

<b>DECISION-MAKER:</b>	COUNCIL
<b>SUBJECT:</b>	HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2012/13 – 2014/15
<b>DATE OF DECISION:</b>	12 SEPTEMBER 2012
<b>REPORT OF:</b>	CABINET MEMBER FOR HOUSING AND LEISURE SERVICES
<b>STATEMENT OF CONFIDENTIALITY</b>	
None	

### **BRIEF SUMMARY**

Southampton City Council is committed to shaping its capital programme to meet tenants' aspirations.

This report updates the Housing Revenue Account (HRA) Capital Programme that was approved in February 2012, as amended in July 2012 to reflect the actual level of spend in 2011/12. The size of the HRA Capital programme largely depends on the forecast level of available resources.

The detailed spending plans reflect the priorities set out in the HRA Business Plan and have been discussed with tenants' representatives.

### **RECOMMENDATIONS:**

- (i) To approve the revised Housing Revenue Account (HRA) Capital Programme set out in Appendix 1.
- (ii) To approve the use of resources to fund the HRA Capital Programme as shown in Appendix 3.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The update of the HRA Capital Programme is undertaken twice a year in accordance with the Council's policy.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. The update of the HRA Capital Programme is undertaken within the resource constraints imposed upon it.

### **DETAIL (Including consultation carried out)**

#### **Background**

3. This report compares the overall size and phasing of the portfolio's capital programme that was approved at Council in February 2012 with that now being presented to Council. It also draws attention to any changes in resources that impact on spending plans. The full programme is attached at Appendix 1.

#### **Consultation**

4. The HRA Capital Programme is based on the priorities in the HRA Business Plan. The capital programme element of the Business Plan was discussed at a series of meetings with tenant representatives and was agreed with residents at the biannual Tenants' Conferences. This update report will be

taken to tenants for information at the September meeting of the Tenants' Resources Group.

### **Overall position**

5. The report to Council in February 2012 noted that there was a balanced programme, with expenditure plans matching with forecast resources. There was no material change to this position when the outturn for 2011/12 was presented to Council in July.

### **Changes to spending plans**

6. The programme presented to Council in February 2012, amended in July 2012, has been revised taking into account the latest cost and phasing of schemes and the forecast change in resources described later in the report.
7. The proposed September update totals £167,480,000. This can be compared to the previous February update total of £152,337,000 resulting in an increase of £15,143,000 which represents a percentage variance of 9.9 %.
8. The proposed HRA programme is shown in detail at Appendix 1. The changes in the overall programme are summarised by year in the table in Appendix 2. The main changes in total scheme spending and the significant changes in spending between years are also set out in Appendix 2.

### **Capital Resources**

11. The resources which are available to fund the HRA Capital Programme comprise:

- Unsupported Borrowing
- Usable Capital Receipts
- Grants and Contributions from third parties
- Direct Revenue Financing (DRF)

The Major Repairs Reserve (MRR)

12. Appendix 3 contains an explanation of these terms and a forecast of the resources available. Due to changes in the expenditure profile of some schemes, most significantly in respect of Estate Regeneration, there has been a need to bring forward borrowing within the HRA 30 year Business Plan. This has meant that the level of borrowing in the period to 2014/15 has increased by approximately £6.3m.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

28. Contained in the detail of the report.

### **Property/Other**

29. The proposals within this report are consistent with the Council's strategy for maintaining its housing stock.

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

30. The provision, maintenance and improvement of social housing by local authorities is authorised by various Housing Acts and other legislation.

### Other Legal Implications:

31. None.

## POLICY FRAMEWORK IMPLICATIONS

32. The HRA Capital Programme forms part of the Council's overall Budget and is therefore a key part of the Council's Budget and Policy Framework.

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**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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## SUPPORTING DOCUMENTATION

### Appendices

1.	HRA Capital Programme 2012/13 to 2014/15.
2.	Key Variances and Issues – Sept 2012 programme update
3.	Forecast of HRA capital resources and explanation of terms.

### Documents In Members' Rooms

1.	None.
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### Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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### Other Background Documents

#### Integrated Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. None.	