

Meeting: Executive

Portfolio Area: Housing

Date: 15th February 2006

HOUSING REVENUE ACCOUNT (HRA) 2006/07 CAPITAL FORWARD PLAN
(Housing/Housing Technical Services)

KEY DECISION

Authors – Jo Barrett Ext.No 2590, Pauline Coletta Ext.No 2933/2023

Contributors – Jo Barrett Ext.No 2590, Pauline Coletta Ext.No 2933/2023, Debbie Rabot Ext.No 2455, Celia Twomey Ext.No. 2456

Lead Officer – Celia Twomey Ext.No. 2456

Contact Officer – Jo Barrett Ext.No 2590

1 PURPOSE

To propose an initial HRA Capital Forward Plan for 2006/07.

2 RECOMMENDATIONS

- 2.1 That it be recommended to Full Council that the initial HRA 2006/07 Capital Forward Plan be approved as detailed in Appendix A attached.

3 BACKGROUND

3.1 The outcome of the Council's Housing Options Appraisal Process was submitted to the Government Office for the Eastern Region (GO-East) in July 2005 and has since been signed off by them. The Appraisal concluded that the Council had insufficient Capital resources to achieve Decent Homes by 2010 and therefore the Appraisal recommended that the Council should pursue the Arms Length Management Organisation (ALMO) Option, which would give the Council access to additional capital funding in the form of ALMO borrowing approvals. Preparations for the ALMO are underway and it is planned that the ALMO will "go-live" on 2nd October 2006.

3.2 It was expected that the Government's formal bidding process for the next Round of ALMO funding would have been announced in the latter part of last year. However, the expected announcement has slipped each month and, at the time of writing, it is still awaited. The ALMO Bid Report elsewhere on this agenda has therefore been prepared, at this stage, without the financial aspects of the bid incorporated, as it is not possible to complete the financial Section of the Bid without the updated ALMO Guidance and the appropriate ODPM model. Subject to the timing of the Round 6 announcement, it is hoped that the financial details of the bid will be submitted to the March Executive.

REASONS FOR RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS

- 4.1 It was intended that the ALMO Bid report, incorporating the full financial aspects of the anticipated bid, would have detailed the up-to-date position on the HRA Capital Programme as required to meet the sustainable Decent Homes standard; the Council's current available capital resources and, if the guidance and ODPM model were available, how these would feed into calculating the anticipated ALMO Bid. The report would also have detailed a proposed updated HRA Capital Programme including HRA Capital Forward Plan proposals for 2006/07, pending confirmation of the acceptance of the bid. It is also intended to report an updated overall Capital Strategy for the Council alongside the ALMO financial bid report, in order to present the inter-relationship between the potential use of the Council's own resources. As stated above, subject to the timing of the Round 6 ALMO announcement, it is hoped that these reports will be submitted to the March Executive.
- 4.2 However, because of the slippage in the Government Bid timetable it would not be practical to await the detailed reports before proposing a Capital Forward Plan for the HRA for 2006/07, otherwise approvals would not be in place in April. It is therefore recommended that, at this stage, an initial HRA Capital Forward Plan is approved for 2006/07 in order to ensure the continuity of works.
- 4.3 The Programme will focus on works, which are essential landlord responsibilities, Health and Safety works and works to achieve the Decent Homes standard. As such they will be in line with the Programme that will be submitted as part of the ALMO bid. The proposed Programme also incorporates a small element of other necessary capital schemes, which by their nature fall outside the Government's definition of the Decent Homes Standard but which are statutory or are considered to be essential in ensuring that the two star Inspection rating is achieved for Housing.
- 4.4 Pending detailed consideration of the ALMO Bid and the Council's updated Capital Strategy it is proposed that an initial HRA Capital Programme should be set at the level of the 2006/07 HRA available capital resources. The specific capital resources that are available and ring-fenced to the HRA are:-
- the HRA Major Repairs Allowance (MRA), which for 2006/07 is £6,002k, gross of the transfer that the Council makes under the negative transfer transitional arrangements.
 - HRA Revenue Contributions to Capital Outlay (RCCO), from the Supporting People Grant, which for 2006/07 are currently budgeted for at £560k.
- 4.5 The initial proposed HRA Capital Forward Plan for 2006/07 is detailed at Appendix A and totals £6,562k based on the resources specified in paragraph 4.4 above.

5 IMPLICATIONS

5.1 Financial Implications

The initial 2006/07 HRA Capital Forward Plan proposed in this report totals £6,562k in line with the level of HRA capital resources that are available and ring-fenced to the HRA, being £6,002k from the Major Repairs Allowance and £560k from HRA Revenue Contributions to Capital Outlay.

5.2 Legal Implications

None.

5.3 Policy, Planning, Environmental, Staffing and Accommodation, Human Rights, Other Corporate and Other Implications

None.

5.4 Service Delivery, Equal Opportunities, Community Safety and Information Technology Implications

The proposed programme will provide for continuity of HRA capital schemes into 2006/07 including those in respect of Disabled Adaptations, Community Safety Issues and IT Systems.

BACKGROUND DOCUMENTS

- General Fund Budget, Revenue & Leasing Forward Plan, and Capital Programme 2005/06 Report to Executive 16th February 2005.

APPENDICES

- **Appendix A** - 2006/07 HRA Capital Forward Plan Proposals.