

Stirling Council

Agenda Item No. 4

Stirling Council

Date of
Meeting: 17 February 2022

Not Exempt

Housing – Capital Investment Programme 2022/23

Purpose & Summary

The Housing Revenue Account Capital Investment Programme for 2022/23 is based on the Council's agreed 30-year housing business plan. It ensures the Housing Service improves and develops its housing stock to meet and maintain compliance with the Scottish Housing Quality Standards beyond 2015, and to meet the new Energy Efficiency Standard for Social Housing (EESH2) that social landlords must meet by 2032.

Total planned expenditure for the year is £18.326M.

Funding from revenue is expected to be £6.856M with prudential borrowing for the year estimated at approximately £4.299M and income from the strategic housing account projected to be £200,000.

Grant funding from the Scottish Government of up to £6.036M will be available to support the construction of approximately 70 units of new Council housing in 2022/23.

Additional funding of approximately £935,000 will also be available from Scottish Government to continue the delivery of the energy efficiency programme to the private housing sector.

Recommendations

Council is asked to:

1. approve the 2022/23 Capital Investment Programme as detailed in the report.

Resource Implications

The resource implications are set out in this report and relate to the Housing Revenue Account (HRA) and have no implications on the Council's General Fund budget or General Fund Capital Investment Programme.

The investment will fund measures that improve the energy efficiency of the housing stock, reducing carbon emissions from the Council's social housing stock.

Legal & Risk Implications

This report is of a technical nature and sets out the planned capital investment to Housing Revenue Account assets in 2022/23 and funded as set out in this report and Appendix 1. Delivery of the proposed Capital Programme will ensure working towards and maintaining compliance with regulatory requirements in respect of the Scottish Housing Quality Standards (SHQS), Energy Efficiency Standard for Social Housing (EESH1), Energy Efficiency Standard for Social Housing (EESH2) and delivering on the agreed Strategic Housing Investment Programme.

1. Background

- 1.1. The proposed Housing Revenue Account Capital Investment Programme has been developed from the commitments set out in the 30-year business plan agreed by Environment & Housing Committee on 20 November 2014 and the Scottish Housing Quality Standard delivery plan. Tenants have also been consulted on and approved the key investment priorities.
- 1.2. The proposed budget supports the Council's Key Priority C - "We will create more affordable housing and social housing in all of Stirling's communities. We will lead by example as an organisation in setting exceptional standards in building, environmental and employer practice, tenant relations and homelessness prevention." It also supports the Housing Service's key objectives including to 'deliver more affordable homes and well managed stock to meet local needs and sustainable communities' and to 'ensure tenants live in warm, dry, energy efficient and low carbon homes'.
- 1.3. The total level of investment over the 2022/23 financial year will be £18.326M. Grant funding, prudential borrowing and revenue income as detailed in Appendix 1 will finance this investment.

2. Considerations

Income

- 2.1. The level of funding available to be transferred from the Revenue Account has increased by £117,000 to £6.856M.
- 2.2. Prudential Borrowing is anticipated to be £4.299M, a decrease of £6.405M from £10.703M.
- 2.3. Grant income from the Scottish Government has also been secured to support the new build programme. It is anticipated that £6.036M will be available in 2022/23, although this will largely depend on delivery of the relevant projects.
- 2.4. Progress in delivering the investment programme will be reported through the Housing Advisory Group throughout the year. Regular outturn reports will also be submitted to the Environment & Housing Committee.
- 2.5. The main elements of the programme are set out below. Summary details are provided in Appendix 1.

Planned Renewals – Internal

- 2.6. Technical Services will deliver the kitchen, bathroom and rewiring elements of the programme. As in previous years, the rewiring will be partial rewires carried out in support of the kitchen and bathroom replacement programme.

Community Care Conversions/Aids and Adaptation

- 2.6.1. The disabled adaptations budget will be £600,000. This element of the service is entirely demand led and has been meeting all the requests for adaptations to date. Based on the 2021/22 projected outturn, the proposed budget will be sufficient to meet the needs of tenants. This budget is managed by the service on behalf of the Health and Social Care Integration Joint Board.

Kitchens

- 2.6.2. Kitchen replacements will continue to run at approximately 250 installations per year at a cost of £1.499M, this includes voids, and an element of rewire.

Bathrooms

- 2.6.3. Bathroom replacements will continue to run at approximately 200 installations per year at a cost of £663,000, this includes an element of rewire. This is a mixture of standard suites and bathrooms with wet floor showers. Wet floor showers may be funded from the aids and adaptation budget.

