

The Highland Council
Community Services Committee
3 November 2016

Agenda Item	6
Report No	COM 41/16

HRA Capital Plan 2017/18

Report by 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 2017-18 in line with the approved HRA Capital Plan.

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. The plan sets out the annual HRA Capital Programme budget for each year, and the basis for prioritising expenditure across different types of work.
- 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, in line with the approved Capital Plan.

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 is included in a separate report to this Committee.
- 2.2 The HRA Capital Plan sets the following priorities for future investment:
 - 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 set 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 original Capital Plan budget made the following assumptions on resources available to fund the programme:

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

3.3 At the time we did not anticipate capital receipts through Right to Buy, which ended on 31 July 2016. In practice we are likely to generate capital receipts into 2017/18, although at this stage it is difficult to estimate the value. Any receipts generated would result in a reduction in Prudential Borrowing.

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.

4 HRA Capital Programme 2017-18

4.1 A proposed HRA Capital Programme for 2017-18 is presented at **Appendix 1**. This provides details of proposed projects at area level. 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 on request.

4.2 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.

4.3 The HRA Capital Programme also includes the council house building programme to 2018. Details of that element of the programme were approved at the Planning, Development and Infrastructure Committee in August 2016. Monitoring of expenditure against budget on this element of the programme are contained in Capital Monitoring reports to the Community Services Committee.

5 Implications

- 5.1 Resources
Resource issues are outlined in the report.
- 5.2 Legal
There are no specific implications arising from this report.
- 5.3 Equalities
This report recommends continuing investment in adaptations to allow disabled tenants to remain in their homes.
- 5.4 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.
- 5.5 Risk
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 are reviewed annually and may need to be revised subject to changes in assumptions or risk analysis.
- 5.6 Gaelic and Rural
There are no specific impacts arising from this report.

Recommendations

The Committee is asked to approve the HRA Capital Programme 2017-2018 set out in **Appendix 1**.

Designation: Head of Housing & Building Maintenance

Date: 5 October 2016

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HRA Capital Programme 2017/18			
Equipment & adaptations			
Project title	Number of units	Project budget	Comments
Equipment & adaptations Caithness	On demand	£150,000	Works to follow Occupational Health assessment
Equipment & adaptations Sutherland	On demand	£67,000	Works to follow Occupational Health assessment
Equipment & adaptations Inverness City and Area	On demand	£300,000	Works to follow Occupational Health assessment
Equipment & adaptations Badenoch & Strathspey	On demand	£40,000	Works to follow Occupational Health assessment
Equipment & adaptations Nairn	On demand	£50,000	Works to follow Occupational Health assessment
Equipment & adaptations Lochaber	On demand	£97,000	Works to follow Occupational Health assessment
Equipment & adaptations Skye	On demand	£36,000	Works to follow Occupational Health assessment
Equipment & adaptations Ross & Cromarty	On demand	£260,000	Works to follow Occupational Health assessment
Total Budget		£1,000,000	
Major Component Replacement			
Project title	Number of units	Project budget	Comments
Bathroom & kitchen replacement Caithness	72	£392,460	Oldest bathrooms and kitchens Caithness
Window & door replacement Caithness	56	£450,000	Oldest windows and doors Caithness
Window & door replacement Sutherland	9	£77,865	Oldest windows and doors Sutherland
Bathroom & kitchen replacement Sutherland	47	£256,780	Oldest bathrooms and kitchens Sutherland
Bathroom & kitchen replacement Inverness City & Area	58	£350,000	Oldest bathrooms and kitchens Inverness Area
Bathroom & kitchen replacement Inverness City & Area	45	£247,927	Oldest bathrooms and kitchens Inverness Area
Window & door replacement Inverness City & Areas	125	£1,000,000	Oldest windows and doors Inverness Area
Kitchen & bathroom replacement Badenoch & Strathspey	10	£60,000	Oldest kitchens and bathrooms Badenoch & Strathspey
Window & door replacement Badenoch & Strathspey	18	£146,781	Oldest windows and doors Badenoch & Strathspey
Bathroom & kitchen replacements Nairn	11	£55,501	Oldest bathrooms and kitchens Nairn
Window & door replacement Nairn	25	£200,000	Oldest windows and doors Nairn
Window & door replacement Lochaber	38	£300,000	Oldest windows and doors Lochaber
Bathroom & kitchen replacement Lochaber	28	£150,658	Oldest bathrooms and kitchens Lochaber
Bathroom replacements Ross & Cromarty	125	£750,000	Oldest bathrooms Ross & Cromarty
Bathroom & kitchen replacements Ross & Cromarty	65	£340,526	Oldest bathrooms and kitchens Ross & Cromarty
Bathroom & kitchen replacements Skye	15	£85,755	Oldest bathrooms and kitchens Skye
Window & door replacement Skye, Ross & Cromarty	45	£383,000	15 addresses Skye, 30 addresses Ross & Cromarty
Total Budget		£5,247,253	
Heating/energy efficiency			
Project title	Number of units	Project budget	Comments
Gas heating replacement Caithness	30	£320,000	Oldest/inefficient gas boilers Caithness
Non-gas heating replacement Caithness	35	£472,460	Oldest/inefficient heating Caithness
Heating replacement Sutherland	31	£376,780	Oldest/inefficient heating Sutherland
Heating replacements Inverness City & Area	40	£397,927	Oldest/inefficient heating Inverness Area
Gas heating replacements Inverness City & Area	160	£1,400,000	Oldest/inefficient heating Inverness City and Nairn
Heating replacements Skye	13	£193,755	Oldest/inefficient heating Skye

