

North Lanarkshire Council Report

Housing and Regeneration Committee

approval noting

Ref

Date 20/05/20

Housing Outline HRA 5 Year Capital Programme 2021/22 – 2025/26

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Executive Summary

The purpose of this report is to seek approval from committee for an outline 5 year Housing Capital Programme (excluding new build) for the period 2021/22 – 2025/26

Recommendations

It is recommended that the Housing and Regeneration Committee:

- (i) Approve the outlined 5 year HRA Capital Programme for 2021/22 – 2025/26 as outlined in Appendix 1

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 the HRA capital programme report of February 2020 for 2020/21 which detailed plans for the final year of the current 5 year investment plan approved by Committee in 2016.
- 1.2 The report confirmed that a new outline 5 year programme covering 2021/22 to 2025/26 would be submitted to committee for consideration in May 2020.
- 1.3 During the timeframe of the previous 5 year plan, new priorities were introduced such as the tower re-provisioning programme, smoke detector legislation and acceleration of the kitchen and bathroom replacement programmes resulting in their planned completion during 2020/21.

- 1.4 Ensuring compliance with the current Energy Efficiency Standard for Social Housing (EESH) by December 2020 was also an element of the February 2020 HRA Capital Programme Report for the financial year 2020/21.
 - 1.5 A number of these priorities will continue through the proposed new 5 year plan such as the tower re-priorities programme and works to the councils "Sheltered Plus" complexes etc.
 - 1.6 The new 5 year proposed plan will ensure the stock continues to meet the Scottish Housing Quality Standard (SHQS) as well as increasing the introduction of renewable technologies as a route to ensuring the housing stock is able to comply with the Energy Efficiency Standards for Social Housing 2 (EESH 2) standard. This standard requires all social housing meet EPC band B or is as energy efficient as practically possible by the end of December 2032 (within the limits of cost, technology and necessary consent). In addition, no social housing should be re-let below EPC band D from December 2025 (subject to temporary specified exemptions)
 - 1.7 A recent change which will have an impact on the future HRA capital programme will be the removal of discretionary 50% grant assistance for owners in mixed tenure blocks from 2020/21. The extent of impact on programmed works such as re-roofing/door entry replacements/communal lighting for flatted closes/blocks for which full costs can range from between £1000 - £6,000 per owner cannot yet be assessed but it is already estimated it will be significant. The routes which are available to engage with owners that share common repairs responsibilities with the council are the subject of another report to this Committee.
 - 1.8 The overall plan is likely to be subject to considerable change due to the current suspension of undertaking internal and external works to tenants' homes planned for 2020/21 due to Corvid-19. Where all efforts will be made wherever possible to accelerate programmes within 2021/22 to account for any works currently suspended, this may mean that works currently planned for 2020/21 may require to be delayed to later within the programme due to issues such as contractor availability etc.
 - 1.9 Committee can be assured the council's priority at all times is the safety of residents and workers throughout North Lanarkshire but also being in a position to react to assist support the local economy once restrictions are able to be relaxed or lifted in full in the future.
 - 1.10 In consideration of the above, a more detailed outline programme for 2021/22 will be the subject of a future report to committee during the 2020/21 financial year.
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2. Report

HRA Capital Programme details

2.1 Heating

- 2.1.1 As outlined in the February 2020 report, the HRA programme over the next 5 years will see an increase in the move towards the use of low carbon technologies to ensure compliance with EESH2 and the Scottish Government's decarbonisation programme. As part of this move, the HRA programme will see the completion of the

installation of air source heat pumps to properties in towers in the Flemington area for which works are currently planned to start in 2020/21, subject to the lifting/relaxing of the current restriction on working within tenants' homes.

2.2 Windows/Door Replacement

2.2.1 The programme will be a continuation of the windows and door replacement programmes based on life cycle information, condition and EESSH requirements as appropriate.

2.3 Roofing and Rendering

2.3.1 The programme will see the continuation of thermal overcladding to a number of non-traditional house types such as Bellstones and BISF house types throughout the Authority as part of our commitment to ensuring EESSH2 compliance. The programme will also see the commencement of insulation work to timber clad properties such as Swedish Timber properties built from the 1940's. The programme to re-roof and re-render traditional house types such as houses and 4-in-a-blocks will also continue including the installation of cavity wall insulation as appropriate.

