

North Lanarkshire Council Report

Housing and Regeneration Committee

approval noting

Ref BL/CB

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Housing Outline HRA Capital Programme 2020/21

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Executive Summary

The purpose of this report is to seek approval from Committee for the mainstream Housing Capital Programme (excluding new build) for 2020/21.

Recommendations

It is recommended that the Committee:-

- (i) Approve the HRA Capital Programme for 2020/21 as outlined in Appendix 1
- (ii) Note the programme supports the completion of the mainstream kitchen and bathroom replacement programmes by March 2021.

The Plan for North Lanarkshire

Priority Improve the health and wellbeing of our communities

Ambition statement All ambition statements

1. Background

- 1.1 Committee will recall in February 2016, a 5 year outline HRA Capital Programme was approved based on Option 4 within the report which proposed spending £253m on the housing stock over the following 5 years.
 - 1.2 Option 4 of the 5 year investment plan ensured the Council's housing stock continued to meet the Scottish Housing Quality Standard (SHQS) in addition to working towards compliance with the Energy Efficiency Standard for Social Housing (EESH) by December 2020.
 - 1.3 During the timeframe of the existing 5 year plan, new priorities introduced have included the tower re-provisioning programme, legislation regarding the provision of smoke detectors and the acceleration of the kitchen and bathroom replacement programmes resulting in completion by 2020/21.
 - 1.4 The 2020/21 HRA Capital Programme represents Year 5 of the current programme with a new 5 Year HRA capital programme covering 2021-2026 due to be submitted to Committee in May 2020.
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2. Report

Capital Resources – HRA Programme

- 2.1 As part of the 5 year investment plan, spending proposals for 2020/21 have been prepared for Committee's consideration as outlined in Appendix 1.
- 2.2 Slippage allowances of approximately 10% have been added to the 2020/21 programme to arrive at a "working programme" as detailed below.
- 2.3 The working programme (Table 1) takes into account of projected carry forward commitment but may be subject to adjustment depending on the final outcome of the current 2019/20 programme.

TABLE 1 – Resources 2020/21

	£000
Prudential Borrowing	42,472
Capital Funded from Current Revenue (CFCR)	<u>22,476</u>
Total projected resources	64,948
Slippage allowance	<u>6,494</u>
Working programme	<u>71,442</u>

HRA Capital Programme details

2.4 Heating

Committee will recall the September 2019 report which provided details of the current heating strategy for the housing stock. As well as continuing with the replacement of existing gas and electric heating systems based on lifespans, the 2020/21 HRA

programme will also see an increase in the move towards low carbon technologies to ensure compliance with EESSH, including the completion of the installation of air source heating pumps to properties located in off gas grid areas such as Salsburgh and Banton and the commencement of air source technology installations to replace existing heating within a number of towers in Motherwell.

2.5 Windows/Door Replacement

The 2020/21 programme will continue to replace windows and doors based on life cycle information, condition and EESSH requirements as appropriate.

It is also proposed to introduce a programme of increased fire rated entrance doors to tenants' homes within low rise blocks of flats.

2.6 Roofing and Rendering

The programme will see the continuation of thermal overcladding to predominantly non-traditional house types such as Bellstones throughout the Authority. It is also proposed to start a programme of upgrading the thermal efficiency of steel framed houses built in the late 1940's commonly known as BISF houses as part of our commitment to ensuring EESSH compliance.

2.7 Lead pipe replacement

The surveying programme and associated lead pipe replacement programme of external pipework will continue throughout 2020/21.

2.8 Door Entries

The replacement of door entry systems will continue in 2020/21 involving owner occupiers sharing common repair responsibilities with the council for such elements as appropriate.

2.9 Electrical Work

The upgrading of smoke and heat detectors within tenants homes to comply with the changes to the Tolerable Standard as described in the May 2019 report to committee will continue with a view to ensuring compliance by the deadline date of February 2021. The Tolerable Standard forms part of the SHQS for which the council's compliance rates are reported annually to the Scottish Government.

Committee will recall the September 2019 report detailing that an electrical inspection regime is in place for tenants' properties but every year a number of households do not engage in the process resulting in the council's contractor failing to gain access to carry out this inspection. The report detailed the council's intention to introduce a process, similar in principle to the current gas forced entry process, to enable access to be gained to tenants homes to carry out an electrical safety check and undertake any necessary remedial works to the property. It is estimated that as part of this new process, a number of properties will require to be fully rewired which will be funded via the HRA capital programme.

A programme of replacement of communal lighting and electrical switchgear as appropriate is proposed to start within low rise blocks of flats throughout the Authority. As with other proposed works, consultation with owner occupiers sharing

common repair responsibilities with the council for such elements will be undertaken throughout the year.

The impact of owners' involvement within HRA programmes will be the subject of a separate report to a future Committee.

2.10 Kitchens and Bathrooms

The September 2019 report to Committee confirmed the mainstream kitchen replacement programme would be completed by the end of 2019/20 and the mainstream bathroom replacement programme by the end of 2020/21.

