

The Highland Council
Community Services Committee
5 November 2015

Agenda Item	14.
Report No	COM 61/15

Housing Revenue Account Capital Programme: 2016-2017

Report by the Director of Community Services

Summary

This report outlines the resources required to undertake capital investment to the Council's housing stock and recommends capital investment projects for approval in 2016-17.

1 Background

1.1 Since 2007 the Housing Revenue Account Capital programme has been focussed mainly on investment to meet the Scottish Housing Quality Standard (SHQS). In addition the Council has continued to invest around £1m per year on medical adaptations to housing.

1.2 A HRA Capital Plan 2016-2021 was presented to Committee on 20 August 2015. This indicated investment levels required over the next 5 years to maintain and improve our stock. Approval was granted for a number of post-SHQS Capital Plan principles:

- a life-cycle based approach to major component replacement, which targets replacement of kitchens, bathrooms, windows and doors based on the last installation date recorded on the Housing Information system, adjusted through area knowledge on other relevant stock condition information.
- a programme of heating and energy efficiency work based on compliance where feasible with the Scottish Government's new Energy Efficiency Standard for Social Housing (ESSH). It is expected that the ESSH programme will be based on generic measures to certain house types rather than specific measures based on individual property energy efficiency assessments.
- an allowance for structural work to roofs, chimneys, external fabric and environmental improvement works.
- continued funding of equipment and adaptations to allow disabled and elderly tenants to remain in their current tenancy.

2. Investment Required

2.1 At Committee on 20 August 2015 the following budget was approved for 2016-

17:

Year	Mainstream investment	Adaptations	Council House Building	Total
	£'000	£'000	£'000	£'000
2016/17	£11,407	£1,000	£13,000	£25,407

2.2 This budget is based on the following funding:

Resource	Funding £'000
Capital Receipts	£1,278
Capital from Current Revenue	£2,000
Grant / Landbank fund	£7,500
Prudential Borrowing	£14,629
Total Resources	£25,407

2.3 This funding is based on a number of assumptions including the impact of the end of the Right to Buy during 2016 and estimated capital borrowing costs. Loan Charges for all borrowing used to fund HRA capital investment are funded through HRA Revenue. Based on current assumptions this will require rent increases averaging 1% per year over the next 5 years.

2.4 We will continue to produce detailed revenue estimates and update projections annually, but at this stage the level of investment required appears manageable within HRA projections.

3. HRA Capital Programme 2016-17

3.1 A proposed HRA Capital Programme for 2016-17 is presented at **Appendix 1**. This provides details of proposed projects in each Area. Projects have been identified based on the approved programme principles and following consultation with Ward Members to prioritise works. Details of individual project addresses associated with the programme can be provided by Area Community Services Managers.

3.2 A monitoring report detailing expenditure against budget and progress to completion will be presented for each of the proposed budgets at future Committee meetings. Future reports will also present any recommendations for changes to the programme for approval.

3.3 The HRA Capital Programme also includes the Council house building programme to 2017. Details of that element of the programme were approved at the Planning, Development and Infrastructure Committee in August. Monitoring of expenditure against budget on this element of the programme is contained in Capital Monitoring reports to the Community Services Committee.

4. Implications

- 4.1 Resources – resource issues are outlined in the report.
- 4.2 Legal – there are no specific implications arising from this report.
- 4.3 Equalities – this report recommends continuing investment in adaptations to allow disabled tenants to remain in their homes.
- 4.4 Climate Change/Carbon Clever – continuing investment in heating and energy efficiency in council housing will help meet council objectives in relation to fuel poverty and climate change.
- 4.5 Risks – there are risks associated with the delivery of the HRA capital programme. We have recently reviewed HRA Capital Programme management arrangements, and this included a review of the current risk analysis and mitigating actions. Monitoring reports on the HRA Capital Programme are provided to each meeting of the Committee. Both the Capital Plan and HRA revenue estimates will be reviewed annually and may need to be revised subject to changes in assumptions or risk analysis.
- 4.6 Gaelic and Rural implications - no are no specific impacts arising from this report.