2.3.2 As outlined in 1.7, the removal of discretionary grant aid for 2020/21 from owners sharing common repair responsibilities with the council may have an impact on the progression of the proposed roofing and render investment programme for mixed tenure blocks/closes. The procedures which are available to try to ensure properties remain wind and watertight are outlined within a separate report to committee.

2.4 Lead pipe replacement

The surveying and associated lead pipe replacement programme of external pipework will continue within the timescale of the new programme

2.5 Door Entries

2.5.1 The replacement of door entry systems will continue throughout the 5 year plan. Similar to the roofing and rendering programme as highlighted in 2.3.2 the removal of discretionary grant assistance for owner occupiers is likely to have an impact on the progression of installations to individual closes/blocks.

2.5.2 The legal route which can be undertaken for the replacement of door entry systems if voluntary agreement of any responsible owners to pay their share of the cost of such proposed works is not achieved is detailed within a separate report. The report also explains the requirement for any proposed works using such a legal route to be on a "like for like" basis. This means that a damaged timber door entry system would require to be proposed for renewal again in timber as opposed to a metal door entry system

2.6 Electrical Work

2.6.1 Despite being on track to achieve compliance by February 2021 prior to recent events in connection with COVID-19, it is now anticipated the installation of smoke detectors to tenant's homes to comply with the Scottish Government deadline will not be achieved. Every effort will be made to achieve compliance as close to the February 2021 deadline as possible, however it is likely to mean that installations are potentially required to continue into 2021/22 subject to the lifting of the current restrictions regarding undertaking works in tenants' homes. Throughout the 2020/21

financial year, the situation regarding whether this internal work is able to re-commence will be monitored and staff will be in contact with the Scottish Government regarding a potential extension to the current deadline date.

2.6.2 The new 5 year programme will see the continuation of the electrical inspection regime for households that have not to date allowed the council's contractor's access to carry out such inspection works and any associated remedial works.

2.6.3 The programme of replacement of communal lighting and electrical switchgear as appropriate which started in 2019/20 in Abronhill will continue through other low rise blocks of flats throughout the Authority. As detailed with other elements held in common ownership with other owners, the removal of discretionary grant assistance is likely to have an impact on this programme.

2.7 Kitchens and Bathrooms

2.7.1 Committee will recall from the February 2020 report that the mainstream kitchen replacement programme was due to be completed by the end of 2019/20 and the mainstream bathroom replacement programme by the end of 2020/21. As Committee are aware, all internal works within tenants' homes are currently suspended but it is still anticipated that due to the low numbers involved in completing these programmes, they will still be able to be completed within 2020/21 if the current working restrictions are able to be lifted later this year.

2.7.2 For the initial years of the new programme, it is forecast there will be a small number of installations each year being undertaken of approximately 7-8% of tenants who previously refused kitchens and/or bathroom upgrading works within their homes. It is anticipated the majority of such installations will arise from properties where the works were not undertaken previously and have subsequently become void.

2.7.3 Based on a 20 year lifespan, the replacement kitchen programme will recommence in 2025/26 for properties having had their kitchens previously replaced in 2005. As would be anticipated, full consultation will occur during the timeframe of the programme on the colour schemes and options for tenants ahead of this new programme commencing.

2.8 Tower Strategy

2.8.1 Investment within our high rise stock will continue throughout the programme taking into consideration the requirements of the towers to ensure their ongoing safety for tenants. The plan includes for continued replacement work for elements such as lifts, pumps, fans as required throughout the existing towers.

2.8.2 It is anticipated the replacement of front doors to properties with fire doors, fire stopping and smoke and heat detection works previously due to complete in 2020/21 will now require to be extended into 2021/22 in light of COVID-19

2.8.3 The programme will also see the continuation of sprinkler installations to towers following the completion of the pilot project for this work planned for 2020/21

2.8.4 The upgrade works at the 4 Towers in Coatbridge (Blairgrove/ Merryston/ Glen/ Millbrae) which were due to be completed in 2020/21 will now continue on into 2021/22 as a result of the site closure caused by COVID-19.

2.9 Ambition

- 2.9.1 The first phase of the re-provisioning programme completed in late 2019. It, is still anticipated completion of the demolition of Merrick, Cheviot and Pentland Court in Airdrie and Burnside Court in Coatbridge will be able to be achieved within 2020/21.
- 2.9.2 The proposed 5 year plan will cover the next phase of demolition of towers currently in development with colleagues in Housing Services with regard to the re-housing options for tenants within the proposed towers.

