

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

**Report to Housing Advisory Board**

**Date: 29th November 2016**

**Subject: HRA Capital Financial Position Period 6 2016/17**

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 period 6 for the financial year 2016/17.
2. The attached information has been provided by for the Board's consideration in relation to:-
  - Housing Leeds & BITMO refurbishment programme (section 3)
  - Housing Leeds Council House Growth programme (section 4)

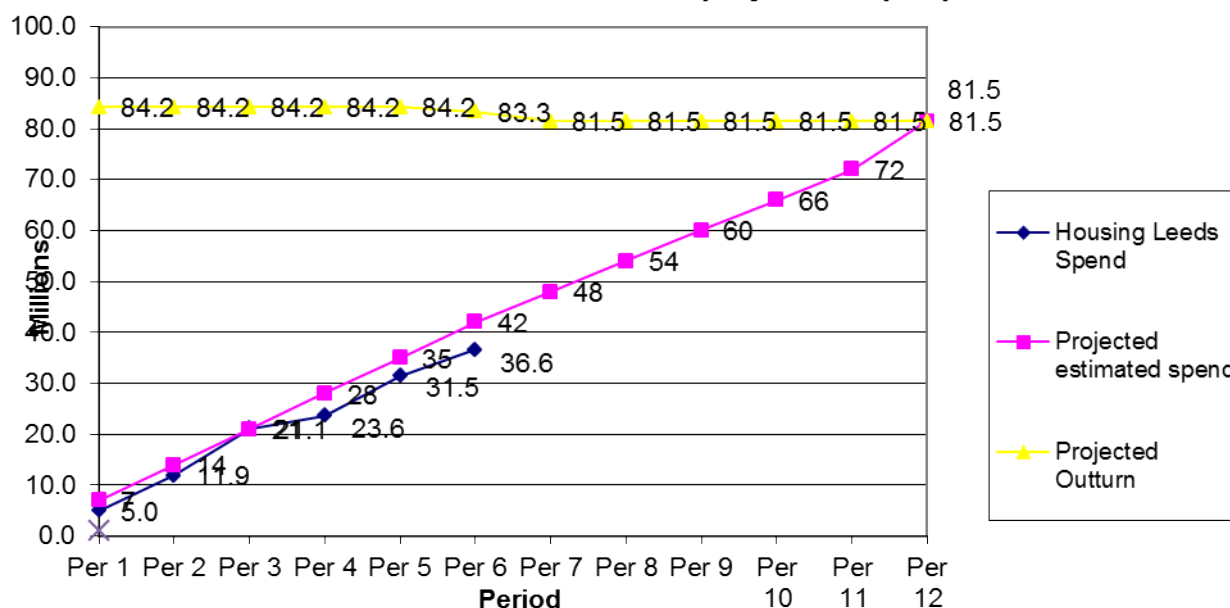
**3.0 HRA CAPITAL PROGRAMME**

**3.1 Housing Leeds Services & BITMO**

3.2 Housing Leeds actual spend and commitments at period 6 is £36.6m equating to 44% of the revised available resources at period 6. The 2016/17 Housing Leeds programme is currently £83.3m and this will be monitored throughout the coming months and revised to reflect the programme which Housing Leeds are expected to deliver.

3.3 Housing Leeds 3 year latest estimated responsive and planned works programme at period 6 is detailed in the **Appendices A and B** attached with a graphical representation of the actual spend at period 6 and estimated outturn position for 2016/17 below :-

