

**Report of Head of Finance Environments and Housing**

**Report to Housing Advisory Board**

**Date: 7th June 2016**

**Subject: Housing Leeds and BITMO Capital Finance Position 2015/16 Outturn**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. At the request of Housing Advisory Board, the purpose of this report is to provide a financial position statement on the HRA Housing Leeds Capital programme at Outturn for the financial year 2015/16.
2. The attached information has been provided for the Board's consideration in relation to:-
  - Housing Leeds & BITMO refurbishment programme (section 3)

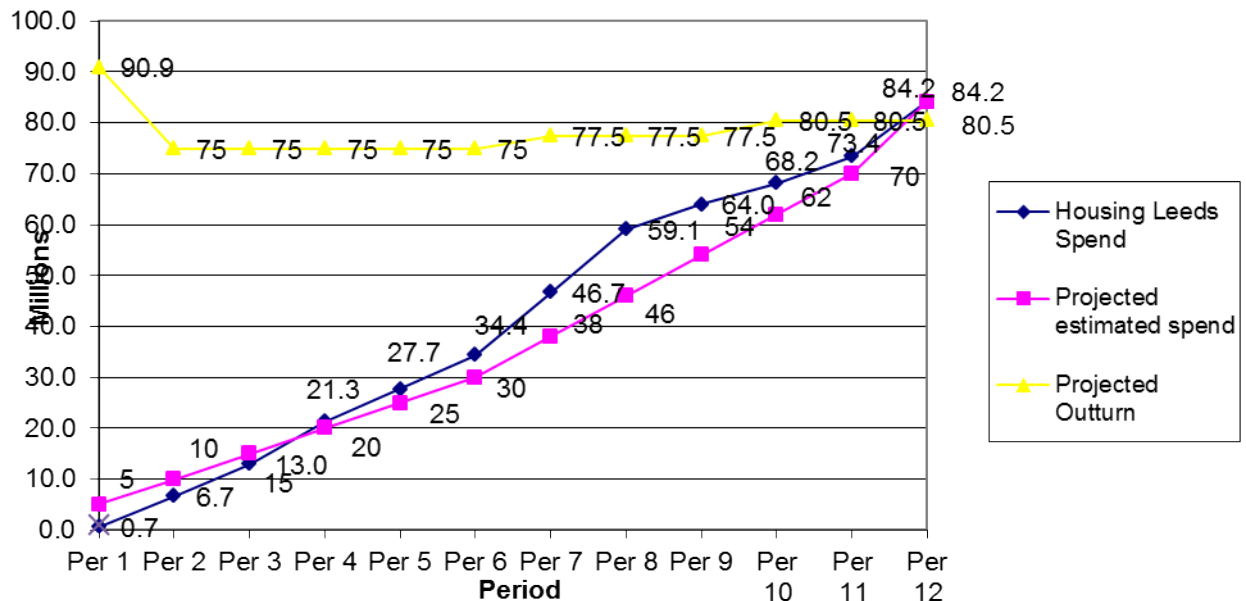
**3.0 HRA CAPITAL PROGRAMME**

**3.1 Housing Leeds Services & BITMO**

- 3.2 Housing Leeds actual spend at outturn is £84.2m equating to 105% of the February 2016 reported projection of £80.5m. This represents an increased delivery of 47% on the previous year actual of £57.1m in 2014/15.
- 3.3 Housing Leeds outturn and latest estimated future years responsive and planned works programme is detailed in the table below with a graphical representation of the outturn position for 2015/16 also included.

