

Section Two – Housing Capital Programme

HRA Capital Programme 2020-21

1. A detailed Housing Capital Programme is set out at the end of this Appendix. A summary of the total Housing capital expenditure and how it will be funded is shown below :

Summary By Funding	2019-20 Original Budget (£)	2019-20 Projected Outturn (£)	2020-21 Original Budget (£)
Useable Capital Receipts	(1,099,970)	(419,970)	(1,315,630)
Grants and Contributions	(1,526,400)	(1,526,400)	(832,800)
Depreciation	(8,966,320)	(8,966,320)	(6,888,800)
Specific Reserves	(7,039,830)	(6,480,770)	(3,410,380)
Borrowing	0	0	(8,102,500)
Total	(18,632,520)	(17,393,460)	(20,550,110)

2. The Housing capital programme for 2020-21 totals £20,550,100, of which £832,800 is in respect of non-HRA capital schemes and £19,717,310 is in respect of HRA capital schemes.

Capital Maintenance of existing Council Housing Stock

3. The HRA Capital programme for GBC maintains a focus on programmes to replace and improve elements within dwellings and maintain health & safety works, with £7.0m earmarked for this purpose in 2020-21. Investment patterns have been reviewed to ensure funding is effectively targeted to specific programmes of work, including kitchen and bathroom replacement, electrical testing, communal upgrades and disabled adaptations.
4. Three properties, which have been long term vacant, are in need of major renovation before they can be re-let to new tenants. A provision of £300,000 is being made to fund the cost of these works, with approximately £100,000 being made available in 2019/20 and the remaining £200,000 being allocated in 2020/21.

New Build and Acquisitions Programme

5. The council will be looking to bring forward a number of housing development sites during 2020-21 in support of its Corporate Plan objective to deliver new homes that allow residents and their families to stay and grow in the borough:
- On the site of the former tenants association club at Whitehill Lane, a scheme to deliver the construction of 24 one and two bed properties and eight three bed houses.
 - The demolition of the bedsits in Valley Drive will allow for the construction of 32 one bed flats for the over 55's as well as 16 one, two and three bed properties for general need.
 - At a site at St Patrick's Gardens, 23 one and two bed properties will be constructed.

6. In addition to these schemes, a number of other smaller sites will be developed to deliver one or two units.
7. From April 2012, the Ministry for Housing, Communities and Local Government (formerly the DCLG) has allowed local housing authorities to retain a proportion of Right to Buy (RTB) receipts for the purpose of delivering further affordable housing. The council entered into an agreement with the Secretary of State for Communities and Local Government for this purpose in the first quarter of 2012.
8. The conditions of the agreement require that the retained Right to Buy receipts must not constitute more than 30% of the total amount invested in replacement stock (newly built council homes, newly acquired council homes or social housing provided through local authority grants to housing associations). To date, the council has funded the remaining 70% from its own reserves; during 2020-21 the council will need to undertake a level of external borrowing to help ensure the long term viability of the HRA Business Plan, with this borrowing serviced by the anticipated rental income from the new homes.
9. In 2020-21 the capital programme sets out the intention to deliver additional social housing of £11.575m.

Other Capital Expenditure

10. A review of council playsite provision has been completed and a schedule of replacement drawn up which will see a fully-funded replacement programme for council-owned playsites implemented from 2020-21. Annual provision of £24,000 has been made within the capital programme to fund improvements to playsites within council housing areas.
11. In the first of a three year programme a provision of £13,190 has been made in 2020-21 to provide improved units for waste and recycled bins across Wallis Park, St Andrews Court, Shepherd Street and Chantry Court.
12. Due to increasing antisocial behaviour, a provision of £37,060 has been made within the 2020-21 capital programme to renew and install new CCTV systems at a number of locations across the borough.
13. Following the Grenfell tragedy and advice distributed by Government regarding the integrity of fire doors to flats, a programme has been designed to replace fire doors at two of the high rise blocks in the borough, Carl Ekman House and The Hive. A provision of £175,000 has been made within the 2020-21 capital programme.

Disabled Facilities Grants

14. Funding for Disabled Facilities Grants is provided through the Better Care Fund, which was established in April 2015 to encourage areas to take a joined-up approach to improving outcomes across health, social care and housing. Payment of Disabled Facilities Grant amounts are made to Kent County Council and then distributed to district councils. Funding for 2020-21 is yet to be confirmed, therefore the budget for 2020-21 is based on the basic level of funding received in 2019-20

Capital Finance 2020-21 and Beyond

Usable Capital Receipts

15. Capital receipts received by the authority are used to finance either the HRA or the Housing General Fund capital programmes and are primarily generated through the Sale of HRA assets.
16. Since April 2012, the number of properties sold under the Right To Buy (RTB) scheme has significantly increased due to the higher level of RTB discount that can be received.

