

Agenda Item	6
Report No	ERA-03-21

HIGHLAND COUNCIL

Committee: Easter Ross Committee

Date: 17 February 2021

Report Title: Easter Ross Housing Revenue Account Capital Programme 2021-2022

Report By: Executive Chief Officer Housing and Property

1 Purpose/Executive Summary

- 1.1 This report contains details of the level of HRA capital resources for Easter Ross Area for the 2021-2022 mainstream Capital Programme approved at Housing and Property Committee on 13 August 2020 and the proposed programme of works for 2021-2022.

2 Recommendations

2.1 Members are invited to:

- I. **Note** the allocation of resources to Easter Ross Area as set out at 5.5.
- II. **Note** the guideline investment priorities as set out in sections 5.2 of the report.
- III. **Agree** the proposed one-year HRA Capital Programme for Easter Ross Area 2021-22 as set out in **Appendix 1**.
- IV. **Note** the position relating the current year HRA Capital Programme.
- V. **Note** that updates on the Housing Revenue Account Capital Programme will continue to be provided through ward briefings and at future Local Committees as requested by local Members, in addition to reporting to Housing and Property Committee.

3 Implications

- 3.1 Resource – this is discussed in the report.
- 3.2 Legal – there are no specific legal implications arising from this report.

- 3.3 Community (Equality, Poverty and Rural) – there are no specific implications arising from this report.
- 3.4 Climate Change - continuing investment in heating and energy efficiency in Council housing will help meet Council objectives in relation to fuel poverty and climate change.
- 3.5 Risk - implications to the budget position, and budget assumptions, will be kept under regular review and any risks identified to future Committee.
- 3.6 Gaelic - there are no implications arising as a direct result of this report.

4 Background

- 4.1 On 13 August 2020, Housing and Property Committee approved the funding allocations and framework for the Housing Revenue Account (HRA) Capital Programme for 2021-2022. This report details the proposed HRA Capital Programme for Easter Ross Area for 2021-2022.
- 4.2 It should be noted that this report relates to the mainstream HRA capital works. New build housing is reported separately to Housing and Property Committee.

5 Development of the HRA Capital Programme 2021-2022

- 5.1 The HRA Capital Programme 2021-2022 has been developed in line with the agreed principles of the 2016-2021 HRA Capital Plan, which was updated and approved at Housing and Property Committee on 13 August 2020.
- 5.2 The guideline principles within the HRA Capital Plan are as follows:-
 - a lifecycle-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.

- 5.3 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).
- 5.4 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. The HRA Capital Programme for 2021-2022 used this method to assess a level of expenditure required for our housing stock.
- 5.5 This identified the following budget for the Easter Ross Area HRA Capital Programme for 2021-2022:-

Table 2: Easter Ross Area 2021-2022 HRA Capital Programme Resources

Year	Mainstream Investment £'000	Aids and Adaptations £'000	Total £'000
2021/2022	2,108	116	2,216

- 5.6 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.
- 5.7 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.
- 6 2021-2022 Easter Ross Area HRA Capital Programme**
- 6.1 Proposals for programme and budget allocation for the Easter Ross Area 2021-2022 area programme are detailed at **Appendix 1**.
- 6.2 Developing the programme for 2021-22 has involved identifying individual area priorities through discussion with Members, local maintenance teams and tenants. Priorities have been identified for the Easter Ross Area at a local level, with the projects defined within the programme aimed at meeting the locally identified priorities.
- 6.3 The proposed Easter Ross Area HRA Capital Programme for 2021-2022 also reflects the continued commitment towards increased spend on heating/energy efficiency measures to assist with improving the energy efficiency of the housing stock.
- 6.4 Where draft address lists for the above projects have already been identified, these have been issued separately to Members in advance of Committee. Members should be aware that there may be some minor changes to address lists during the programme as tenants opt-out of works or in response to service delivery needs.
- 6.6 Members will continue to be updated on progress against both the current year programme and the 2021-2022 programme through ward business meeting updates.

Members will be provided with specific project details and addresses on request during the course of the programme.

- 6.7 It should be noted that initial analysis is underway to develop a 5-year capital programme from 2022 onwards. This will include feasibility studies on larger and more complex projects which Members and officers identified as potential future priorities as part of the development of the 2021-22 programme.

7 2020-21 HRA Capital Programme

- 7.1 Members are advised that the current year 2020-21 HRA Capital Programme has been significantly delayed as a result of the ongoing global pandemic. All projects will be progressed but there will be considerable slippage into financial year 2021-2022. This will also which cause considerable delays with the following 2021-22 programme due to the backlog caused by the pandemic.
- 7.2 All capital works were stopped on site during the first national lockdown period in Spring and early Summer 2020. From 20 July 2020, capital works re-started on several projects. This focused initially on external works and completing outstanding works rather than initiating new works. Owing to updated working practices in line with Government guidance, works were being delivered far more slowly than in normal circumstances. Estimated outturns for the present year overall HRA capital programme were reported to Housing and Property Committee in December 2020.
- 7.2 Works are again suspended on site until such time as guidance allows for a restart. Tenant liaison officers are making contact with tenants to communicate the further delays and address any concerns and will be contacted again in advance of any works re-commencing.
- 7.4 Progress against the present year HRA Capital Programme for Easter Ross Area will be reported to the next Area Committee as an appendix to the housing performance report.

Designation: Executive Chief Officer Housing and Property

Date: 2 Feb 2021

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Appendix 1

Easter Ross Capital Programme 21-22		
	Project budget	Comments
Equipment and adaptations		
Equipment and adaptations total	£108,000	Works on demand following referrals from Occupational Therapists
Equipment and adaptations total	£108,000	
Major Component Replacement		
One-off windows and doors	£35,553	One-off windows and doors replacements progressed on demand through local team
Bathroom/kitchen replacements	£200,000	Kitchen and bathroom replacement programme - oldest kitchens and bathrooms as inspected by local team. Various addresses across wards 6 and 7.
Major Component Replacement total	£235,553	
Heating/energy efficiency		
Heating Replacement Programme	£867,047	Phase 1 heating replacement project Balintore
One-off heating replacements	£100,000	One-off heating failure replacements progressed on demand through local team
Heating/energy efficiency total	£967,047	
External Fabric (major component replacement)		
Re-roofing Programme	£800,000	Phase 2 Westford, Alness, roofing project
External Fabric (major component replacement) total	£800,000	
External fabric (environmental improvements)		
Environmental Improvements ward 6	£72,447	Member led budget. Priority environmental capital projects identified through engagement with local team
Environmental Improvements ward 7	£32,953	Member led budget. Priority environmental capital projects identified through engagement with local team
Environmental Improvements total	£105,400	
Mainstream budget total	£2,108,000	
Aids and adaptations total	£108,000	
Overall programme total	£2,216,000	