

The Highland Council

Lochaber Committee – 11 February 2016

HRA Capital Programme Update

Report by the Director of Community Services

Agenda Item	9
Report No	LA/7/16

Summary

This report provides information to Members on the status of the 2015-16 Housing Revenue Account Capital Projects and the 2016-17 Housing Revenue Account Capital Programme for Lochaber.

1. Background

- 1.1 Progress on the HRA Capital Programme in Lochaber was last reported to this Committee on 24 November 2015. This report provides an update.
- 1.2 The mainstream HRA Capital Programme 2013/15 was approved by the Finance, Housing and Resources Committee on 3 October 2012, subsequently updated for revised cost estimates, and approved by the FHR Committee on 9 October 2013 and Community Services Committee on 5 February 2015.
The bulk of the programme is committed to completing contracts to achieve the Scottish Housing Quality Standard. The programme also includes additional resources for Adaptations for disabled tenants and other priority work. This has been allocated pro-rata by housing stock, with £94,950 for adaptations and £189,000 for Other Projects in Lochaber. Some projects relate to more Areas than Lochaber. The total approved HRA Capital Programme which relates to projects for Lochaber for 2015/16 is £11.171m.

2 2015-16 Capital Projects

- 2.1 An update for Members on the 2015/16 programme is given in **Appendix 1** which provides Spend to Date, Estimated Outturn and the Approved Project Cost. At this stage full spend is anticipated with projects completing before the end of the current financial year, with the exception of contract HCC0424 where there is a risk that completion of some properties will extend into next financial year.
- 2.2 With regard to the current heating projects the Contract Administrators continue to liaise with the local Principal Housing Officer so that a heating system is chosen which is appropriate for the tenant and which will also ensure the property meets the Energy Efficiency standard as required by the Scottish Housing Quality Standard.

3 Lochaber HRA Capital Programme 2016-17

- 3.1 On 5 November 2015 the HQ Community Services Committee approved the Highland wide HRA Capital Programme for 2016-17.
The total budget allocation for Lochaber is £1,202,146. The outline of the programme is given in **Appendix 2** and is in accordance with the Briefing Note provided for Members for the Consultation meeting that took place on 21 October 2015.

3.2 Members will recall that the elements of the programme are:

3.3 **Major Component Replacement**

Prioritising kitchens over 30 years old, bathrooms over 30 years old, windows and doors over 30 years old, rewiring over 30 years old.
Representing 45% of annual programme.

3.4 **Heating / Energy Efficiency**

External wall insulation. Install on suitable properties.

Prioritise all heating systems over 20 years old and all low performing electric heating systems and replace with renewable systems from our heating options approach. Solar panels/district heating. Based on individual feasibility studies and availability of external funding.

Representing 45% of annual programme.

3.5 **External fabric (major component replacement)**

Major component works/disrepair e.g. re-roofing. Replace where Health and Safety issue or identifiable damage to property over long-term period.

Representing 5% of annual programme.

Work put forward informed by recommendations from local Maintenance Officers.

3.6 **External fabric (environmental improvements)**

Undertake local priority projects to improve the environment of HRA housing estates.

This section is Member led representing 5% of annual programme.

Liaison with Members is underway to identify local issues previously raised by local communities. This is to be taken to a Ward Business Meeting for agreement.

3.7 **Equipment and Adaptations**

At a set overall budget for the NBSL Area of £180,000 per year for the five years with clients identified via Occupational Health Advisor. This budget divided pro-rata by % of Council housing stock by Ward.

3.8 **Address Lists**

Members had requested address lists for the projects. It is considered that it is not appropriate for these to be released onto the Council's Internet with this report and consequently these can be provided to Members separately, as required.

3.9 **Monitoring of Progress**

The status of the 2016-17 projects will be reported to future Lochaber Area Committees.

4 Plantation External Insulation Works

4.1 There are 45 properties remaining in Plantation which still require external insulation work. It is recognised that this has been difficult to progress.

