

## REPORT OF CABINET

### HRA MAJOR WORKS CAPITAL PROGRAMME 2015/16 – 2017/18.

- 1 At its meeting on 11 February, Cabinet considered a report which set a budget for the Council's Housing Revenue Account (HRA) and HRA Major Works Programme. From 2012 the position of the HRA changed from previous years because of the introduction of a regime, known as "Self Financing". An update to the 30 year HRA Business Plan was provided.
- 2 With the introduction of Self Financing in 2012 it was now possible to plan major works expenditure beyond one year at a time.
- 3 The Decent Homes Grant Funding from the GLA came to an end in 2014/15. As a result of use of this grant and significant additional investment of HRA resources into the Decent Homes Programme, essentially all properties now met the Standard, with the exception of around 2% of homes which were currently undergoing works, notably through the non-traditional house refurbishment programme or Decent Homes works at the void stage.
- 4 From now on, the main source of funds for investment in the existing stock stemmed from tenants' rents. Surpluses in rental income net of day-to-day management and maintenance of the stock and meeting the costs of borrowing could be converted to investment in major projects.
- 5 These HRA resources could also be used to fund new build. HRA Business Plan resources for this purpose could be augmented by right-to-buy receipts as the Council has an agreement with the GLA to use 100% of the usable element of right-to-buy receipts on the building of new social housing within three years of their generation. Failure to use right-to-buy receipts in this way would see the Council having to pay the receipts over to the GLA with additional interest. Some council housing new build schemes had also attracted grant from the GLA.
- 6 The 2014/15 – 2015/16 New Build programme consists of the following schemes:

Project	Type of housing	Number of units
<b>Phase 1*</b>		
Albyns Close bungalow scheme	Affordable Rented	9 bungalows
	Shared Ownership for elderly	10 bungalows
Replacement of hard-to-let bedsit bungalows with two bedroom family homes	Affordable Rented	12 houses
New Plymouth and Napier – conversion	Affordable Rented	3 flats

of pram sheds		
<b>Phase 2</b>		
New Plymouth and Napier – infill on land at base on the towers	Affordable Rented	11 houses
	Shared Ownership	8 houses
Briar Road Estate – redevelopment of the centre of the estate	Affordable Rented	36 flats
	Shared Ownership	10 houses
Block Extensions – flats adjacent to existing flatted schemes	Affordable Rented	27 flats
Diana Princess of Wales	Affordable Rented	1 wheelchair adapted bungalow
	Shared Ownership	5 houses
Lexington Way	Affordable Rented	2 flats
	Shared Ownership	10 houses
Kilmartin Way	Affordable Rented	5 houses
Dewsbury Road	Affordable Rented	5 houses
Taplow House, Rainham	Shared Ownership	16 flats
* Schemes at Garrick House, Ullswater Way, Ravenscourt Grove and Holsworthy House will complete in 2014/15		

- 7 The full proposed Major Works programme – covering investment in the existing council housing stock and building of new properties – for the three years 2015/16 to 2017/18 was included in Appendix 2 of the report.
- 8 The Council had also been successful in bidding for additional resources for a programme to extend 15 two bedroom ground floor flats to provide much needed 3 bedroom, level access accommodation on the ground floor for households with a disabled person within them. Work had commenced and would continue into 2015/16.
- 9 The Council would be delivering a Tenants' Incentive Scheme, to assist 20 first-time buyers who were currently Havering Council tenants during 2014/15 and 2015/16 by providing assistance with deposits. This would be jointly funded between the Council and the GLA. There were currently 14 households going through the home-buying process with an average of five fresh enquiries a month.

**Cabinet RECOMMENDS that Council ratifies the HRA Major Works Capital Programme as set out in the appendix to this report**

**Appendix – funded 2015/6 – 17/18 HRA Major works Capital Programme**

Major Works Programme 2015-18					
		15/16	16/17	17/18	3yr Totals
<b>New Build Programme and pre-commitments in 2015/16</b>					
New Build Programme		10,508,721	13,323,987	8,947,129	32,779,837
Napier and New Plymouth improvements		873,732	-	-	873,732
Preliminaries Costs		45,000	-	-	45,000
Programme delivery fees		4,050	-	-	4,050
<b>Total</b>		<b>11,431,503</b>	<b>13,323,987</b>	<b>8,947,129</b>	<b>33,702,619</b>
Total less fees		11,427,453	13,323,987	8,947,129	33,698,569
<b>Stock Upkeep Works to maintenance standards including Major Repairs</b>					
Major Voids		600,000	500,000	600,000	1,700,000
Structural		50,000	50,000	50,000	150,000
Electrical Upgrade/Mains Supplies		150,000	150,000	150,000	450,000
Legionella		170,000	170,000	170,000	510,000
Fencing / Boundary Walls		50,000	50,000	50,000	150,000
Drainage/Sewers		50,000	50,000	50,000	150,000
Asbestos Removal/Management		120,000	120,000	120,000	360,000
External Refurbishment (xrd)		1,395,000	-	1,100,000	2,495,000
DDA Fire Protection/Mean of Escape		50,000	50,000	50,000	150,000
Careline equipment		50,000	50,000	50,000	150,000
Stock condition surveys 10%		25,000	25,000	25,000	75,000
Aids and Adaptations		500,000	350,000	350,000	1,200,000
Programme delivery fees		237,150	159,600	70,200	466,950
<b>Total</b>		<b>3,447,150</b>	<b>1,724,600</b>	<b>2,835,200</b>	<b>8,006,950</b>
Total less fees		3,210,000	1,565,000	2,765,000	7,540,000
<b>Stock Reinvestment to improve conditions including any outstanding Decent Homes works</b>					
Non Trad Houses/Flats System Build		600,000	500,000	850,000	1,950,000
Support Consultants		250,000	150,000	-	400,000
Kitchen/Bathrooms at Void stage		700,000	600,000	850,000	2,150,000
Stock Investment "Replacements"		5,737,714	4,222,683	7,100,000	17,060,397
Preliminaries Costs		570,394	425,041	715,500	1,710,936
Programme delivery fees		684,730	804,681	666,085	2,155,496
<b>Total</b>		<b>8,542,838</b>	<b>6,702,406</b>	<b>10,181,585</b>	<b>25,426,829</b>
Total less fees		7,858,109	5,897,725	9,515,500	23,271,333
<b>Stock Remodelling</b>					
Bedsit Remodelling		500,000	90,000	500,000	1,090,000

**Council, 25 March 2015**

Preliminaries Costs		45,000	8,100	45,000	98,100
Programme delivery fees		49,050	1,962	49,050	100,062
<b>Total</b>		<b>594,050</b>	<b>100,062</b>	<b>594,050</b>	<b>1,288,162</b>
Total less fees		545,000	98,100	545,000	1,188,100
<b>Future Investment</b>					
Tower Block Cladding		-	-	550,000	550,000
Preliminaries Costs		-	-	-	-
Programme delivery fees		-	-	49,500	49,500
<b>Total</b>		<b>-</b>	<b>-</b>	<b>599,500</b>	<b>599,500</b>
Total less fees		-	-	550,000	550,000
		<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>3yr Totals</b>
TOTAL		24,015,541	21,851,055	23,157,464	69,024,060
TOTAL works		23,040,562	20,884,812	22,322,629	66,248,002
TOTAL fees		974,980	966,243	834,835	2,776,058
CAPITAL CONTINGENCY		1,663,853	179,280	(905)	1,842,228
<b>Major Works Resources available from Business Plan</b>		<b>£25,679,394</b>	<b>£22,030,335</b>	<b>£23,156,559</b>	<b>£70,866,287</b>