
REPORT TO:	Cabinet Member (Housing & Safer Communities) Cabinet
DATE:	25 October 2022 9 November 2022
SERVICE AREA:	Housing & Property/Finance
REPORTING OFFICER:	Head of Finance <i>(Alice Featherstone, Accounting Technician)</i>
SUBJECT:	HOUSING INVESTMENT PROGRAMME 2022/23 MONITORING
WARD/S AFFECTED:	ALL DISTRICT
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 This report provides the latest forecast for the Housing Investment Programme (HIP) for 2022/23 and highlights the main variances between this latest forecast and the budget.

2.0 RECOMMENDATION

- 2.1 That the report is received and the position noted.

3.0 RECOMMENDED REASONS FOR DECISION

- 3.1 The individual schemes and the overall funding levels need to be reported for capital budget monitoring purposes.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 Not to report. This would mean the Council would not be adequately monitoring capital expenditure.

5.0 THE REPORT

- 5.1 On 2 February 2022, Cabinet approved the Housing Investment Programme for 2022/23 with a forecast expenditure of £16,478k. On 17 August 2022 a

Quarter1 report was taken to Cabinet with a revised programme of £16,946k. The latest forecast programme as at October 2022 has decreased to £13,736k. A breakdown of the budget, Quarter 1 figures and the latest forecast are shown at Appendix 1. This summary also shows how the programme will be resourced. Key variations are detailed in the paragraphs below.

5.2 **Planned Maintenance & Improvements** - The current forecast for the overall programme of works is £2,474k, a decrease of £2,435k compared to the original budget figure. This is due to ongoing staff vacancies and procurement of the kitchen contract. Any further reduction in costs before year end will be picked up in the Quarter 3 HIP monitoring report in January 2023.

5.3 **Housing Development** – Expenditure is currently forecast to be £2,162k a decrease of £528k to budget agreed in February 2022. The decrease is due to access and legal issues with Church Close and Pannal Green, planning approval not yet obtained at 22 Springfield Drive and 31 Gascoigne Crescent, delays in obtaining planning approval on Woodfield Close and Poplar Grove, along with current vacancies. We are currently expecting to complete 6 new build/refurbishments along with refurbishments at Allhallowgate including the creation of 3 accessible flats in 2022/23

- a. **1 Springfield Drive, Boroughbridge (completed)**
One 2 bed house
(1 dwelling)
- b. **Holmefield Road, Ripon (due for completion 2022/23)**
One 2 bed house
Two 3 bed houses
(3 dwellings)
- c. **Woodfield Close, Harrogate (due for completion 2022/23)**
Two 1 bed flats
(2 dwellings)
- d. **Dene Park, Harrogate (due for completion 2023/24)**
Two 1 bed flats
Two 2 bed houses
One 3 bed house
(5 dwellings)
- e. **70 Poplar Grove, Harrogate (due for completion 2023/24)**
One 2 bed house
(1 dwelling)
- f. **24 Pannal Green Harrogate (due for completion 2023/24)**
Two 3 bed houses
(2 dwellings)

- 5.4 **Unadopted road** - The current forecast is £100k. This is a reduction of £400k compared to original budget as work has not yet started on the project.
- 5.5 **Homes purchased for social housing with HRA capital receipts and 141 receipts** - It was agreed by Cabinet on 2nd February 2022 that 20 homes would be purchased in 2022/23. 3 homes that were forecasted for 2021/22 did not complete due to market availability. As a result, a total of 23 homes are expected to be purchased in 2022/23 from the £6m budget (this includes £848k carried forward from 2021/22). There are sufficient capital receipts, along with the 1-4-1 receipts, to fund such purchases. To date in 2022/23 we have purchased 8 properties at a cost of £1.8m, and agreed purchases on a further 9 properties.
- 5.6 **Castle Hill purchases for HRA stock** - The expected budget spend in 2022/23 is £834k. This is for the purchase of the remaining 16 properties (s106 units) on this site, with the final 6 being purchased in 2023/24.

5.7 Private Sector Grants/Loans

5.7.1 Disabled Facilities Grants (DFGs)

The original budget for 2022/23 is set at £1m and the latest forecast spend will remain the same.

5.7.2 Emergency Repair Fund

The council operates an Emergency Repair Fund which provides a loan fund to the private sector to support unforeseen repairs or maintenance. Budgeted expenditure for the year was set at £5k.

5.8 Resources

The main variation is that the contribution to capital from HRA revenue has decreased by £5.99m following increased funding available from Major Repair Reserve (MRR), due to both lower forecast in 2022/23 planned Maintenance costs and 2021/22 carry forward MRR underspends, along with higher capital receipts from 2021/22 carry forwards.

The balance of usable capital receipts is currently £5,386k of which £1,076k are 1-4-1 capital receipts. The balance available will be used to fund the house purchases. This figure will also be affected by Right to Buy sales throughout the remainder of the year.

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.

7.0 CONCLUSIONS

- 7.1 The projected outturn for the Housing Investment Programme in 2022/23 is currently forecast to be £13,736k. This is a £4,054k decrease compared to the approved programme at February 2022 (including any carry forwards from 2021/22). The main variances are in relation to Planned Maintenance, along with reduced costs at CastleHill Whinney Lane new build site with slippage into 2023/24, and a reduction in housing development costs.

Background Papers –

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