4.2 Without match funding the indicative cost per property is in the order of £11,200 so an indicative cost of £504,000 would be required to complete these 45 properties.

- 4.3 On 5 November 2015 the HQ Community Services Committee approved the Highland wide HRA Capital Programme for 2016-17. At the Consultation Meeting with Lochaber Members on 21 October 2015 regarding the 2016-17 Lochaber HRA Capital Programme the proposed works taking up the budget were agreed without including external insulation due to the lack of a match-funding partner.
- 4.4 There is a commitment to continue to work with the Council's Energy & Sustainability team to identify a match-funding partner to complete the external insulation work in Plantation. A reverse tendering process is now underway to secure a provider to take this work forward. Companies being approached are Scottish Power, Eon, EDF, Total, Scottish & Southern, and Scottish Gas.

5. Implications

- 5.1 **Resources:** The budget for the 2016-21 Capital Programme for Highland was agreed at the Community Services Committee on 20 August 2015. There will be an annual review of the Capital Plan.
- 5.2 **Legal:** There are no known legal implications.
- 5.3 **Climate Change / Carbon Clever:** Investment in heating and energy efficiency through the HRA Capital Programme is in accordance with Council policy.
- 5.4 **Risks:** there are risks associated with the delivery of the capital programme which will be mitigated through regular monitoring and reporting to both the HQ Community Services Committee and Area Committees.
- 5.5 There are no known specific equality, Gaelic or risk implications arising from this report.

6 Recommendation

Members are invited to:

- 6.1 Note the status of the 2015-16 Lochaber HRA capital projects contained in this report.
- 6.2 Note the position regarding the 2016-17 Lochaber HRA Capital Programme and that the status of the 2016-17 programme will be reported to future Lochaber Area Committees.
- 6.3 Note the position regarding completing external insulation work in Plantation, Fort William.

Designation: **Director of Community Services**

Date: 28 January 2016

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Lochaber Housing Capital Projects 2015/16
Appendix 1

Project	Project Title and Location	Comments	Contractor	Status	Spend to date (26/01/16) £k	Estimated Outturn £k	Approved Project Cost £k
HCC0422	Heating upgrades, Lochaber, Badenoch and Inverness. Upgrade heating systems to air source, biomass, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	47 Lochaber properties of the 126 in the project. Contract Administrators, FLN Consulting and Pick Everard	UKFM Group	Work in progress, started June 2015, completion of phase 1 before end December 2015. Phase 2 will complete by end March 2016.	707.4	714.9	1,192.7
HCC0424	Heating upgrades Lochaber, Badenoch, Nairn and Inverness. Upgrade heating systems to air source, biomass, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	45 Lochaber properties of the 229 in the project. Contract Administrator, Pick Everard	Easy Heat Systems	The project will complete by the end of March 2016. While every effort is being made to complete by March, there is a risk that the completion of some properties will extend into next financial year.	1,731	3,175	1,503
HCC0462	Heating upgrades, Lochaber Upgrade heating systems to air source, biomass, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	265 properties. Contract Administrator, Pick Everard	Easy Heat Systems	The project is now progressing well against the agreed programme and should complete by the end of March 2016. Alexander Square, Caol and Foyers Road, Kinlochleven will receive individual heating systems rather than Mini District Heating.	2,167	3,405	3,485
HCC0463	Heating upgrades, Lochaber and Inverness. Upgrade heating systems to air source, biomass, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	115 Lochaber properties of the 180 in the project. This is a "Scape" project. Scape is a procurement framework owned by four Local Authorities used exclusively to achieve efficiency in public sector works. The Council's Scape partner is Kier Construction Ltd. Contract Administrator, Torrance Partnership	Scape/Kier	The project is now progressing well against the agreed programme and will complete by end of March 2016.	850	1,525	2,996.4

