**TENANTS FORUM**

**9 February 2012**

**HRA CAPITAL PROGRAMME 2012/13**

**PURPOSE OF REPORT**

This report contains information on the draft capital programme for 2012/13 and discusses the impact of the new funding regime for the Housing Revenue Account (HRA) on the Council’s plans to invest in its housing stock.

**BACKGROUND INFORMATION**

The Housing Capital Programme helps the Council to keep its property in good physical condition through comprehensive refurbishment projects and the replacement of building elements such as roofs, windows and boilers. It also plays an important role in improving the quality of life for tenants by investment in environmental improvements and better security.

In the current financial year, £2.508 million will be invested in improving the Council’s housing stock.

**DRAFT PROGRAMME FOR 2012/13**

Subject to approval of the proposed rent increase for 2012/13, it is planned to implement a capital programme of £2.537 million.

In 2012/13, the capital programme will focus primarily on the renewal of kitchens, bathrooms and central heating systems. However, there will also be significant investment in disabled adaptations with resources increasing from £240,000 in this financial year to £381,000 next year.

A capital budget for major works to void properties was put in place for the first time in 2011/12 and this will be retained in 2012/13. A total budget of £150,000 which has been earmarked for major works to void properties will help to ensure that properties are let to new tenants in good condition.

The table overleaf gives a breakdown of the proposed capital programme for 2012/13:

**DRAFT HRA CAPITAL PROGRAMME 2012/13**

| *Project* | *£000’s* |
| --- | --- |
| Decent homes – kitchen and bathroom renewal | 341 |
| Door entry systems | 39 |
| Decent homes – window renewals  | 88 |
| Decent homes – central heating | 230 |
| Decent homes – replacement oil tanks | 43 |
| Decent homes – re-roofing | 55 |
| Decent homes – external wall repairs  | 59 |
| Improving access for disabled people | 381 |
| Decent homes – electrical upgrades | 138 |
| Decent homes – fire doors | 64 |
| Decent homes - fire precautions | 66 |
| Composite door replacements | 172 |
| Structural improvements  | 150 |
| Major voids | 150 |
| External wall insulation | 166 |
| Loft and internal wall insulation | 111 |
| Environmental improvements – Highfields | 35 |
| Decent homes – other works | 111 |
| Sheltered housing – external areas  | 44 |
| Conversion of warden’s flat – The Lawns | 44 |
| Communal areas – Hampden Crescent  | 50 |
| Total  | 2,537 |

**THE IMPACT OF THE NEW FUNDING REGIME FOR COUNCIL HOUSING**

As members of the Tenants Forum are aware, a new self-financing funding mechanism for council housing will be introduced in April 2012. It is anticipated that the new system will give local authorities the resources they need to manage their housing for the long term. In so far as capital investment is concerned, this will mean that, in future, the capital programme will be based on the investment needs of the housing stock rather than being the result of whatever money is available after negative housing subsidy has been paid to the Government.

The stock condition survey, which was undertaken in 2009, found that there was a need to spend over £150 million (at today’s prices) over the next thirty years in order to keep the Council’s housing stock in good physical condition. The HRA business plan, which will be discussed at the Tenants Forum in April, will set out how this will be achieved.

In terms of our future investment plans, it is proposed that priority is given to the comprehensive refurbishment of homes that were built prior to World War II. Around 27% of our housing stock falls into this category and it is essential that we extend the life of these homes so that they remain easy to let and so that tenants continue to live in safe and comfortable homes. Work on this project will commence on site in 2014/15 and it is hoped that the works package will be based on elements of the ‘Homes for the Future’ project at Top Dysons.

The draft HRA Business Plan, which will be submitted to the Tenants Forum in April will contain more detailed information on our future spending plans.

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John Conway

Head of Housing