

The Highland Council
Community Services Committee
18 August 2016

Agenda Item	17
Report No	COM 26/16

HRA Capital Plan 2017/18

Report by Director of Community Services

Summary

This report contains details of the overall level of HRA capital resources for 2017/18 based on the 5-year capital plan and recommendations for investment priorities and the distribution of HRA Capital Programme resources to Local Committees.

1 Introduction

- 1.1 On 20 August 2015, Committee approved a 5-year capital plan for 2016-2021 as the basis for future programme planning.
- 1.2 The 2016/17 programme was approved at Committee on 5 November 2015. Details of the 2016/17 programme are available in the Capital Programme Monitoring Report to this Committee.
- 1.3 This report proposes an overall HRA Capital Budget of £26.024m for 2017/18.

2 Principles of the 2017/18 programme

- 2.1 The Council's Annual Return of the Scottish Social Housing Charter to 31 March 2016 reported that the Council had reached compliance with the Scottish Housing Quality Standard (SHQS). A number of houses have been exempted from SHQS reporting as a result of tenant opt-outs and these will have to be revisited in future years. A review of the SHQS programme will be presented to Committee in November.
- 2.2 As approved at Committee on 20 August 2015, the priority for future investment is based on 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 and external fabric of properties;
 - an allowance for environmental improvement works; and

- continued funding of equipment and adaptations to allow disabled and elderly tenants to remain in their current tenancy.

3 Investment Required

3.1 The HRA Capital Plan 2016-2021 identified the following budget for 2017/18:

Year	Mainstream investment £'000	Adaptations £'000	Council House Building £'000	Total £'000
2017/18	£12,024	£1,000	£13,000	£26,024

3.2 This budget is based on the following funding:

Resource	Funding £'000
CFCR	£2,000
Grant / Landbank fund	£7,500
Prudential Borrowing	£16,524
Total Resources	£26,024

3.3 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.

3.4 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.

3.5 Proposed funding allocations for 2017/18 at a local Committee level are identified at **Appendix 1** of this report. These are based on the financial assumptions in the HRA Capital Plan 2016-2021

3.6 Arrangements have been put in place for local staff to apply local knowledge of our stock information to ensure that future programming reflects the principles set out at 2.2 above.

3.7 It is proposed that consultation takes place with Members at Ward/Local Committee level on local HRA Capital Programme projects for 2017/18 and that the final programme for 2017/18 is reported to Committee in November.

3.8 As part of our review into capital works, the HRA Capital Board has reviewed the Improvement Standards for capital works. These form the basic specifications that tenants can expect when capital works are being carried out and they reflect feedback from tenants and staff involved in SHQS projects. The revised Improvement Standards are at **Appendix 2**.

3.9 The HRA Capital Programme also includes the council house building programme. Details of that element of the programme will be considered 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. 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

There are no specific impacts arising from this report.

5 Recommendations

The Committee is invited to:-

1. approve the overall HRA Capital Budget of £26.024m for 2017/18;
2. approve the investment priorities set out in section 2.2 of the report;
3. approve the distribution of resources to Local Committee level;
4. agree that discussion be held with Local Members on the specific projects and local priorities with a report on the final details programme for 2017/18 being provided to the Community Services Committee on 3 November 2016; and
5. approve the revised Improvement Standards set out in **Appendix 2** of the report.

Designation: Head of Housing & Building Maintenance

Date: 3 August 2016

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HRA Mainstream Capital Programme 2017/18