Project	Project Title and Location	Comments	Contractor	Status	Spend to date (26/01/16) £k	Estimated Outturn £k	Approved Project Cost £k
HCC0464 Phase 2	External insulation, Inverness and Lochaber, Corpach and Caol.	Government scheme, Home Energy Efficiency Programme Scotland, Area Based Schemes (HEEPS ABS). Joint funding with utility company E.on and Highland Council. 54 Lochaber properties of the 60 in the project.	E.on	2014/15 Phase 1- 20 Properties in Caol completed March 2015. Total project cost of £155,580 of which £81,004, paid in full, was a council contribution and £74,575 was drawn from Eco funding. 2015/16 Phase 2 – 34 properties, total project cost £265,502 of which £142,000 is the council contribution, remainder via Eco funding. Project complete.	137.7	140	177
TBC if project funding approved	External insulation, Lochaber	To complete external insulation to Plantation, Fort William, 45 properties.		This project has been difficult to progress. Indicative full cost at this stage to carry out external insulation on remaining 45 properties is £504k. A reverse tendering process is underway to secure a partner provider.	TBC if project funding approved	TBC if project funding approved	TBC if project funding approved

Project	Project Title and Location	Comments	Contractor	Status	Spend to date (3/11/15) £k	Estimated Outturn £k	Approved Project Cost £k
New Project 2015/16	Remedial work to Swedish Timber houses	Part funded from capital allocation of £49k and planned programme allocation of £61k (see Appendix 2). Current estimated cost of £10,000 per property provides for work to 11 pilot properties. 10 of which are chosen where there is no adjoining private owner. These are 1 & 2, 9 & 10, 13 & 14, 19 & 20 Cameron Place Caol and 1 & 2 Arkaig Crescent Caol. At some point we will need to tackle the Swedish Timber properties that adjoin private owners. In this respect, due to its poor condition 20 Glenpane Street, Caol is being piloted.	Building Maintenance	Investigation reveals deterioration of external timber cladding with remedial work to remedy this disrepair. Senior Maintenance Officer has progressed to obtain specification and costing per square metre. Investigation into whether these houses can receive external wall insulation. Is underway. Discussions took place with Grattan & Hynds in December which did not prove fruitful. Cladding repairs now being progressed and programmed to avoid the worst of the winter weather.	0	110	110
					Spend to date (26/01/16) £k	Estimated Outturn £k	Approved Project Cost £k
				Totals (excluding phase 2 Plantation external insulation as budget not confirmed)	5,593.1	9,069.9	9,464.1

Lochaber HRA Capital Programme 2016/17			
Equipment & adaptations			
Project title	Number of units	Project budget	Comments
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
		£95,400	
Major Component Replacement			
Project title	Number of units	Project budget	Comments
Replacement bathrooms, kitchens, windows & rewiring Fort William & Ardnar	58	£256,578	Individual addresses Fort William & Ardnamurchan
Replacement bathrooms, kitchens, windows & rewiring Caol & Mallaig	36	£168,380	Individual addresses Caol & Mallaig
	Total Budget	£424,958	
Heating/energy efficiency			
Project title	Number of units	Project budget	Comments
Heating replacements Fort William & Ardnamurchan	34	£345,939	Individual addresses Fort William & Ardnamurchan
Heating replacement Caol & Mallaig	22	£227,022	Individual addresses Caol & Mallaig
	Total Budget	£572,961	
External fabric (major component replacement)			
Project title	Number of units	Project budget	Comments
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	£54,413	
External fabric (environmental improvements)			
Project title	Number of units	Project budget	Comments
Environmental improvements Fort William & Ardnamurchan	Subject to survey	£32,854	Prioritise issues previously raised by local communities
Environmental improvements Caol & Mallaig	Subject to survey	£21,559	Prioritise issues previously raised by local communities
	Total Budget	£54,413	
Overall Programme Budget		£1,202,145	