



Housing Revenue Account (HRA) Capital Budget 2020/2021

**Community and Enterprise Scrutiny
Committee**

6th November 2019

30 Year Capital Business Plan Focus

- » **Completion of WHQS by December 2020** and continuing to maintain our properties at this standard
- » **Investment in new homes**
 - » £11.171m expenditure planned for 2019/20
- » **Projected surpluses after 2020** providing for
 - » Estate remodelling/regeneration
 - » Decarbonisation
 - » 50 new social homes per year
 - » Service improvements

Welsh Housing Quality Standard (WHQS)



WHQS – Delivering the programme

»The Capital Works Teams were tasked with delivering a major investment programme for it's housing properties. This has been done by:

»Consulting with Members and Tenants Federation workshops

»Determining the various work streams and the New District Areas for project delivery

»Packaging the work streams into years based upon manageable numbers geographical locations

»Awarding the contracts, commencing and managing the works onsite

» Tenants satisfaction score was 95.8% for Yr 4

WHQS - Compliance

- » The team are currently reporting the following:
 - » 100% compliant kitchens
 - » 100% compliant bathrooms
 - » 76% compliant roofing & associated components
 - » 82% compliant windows / doors
- » A 20% Acceptable fail scenario has been allowed within the programme.

Draft Capital Programme 2020/21

HRA Capital Programme	
WHQS	£'m
CATCH UP REPAIRS / MAJOR WORKS	
Urgent Capital Works	0.432
IMPROVEMENTS / COMMUNAL WORKS	
Fire Risk Assessments Work	0.530
General DDA Work	0.053
IMPROVEMENTS / ACCELERATED WORKS	
Asbestos Survey and Removal (Ongoing Programme)	0.636
Off Gas Programme	-
Welfare Reform / Adaptations	0.106
PROGRAMMED WORK STREAMS	
Internal Works	1.140
Envelope Works	9.656
External Works, Paths, Fences	0.504
Environmental Works - General	2.016
Capitalised Salaries	0.985
WHQS Acceptable Fails	1.061
Empty Properties	0.796
Total WHQS	17.914



Council House Build Programme

Council House Building Programme

- » **Strategic and Housing Regeneration Programme (SHARP) will deliver 303 council homes over five years from 2016.**
- » **To date, 114 units completed on schemes in Connahs Quay, Flint, Leeswood, Mold, Shotton and Holywell**
- » **Schemes at former Dobshell Depot, Maes Gwern in Mold and St Andrews will continue into 2019/20.**
- » **The Scheme at Nant y Gro is due to start on site in April 2020.**
- » **Plans for a further 110 units are being developed.**
- » **Future projection of 50 new units per year in the Housing Strategy document.**

Maes Gwern, Mold (September 2019)



St Andrews, Garden City (Sept 2019)





HRA Capital Programme

HRA 2020/21 Capital Programme

- » 2019/20 is a transition year for rents following the end of the existing rent policy in 2018
- » Data sources indicate that following a 3 year 1% decrease in England, average rents in Wales are much higher than those in England.
- » A number of policy scenarios could be now be applied by Welsh Government. These could range from CPI + 1% to a rent freeze or even a reduction.
- » 2020/21 new rent policy has still not been set by WG anticipated timeline early Dec 2020.
- » The capital programme has therefore been based on projected available resources

HRA Capital Funding 2020/21

WHQS & Asset Investment Funding	£m
Major Repairs Allowance (MRA)	5.065
Revenue Contribution to Capital Expenditure (CERA)	12.391
Solar PV Feed in Tariff	0.275
Prudential Borrowing	1.450
Total	19.181

New Build Funding	£m
Prudential Borrowing	9.758
Capital Receipts	1.227
Commuted Sums	0.298
Total	11.283

Total proposed capital programme of **£30.464m**

Capital Programme cont....

Non WHQS	£'m
Disabled Facility Grants (DFG) - Mandatory/ Minor Adaps	1.104
Energy Efficiency	0.275
Total Non - WHQS	1.379
SHARP Programme	£'m
Batch 3 Commitments	0.524
Batch 4 Estimates	10.647
Total SHARP Programme	11.171
Total Capital Spend	30.464

- » The Business Plan assumes that post WHQS the MRA will be used to fund decarbonisation of the Council's Housing stock in line with Welsh Government Policy
- » The Business Plan also assumes a programme of stock regeneration works from 2021/22, onwards.



POST 2020.... Our Priorities



Future HRA Capital Priorities

- » **Maintenance of WHQS**
- » **New build programme of 50 homes per year**
- » **Regeneration of existing stock**
- » **Decarbonisation**

Decarbonisation

- » Welsh Government advisory report produced in July 2019 on 'Better Homes, Better Wales, Better World – Decarbonising existing Homes in Wales'
- » **Recommendations**
 - » WG should commence a 10 year programme to prioritise retrofit of social homes
 - » WG should set a target of EPC band A for homes in fuel poverty
 - » WG should incentivise early adopters to retrofit homes to a target of EPC band A.

Thank you for listening

- » **Agenda item 5 recommendations:-**
- » **Approve and recommend to Council the HRA Capital Programme for 2020/21. this may be subject to change based on the outcome of the rent policy which will become available in December 2019.**
- » **Approve the proposed HRA Capital programme for 2020/21 as set out in Appendix 1**