2.10 Community Care

- 2.10.1 As Committee will be aware, the project to provide the council's first very "sheltered plus" complex at Dundyvan Gardens has also temporarily been suspended. Subject to restrictions being lifted and the timescale for the works themselves, it is anticipated this project would not be able to complete until later into 2021/22.
- 2.10.2 The 5 year plan outlines works will also commence to other designed "Very Sheltered" complexes.

3. **Equality and Diversity**

3.1 **Fairer Scotland Duty**

- 3.1.1 It is anticipated that combined with other proposed works 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. Once approval has been given, the revised 5 year capital programme will be reflected in the HRA 30-year Business Plan, and reported to committee during the 2021/22 revenue estimates exercise.
- 4.1.2 As detailed in the HRA Report for 2020/21 in February 2020, new low carbon technologies are being introduced into the mainstream investment programme with the aim of ensuring ESSH2 compliance by 2032. For 2020/21 an allowance of £2.5million was included within the capital programme, to support this obligation on all social landlords. That figure is unlikely to now be required due to the current COVID-19 restrictions, with the 2020/21 programme being adjusted accordingly, however it is still anticipated it may be required for future years.
- 4.1.3 As with the 2020/21 HRA capital programme, it is proposed a similar allowance be included for each year of the new programme albeit increased to £7.5million as new technologies and potential procurement methodologies and arrangements are

identified. Use of this proposed allowance would be subject to an adjustment to each year's individual programme as reported to Committee and be the subject of 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.

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 work towards complying with the requirements of EESSH2.

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 – 2021-2025/26 outline 5 year HRA Capital Programme



Brian Lafferty
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Appendix 1 - 2021/22 - 2025/26 HRA 5 year capital programme

Programmes		2021/22	2022/23	2023/24	2024/25	2025/26
Estate Regeneration						
Estate Regeneration	Sub TOTAL	£300,000	£300,000	£300,000	£300,000	£300,000
Energy Efficiency						
Heating		£10,242,000	£9,344,500	£9,266,000	£9,768,000	£9,032,000
Windows & Doors		£10,027,200	£10,011,800	£10,005,000	£10,005,600	£10,001,000
Decarbonisation funding		£750,000	£750,000	£750,000	£750,000	£750,000
	Sub TOTAL	£21,019,200	£20,106,300	£20,021,000	£20,523,600	£19,783,000
Major Repairs						
Major repairs		£455,000	£1,320,000	£1,320,000	£420,000	£420,000
Roofing/Rendering		£12,423,500	£14,362,499	£13,474,000	£14,726,500	£12,618,000
	Sub TOTAL	£12,878,500	£15,682,499	£14,794,000	£15,146,500	£13,038,000
Home safety and security						
Lead Pipe replacement		£1,022,040	£1,048,050	£1,022,040	£1,037,340	£1,017,450
Door entry replacement		£750,000	£500,000	£500,000	£500,000	£500,000
Electrical work		£2,337,000	£1,137,000	£1,137,000	£1,637,000	£1,637,000
	Sub TOTAL	£4,109,040	£2,685,050	£2,659,040	£3,174,340	£3,154,450
Internal upgrading						
Kitchens		£500,000	£500,000	£500,000	£500,000	£5,584,500
Bathrooms		£400,000	£400,000	£400,000	£400,000	£400,000
	Sub TOTAL	£900,000	£900,000	£900,000	£900,000	£5,984,500
Tower strategy						
Tower Strategy		£4,321,250	£4,826,050	£8,285,850	£6,417,300	£3,818,100
Tower external upgrade		£6,000,000	£0	£0	£0	£0
	Sub TOTAL	£10,321,250	£4,826,050	£8,285,850	£6,417,300	£3,818,100
Community Care						
Community Care	Sub TOTAL	£1,350,000	£2,225,000	£2,225,000	£2,225,000	£2,225,000
Fees/miscellaneous						
Fees/miscellaneous	Sub TOTAL	£5,000,000	£5,000,000	£5,000,000	£5,000,000	£5,000,000
GRAND TOTAL		£55,877,990	£51,724,899	£54,184,890	£53,686,740	£53,303,050
EESH ALLOWANCE - POTENTIAL DRAW DOWN		7,500,000	7,500,000	7,500,000	7,500,000	7,500,000
TOTAL		£63,377,990	£59,224,899	£61,684,890	£61,186,740	£60,803,050