Central Heating

- 2.6.4. The central heating programme will focus on the replacement of outdated boilers and boilers which are beyond economic repair, along with the replacement of inefficient and obsolete central heating systems where replacement heating systems that were previously refused by the tenant. The budget is £530,000 for the installation of 200 boiler replacements and full heating installations. The service aims to replace the boilers on a 15 year programme to meet energy efficiency standards. Now that the gas network extension into Deanston has been completed, the phased programme of converting existing electric and multi-fuel heating systems to gas central heating will continue.

Planned renewals – External

- 2.7. It is proposed that the following projects will be undertaken during the 2022/23 financial year.

Roofs, Rendering & External Wall Insulation

- 2.7.1. The total for the programme will be £1,490,000. This budget will be for the installation of external wall insulation along with the re-roofing and re-rendering of around 100 properties.

Doors & Lead Pipe Replacement

- 2.7.2. The value of the programme is £79,000 and this will equate to approximately 70 door replacements, depending on the requirement for lead pipe replacements.

2.7.3. There are currently no known lead water supplies in the Housing stock but, as in previous years, we will actively check for lead service pipes as part of the kitchen or bathroom replacement programmes. Any that are identified will be replaced at the earliest opportunity. Where supplies are shared with owner-occupiers, grants will be made available to assist owners to fund the work through the Private Sector Housing Grant.

Garage Refurbishment

2.7.4. A budget of £5,000 has been identified to address the deterioration of garage roofs and general fabric. Regular maintenance has now removed all of the garages in the worst condition either through demolition (where there was no effective demand) or improvement. Expenditure will be focused on removing asbestos roofs where these have reached the end of their effective life. The Service will be undertaking a stock condition survey across the stock portfolio to identify longer term needs.

Window Replacement

2.7.5. The programme is £856,000 which will allow replacement in approximately 200 properties.

Council Housing Insulation Works

2.7.6. The programme will be £168,000. This will fund loft insulation and cavity wall insulation works for the small number of properties that still require this insulation, including replacement where insulation is damaged and to bring any second-hand acquisition properties up to the required insulation standards. It will also fund the installation of internal wall insulation where a property is classed as 'hard to treat' but where external wall insulation is not appropriate. There are around 88 properties that still require internal wall insulation and this work is carried out when carrying out kitchen replacements or when a property becomes void. In addition, a pilot to install underfloor insulation below ground floors in some void properties where there is a suspended floor has been carried out in 2021/22 to monitor the practicality of carrying out such works and monitor the improvement to the energy efficiency rating for these properties. It is planned to carry out further installations of underfloor insulation work to more void properties in 2022/23.

Grant Funded Insulation Works

2.7.7. The programme will be £935,000. This is Scottish Government grant funded work to private homes under the Home Energy Efficiency Programme Scotland: Area Based Schemes (HEEPS:ABS). The cost of the completed works is fully recovered under the Scottish Government grant awarded to Stirling Council. To date, over 1,370 private home owners have benefited from free external wall insulation and completes the programme of installing external wall insulation to all ex-Council and ex-Housing Association properties that are of 'hard to treat' construction. The anticipated 2022/23 award of grant will be used to install solar photovoltaic systems on mixed tenure blocks of flats that will further increase the number of Council tenants in mixed tenure blocks to benefit from solar PV. The HRA Capital Investment Programme will fund the cost of solar PV to the Council owned flats and the HEEPS:ABS grant funding will fund the cost for the owner occupiers in the targeted blocks. The anticipated £935,000 HEEPS:ABS funding for 2022/23 will fund works for an estimated 180 owners.

New House Building

- 2.8. The Council's programme of new house building during 2022/23 is expected to be delivered in partnership with private developers. Work will commence on around 70 new homes at an estimated cost of around £9.940M for the year. It is anticipated that this will be offset by funding of £6.036M from the Scottish Government.
- 2.9. The projects identified for 2022/23 are:-
- 2.9.1. Raploch – The redevelopment of the Raploch site is expected to deliver a further 32 council houses on Site 6 by the end of the project.
 - 2.9.2. Newpark Farm, St Ninians Phase 3 – delivery of the 12 planned new houses in 2022/23.
 - 2.9.3. Cowie primary school site – delivery of the 22 planned new houses in 2022/23.
 - 2.9.4. Durieshill Phase 1 – development of the site is expected to commence in 2022/23, with delivery of approximately 25 new houses.
 - 2.9.5. Graystale Road - development of the site is expected to commence in 2022/23, with delivery of approximately 32 new houses.
 - 2.9.6. Glasgow Road – delivery of 8 new units.
 - 2.9.7. An estimated 30 - 40 further second hand properties are expected to be purchased.
 - 2.9.8. A budget of £1.5M has been set aside to enable development of other sites that may be identified.

