

North Lanarkshire Council

Report

Communities and Housing Committee

approval noting

Ref BL/KF

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Housing Outline Capital Programme 2019 /20

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Executive Summary

The purpose of this report is to seek approval from Committee for the implementation of the mainstream Housing Capital Programme (excluding new build) for 2019/20.

Recommendations

It is recommended that the Committee: -

- (i) Approve the HRA Capital Programme for 2019/20 as outlined in Appendix 1,
- (ii) Refer this report to the Policy and Strategy Committee for consideration, and
- (iii) Note that this supports the full alignment of kitchen and bathroom modernisation elements by 2021.

Supporting Documents

Council business plan to 2020 This report reflects the action to improve the economic opportunities and outcomes by providing improved quality housing within the geographical boundaries of North Lanarkshire Council.

Appendix 1 HRA Capital Programme for 2019/20

1. Background

- 1.1 Committee will recall the requirement on the Council as a social landlord to meet and maintain the Scottish Housing Quality Standard (SHQS) and that, during 2014/15, the Council undertook a full SHQS condition survey of all its housing stock. This was to both ensure SHQS compliance and to map long term investment requirements in line with property condition and need.
- 1.2 Committee will also recall the information from these condition surveys, along with new prioritised standards such as the Energy Efficiency Standards for Social Housing (EESH) was used to present 4 investment options to Committee in February 2016. It was agreed to invest £253m in the housing stock over the next 5 years as contained in option 4.

2. Report

Capital Resources – HRA Programme

- 2.1 As part of the 5 year investment plan, spending proposals for 2019/20 have been prepared for Committee's consideration and are outlined in Appendix 1.
- 2.2 Slippage allowances of approximately 10% have been added to the 2019/20 programme options to arrive at a "working programme" shown below.
- 2.3 The working programme (Table 1 below) takes account of projected carry forward commitment but may be subject to adjustment depending on the final outturn of the current 2018/19 programme.

| Resources | £000 |
|----------------------|---------------|
| Prudential Borrowing | 40,980 |
| CFCR | 22,470 |
| Resources | <u>63,450</u> |
| Slippage Allowance | 4,780 |
| Working Programme | <u>68,230</u> |

3.2 HRA Capital Programme Details

3.2.1 Heating

It is proposed that the age profile of the boilers within the stock remains 15 years and circa 30 years and beyond for all other components. A move towards low carbon technologies to assist in meeting EESH will be accommodated within current investment levels. Accordingly, the heating programme has been

reviewed and is being re-profiled to include renewing all components including radiators and pipework.

3.2.2 **Window/Door Replacement**

The 2019/20 programme will continue to replace windows and doors based on age and/or condition. Doors will be replaced during the same programme where required and information continues to be reviewed to ensure that investment is in line with SHQS survey outcomes and EESSH requirements.

3.2.3 **Roofing & Rendering**

Investment continues in roofing and rendering works in line with the survey outcomes in terms of condition/lifespans and related owner occupier involvement within programmes.

3.2.4 **Kitchens & Bathrooms**

The 2019/20 programme will continue investment based on age and/or condition in line with survey outcomes. The asset replacement age to profile future programmes will be 20 years for kitchen and 25 years for a bathroom renewal. The deadline for all kitchens and bathrooms to be replaced remains 2021. All bathrooms within Tower blocks are completed.

3.2.5 **Tower Strategy**

Substantial Investment continues on our high rise stock including tower block refurbishment and any upgrades identified from the structural surveys commissioned during 2016. Long term strategy of high rise accommodation may be affected by current government review and potential changes in legislation or building regulations in regards to fire safety. As part of our Tower safety programme we propose to install sprinkler systems, fire doors and associated safety works within all our towers. These works are at various stages of design and procurement at present and will be reviewed within the programme once the full procurement exercises are concluded.

3.2.6 **Ambition**

As part of the ambition tower re-provisioning programme, phase one of the procurement exercise has commenced. These works are at various stages of design and procurement at present and will be reviewed within the programme once the full procurement exercises are concluded.

4. **Equality and Diversity**

4.1 **Fairer Scotland**

The contract will work towards improving outcomes for people and communities by assisting the Council to reduce inequalities of outcome caused by socio-economic disadvantage.

4.2 Equality Impact Assessment

The Council will continue to carry out Equality impact assessments to determine if policies, practices, decisions, functions and strategies identify any negative impact on any particular group covered by the protected characteristics of the Equality Act 2010.

5. Implications

5.1 Financial Impact

5.1.1 Financial Solutions have been involved in development of the financial information contained within this report.

5.1.2 Provision for the anticipated programme was noted within the 19/20 revenue estimates process, including a provision of up to £26m, excluding slippage, for tower works identified at 3.2.5. and 3.2.6. Due to the nature of these works and the uncertainty surrounding the final cost and profiling of capital works under procurement the service has only incorporated circa £15m into the 19/20 programme as detailed at appendix 1. The final resource requirement will be reviewed during 19/20 as the procurement exercises are concluded, and the working programme adjusted accordingly during the mid-year review. Any increase to the original programme will be funded through additional HRA borrowing.

5.2 HR/Policy/Legislative Impact

Continued investment will maintain safe and secure communities and legislative compliance within our housing stock.

5.3 Environmental Impact

The Contracts awarded to deliver the Capital Programme have the following environmental impacts; encourage sustainable construction; promote health and wellbeing; safe removal and disposal of materials.

5.4 Risk Impact

Risk will be minimised and managed by designated Contract Administrators and Managers in accordance with the works specification and in accordance with the Councils agreed approach to Contract and Supplier Management.

6. Measures of success

It is anticipated that the award of the Contracts will deliver the following successful outcomes:

- 6.1 Provide safe, improved and sustainable domestic properties for the residents of North Lanarkshire Council.
- 6.2 Ensure the domestic properties within North Lanarkshire Council continue to meet SHQS and progress will be made in meeting or exceeding the thermal efficiency standards set by EESSH.



Brian Lafferty
Head of Business (Housing Property and Projects)

Appendix 1

| MAINSTREAM PROGRAMME | Working Programme £000 |
|-------------------------------------|------------------------------|
| Estate Regeneration | |
| Estate Regeneration | 360 |
| Sub Total | 360 |
| Energy Efficiency | |
| Heating | 8,330 |
| Electric Heating | 2,890 |
| Air Source Heating | 2,890 |
| Window/Door Replacement | 7,050 |
| Sub Total | 21,160 |
| Major Repairs | |
| Major Repairs | 2,440 |
| Roofing/Rendering | 12,210 |
| Sub Total | 14,650 |
| Home Safety and Security | |
| Lead Pipe Removal | 390 |
| Security/Entry Systems | 440 |
| Sub Total | 830 |
| Tower Strategy | |
| Tower Strategy | 1,100 |
| Tower Upgrades | 14,470 |
| Sub Total | 15,570 |
| Internal Upgrading | |
| Kitchens | 3,330 |
| Bathrooms | 7,770 |
| Sub Total | 11,100 |
| Community Care | |
| Community Care | 300 |
| Sub Total | 300 |
| Fees / Miscellaneous | |
| Fees / Miscellaneous | 4,500 |
| Grants | (240) |
| Sub Total | 4,260 |
| TOTAL (Mainstream Programme) | 68,230 |