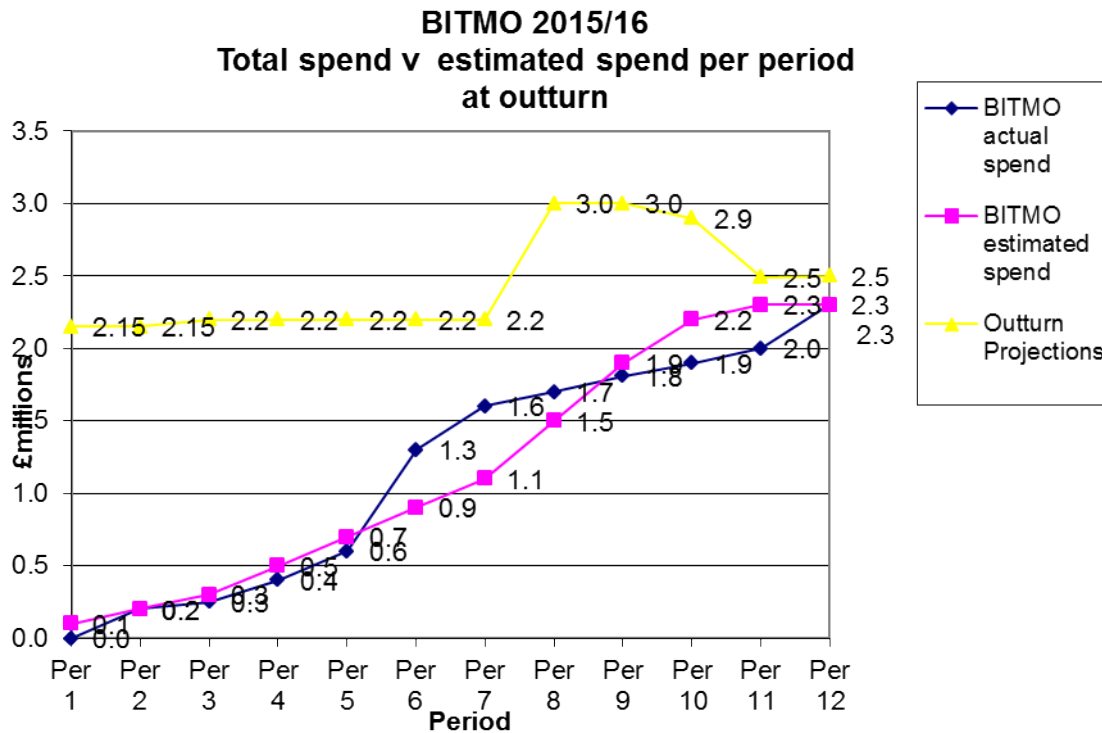
Housing Leeds Capital Programme	Original 15/16 Budget	Revised Budget at Per 12	Total outturn 2015/16	% spent to revised budget	Main Variances	2016/17 Estimated Budget	2017/18 Estimated Budget
<b>Responsive Programme</b>							
Voids	6,500.0	6,500.0	7,071.5	108.8%	£571.5k of previously slipped funding brought back to fund.	6,922.8	5,900.0
Capital Repairs & Maintenance	2,400.0	2,458.9	4,056.0	165.0%	Additional capitalisations - £728k repairs & £812k disrepair	2,501.0	2,640.0
Equipments & Modifications for Disabled	5,225.8	5,225.8	5,616.6	107.5%	£391k of previously slipped funding brought back to fund.	3,553.2	3,700.0
<b>Total Responsive</b>	<b>14,125.8</b>	<b>14,184.7</b>	<b>16,744.1</b>	<b>118.0%</b>		<b>12,977.0</b>	<b>12,240.0</b>
<b>Planned</b>							
Window & Door Replacement	1,842.8	1,827.8	1,941.3	106.2%	£384k accel'n on LBS, £211k slippage on Mears	3,033.3	4,250.0
Heating & Energy Efficiency	14,681.6	16,862.4	18,396.1	109.1%	£1,880k accel'n on Mears & several small slippages	8,995.0	12,500.0
Community Safety	726.0	283.0	287.0	101.4%	-	0.0	0.0
Electrical	3,671.3	1,214.8	1,153.4	94.9%	Small overs and unders	4,011.8	1,300.0
Re-Roofing	4,459.3	5,332.0	5,415.8	101.6%	Accel'n on Mears scheme	2,605.3	2,600.0
Kitchens & Bathrooms	12,379.6	10,837.2	10,481.1	96.7%	£235k Mears slippage & £92k LBS slippage	10,401.3	11,100.0
Environmentals	920.9	836.8	730.0	87.2%	£80k slippage Tinshill bins	249.0	250.0
Miscellaneous	50.0	113.6	161.0	141.7%	Additional Sanctuary properties provided for.	50.0	50.0
Structural Remedials & Insulation	8,511.3	2,533.7	2,590.4	102.2%	Small overs and unders	8,432.5	10,260.0
Communal Replacements	4,054.5	4,746.0	3,325.4	70.1%	£585k slippage on Claytons & £668k slippage on lifts	10,188.5	10,940.0
Conversion/Regeneration Works	4,645.9	4,257.9	4,367.1	102.6%	£139k accel'n Throstle Lane & small overs and unders	3,651.7	2,030.0
Planned Capital Repairs	1,372.0	0.0	0.0	0.0%	-	0.0	0.0
Disabled Access Works	154.9	177.9	178.5	100.3%	-	0.0	0.0
Fire Safety Works	3,976.7	3,875.1	4,654.8	120.1%	Accel'n - £555k fire stopping, £691k vent'n & glazing, & slippage £268k fire doors	4,264.2	490.0
Estate Shops & Leased Residential Prop	230.0	310.0	308.9	99.6%	-	154.0	238.8
Service Delivery Associated Costs	13,918.1	12,146.5	12,651.4	104.2%	Mears overheads	12,408.0	13,751.2
<b>Total Planned</b>	<b>75,594.9</b>	<b>65,354.7</b>	<b>66,642.2</b>	<b>102.0%</b>		<b>68,444.6</b>	<b>69,760.0</b>
<b>Environmental Improvement Programme</b>	<b>0.0</b>	<b>937.8</b>	<b>847.3</b>	<b>90.3%</b>		<b>2,778.4</b>	<b>345.9</b>
<b>Total Housing Leeds 2015/16 Programme</b>	<b>89,720.7</b>	<b>80,477.2</b>	<b>84,233.6</b>	<b>104.7%</b>		<b>84,200.0</b>	<b>82,345.9</b>

