

Agenda Item	6.
Report No	PEO 03/18

## HIGHLAND COUNCIL

**Committee:** People

**Date:** 25 January 2018

**Report Title:** Housing Revenue Account Capital Programme 2018-19

**Report By:** Director of Community Services

### 1. Purpose/Executive Summary

1.1 This report contains details of the overall level of HRA capital resources for the 2018/19 mainstream capital programme based on the 5-year capital plan and agreed investment priorities, and the distribution of HRA Capital Programme resources to Local Committees.

### 2. Recommendations

2.1 Members are invited to:

- **agree** the allocation of resources to local area levels as set out in **Appendix 1**;
- **note** the investment priorities as set out in section 4.2 of the report;
- **agree** the proposed HRA Capital Programme 2018-19 as set out in **Appendix 2**; and
- **note** that updates on the Housing Revenue Account Capital Programme will continue to be provided through ward briefings and at Local Committees as requested by local Members, in addition to reporting to the Environment, Development and Infrastructure Committee.

### **3. Background**

- 3.1 The Community Services Committee on 20 August 2015 approved the framework for the Housing Revenue Account (HRA) Capital Programme for 2016-2021. This report details the resource allocation for 2018-19 and the identified priorities for each area.
- 3.2 This report relates to the mainstream HRA Capital Programme for 2018-19. New build housing is reported separately to Environment, Development and Infrastructure Committee.

### **4. HRA Capital Plan 2016-2021**

- 4.1 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). Since 2007, the HRA programme had been focussed on achieving the SHQS.
- 4.2 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 based on 5% of the Area's mainstream budget; and
  - continued funding of equipment and adaptations to allow disabled and elderly tenants to remain in their current tenancy. This budget is allocated as a pro-rata of housing stock in each area.
- 4.3 The starting point for HRA capital planning is to estimate a reasonable level of expenditure required given the Highland housing stock. In order to establish this as objectively as possible the Council undertook in 2015 an analysis of Highland housing stock based on a standard set of 'Major Repairs Allowances' published by the UK Government Department for Communities and Local Government, adjusted for projected annual BCIS indices (contract price inflation).
- 4.4 This method provides standard investment allowances per house based on house type and construction. These allowances are based on the costs of standard life cycle replacement of major building elements.
- 4.5 The HRA Capital Plan 2016-2021 used this method to assess a level of expenditure required for our housing stock.

- 4.6 The HRA Capital Plan 2016-21 identified the following budget for the HRA Capital Programme 2018-19:

Year	Mainstream Investment	Aids and Adaptations	Council house building	Total
2018/19	£12.602m	£1m	£23m	£36.602m

- 4.7 This budget is based on the following funding:

Resource	Funding
CFCR (capital from current revenue)	£4.722m
Landbank	£12.740m
Prudential Borrowing	£19.140m
<b>Total Resources</b>	<b>£36.602m</b>

- 4.8 This funding is based on a number of assumptions including estimated capital borrowing costs. Loan Charges for all borrowing used to fund HRA capital investment are funded through HRA Revenue.
- 4.9 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.
- 4.10 Proposed funding allocations for 2018-19 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.

## 5. 2018-19 Programme

- 5.1 The 2018-19 Programme is detailed in **Appendix 2**.
- 5.2 A key feature of developing the programme has been identifying individual area priorities through discussion with Members, local maintenance teams and tenants.
- 5.3 Members will continue to be updated on progress against both the 2017-18 and 2018-19 programmes through ward business meeting updates. Members will be provided with specific project details and addresses on request.

## 6. Implications

- 6.1 Resource – this is discussed in the report.
- 6.2 Legal – there are no specific legal implications arising from this report.
- 6.3 Community (Equality, Poverty and Rural) – there are no specific implications arising from this report.
- 6.4 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.

- 6.5 Risk - implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified to future Committee.
- 6.6 Gaelic - there are no implications arising as a direct result of this report.