Recommendation

Members are invited to approve this HRA Capital Programme 2016-2017.
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Date: 19 October 2015
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HRA Capital Programme 2016/17			
Equipment & adaptations			
Project title	Number of units	Project budget	Comments
Equipment & adaptations Caithness	On demand	£100,000	Individual addresses Caithness
Equipment & adaptations Sutherland	On demand	£125,000	Individual addresses Sutherland
Equipment & adaptations Inverness City and Area	On demand	£300,000	Individual addresses Inverness
Equipment & adaptations Badenoch & Strathspey	On demand	£37,800	Individual addresses Badenoch & Strathspey
Equipment & adaptations Nairn	On demand	£46,800	Individual addresses Nairn
Equipment & adaptations Fort William & Ardnamurchan	On demand	£57,600	Individual addresses Fort William & Ardnamurchan
Equipment & adaptations Caol & Mallaig	On demand	£37,800	Individual addresses Caol & Mallaig
Equipment & adaptations Skye, Ross & Cromarty	On demand	£395,000	Individual addresses Skye, Ross & Cromarty
Total Budget		£1,100,000	
Major Component Replacement			
Project title	Number of units	Project budget	Comments
Bathroom replacement Caithness	48	£261,663	Various wards Caithness
Kitchen replacement Caithness	46	£261,663	Various wards Caithness
Rewiring Caithness	Subject to survey	£89,999	Various wards Caithness
Window & door replacement Caithness	39	£261,663	Various wards Caithness
Bathroom replacement Sutherland	21	£111,646	Various wards Sutherland
Kitchen replacement Sutherland	20	£111,646	Various wards Sutherland
Rewiring Sutherland	Subject to survey	£58,173	Various wards Sutherland
Window & door replacement Sutherland	16	£111,646	Various wards Sutherland
Bathroom replacement Inverness City & Area	14	£70,000	Various wards Inverness City & Area
Kitchen replacement Inverness City & Area	33	£165,000	Various wards Inverness City & Area
Rewiring Inverness City & Area	36	£144,000	Various wards Inverness City & Area
Window & door replacement Inverness City & Areas	166	£1,200,000	Various wards Inverness City & Area
Replacement bathrooms, kitchens, windows & rewiring Badenoch & Strathspey	44	£168,379	Individual addresses Badenoch & Strathspey
Replacement bathrooms, kitchens, windows & rewiring Nairn	48	£208,470	Individual addresses Nairn
Replacement bathrooms, kitchens, windows & rewiring Fort William & Ardnamurchan	58	£256,578	Individual addresses Fort William & Ardnamurchan
Replacement bathrooms, kitchens, windows & rewiring Caol & Mallaig	36	£168,380	Individual addresses Caol & Mallaig

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Individual bathroom replacement Skye, Ross & Cromarty	16	£80,000	Individual addresses Skye, Ross & Cromarty
Individual kitchen replacement Skye, Ross & Cromarty	15	£120,000	Individual addresses Skye, Ross & Cromarty
Kitchen replacement Skye, Ross & Cromarty	66	£556,743	Various wards Skye, Ross & Cromarty
Window & door replacement Skye, Ross & Cromarty	78	£554,000	Various wards Skye, Ross & Cromarty
Total Budget		£4,959,649	
Heating/energy efficiency			
Project title	Number of units	Project budget	Comments
Heating replacement Caithness	91	£1,039,087	Various wards Caithness
Insulation works Caithness	30	£168,000	Various wards Caithness
Heating replacement Sutherland	10	£124,314	Various wards Sutherland
Insulation works Sutherland	30	£168,000	Various wards Sutherland
Heating replacements Inverness City & Area	102	£677,160	Various wards Inverness City & Area
Heating replacements Skye, Ross & Cromarty	12	£120,000	Individual addresses Skye, Ross & Cromarty
Gas heating upgrades Ross & Cromarty	87	£950,000	Individual addresses Ross & Cromarty
Heating replacements Badenoch & Strathspey	22	£227,022	Individual addresses Badenoch & Strathspey
Heating replacements Nairn	39	£281,073	Individual addresses Nairn
Heating replacements Fort William & Ardnamurchan	34	£345,939	Individual addresses Fort William & Ardnamurchan
Heating replacement Caol & Mallaig	15	£227,022	Individual addresses Caol & Mallaig
Total Budget		£4,327,617	
External fabric (major component replacement)			
Project title	Number of units	Project budget	Comments
Works to roofs, soffits, fascia and downpipes Caithness	9	£88,548	Individual addresses Caithness
Works to roofs, soffits, fascia and downpipes Sutherland	21	£289,783	Individual addresses Sutherland
Roof replacement, soffits, fascia, guttering & downpipes Skye, Ross & Cromarty	75	£750,000	Individual addresses Skye, Ross & Cromarty
External fabric works Inverness City & Area	Subject to survey	£477,895	Improvement works to renders, downpipes, roofs & fencing
Roof replacement Badenoch & Strathspey	2	£21,559	Individual addresses Badenoch & Strathspey
Roof works Nairn	Subject to survey	£26,693	Individual addresses Nairn
Roof works Fort William & Ardnamurchan	Subject to survey	£32,854	Individual addresses Fort William & Ardnamurchan
Roof works Caol & Mallaig	Subject to survey	£21,559	Individual addresses Caol & Mallaig
Total Budget		£1,708,891	

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External fabric (environmental improvements)			
Project title	Number of units	Project budget	Comments
Environmental improvements Caithness	Subject to survey	£88,548	Various areas Caithness
Environmental improvements Sutherland	Subject to survey	£39,783	Various areas Sutherland
Environmental improvements Skye, Ross & Cromarty	Subject to survey	£80,000	Various areas Skye, Ross & Cromarty
Environmental improvements Inverness	Subject to survey		Included within external fabric works above
Environmental improvements Badenoch & Strathspey	Subject to survey	£21,559	Footpath improvements
Environmental improvements Nairn	Subject to survey	£26,693	Footpath improvements
Environmental improvements Fort William & Ardnamurcha	Subject to survey	£32,854	Footpath & steps improvements
Environmental improvements Caol & Mallaig	Subject to survey	£21,559	Footpath & steps improvements
Total Budget		£310,996	
Overall Programme Budget		£12,407,153	