

Agenda Item	8
Report No	BSAC 06/16

## HRA Capital Programme Update

### Report by the Director of Community Services

#### Summary

This report provides information to Members on the status of the Housing Revenue Account Capital Projects for 2015/16 and 2016/17 within the Badenoch and Strathspey Area.

#### 1. Background

- 1.1 At the Nairn and Badenoch and Strathspey Area Committee on 18 March 2015 Members agreed that arrangements be made for Area progress reports on housing capital projects to be submitted to future meetings of the Committee. The status of the 2015/16 capital projects for the Area is given in **Appendix 1** as provided by colleagues in Development & Infrastructure. The approved work is targeted in order to meet the Council's commitment to achieving the Scottish Housing Quality Standard.
- 1.2 The HRA Capital Programme for 2015/16 was approved by the Community Services Committee in February 2015. The bulk of the programme is committed to completing contracts to achieve the Scottish Housing Quality Standard (SHQS). The total HRA Capital Programme which relates to projects for Badenoch and Strathspey for 2015/16 is £14,621,500. Members will note that Areas other than Badenoch and Strathspey are being dealt with by these projects.
- 1.3 Everything is being done to ensure that in particular the SHQS programme is completed as quickly as possible and before the end of March 2016.
- 1.4 For Area priorities discretionary spend (Housing Managed) projects the allocation is £77,000 for Badenoch and Strathspey.
- 1.5 The programme also includes resources for Adaptations for disabled tenants. This was allocated pro-rata by housing stock, with £38,390 for Badenoch and Strathspey.

#### 2 2015/16 Capital Projects

- 2.1 As mentioned in 1.1 an update for Members on the 2015/16 programme is given in **Appendix 1** which provides detail on the status of the projects along with Spend to Date in 2015/16, Estimated Outturn in 2015/16 and the Approved Project Cost.
- 2.2 For Area priorities discretionary spend (Housing Managed) projects the works are anticipated to complete before the end of March 2016 with the expenditure in line with the allocated budget of £77,000.
- 2.3 For Equipment and Adaptations work, at the current demand rate the anticipated outturn currently is expected to be in the order of £31,000, an underspend on the allocated budget of £7,390. The anticipated underspend facilitated the need to transfer £3,000 to the Nairn Area where demand for Equipment and Adaptations work has exceeded the budget.  
The principal of transferring budgets for Equipment and Adaptations work between the three areas of Badenoch and Strathspey, Nairn and Lochaber is applied when needed according to demand.

Should this situation arise again in Nairn a similar budget transfer would be made from either the Lochaber or Badenoch and Strathspey as appropriate but only after any further demand for such work in the current financial year in the Badenoch and Strathspey Area had been dealt with first.

### **3 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 Badenoch and Strathspey is £476,399. 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 9 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. Budget allocation permitting for any new projects, community consultation, led by the Tenant Participation Officer will be undertaken.

#### **3.7 Equipment and Adaptations**

At a set overall budget for the LNBS 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 Programme Status**

Colleagues from Development and Infrastructure have been provided with addresses across Highland and are currently initiating projects and considering procurement options. It may be necessary for best value and efficiency for projects to span a number of Council Wards.

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. When the projects have been finalised address lists will be provided to Members via email.

### **4. Implications**

- 4.1 **Resources:** There are ongoing resource implications for future capital works which are subject to formal approval by the Community Services Committee of these budgets for future financial years.
- 4.2 **Legal:** There are no known legal implications.
- 4.3 **Climate Change / Carbon Clever:** Investment in heating and energy efficiency through the HRA Capital Programme contributes to Council policy.
- 4.4 **Rural:** there are challenges in achieving the Scottish Housing Quality Standard in rural areas which do not have access to mains gas supply.
- 4.5 There are no known specific equality, Gaelic or risk implications arising from this report.

## **5 Recommendation**

- 5.1 Members are invited to note the current position of the Capital projects for 2015/16 and 2016/17.