The report outlined that since the start of the mainstream upgrading programme in 2004/05, approximately 7-8% of tenants have refused kitchens and/or bathroom upgrading works within their homes. It is intended to undertake the upgrading works to such properties throughout the 2020/21 financial year on an ad-hoc basis when the opportunity arises e.g. properties become void.

2.11 Tower Strategy

Investment within our high rise stock including external refurbishment and any upgrades identified from the surveys commissioned in 2016 will continue in 2020/21.

Such works include the completion of the renewal of front doors to properties with higher fire rated door sets. The works also include fire stopping inside tenants' homes and common areas, smoke and heat detection as well as testing/upgrading emergency lighting as required. Other works include the completion of sprinkler installations to additional towers and the continuation of the over cladding project to four towers in Coatbridge.

2.12 Ambition

The first phase of the re-provisioning programme started in Autumn 2019 with the demolition of flatted blocks at Northburn Place, Airdrie. The 2020/21 capital programme will see the demolition of Merrick, Cheviot and Pentland Court in Airdrie and Burnside Court in Coatbridge enabling plans for the re-development of the re-provisioning sites to be progressed.

2.13 Community Care

In addition to the upgrading of the warden call system to a number of existing sheltered housing complexes, work will also start in 2020/21 on alterations to Dundyvan Gardens in Coatbridge to provide the council's first "Sheltered Plus" sheltered housing complex. The work will include replacement communal heating, improved smoke and heat detection systems, new entrance and common room facilities and full common area redecoration and replacement signage based on fulfilling the needs of tenants with dementia.

3. **Equality and Diversity**

3.1 **Fairer Scotland Duty**

- 3.1.1. It is anticipated that along with other proposed works that the programme will help alleviate fuel poverty and provide warmer more affordable homes for our residents.

3.2 Equality Impact Assessment

- 3.2.1 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.

4. Implications

4.1 Financial Impact

- 4.1.1 Financial Solutions have been involved in the development of the information contained within this report.
- 4.1.2 Provision for the anticipated programme was noted within the 20/21 revenue estimates process with the detailed programme included in appendix 1.

As outlined in 2.4, new low carbon technologies are being introduced into the mainstream investment programme with the aim of ensuring EESSH compliance by 2020 but also looking to the longer term requirement for EESSH2 compliance by 2032. It is anticipated that approximately £2.5million could be required in 20/21 but due to the uncertainty at this time surrounding the suitability and procurement processes for new technology solutions, the requirements for this resource will be reviewed and the working programme adjusted accordingly, if required, during the mid-year review. Any increase to the original programme will be funded through additional HRA borrowing.

4.2 HR/Policy/Legislative Impact

- 4.2.1 Continued investment will maintain safe and secure communities and legislative compliance within our housing stock in addition to the Council's requirement for EESSH compliance.

4.3 Environmental Impact

- 4.3.1 The contracts awarded to deliver the HRA capital programme will assist in promoting health and wellbeing of residents within North Lanarkshire as well as helping reduce our carbon footprint and meet carbon management targets. Contractors will adopt environmental and sustainability measures and ensure environmentally friendly recycling practices are evidenced.

4.4 Risk Impact

- 4.4.1 Risk will be minimised and managed by designated Contract Administrators and Managers in accordance with the works specification and the Council's agreed approach to Contract and Supplier Management. High level risk reviews and risk logs will be recorded as part of the project management process.
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5. Measures of success

- 5.1 Provide safe, improved and sustainable domestic properties for the tenants of North Lanarkshire Council.
- 5.2 Ensure the domestic properties within North Lanarkshire Council's housing stock continue to meet SHQS and improve compliance rates relating to ESSH.
- 5.3 Meet the aspirations of tenants, families and carers of residents of sheltered housing complexes living with dementia.

6. Supporting documents

- 6.1 Appendix 1 – 2020/21 HRA Capital Programme



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Head of Business (Housing Property and Projects)

APPENDIX 1 - 2020/21 HRA CAPITAL PROGRAMME		
Programmes		Working Programme including slippage £000
Estate Regeneration		
Estate Regeneration		332,281
	Sub TOTAL	332,281
Energy Efficiency		
Heating		10,145,644
Windows and Doors		6,998,612
Insulation works		553,802
	Sub TOTAL	17,698,058
Major Repairs		
Major Repairs		432,661
Roofing/Rendering		7,278,218
	Sub TOTAL	7,710,879
Home Safety and Security		
Lead pipe replacement		1,107,603
Door Entry replacement		830,702
Electrical work including replacement smoke detectors		9,093,421
	Sub TOTAL	11,031,727
Internal Upgrading		
Kitchens		886,082
Bathrooms		930,387
	Sub TOTAL	1,816,469
Tower strategy		
Tower Strategy		5,379,903
Tower external upgrade		18,940,013
	Sub TOTAL	24,319,916
Ambition		
Ambition	Sub TOTAL	1,874,697
Community Care		
Community Care	Sub TOTAL	2,206,623
Fees / Miscellaneous		
Fees/Miscellaneous	Sub TOTAL	4,452,150
GRAND TOTAL		71,442,800
ESSH ALLOWANCE - POTENTIAL DRAW DOWN		2,500,000