capital Resources 2016-17 to 2018-19

Appendix 2: Housing Revenue Account Capital Programme 2016-17 to 2018-19

Previous Consideration

Interim Housing Revenue Account Business Plan Review	Cabinet	10 December 2015
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Background Papers

**ESTIMATED AVAILABILITY OF HOUSING REVENUE ACCOUNT CAPITAL
RESOURCES 2015-16 TO 2018-19**

<u>Resource</u>	<u>2015-16</u> £000's	<u>2016-17</u> £000's	<u>2017-18</u> £000's	<u>2018-19</u> £000's
Resources Brought Forward	3,640	2,158	565	655
Less RTB set aside	(370)			
New Resources				
Borrowing		1,015	3,022	
RTB Sales (Allowable Attributable Debt)	300	450	450	450
Section 106 monies	100	50		
Capital Receipts (Bungalows)	250	178		
Capital Receipts Other	55			
Revenue Contributions to Capital Outlay	6,994	4,353	2,446	1,785
Major Repairs Allowance	3,223	3,272	3,297	3,343
Right to Buy Social Mobility	200			
Energy Efficiency Obligation Monies	287			
Transfer from Reserves:				
(i) IT Reserve	596			
(ii) Social Alarm Reserve	186			
Affordable Housing Grant	11	316	336	
Total New Resources	<u>12,202</u>	<u>9,634</u>	<u>9,551</u>	<u>5,578</u>
Total Capital Resources	<u>15,472</u>	<u>11,792</u>	<u>10,116</u>	<u>6,233</u>
<u>Less Proposed Expenditure (Base HRA Capital Programme)</u>	<u>(13,314)</u>	<u>(11,227)</u>	<u>(9,461)</u>	<u>(4,973)</u>
Agreed resources carried forward	<u>2,158</u>	<u>565</u>	<u>655</u>	<u>1,260</u>

HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2016-17 TO
2018-19

<u>Scheme</u>	<u>Forecast</u>	<u>Estimated Expenditure</u>		
	<u>Outturn</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
	<u>2015-16</u>	<u>£000's</u>	<u>£000's</u>	<u>£000's</u>
Demolition of Garages	-	60	20	20
Redev. of PRC Dwell-Reema Flats Moss Estate	2	-	-	-
Moss Road Reema Flats Redevelopment	2,091	1,638	1,967	142
Green Lane New Build	2,040	-	-	-
Development of Former Garage Sites	50	1,580	1,580	80
Repurchase of vacant former Council Dwellings	198	-	-	-
Right to Buy social Mobility Scheme	-	200	-	-
Disabled Facilities Works (Council Dwellings)	547	510	520	389
Right to Compensation (Tenants Improvements)	-	10	5	5
Replacement of Kitchens	367	372	375	425
Replacement of Bathrooms	1,315	1,358	671	474
Replacement of Central Heating	1,050	1,056	1,068	880
Void Properties (Decent Homes Works)	512	324	334	344
External and Environmental Works	1,514	1,400	1,352	1,442
Provision of Double Glazing	1,526	1,567	607	-
Replacement of Social Alarms	162	-	-	-
Replacement of Fire Alarms (sheltered)	101	-	-	-
Upgrading of Electrical Systems	608	565	570	575
Asbestos Testing and Removal	110	81	84	86
Provision of Proposed Kerbs	114	-	-	-
Replacement of Housing Management 17 system	596	-	-	-
Resurfacing of Driveways	-	200	90	-
Replacement of Housing Service Vehicles	305	24	110	-
Contingency for unforeseen works	106	107	108	111
Future Enhancements	-	175	-	-
TOTAL:	13,314	11,227	9,461	4,973