

HIGHLAND COUNCIL

Committee: Skye & Raasay Committee

Date: 3 September 2018

Report Title: Housing Revenue Account Capital Programme 2019-2021

Report By: Director of Community Services

1 Purpose/Executive Summary

1.1 This report contains details of the level of HRA capital resources for Skye and Raasay for the 2019-2021 mainstream capital programme based on the 5-year capital plan and the proposed programme of works in 2019/20 and 2020/21.

2 Recommendations

2.1 Members are invited to:-

- i. Note the allocation of resources to Skye and Raasay Area as set out in **Appendix 1**;
- ii. Note the investment priorities as set out in section 4.2 of the report;
- iii. Agree the proposed two year HRA Capital Programme for Skye and Raasay 2019-21 as set out in **Appendix 2**; and
- iv. 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 highlights the resource allocations for Skye & Raasay for 2019 to 2021 as approved in the above noted report, and details the proposed HRA Capital Programme for 2019 to 2021.
- 3.2 This report relates to the mainstream HRA Capital Programme for 2019-2021. New build housing is reported separately to Environment, Development & 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 2019-20 and 2020-21 for Highland:-

Year	Mainstream Investment	Aids and Adaptations	Total
2019/20	£13,232m	£1m	£14,232m
2020/21	£13,893m	£1m	£14,893m

4.7 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.

4.8 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.

4.9 Funding allocations for 2019-20 and 2020-21 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 2019-20 and 2020-21 Programmes

5.1 Proposals for the 2019-20 and 2020-21 Programmes are detailed in **Appendix 2**.

5.2 A key feature of developing the programmes for 2019-20 and 2020-21 has been identifying individual area priorities through discussion with Members, local maintenance teams and tenants. Priorities have been identified for the Skye and Raasay area at a local level, with the projects defined within the programmes aimed at meeting the locally identified priorities in the context of Skye and Raasay.

5.3 Members will continue to be updated on progress against both the current year programme 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: 2 August 2018

Author: Jonathan Henderson, Housing Investment Officer

HRA Capital Programme

Area	Budget year	Mainstream Investment £	Aids and Adaptations £	Total £
Skye & Raasay	2019/20	463,054	36,000	499,054
	2020/21	486,186	36,000	522,186
Highland	2019/20	13,232,000	1,000,000	14,232,000
	2020/21	13,893,000	1,000,000	14,893,000

Skye and Raasay HRA Capital Programme 2019-20			
Equipment & adaptations			
Project title	Number of units	Project budget	Comments
Equipment & adaptations Skye and Raasay	On demand	£36,000	Works on demand following referral from Occupational Therapists
Total		£36,000	
Major Component Replacement			
Bathroom/Kitchen/Windows replacements	On demand	£40,000	One off Bathroom/Kitchen/Windows replacements
Windows & door replacement	17	£140,000	Oldest windows and doors
Total		£180,000	
Heating/energy efficiency			
Heating replacements	On demand	£40,000	One off heating failures
External insulation	12	£170,000	External Insulation works
Total		£208,000	
External fabric (major component replacement)			
External fabric works	On demand	£49,994	External fabric works (roofing, harling etc)
Total		£49,994	
External fabric (environmental improvements)			
Project title	Number of units	Project budget	Comments
Environmental improvements Skye	Subject to survey	£23,060	Member led budget
Total		£23,060	
Overall Programme Budget Total		£499,054	

Skye and Raasay HRA Capital Programme 2020-21			
Equipment & adaptations			
Project title	Number of units	Project budget	Comments
Equipment & adaptations Skye and Raasay	On demand	£36,000	Works on demand following referral from Occupational Therapists
Total		£36,000	
Major Component Replacement			
Bathroom/Kitchen/Windows replacements	On demand	£41,000	One off Bathroom/Kitchen/Windows replacements
Windows & door replacement	17	£160,000	Oldest windows and doors
Total		£201,000	
Heating/energy efficiency			
Heating replacements	On demand	£41,000	One off heating failures
External insulation	12	£170,000	External Insulation works
Total		£211,000	
External fabric (major component replacement)			
External fabric works	On demand	£49,871	External fabric works (roofing, harling etc)
Total		£49,871	
External fabric (environmental improvements)			
Environmental improvements Skye	Subject to survey	£24,315	Member led budget
Total		£24,315	
Overall Programme Budget Total		£522,186	