
REPORT TO:	Cabinet Member (Housing and Safer Communities) Cabinet
DATE:	23 January 2018 7 February 2018
SERVICE AREA:	Housing & Property
REPORTING OFFICER:	Head of Housing & Property (<i>Madeleine Bell</i>)
SUBJECT:	HOUSING INVESTMENT PROGRAMME 2018/19
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 This report reviews the latest forecast for the 2017/18 Housing Investment Programme and seeks approval for the 2018/19 outline programme.

2.0 RECOMMENDATION/S

- 2.1 That the latest expenditure forecast for 2017/18 be noted.
- 2.2 That the outline Housing Investment Programme for 2018/19 be approved.
- 2.3 That the Cabinet Member (Housing and Safer Communities) be delegated authority to approve the detailed programme of planned maintenance and improvement schemes for 2018/19.
- 2.4 That the Cabinet Member (Housing and Safer Communities) be delegated authority to approve subsequent variations to the programme referred to at 2.3 above provided that such variations are within the scope of the Housing Investment Programme budget, and that such authority is only exercised upon receipt of a written report.

3.0 RECOMMENDED REASON/S FOR DECISION/S

- 3.1 The proposed outline programme makes best use of the resources available, enabling the Council to work towards its Corporate objectives and priorities for Housing.

4.0 ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION

4.1 Not to adopt the proposed programme. This may mean that the Council fails in its objectives and that best use is not made of the resources available to the Council.

5.0 THE REPORT

5.1 The Council's Housing Investment Programme (HIP) is directed at achieving a combination of Government targets (for example, enabling disabled people to remain in their own homes) and the Council's own Housing Strategy and Housing Revenue Account Business Plan targets.

5.2 The Housing Investment Programme should also be seen in the context of the Council's corporate priorities, which include "Supporting Our Communities – develop and maintain a proactive approach to housing provision in the district".

5.3 HOUSING INVESTMENT PROGRAMME 2017/18

5.3.1 Appendix 1 shows the 2017/18 Original Estimate at February 2017, the quarter two monitoring estimate at October 2017 and the latest forecast at December 2017. The 2018/19 proposed programme and future projections are also shown for comparison.

5.3.2 The table below shows the latest forecast outturn expenditure for 2017/18 as at December 2017.

Housing Investment Programme 2017/18

	EXPENDITURE Latest Forecast £		RESOURCES: Latest Forecast £
Planned Maintenance and Improvements	4,735,690	Major Repairs Reserve	5,804,840
Allhallowgate redevelopment	350,000	Revenue Contribution	942,130
Housing development	1,480,000	Government Grant	400,000
Shared ownership new Build Purchases	283,410	Homes & Communities Agency (HCA) grant	507,570
Shared Ownership Affordable Home Purchases	1,056,000	Housing Capital Reserve	5,000
Unadopted Road Improvements	200,000	Commuted Sums	1,159,710
Capital Salaries	309,150		
Disabled Facilities Grants – including contribution to NYCC	400,000		
Emergency Repairs Fund	5,000		
TOTAL ESTIMATED EXPENDITURE FOR 2017/18	8,819,250	TOTAL ESTIMATED RESOURCES FOR 2017/18	8,819,250

5.3.3 The latest forecast for 2017/18 of £8,819k is £896k lower than the estimate previously reported in October of £9,715k, as shown in Appendix 1. The reason for this reduction is down to reduced expected spend at Allhallowgate and unadopted roads, both of these underspends will be carried forward to 2018/19.

Expenditure on Disabled Facilities Grants expenditure is forecast to be £400k. Unspent grant funding will be carried forward to 2018/19. The forecast for Emergency Repairs Fund remains at £5k in anticipation of some applications over the winter months.

5.4 HOUSING INVESTMENT PROGRAMME 2018/19

5.4.1 The table below shows the outline programme for 2018/19.

	Proposed Estimated Expenditure £		Resources £
Planned Maintenance & Improvements	4,191,400	Major Repairs Reserve	4,366,040
Allhallowgate redevelopment	2,554,600	Revenue Contribution	4,234,990
Housing development	1,333,650	Government Grant	622,870
Shared Ownership Affordable Home Purchases	3,168,000	Homes & Communities Agency (HCA) grant	753,600
Shared ownership new Build Purchases	496,000	Housing Capital Receipts 1-4-1	75,000
Unadopted Road Improvements	461,240	Housing Capital Reserve	5,000
Capital Salaries	349,640	Commuted Sums	3,124,900
Disabled Facilities Grant	622,870		
Emergency Repair Fund	5,000		
TOTAL EXPENDITURE	13,182,400	TOTAL RESOURCES	13,182,400

5.4.2 Planned Maintenance & Improvements

The proposed programme of Planned Maintenance work for 2018/19 will aim to maintain the whole housing stock at, or above, the Government's Decent Homes Standard, undertake works that will prevent future non-decency and continue the investment in the hostels and sheltered housing complexes as required, within the resources outlined here.