Designation: Director of Community Services

Date: 15 January 2018

Author: Jonathan Henderson, Housing Investment Officer

## HRA Capital Programme area budgets 2018-19

<b>Area</b>	<b>Mainstream investment £</b>	<b>Aids and Adaptations £</b>	<b>Total £</b>
Caithness	1,953,300	150,000	2,103,300
Sutherland	932,500	67000	999,500
R&C	3,226,100	260,000	3,486,100
Skye	441,000	36,000	477,000
Inverness	3,717,600	300,000	4,017,600
Lochaber	1,260,200	97000	1,357,200
B&S	478,800	40,000	518,800
Nairn	592,300	50,000	642,200
<b>Total</b>	<b>£12,602,000</b>	<b>£1,000,000</b>	<b>£13,602,000</b>

## HRA Capital Programme 2018-19

Project title	Number of units	Project budget	Comments
<b>Equipment &amp; adaptations</b>			
Equipment & adaptations Caithness	On demand	£150,000	Assessed by Occupational Health
Equipment & adaptations Sutherland	On demand	£67,000	Assessed by Occupational Health
Equipment & adaptations Ross & Cromarty	On demand	£260,000	Assessed by Occupational Health
Equipment & adaptations Skye	On demand	£36,000	Assessed by Occupational Health
Equipment & adaptations Inverness City and Area	On demand	£300,000	Assessed by Occupational Health
Equipment & adaptations Nairn	On demand	£50,000	Assessed by Occupational Health
Equipment & adaptations Badenoch & Strathspey	On demand	£40,000	Assessed by Occupational Health
Equipment & adaptations Lochaber	On demand	£97,000	Assessed by Occupational Health
<b>Total</b>		<b>£1,000,000</b>	
<b>Major Component Replacement</b>			
Bathroom replacement Caithness	40	£200,000	Oldest bathrooms Caithness
Kitchen replacement Caithness	66	£337,000	Oldest kitchens Caithness
Window & door replacement Caithness	45	£360,000	Oldest windows & doors Caithness
Windows & door replacement Caithness	on demand	£32,000	One off failures Caithness
Caithness Total		£929,000	
Bathroom replacement Sutherland	31	£100,000	Oldest bathrooms Sutherland
Kitchen replacement Sutherland	30	£150,000	Oldest kitchens Sutherland
Windows & doors replacements Sutherland	16	£128,000	Oldest windows & doors Sutherland
Sutherland Total		£378,000	
Bathroom/window replacements Ross & Cromarty	on demand	£250,000	One off failures Ross & Cromarty
Kitchen Replacements Ross & Cromarty	50	£250,000	Oldest Kitchen Ross & Cromarty
Windows & Doors Replacements Ross &	120	£1,000,000	Oldest Windows & Doors Ross & Cromarty

Project title	Number of units	Project budget	Comments
Cromarty			
R&C Total		£1,500,000	
Bathroom/Kitchen/Windows replacement Skye	on demand	£28,000	One off failures Skye
Skye Total		£28,000	
Bathroom replacement Inverness City & Area	58	£290,000	Oldest bathrooms Inverness City & Area
Kitchen replacements Inverness City & Area	70	£350,000	Oldest kitchens Inverness City & Area
Window & door replacement Inverness City & Areas	150	£1,150,000	Oldest windows and doors Inverness City & Area
Bathroom/Kitchen/Windows & Doors Inverness City & Area	on demand	£40,000	One off failures Inverness City & Area
Inverness Total		£1,830,000	
Kitchen Replacement Nairn	20	£80,000	Oldest bathrooms in Nairn
Bathroom/Kitchen/Windows Replacements Nairn	on demand	£15,000	One off failures Nairn
Nairn Total		£95,000	
Kitchen replacement Badenoch & Strathspey	19	£132,000	Oldest kitchens Badenoch & Strathspey
Windows & doors replacement Badenoch & Strathspey	20	£120,000	Oldest windows & doors Badenoch & Strathspey
Kitchens/bathrooms/windows Badenoch & Strathspey	on demand	£23,000	One off failures Badenoch & Strathspey
B&S Total		£275,000	
Kitchen/bathroom/windows replacement Lochaber	on demand	£50,000	One off failures Lochaber
Windows & door replacement Lochaber	38	£304,000	Oldest windows and doors
Lochaber Total		£354,000	
<b>Total</b>		<b>£5,389,000</b>	
<b>Heating/energy efficiency</b>			
Heating replacements Caithness	72	£680,000	Oldest/inefficient heating Caithness
Heating replacements Caithness	13	£150,000	One off failures Caithness