2017/18	Major Component Replacement	Heating / Energy Efficiency	External fabric (major component replacement)	External fabric (environmental improvements)	Equipment and adaptations,	Total
Badenoch & Strathspey	£206,781	£206,781	£22,975	£22,975	£40,000	£499,512
Caithness	£842,460	£842,460	£93,607	£93,607	£150,000	£2,022,134
Inverness	£1,597,927	£1,597,927	£177,548	£177,548	£300,000	£3,850,950
Lochaber	£549,342	£549,342	£61,038	£61,038	£97,000	£1,317,760
Nairn	£255,501	£255,501	£28,389	£28,389	£50,000	£617,780
Ross & Cromarty	£1,388,144	£1,388,144	£154,238	£154,238	£260,000	£3,344,764
Skye & Lochalsh ^{*1}	£193,755	£193,755	£21,528	£21,528	£36,000	£466,566
Sutherland	£376,780	£376,780	£41,865	£41,865	£67,000	£904,290
Total	£5,410,690	£5,410,690	£601,188	£601,188	£1,000,000	£13,023,756

¹ The Skye & Lochalsh budget will be reviewed accordingly as part of the ongoing disaggregation of local budgets. Skye projects will be reported on a regular basis to Skye Committee.

Highland Council Improvement Standards

External fabric

- Replace fabric where health and safety issue or identifiable damage to the property over long-term period
- Roof coverings to be replaced on a like-for-like basis and upgraded to meet current standards; zinc strips to be installed below ridge to prevent build-up of moss
- Overhangs to be provided where external wall insulation is feasible
- UPVC fascias, soffits and downpipes to be fitted where required
- Chimneys to be removed where they can no longer be used because of heating replacement or through damage to the existing chimney

External doors to individual properties:

- Prioritise replacement of all doors over 30 years old
- UPVC doors with exposure rating suitable for proposed location
- Double glazing and toughened glass where applicable
- Multi point locks and thumb turn
- Lever handles
- Number displayed prominently
- Chain for front door
- Viewer on front door
- Whole door draught proofed including letterbox

Common external doors in blocks of flats

- At the front door of a block a coded door entry system will be fitted with a magnetic closing system and a buzzer and intercom to each flat
- If there is a rear door to the block (e.g. providing access to a common garden or drying area) a manual keypad will be fitted

Windows

- Prioritise replacement of all windows over 30 years old
- Fully reversible windows
- UPVC frames
- Double glazing with low emissivity glass
- Toughened glass where there is glazing below 800mm
- Safety catches to restrict opening
- Trickle ventilation in all opening windows
- Timber finished ingoes
- Compliant with gas safety regulations if property is heated by gas

Bathrooms

- Prioritise replacement of all bathrooms over 30 years old
- White, vitreous china W.C and close coupled cistern
- Dual flush cistern
- Enamelled steel bath with non slip finish and grip handles
- Over bath shower fitted where this is technically feasible; the best technical solution for providing hot water to the shower will be identified. Generally this

will be directly from the heating system but in some instances a directly heated electric shower will be provided

- Level access showers to be provided in suitable accessible properties where identified as part of future medical needs
- Timber lined framing incorporating screwed access panel
- Wet wall finish in bath and shower area
- Vitreous china wash hand basin and pedestal
- Tiles above the basin
- Lever taps in sheltered housing
- White bath, wash hand basin, W.C and cistern
- White heavy duty plastic W.C. seat
- Thermostatic mixing valves for baths and wash hand basins in sheltered housing and other properties where a risk is identified by an occupational therapist
- Mechanical ventilation with humidistat fan and timer
- Heating by radiator from main heating system if possible or other heating source suitable for a bathroom
- Lighting enclosed and fitted to current standards
- Non-slip floor covering
- Walls painted with bathroom-specific paint and woodwork in water based gloss

Kitchens

- Prioritise replacement of all kitchens over 30 years old
- Sink unit with sink and single drainer, double base unit and double wall unit, tall or single unit with a line of drawers above base units as minimum when space allows
- Space for plumbed in washing machine and fridge or fridge/freezer as a minimum as space allow
- 40 mm worktop with mitred joints
- 19mm carcasses on units with 180° hinges on doors
- Strengthened or solid base cutlery drawer
- Stainless steel inset sink and drainer with mixer tap
- Tiles between worktops and wall units and from floor to ceiling (or up to wall unit) behind cooker
- Electrical re-wiring on dedicated ring with partial re-wire if necessary
- Isolation switches for appliances to be situated above worktops
- A minimum of six electric sockets
- Humidity controlled extractor fan
- Wall vents for tumble drier if space available on external wall
- Fluorescent tube lighting
- Tenants to be given a choice of cupboard and worktop finishes
- Non-slip flooring to be installed
- Walls painted with emulsion paint and woodwork in water based gloss