Mortgage to Rent/Preventing homeless

- 2.10. The Mortgage to Rent scheme continues to show demand and in order to meet this a budget of £100,000 has been identified. The total programmed spend of £100,000 is the net spend by the Council. The scheme attracts an average subsidy from the Scottish Government of around 70% of each purchase. The gross spend is projected at £300,000. This will prevent homelessness for approximately 2-3 owner occupier households threatened with repossession for mortgage arrears.

Other Costs/Investments

Contract Management

- 2.11. As in previous years, the investment budget includes an allowance of £491,000 for the contract management costs related to the supervision and management of the investment programme. This ensures that the full budget for each of the separate investment programmes is actually spent on that specific investment.

Asbestos inspections/removals

- 2.12. This work will continue with the inspection of houses to check for asbestos and identify any remedial work required. In line with previous spend on asbestos related issues, the budget will remain at £25,000 for the year.

Renewable technologies

- 2.13. To support the improvements to the energy efficiency of the housing stock to meet the new Energy Efficiency Standard for Social Housing (EESH-2032) that social landlords must meet by December 2032, £0.900M has been allocated for the installation of solar panels and battery storage units where appropriate. This investment will deliver up to 137 solar photovoltaic systems or battery storage systems to homes in the area. The service will continually monitor the cost benefits of the programme through remote monitoring of the technologies.

Information and Communication Technology (ICT)

- 2.14. There will be investment of £40,000 in ICT. It is anticipated that this will continue to support the development of the Northgate system, including the ongoing move towards more mobile working, and any replacement PCs required by the Service.

Retaining Walls

- 2.15. The Housing Revenue Account is either solely or jointly responsible for a number of retaining walls across the HRA land and property portfolio. From time to time works are required to ensure the structural stability of the walls and the adjacent ground and buildings. The sum of £5,000 has been included in the programme to cover any unforeseen works that may be required during 2022/23.

Programme Delivery

- 2.16. A total works value of £4.028M will be delivered by Housing Services. The elements of the Capital Programme that are to be undertaken in-house will be financed through a draw down budget of actual cost. All other works programme elements will be procured through competitive tenders.

3. Implications

Equalities Impact

- 3.1 The contents of this report were assessed under the Council's Equality Impact Assessment process. It was determined that an Equality Impact Assessment was not required as this is a capital investment paper that does not involve any policy changes.

Fairer Scotland Duty

- 3.2 The contents of this report were considered in terms of the Fairer Scotland Duty and were determined not to be of strategic importance.

Climate Change, Sustainability and Environmental Impact

- 3.3 Where energy efficiency measures are installed this will reduce the level of greenhouse gas emissions with energy generated via renewable sources where possible.

Other Policy Implications

- 3.4 Increasing the supply of affordable housing through the new build programme will assist those in housing need, support the local economy (including the creation of jobs in the construction industry) and reduce fuel poverty.

Consultations

- 3.5 This report is produced following consultation with the Housing Advisory Group, the Portfolio Holder and Deputy Portfolio Holders for Housing.

4. Background Papers

- 4.1 EqIA Relevance Check.
- 4.2 'HRA Business Plan Review 2014-19 Final Report' - Environment & Housing Committee 20 November 2014.
- 4.3 'Housing Revenue Account – Projected Outturn 2020/21' – Environment & Housing Committee 10 February 2022.
- 4.4 '2022/23 Rent Consultation' – Housing Advisory Group, 1 October 2021.

5. Appendices

- 5.1 Appendix 1 – HRA Investment Programme 2022/23.

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Approved by

Name	Designation	Date
Stephen Clark	Chief Officer - Housing	25 January 2022

Details of Convener(s), Vice Convener(s), Portfolio Holder and Depute Portfolio Holders (as appropriate) consulted on this report:	Councillor Thomson Councillor Gibson Councillor MacPherson
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Wards affected:	All
Key Priorities:	C - We will create more affordable & social housing in all Stirling's communities. We will lead by example as an organisation in setting exceptional standards in building , environmental and employer practice, tenant relations & homelessness prevention
Key Priority Considerations:	All
Stirling Plan Priority Outcomes: (Local Outcomes Improvement Plan)	Resilient - People are part of safe and caring communities within an attractive and sustainable environment