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 Projected	2020-21 Estimate
Number of Council Houses sold through the Right to Buy Scheme	22	32	38	32	29	23	21	30	30

17. The projected level of housing capital receipts, resulting from the RTB sales held by the council for the purpose of funding the new build programme is anticipated to be £6.213m as at 31 March 2020 (£5.545m at 31 March 2019).
18. The projected level of general housing capital receipts held by the council is anticipated to be £1.156m as at 31 March 2020 (£1.319m at March 2019).

Grants & Contributions

19. Funding for Disabled Facilities Grants is provided through the Better Care Fund and announced on an annual basis.

Depreciation

20. Under the self-financing regime, depreciation charges on HRA non-current assets are held in a Major Repairs Reserve and used to provide funding for capital investment in the council's housing stock and other HRA assets.
21. The projected level of funds held by the council in the Major Repairs Reserve is anticipated to be £0 at 31 March 2020 (£2.055m at 31 March 2019).

General Reserves

22. The council holds a number of general and specific reserves which are intended to meet future requirements. As at 31 March 2020 the council is projected to be holding £2.610m in the HRA General Reserve, which is maintained to hold the balance of surplus funds, generated by the HRA in any year.

The Debt Cap

23. The Autumn Budget 2018 included the announcement that the HRA Borrowing Cap was to be abolished, enabling stock-holding authorities to borrow beyond the existing cap level as a means to increasing social housing levels in local communities (for Gravesham the borrowing cap was £117.3m, with actual debt at £85.8m as at 31 March 2019). Whilst the borrowing cap has been lifted, the council will seek to ensure that any borrowing undertaken by the HRA is prudent and affordable.

Summary Housing Capital Programme 2019-20 and 2021-22

REF No	PROJECT	19-20 Original Budget (£)	19-20 Forecast Outturn (£)	20-21 Proposed Budget (£)
A	Replacement Programmes	4,920,550	4,720,550	4,005,650
B	Improvement Programmes	2,069,290	1,969,290	1,702,350
C	Health & Safety Works	1,773,980	1,921,300	1,305,310
D	Major Void Works	0	100,000	200,000
E	New Build and Acquisitions	7,662,300	7,155,920	11,575,000
F	Housing Computer System	600,000	0	600,000
G	Replacement Play Equipment	0	0	103,750
H	Bin Housing	0	0	13,190
I	CCTV	0	0	37,060
J	Fire Doors	0	0	175,000
	Total HRA Capital Programme	17,106,120	15,867,060	19,717,310
K	Renovation Grants (DFG)	1,526,400	1,526,400	832,800
	Total Housing Capital Programme	18,632,520	17,393,460	20,550,110

Detailed Housing Capital Programme 2019-20 and 2020-21

REF No	PROJECT	19-20 Original Budget (£)	19-20 Forecast Outturn (£)	20-21 Proposed Budget (£)
A	Replacement Programmes			
	Kitchen Programme	260,220	260,220	504,000
	Kitchen Programme (Void)	684,180	506,180	383,500
	Bathroom Programme	211,000	156,140	211,000
	Bathroom Programme (Void)	41,700	96,550	114,000
	Communal Area Upgrades	100,000	228,670	0
	Ventilation, Damp & Mould	13,700	13,700	0
	Doors & Windows Programme	646,920	881,930	850,000
	Roofing Replacements	1,327,760	1,057,390	879,150
	Electrical Tests & Upgrades	1,635,070	1,519,770	1,064,000
		4,920,550	4,720,550	4,005,650
B	Improvement Programmes			
	Modernisations & Reconfigurations	116,940	149,620	0
	Insulation Works	40,000	40,000	40,000
	Heating Installations	1,240,600	1,107,920	1,140,600
	Structural Repairs Programme	150,000	150,000	0
	Aids & Adaptations	521,750	521,750	521,750
		2,069,290	1,969,290	1,702,350
C	Health & Safety Works			
	Fire Precaution Works	1,267,420	1,267,420	678,910
	Door Entry/Warden Call Systems	108,650	108,650	125,000
	Asbestos Surveys and Removals	93,900	93,900	60,000
	Major Lift Refurbishments	187,990	187,990	140,050
	Tanks/Water Mains	15,100	114,040	200,430
	LED Emergency Lighting	100,920	149,300	100,920
		1,773,980	1,921,300	1,305,310
D	Major Void Works	0	100,000	200,000
E	New Build and Acquisition	7,662,300	7,155,920	11,575,000
F	Housing Computer System	600,000	0	600,000
G	Replacement Play Equipment	80,000	0	103,750
H	Bin Housing	0	0	13,190
I	CCTV	0	0	37,060
J	Fire Doors	0	0	175,000
K	Renovation Grants (DFG)	1,526,400	1,526,400	832,800
	Totals	18,632,520	17,393,460	20,550,110