### Housing Leeds 2015/16 Total Spend v Estimated spend per period at Outturn



- 3.4 The planned works actual spend at outturn is £66.6m achieving 102% of the overall planned programme projected at Feb 2016. There are various overs and unders within the planned programmes as set out in the table above with the acceleration of the heating and energy efficiency programme accounting for £1.9m of the additional spend in 2015/16. The planned programme will deliver £68.4m and £69.8m over the next 2 years.
- 3.5 The responsive works actual spend at outturn is £16.7m achieving 118% of the overall responsive programme projected at Feb 2016. Additional capitalisations at year end from within the disrepair programme account for most of this additional spend. Voids and adaptations have also achieved a higher spend than expected at Feb 2016 delivering more works in year.
- 3.6 The 2015/16 programme had been adjusted down from the initial revised capital programme in June 2015 of £90.9m to a more deliverable level of £75m on what could realistically be achieved within the year. Through the following months up to outturn the estimates have been surpassed with Housing Leeds being able to deliver more each month with £9m of the previously slipped funding being brought back to deliver the acceleration on some of the key programmes. Housing Leeds have delivered an impressive 47% increase on the 2014/15 outturn of £57.1m and shows that they are now capable of delivering future programmes of £82m+.
- 3.7 A full variance analysis will be carried out on the 2015/16 programme where we will establish those programmes where we have delivered more in year and those programmes which have slipped, there will inevitably be some over and under spends and any major issues arising will be dealt with by HL Mgt team, however delivering an £84m programme should be seen as a major achievement for Housing Leeds.

- 3.8 The Director of E&H approved the 2016/17 Housing Leeds refurbishment programme in March 2016 at £84.2m with the estimated programme in 2017/18 of £82.3m.
- 3.9 **BITMOs** spend to outturn is £2.3m achieving 79% of the overall programme projected in February 2016. Further work is needed in 2016/17 with BITMO to better understand the cashflowing of their programme and the timing of the BITMO Boards are crucial to the projections we make.



**4.0 Recommendation**

**4.1** Housing Advisory Board are asked to note :-

- the Housing Leeds and BITMO refurbishment programme outturn position.
- A progress update report on the Council House Growth programme is included elsewhere on the HAB agenda.

**5.0 Background documents<sup>1</sup>** No documents referred to.