The outline programme for planned maintenance for 2018/19 is broadly in line with the original programme for 2017/18 and includes a 1% budget decrease in line with the Government's requirement for a 1% cut in social rent. The detailed plan for 2018/19 will be submitted to the Cabinet Member (Housing and Safer Communities) in due course. An overall summary of the proposed major works and improvements programme for 2018/19 is shown in Appendix 2. This includes a contingency fund of

£800k for development works, which will be used to cover any additional costs associated with existing developments and any future potential developments yet to be decided upon.

5.4.3 Allhallowgate Redevelopment

Expenditure on the Allhallowgate redevelopment scheme is included in the budget per the report to Cabinet in October 2016. Progress in 2017/18 has been limited due to a need for more extensive ground condition surveys than were anticipated, in order to collect sufficient data for a specifically tailored foundations design to be proposed. It is hoped that it will now be possible to achieve Building Regulations approval for new foundation designs and progress to the construction phase in 2018/19.

5.4.4 Housing development

A budget of £1,334k is included for 2018/19. The developments in progress with spend taking place in 2018/19 and those currently expected to commence in 2018/19 (subject to planning permission etc) are:

- Eleanor Road, Harrogate (4No. 1-bed flats)
(expected commencement Jan 2018)
- Inman Walk, Knaresborough (2No. 1-bed flats)
(expected commencement Mar 2018)
- Kingsway, Weeton (2 No. 1-bed flats)
(expected commencement Apr 2018 subject to Planning Permission)
- Valley Road, Darley (2 or 3No. 2-bed houses)
(expected commencement Sep 2018 subject to Planning Permission)
- Wharfe View, Kirby Overblow (2No. 2-bed dormer bungalows)
(expected commencement Sep 2018 subject to Planning Permission)
- further sites are at early design stages and are currently planned to commence on site in 2018/19 or 2019/20 subject to approval of the programme by Cabinet Member (Housing and Safer Communities) and Planning Permission:
 - Kennion Road, Harrogate (conversion of former Housing Office to 2No. 1-bed flats and 1No. 3-bed mainsonette)
(provisional commencement estimated as Mar 2018)
 - Woodfield Road, Harrogate (4No. 1-bed flats OR 1No. 2-bed house plus 2No. 1-bed flats)
(provisional commencement estimated as Sep 2018)
 - Fairfax Avenue, Harrogate (3No. 2-bed houses)
(provisional commencement estimated as Apr 2019)
 - Spence Croft, Angram (2No. 3-bed houses)
(provisional commencement estimated as Apr 2019)
 - Russell Dixon Square/Holmefield Road, Ripon (4 or 6No. 1-bed flats)
(provisional commencement estimated as Sep 2018)

It should be noted that successful applications have been made to the HCA for grant for some of the new build properties on the former garage sites, whilst some will be part funded using Housing capital 1-4-1 receipts generated from Right To Buy sales. (HCA grant and 1-4-1 receipts cannot both be used on the same project). The 1-4-1 capital receipts can be used as 30% of the cost of the new build required with the

balance coming from HRA revenue and the Major Repairs Reserve.

5.4.5 Shared Ownership Affordable Home Purchases

£496k is expected to be spent in 2018/19 to acquire seven properties that will be marketed as shared ownership. These are part of the scheme at Boroughbridge Road in Knaresborough, which was agreed by Cabinet in May 2016.

As well as Shared Ownership of new Builds, there is also £3,168k expected to be spent in 2018/19 to acquire 18 properties currently on the open market, which will then be marketed as shared ownership. These are part of the 24 acquisitions agreed at Cabinet October 2017. All these Shared Ownership properties will be funded from HCA grant along with Commuted Sums. (some of which will be recycled commuted sums from the part-sales of previously purchased shared ownership properties).

5.4.6 Unadopted Road Improvements

Forecast spend in 2018/19 on Unadopted Estate Road is £461k, being £250k for the 3rd year of the 10 year plan agreed by Cabinet Member report November 2015, plus the carry forward of unspent resources from 2017/18

5.4.7 Private Sector Grants

The budget for mandatory Disabled Facilities Grants included in 2018/19 is set at £623k, in line with the expected grant funding for the year.

It is envisaged that a report recommending additional discretionary works will come to the Cabinet Member Housing & Safer Communities in March 2018

Government funding for Disabled Facilities Grants forms part of the Better Care Fund and Harrogate's grant allocation, which comes via NYCC, increased in 2016/17 such that it should cover the total expenditure incurred, and will do so until 2020.

The budget for the Emergency Repairs Fund is to be reduced to £5k and funding is to continue to come from the Housing Capital Reserve.

