

Housing Revenue Account Programme

Capital Programme

1. The HRA system of financing council housing through the subsidy regime came to an end in March 2012 and a new system of self financing was introduced from April 2012. From 2012/13 the council is able to retain all its rental income in return for a one off settlement of debt. The level of capital investment in the HRA is largely determined by the income to the HRA from housing rents and the capital expenditure for 2012/13 has been set assuming a 6.82% rent increase as approved by full council in February 2012.
2. The approved February 2012 Capital Programme reported an overall HRA/ALMO programme of £193m for the 3 years 2012/13 through to 2014/15. The HRA/ALMOs will deliver a balanced programme within the available resources.
3. The 2012/13 HRA/ALMOs capital programme is the first year to use the self financing regime. The ALMOs capital programme for 2012/13 is forecast at £54.5m and a breakdown of the investment planned is shown in the attached document. Within this available funding some resources remain unallocated and work is underway to determine schemes that meet housing investment priorities in line with the HRA business plan.

Leeds ALMO Capital Programme 2012/13

The table below details the main expenditure categories for the Leeds ALMO Housing Capital programme in 2012/13

ALMO Capital Programme 2012/13				
Work category	AVHL	ENEHL	WNWHL	Total
	£000's	£000's	£000's	£000's
Essential investment (Decent Homes Standard)				
Windows and doors	510	1078	430	2018
Electrical/fire safety	690	630	4241	5561
Roofing	450	1039	621	2110
Kitchens and bathrooms	2000	2967	3061	8028
Adaptations	1760	1470	2600	5830
Empty property re-let/batched works	1174	4256	3778	9208
Heating and Energy efficiency	2943	1315	2026	6284
Community Safety	167	357	191	715
Sheltered Housing upgrades	1180	501	948	2629
Environmental work	90	470	84	644
Multi storey flat remedial works	480	1753	101	2334
Other Planned Expenditure	2800	142	62	3004
Defective housing	-	500	5622	6122
Total programme	14244	16,477	23765	54486

The HRA ALMOs and BITMO Capital Programmes for 2012/13 have allocations which are mainly resourced from the £53m of HRA self financing funding which was introduced in April 2012. Additional funding has been carried forward for schemes started in 2011/12 and some revenue resources have been injected from ALMO revenue reserves.

The total programme scheduled to be delivered by the 3 ALMOs as set out in the table above is £54.5m an increase of 12% on the 2011/12 ALMO programmes. The HRA Strategic Landlord programme has available resources of £9.2m and Belle Isle Tenant Mgt Organisation has £2.2m. In total the available resource to deliver the HRA, ALMOs and BITMO programmes is £65.9m.

Within this available funding some resources remain unallocated and work is underway to determine schemes that meet housing investment priorities in line with the HRA business plan.

The ALMOs will also manage a responsive repair and maintenance budget of £38m in 12/13 which meets the cost of day to day repairs, cyclical and planned maintenance (such as gas service programme), environmental works (fencing etc) and painting.

Total investment in work to the Council's housing stock in 2012/13 will therefore be almost £100m.

The main capital investment priorities for the ALMOs are defined within the HRA Business Plan which links housing investment back to city-wide investment priorities. The main elements of the 2012/13 programme are:-

Decent Homes Standard - Essential investment of £17.7m to maintain and improve on the Decent Homes Standard (DHS) achieved by the Council in 2010. Of this just over £8m will be spent on kitchen and bathroom upgrades which moves the housing stock towards the Decency Plus Standard that the Council initially hoped to achieve at the outset of the DHS programme (both kitchen and bathroom upgraded rather than one or the other). Properties will continue to 'fall out' of Decency as components fail over the coming years and this element will continue to be a major call on HRA funding in order to sustain the Decent Homes Standard for all properties.

Heating Systems and Insulation - Fuel poverty remains a priority for the Council and this year the ALMOs will invest over £6.3m on upgrading heating systems and improving insulation. Heating systems will continue to be provided through the Total Heat leasing arrangement that has attracted additional inward investment to supplement the HRA allocation. Some Community Energy Saving Programme (CESP) funds are also being drawn down to help meet the cost of insulation works.

Adaptations - Just over £5.8m will be spent on adaptations for disabled residents to enable them to remain in their own home rather than move to supported accommodation. This level of funding will help to reduce waiting times and meet expected demand for works. This does not include funding for Disabled Facilities Grants (DFG) for owners and private tenants which will be allocated in addition to this. Total spend on Adaptations in 2012/13 will be in excess of £12m

Sheltered Housing - The Sheltered Housing stock managed by the ALMOs and BITMO is of mixed quality. Some schemes meet modern standards whereas others are low demand and require substantial upgrade. An investment plan is being developed for Sheltered Housing following the cancelled PFI6 bid and in 12/13 £2.6m will be spent on known required upgrade works whilst the full investment requirement is determined. Once this investment requirement is known a recommendation may be made that some unallocated HRA Self Financing funding is invested in sheltered housing as this remains a priority for the City.

Empty Properties – Just over £9m will be spent on works to empty properties. This includes work to meet the Decent Homes Standard on properties vacated by people who did not want work to be done whilst they were in occupation. It also includes some batched work but not minor work which is delivered through the revenue repairs budget.

Defective housing and multi-storey flats - A major future investment requirement for the housing stock will be remedial works to non-traditional housing and multi-storey flats. These are known as system build properties and they are well beyond their original anticipated life span. Many suffer from deterioration of construction components and require investment. Work is underway to fully quantify the cost of required works but meanwhile this year £6.1m will be spent on work to defective housing and multi-storey flats in advance of the main programme.

Community Safety - The £715k Community safety budget will be mainly used this year to reduce burglaries at Council properties by upgrading security, particularly in replacing the defective euro cylinder lock barrels with more secure lock cylinders. This programme will be targeted through local Tasking Teams which include West Yorkshire Police, Fire and Rescue and other partners.

Other costs - The £3.0m shown in the table as other costs relates to costs associated with delivery of the programme. This includes salaries, asbestos identification and removal, health and safety works and some miscellaneous and planned work.

Each of the ALMOs publishes a full schedule of the detail behind their capital programmes in Tenants Newsletters and they will be published on the respective Web Sites in due course. The schedule details individual estates and streets that will benefit from works subject to survey and tenant agreement.