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Heating replacements Ross & Cromarty	250	£250,000	Oldest/inefficient heating Ross & Cromarty
Gas heating upgrades Ross & Cromarty	100	£1,000,000	Oldest/inefficient gas boilers Ross & Cromarty
Heating replacements Badenoch & Strathspey	8	£100,000	Oldest/inefficient heating Badenoch & Strathspey
Heating replacements Nairn	5	£55,501	Oldest/inefficient heating Nairn
Heating replacements Lochaber	8	£100,000	Oldest/inefficient heating Lochaber
Heating replacements Badenoch & Strathspey and Lochaber	25	£375,845	Oldest/inefficient heating Badenoch & Strathspey and Lochaber
Plantation insulation, Fort William	20	£240,000	Plantation phase 1 external wall insulation
Total Budget		£5,282,268	
External fabric (major component replacement)			
Project title	Number of units	Project budget	Comments
Roofing works Caithness	10	£143,607	Awaiting site surveys
Roofing works Sutherland	6	£84,000	Tulloch Road, Bonar Bridge
Roofing works Schoolhouse, Braes	2	£21,528	Schoolhouse, Braes
External fabric Inverness	Subject to survey	£177,548	Awaiting site surveys
External fabric Badenoch & Strathspey	Subject to survey	£22,975	Awaiting site surveys
External fabric Nairn	Subject to survey	£28,389	Awaiting site surveys
Roofing works Lochaber	Subject to survey	£100,000	Works on timber-framed properties
Roofing works Windsor Place, Conon Bridge	18	£315,000	Windsor Place, Conon Bridge
Total Budget		£893,047	
External fabric (environmental improvements)			
Project title	Number of units	Project budget	Comments
Environmental improvements Caithness	Subject to survey	£93,607	Subject to Member discussion
Environmental improvements Sutherland	Subject to survey	£41,865	Subject to Member discussion
Environmental improvements Skye	Subject to survey	£21,528	Subject to Member discussion
Environmental improvements Inverness	Subject to survey	£177,548	Subject to Member discussion
Environmental improvements Badenoch & Strathspey	Subject to survey	£22,975	Subject to Member discussion
Environmental improvements Nairn	Subject to survey	£28,389	Subject to Member discussion
Environmental improvements Lochaber	Subject to survey	£61,038	Subject to Member discussion
Environmental improvements Ross & Cromarty	Subject to survey	£154,238	Subject to Member discussion
Total Budget		£601,188	
Overall Programme Budget		£13,023,756	

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