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below.

6.2 Risk assessment:

The Council's management of its Housing Investment Programme addresses risk in the following ways:

Planned Maintenance programme: the risk of serious cost escalation is slight as the scheme is closely controlled through regular monitoring. The cost of schemes is known when tenders are received and contracts awarded. If costs should increase, the programme of works is adjusted to keep within budget. Delaying schemes until the next financial year is allowable for schemes that take longer than projected, providing that the resources can also be carried forward to the next financial year.

Private Sector Loans and Grants: Disabled Facilities Grants are a mandatory service that the Council must provide. Annual grant is received from the Government that contributes towards these payments (from 2015/16 this has been part of the Better Care Fund, that has been received via NYCC), with the balance having to be met by the Council. Careful monitoring is carried out through the year to prevent budgets being exceeded and to ensure that spend is on target for discretionary loans and grants.

7.0 CONCLUSIONS

- 7.1 This report sets out the latest projections for the 2017/18 Housing Investment Programme, together with outline proposals for capital expenditure on the 2018/19 Housing Investment Programme. The Cabinet Member (Housing and Safer Communities) will receive regular reports on progress, both formally at mid-year and informally on a more frequent basis.

<p>OFFICER CONTACT: Please contact Madeleine Bell (Head of Housing & Property) if you require any further information on the contents of this report. The officer can be contacted at Civic Centre, St Luke's Avenue, Harrogate HG1 2AE, by telephone on 01423 500600 ext.58352 or by email at madeleine.bell@harrogate.gov.uk</p>
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APPENDIX 1

A comparison of expenditure programmes and projections 2017/18 - 2020/21

2017/18 Original Estimate Feb 2017 £	2017/18 Latest Estimate Oct 2017 £	2017/18 Latest Forecast Dec 2017 £	<i>Please see Appendix 3 for explanation of budget headings.</i>	2018/19 Original Estimate £	2019/20 Projected Estimate £	2020/21 Projected Estimate £
Resources						
571,000	400,000	400,000	Government Grant	622,870	622,870	622,870
433,500	507,570	507,570	Homes & Communities Agency Grant	753,600	0	0
4,961,300	5,809,260	5,804,840	Major Repairs Reserve	4,366,040	4,576,130	4,800,960
0	0	0	Housing Capital Receipts 1-4-1	75,000	400,100	400,100
30,000	5,000	5,000	Housing Capital Reserve	5,000	5,000	5,000
2,887,400	1,833,370	942,130	Revenue Contributions	4,234,990	1,113,550	1,053,550
283,410	1,159,710	1,159,710	Commuted Sums	3,124,900	354,270	0
9,166,610	9,714,910	8,819,250	Total Resources	13,182,400	7,071,920	6,882,480
Expenditure						
			Planned Maintenance & Improvements			
4,233,780	4,735,690	4,735,690	Improvements, Refurbishments and Adaptations	4,191,400	4,149,500	4,307,200
1,920,900	1,000,000	350,000	Allhallowgate redevelopment	2,554,600	0	0
1,480,000	1,480,000	1,480,000	Housing development	1,333,650	1,333,650	1,333,650
0	1,056,000	1,056,000	Shared Ownership Affordable Home Purchases	3,168,000	0	0
283,410	283,410	283,410	Shared ownership new Build Purchases	496,000	354,270	0
350,000	411,240	200,000	Unadopted Road Improvements	461,240	250,000	250,000
297,520	343,570	309,150	Capital Salaries	349,640	356,630	363,760
			Private Sector Grants/Loans			
571,000	400,000	400,000	Disabled Facilities Grants (inc contrib to NYCC)	622,870	622,870	622,870
30,000	5,000	5,000	Emergency Repairs Fund	5,000	5,000	5,000
9,166,610	9,714,910	8,819,250	Total Expenditure	13,182,400	7,071,920	6,882,480

SUMMARY OF THE PROPOSED 2018/19 PLANNED MAINTENANCE PROGRAMME

Summary by work content

	£
'Housing Quality Standard' works	
Heating renewals	881,600
Kitchen renewals	1,273,700
Bathroom renewals	159,600
Window renewals	318,000
Roofcovering renewals	78,000
Total 'Housing Quality Standard' works	2,710,900
'Housing Quality Standard' other provisions	
Removals, decorations & disturbance	5,000
Disabled persons' adaptations (small works)	250,000
Total 'Housing Quality Standard' other provisions	255,000
'Housing Quality Standard-plus' works	
Neighbourhood environmental improvements	20,000
Extensions for adaptations or overcrowding	200,000
Hostel improvements	45,500
Common Areas	130,000
SAP improvement project phase 4	30,000
Total 'Housing Quality Standard-plus' Works	425,500
Development Provision	
Contingency provision for development work	800,000
Total	4,191,400