Project title	Number of units	Project budget	Comments
Caithness Total		£830,000	
Heating replacements Sutherland	on demand	£45,000	One off failures Sutherland
Sutherland Total		£45,000	
Heating replacements Ross & Cromarty	on demand	£469,000	One off failures/baxi replacement Ross & Cromarty
R&C Total		£469,000	
Heating replacements Skye	20	£280,000	Oldest/inefficient systems Skye
Heating replacements Skye	on demand	£40,000	One offs failures Skye
Skye Total		£320,000	
Heating replacements Inverness City & Area	110	£1,200,000	Oldest/inefficient heating systems Inverness City & Area
Heating replacements Inverness City & Area	on demand	£301,000	One off failures Inverness City & Area
Inverness Total		£1,501,000	
Gas heating replacements Nairn	68	£490,000	Replacement baxi gas systems in Nairn
Heating replacements Nairn	on demand	£15,000	One off failures Nairn
Nairn Total		£505,000	
Heating replacements Badenoch & Strathspey	10	£130,000	Oldest/inefficient heating systems
Heating replacements Badenoch & Strathspey	on demand	£30,000	One off failures Badenoch & Strathspey
B&S Total		£160,000	
Heating replacements Lochaber	32	£404,000	Oldest/inefficient heating systems Lochaber
Heating replacements Lochaber	on demand	£100,000	One off failures Lochaber
Plantation insulation, Fort William	20	£240,000	Plantation phase 2
Lochaber Total		£744,000	
<b>Total</b>		<b>£4,574,000</b>	
<b>External fabric (major component replacement)</b>			
External fabric Caithness	7	£97,839	External fabric Caithness
Caithness Total		£97,839	
External fabric works Sutherland	32	£468,651	External fabric works Sutherland
Sutherland Total		£468,651	



<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
Roofing works Windsor Place, Conon Bridge	27	£335,000	Windsor Place, Conon Bridge
External Fabric works Ross & Cromarty	52	£660,000	External Fabric works Ross & Cromarty
Roofing works Dingwall	Subject to survey	£100,000	Roofing works Dingwall
R&C Total		£1,095,000	
External fabric works Skye	Subject to survey	£65,357	External fabric works Skye
Skye Total		£65,357	
External fabric Inverness	Subject to survey	£167,027	External fabric Inverness
Inverness Total		£167,027	
External fabric Badenoch & Strathspey	Subject to survey	£23,357	External fabric Badenoch & Strathspey
B&S Total		£23,357	
External fabric works Lochaber	Subject to survey	£100,000	External fabric works Lochaber
Lochaber Total		£100,000	
<b>Total</b>		<b>£2,017,231</b>	
<b>External fabric (environmental improvements)</b>			
Environmental improvements Caithness	Subject to survey	£94,515	Member led budget
Environmental improvements Sutherland	Subject to survey	£43,475	Member led budget
Environmental improvements Ross & Cromarty	Subject to survey	£161,305	Member led budget
Environmental improvements Skye	Subject to survey	£22,050	Member led budget
Environmental improvements Inverness City & Area	Subject to survey	£185,880	Member led budget
Environmental improvements Nairn	Subject to	£29,615	Member led budget

<b>Project title</b>	<b>Number of units</b>	<b>Project budget</b>	<b>Comments</b>
	survey		
Environmental improvements Badenoch & Strathspey	Subject to survey	£23,940	Member led budget
Environmental improvements Lochaber	Subject to survey	£63,010	Member led budget
<b>Total</b>		<b>£623,790</b>	
<b>Overall Programme Budget</b>		<b>£13,602,000</b>	