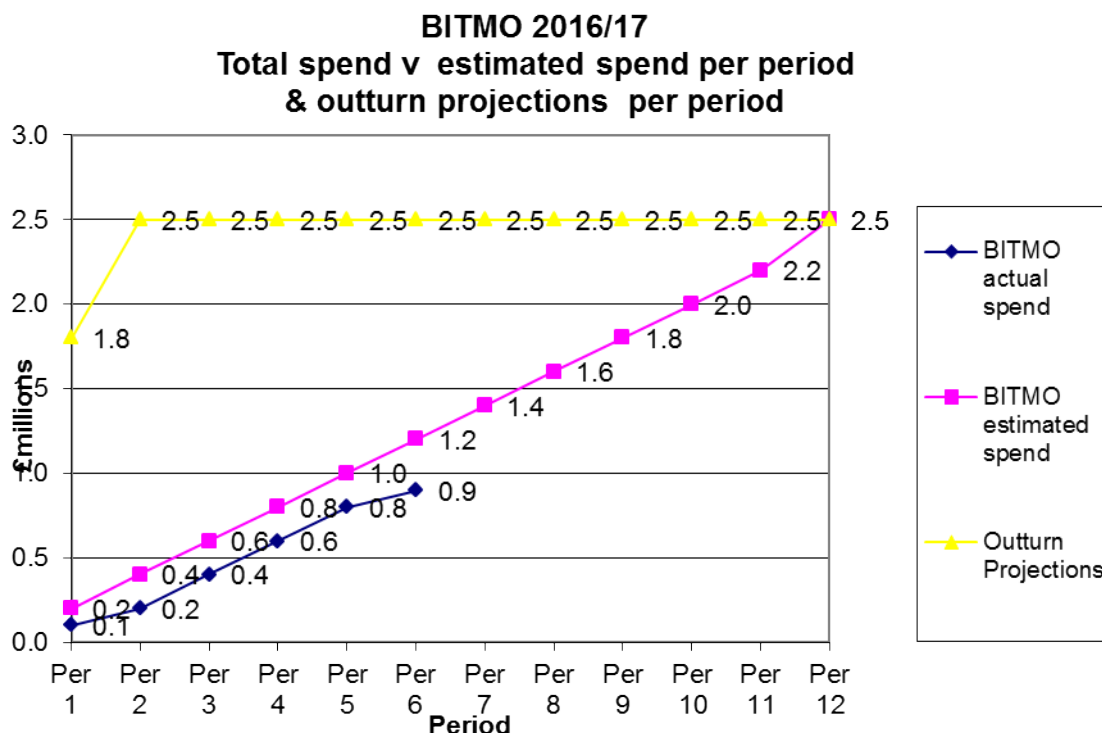
### Housing Leeds 2016/17 Total Spend v Estimated spend per period & Outturn projections per period



- 3.4 The planned works are now estimated at £64.1m with spend and commitments to period 6 of £26.7m representing 42% of the revised available resources. As at period 6 the HL planned programme is reporting delivery of the revised programme within the available resources in 2016/17.
- 3.5 The responsive works are now estimated at £17.1m with spend and commitments to date of £9m representing 53% of revised resources at period 6. Spend is well ahead of projections at period 6.
- 3.6 The Environmental programme being delivered by HL, actual spend and commitments at period 6 is £0.9m against a revised outturn projection of £2.1m representing 43%. HL are on course to deliver this programme which involves delivering improvements in community safety, parking, play areas, landscaping works and Waste.
- 3.7 The overall spend and commitments of £36.6m are in line with the projected spend position expected by HL at period 6, HL will adjust and review the outturn position to reflect any material issues in the coming months..
- 3.8 At period 6, £7.25m of additional budget allocations have been brought forward from future years to address shortfalls in the adaptations budget £3.5m, external contractor payments £3.25m and Disrepair budget of £500k. HL have addressed this in 2016/17 by slipping 5 Multi Storey Flat schemes to future years to facilitate this.
- 3.9 The adaptations budget was set at an estimated £3.5m for 2016/17 and is now projecting to spend and deliver an additional £3.5m in 2016/17. The main reasons for this is a significant increase in the complexity of adaptation demands. A large number of adaptations have included major works and even

multiple major works this year dramatically increasing the average cost per property.