Designation: **Director of Community Services**

Date: 10 February 2016

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Project	Project Title and Location	Comments	Contractor	Status	Spend to date £k 2015/16 (2/2/2016)	Estimated Outturn 2015/16 £k	Approved Project Cost £k 2015/16
HCC0422	Heating upgrades, Lochaber, Badenoch & Strathspey, Nairn and Inverness.  Upgrade heating systems to air source, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	44 properties completed by UKFM, residual 22 no. transferred to existing Scape-Kier project HC0461.	UKFM Group	UKFM part of the contract complete	707.4	714.9	1,192.7
HCC0461	Inverness and Nairn installation of biomass heating originally 142 no. properties.	Original contract complete in December 2015. 22 no. transferred from HCC0422	Scape-Kier	Transferred properties to complete by end February 2016.	1,619.1	1,617.2	2,344.9
HCC0424 HCC0462	Heating upgrades Lochaber, Badenoch & Strathspey, Nairn and Inverness.  Upgrade heating systems to air source, biomass, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	19 Nairn properties of the 418 in both projects. Reduced to 305 (exemptions/tenants declining)  134 in the project to complete.	Easy Heat Systems	Integrated into HCC0462 – Lochaber (same contractor).  Performance review being undertaken with a view to completion, by end March 2016.	3,898.7	6,580.0	4,988.4
HCC0459	Heating upgrades, Badenoch & Strathspey, Nairn Upgrade electric and solid fuel systems with predominantly Stoves and Quantum Electric and some Biomass	Number reduced from 129 to 58 no. (exemptions/ tenants declining).	Scape- Kier	Programme for completion by end February 2016.	573	1,017.9	2,983.7

Project	Project Title and Location	Comments	Contractor	Status	Spend to date £k 2015/16 (2/2/2016)	Estimated Outturn 2015/16 £k	Approved Project Cost £k 2015/16
HCC0463	Heating upgrades, Lochaber Badenoch & Strathspey, Nairn and Inverness.  Upgrade heating systems to air source, biomass, stoves and quantum electric from Total Heating Total Control, solid fuel and electric boilers.	4 Badenoch & Strathspey properties, 2 Nairn properties of the 180 in the project.	Scape- Kier	Project progressing on programme within budget for completion end March 2016.	1,271.5	1,525.0	2,996.4
		<b>Area priorities for discretionary spend (Housing Managed)</b>					
	Failing plastic double glazed units.	13 number 5,7,15,17,19 Cluny Terrace, Kingussie 4,13,18,19,23,25,33,35 Clune Terrace, Newtonmore		Awaiting response to invitations to quote with work anticipated to complete before end of March 2016.	0	65	65
	Original kitchen fittings in poor condition	3 number 1,2,4 Tom-An-Uird View, Cromdale		Awaiting response to invitations to quote with work anticipated to complete before end of March 2016.	0	12	12
		<b>Equipment &amp; Adaptations</b>	As determined by local Maintenance Officer	Individual addresses in partnership with Occupational Therapist.	18.7	31	38.4
				<b>Total</b>	<b>8,088.4</b>	<b>11,563</b>	<b>14,621.50</b>

Badenoch and Strathspey HRA Capital Programme 2016/17			
<b>Equipment &amp; adaptations</b>			
<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
Equipment & adaptations	On demand	£37,800	Individual addresses
<b>Major Component Replacement</b>			
<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
18 Rewires, 6 Kitchens, 9 Bathrooms, 11 Window replacements	44	£168,379	Individual addresses
<b>Heating/energy efficiency</b>			
<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
22 New heating systems	22	£227,022	Individual addresses
<b>External fabric (major component replacement)</b>			
<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
2 Roof replacements	2	£21,599	Individual addresses
<b>External fabric (environmental improvements)</b>			
<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
Environmental improvements	Subject to survey	£21,599	Footpath improvements
<b>Overall Programme Budget</b>		<b>£476,399</b>	