Smoke Detectors

- Smoke and heat detectors to meet current IEE regulations
- Hard wired smoke and heat detector(s) to be fitted in every property
- Hard wired carbon monoxide detector to be fitted in every property that has solid fuel or gas

- Consideration given to specific arrangements where the tenant may have medical requirements such as hearing difficulties

Electrical Systems

- Prioritise rewiring of all properties with wiring over 30 years old
- Wiring installed to conform with current edition of IEE Regulations
- Skirting board trunking and architrave trunking to be used only where there is no alternative solution e.g. in some solid wall houses
- Lighting to be provided by pendant fittings except in the kitchen and bathroom. Kitchen to have fluorescent lighting and bathroom to have lighting to current standards
- Energy efficient bulbs to be provided for all light fittings
- External lighting to be provided at front and rear doors (bulk-head type fitted with low energy light bulbs)
- Extractor fans to be fitted in kitchen and bathroom if not already in the property (humidistat controlled)
- External socket to be provided

Energy efficiency

- Install energy efficiency measures designed to achieve compliance with the Energy Efficiency Standard for Social Housing (ESSH) as far as is reasonably practical
- **Minimum Standard Assessment Procedure (SAP) ratings to pass the ESSH (other fuels = existing SHQS ratings)**

Dwelling type	EE Rating (SAP 2009)		EE Rating (SAP 2012)	
	Gas	Electric	Gas	Electric
Flats	69	65	69	63
Four-in-a-block	65	65	65	62
Houses (other than detached)	69	65	69	62
Detached	60	60	60	57

- Install external wall insulation where this work is feasible and where external funding makes it economically viable
- Install loft insulation to 300mm in individual properties and in the roof space of flatted blocks and cavity wall insulation in individual properties where there is a cavity of a suitable size in individual properties and flatted blocks
- Provide additional ventilation where required
- Insulate hot water tanks and pipes and draught proof windows and doors where required
- Prioritise replacement of all gas boilers over 20 years old. Radiators and pipework only to be replaced where necessary
- Prioritise replacement of all heating systems over 20 years old and all low performing electric heating systems and replace with the most appropriate systems from our heating options approach. Guidance on the installation of closed appliances should be adhered to

- Full house central heating capable of achieving nationally recommended temperatures for each room
- Adequate controls comprising: room thermostat; thermostatic valves on radiators; control unit capable of switching the system on an off at least twice a day and able to operate the heating and hot water independently
- Taking into account insulation measures, the heating system should be designed to maximise heat output and achieve/contribute towards the EESSH energy rating in the property
- Install high performance hot water cylinder or thermal primary store with minimum of 50mm of spray foam insulation and steel panel radiators
- Double socket installed to enable tenant to fit a focal point fire
- Solar water heating panels will only be installed where they are technically feasible and where this work will contribute to achieving the EESSH energy rating
- Provide information and advice on meter replacement, tariff choice and energy use to all tenants who receive new heating

Decoration and Disturbance

- Apart from the decoration to kitchens and bathrooms described above, where capital improvement work affects the decoration in other rooms they will be left in a suitable condition for the tenant to decorate. A decoration allowance will only be provided where there is a clear report from the clerk of works that it is required and it is not the responsibility of the contractor. Where feasible, a paint pack will be provided to the tenant instead of an allowance
- No allowance will be paid for disturbance to any floor covering that has been laid by the tenant. As with other tenant alterations / improvements, tenants are advised that if they fit laminate flooring this is at their own risk. Contractors will attempt to re-lay laminate flooring after works but their ability to do so may depend on the age and condition of the flooring. Where they are unable to do this, the tenant is responsible for doing it themselves

Environmental Improvements

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