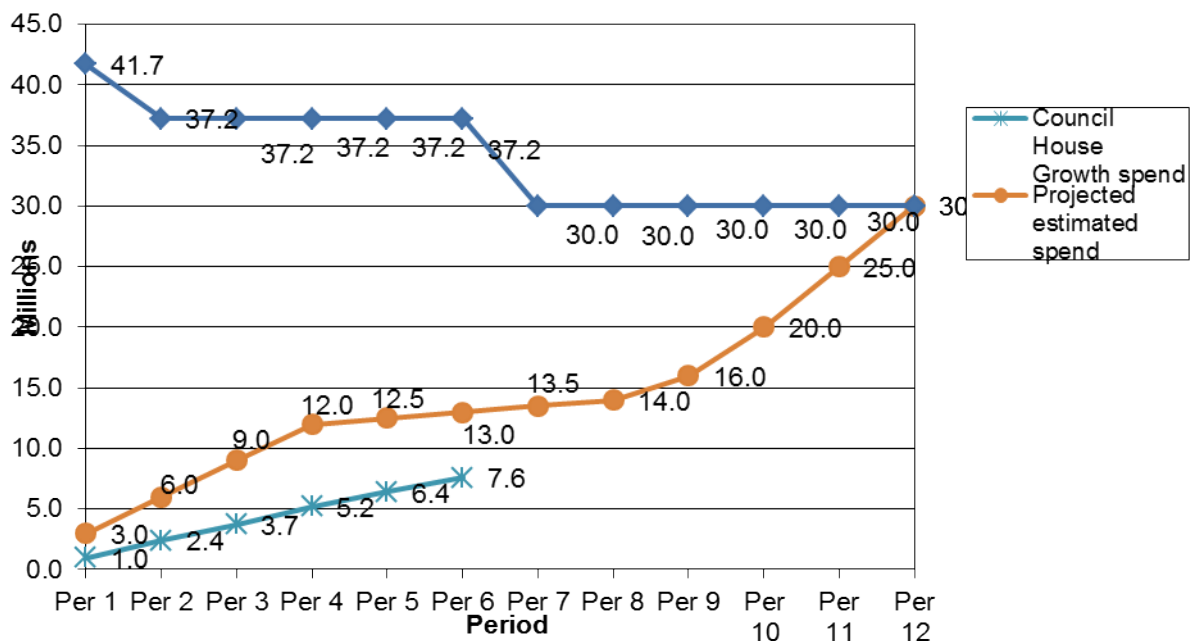
- 3.10 A proportion £1m of the external contractor overheads was brought forward from 2016/17 to fund 2015/16s outturn and not smoothed over future years when the 2016/17 budget was set due to timing issues, which has led to an underprovision in 2016/17. To address this shortfall in 2016/17 the budget has been increased and will be adjusted as part of the future years budget setting.
- 3.11 For the 2016/17 budget HL set the disrepair programme at £500k and at period 6 we are projecting a pressure of a further £500k. This is due to a proportion of the work in progress figure circa £300k carried forward from 2015/16 not being accrued and paid in 2015/16. The number of cases has also increased by 80 which equates to approximately £200k in additional works carried over from 2015/16.
- 3.12 The revised HRA business plan once finalised will be reported to Executive board later in this financial year.
- 3.13 The Environmental programme being delivered by HL, actual spend and commitments at period 6 is £0.9m against a revised outturn projection of £2.1m. HL are on course to deliver this programme which involves delivering improvements in community safety, parking, play areas, landscaping works and Waste.
- 3.14 **BITMOs** actual spend and commitments at period 6 are £0.9m representing 36% of revised available resources of £2.5m. The 2016/17 programme will deliver 25+ schemes across Belle Isle in 2016/17. Allocations of £1.72m are provided for in both 2017/18 and 2018/19.



#### 4.0 Council House Growth Programme

4.1 The total funding injected and available for the Council House Growth Programme is now £112m a further injection £9m of Right To Buy (RTB) receipts for 2017/18 and 2018/19 was approved at November EB . At period 6 the spend on the Council Housing Growth and new build programme is £7.6m against an outturn projection of £37m in 2016/17. Due to the nature of the programme any delay will result in slippage to this programme and adjustments to the projection will be actioned when known. Total spend on the whole programme including previous years is £23.6m against a total current budget of £112m.

**Council House Growth Programme 2016/17  
Total spend v Estimated spend per period  
& outturn projections per period**



4.2 We currently have **£19.0m** of unallocated funding for schemes yet to be identified. Of this unallocated funding £10.4m of this is RTB receipts, £5.7m is approved borrowing and £2.9m is HCA grant swapped to utilise our own RTBs.

4.3 A more detailed Council House Growth update on the progress of the individual schemes is provided in a separate report on this agenda.

#### 5.0 Recommendation

5.1 Housing Advisory Board are requested to

5.2 note the Housing Leeds and BITMO refurbishment programmes position at period 6.

5.3 note the Housing Leeds Council House Growth programme financial position at period 6, 2016/17 and that a more detailed Council House Growth update on

the progress of the individual schemes is provided in a separate report on this agenda.

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