

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee:
7 September 2011

Subject: Housing Capital Investment Programme 2012 - 2015

1. Purpose

- 1.1 This report seeks to provide an update on Housing Capital Investment proposals for the period 2012 to 2015 for current stock.

2. Background

- 2.1 Members approved the report entitled "HRA Capital Planning" at Housing, Environment and Economic Development Committee on 2 February 2011 and subsequently approved the "HRA Capital Programme Report" at Council on 30 March 2011 which contained reference to the methodology and planning in Capital Projects with the emphasis on achieving SHQS compliance by 2015.
- 2.2 Following the commissioning of an updated sample stock condition and structural survey in late 2010 the data resulting is being utilised in preparing a capital investment programme update for the funding required in the housing stock over the next 30 years. This specifically identifies the estimated funding required to meet Scottish Housing Quality Standards by 2015 and to maintain these standards beyond that date through the 30 year standard delivery plan.
- 2.3 On 29 June 2011 Housing, Environment and Economic Development Committee agreed to move the tenant ballot for Stock Transfer from January 2012 to September 2012 and approved a recommendation for retention of the Dalmuir multi-storey flats within Council stock.

3. Main Issues

- 3.1 The capital plan proposals will detail works to be carried out in future years and provide a platform for RSL's to engage with the Council, facilitate transition at stock transfer and support customer confidence in continuity of service provision

3.2 The planned projects will target West Dunbartonshire Council's priorities including:-

- i. Local Housing Strategy objectives
- ii. Works that contribute to achieving the SHQS Delivery plan by 2015
- iii. Climate change commitments
- iv. Health and Safety related work
- v. Works to protect the structural integrity of properties

All of which are identified in the most recent condition surveys.

3.3 The clarification received from the Scottish Government in March 2011 provides details of the 55 elements which are included in the SHQS main criteria which are:-

- i. Must meet the tolerable standard (i.e. the bare legal minimum standard)
- ii. Must be free from serious disrepair
- iii. Must be energy efficient
- iv. Must have modern facilities and services
- v. Must be healthy safe and secure

The current whole stock SHQS compliance in these criteria is:

Table 1

Tolerable Standard	100%
Serious Disrepair	88%
Energy Efficient	62%
Modern facilities and services	87%
Healthy safe and secure	64%
FULL COMPLIANCE	32%

3.4 The specific sample survey data received to inform 3.3 above is currently being validated by officers and the results collated to bring together specific projects identified during the survey as either failing the SHQS compliance criteria or identifying projects required as part of West Dunbartonshire Council's landlord responsibility for housing improvement.

- 3.5** The current data information is indicating that over the whole current stock, West Dunbartonshire Council has 32% full compliance on all 55 elements of the SHQS compliance requirement. This compares with the compliance figure of 11% reported in 2008 and is a direct result of continuing identification of need and investment in stock. The service is confident that the levels of investment detailed in table 2 (3.10) will increase the overall compliance between 2012-2015 to 90% and will highlight where abeyances and exemptions are clearly required by the Council. Within the five top level criteria outlined in table 1 above, there are 55 individual elements of compatibility, these are detailed as appendix 1.
- 3.6** The clarification received from the Scottish Government in March 2011 regarding SHQS has provided Local Authorities with better definition on criteria required to achieve full compliance and has introduced guidelines on where Local Authorities can apply for exemption or abeyance from the compliance guidelines.
- 3.7** Exemptions can apply where a property is capable of meeting SHQS on a particular element but the landlord believes it is not possible to meet it for technical, disproportionate cost or legal reasons. An abeyance can arise when work cannot be done for “social” reasons relating to tenants or owners behaviour e.g. where owners in a mixed ownership block do not wish to pay for their share.
- 3.8** MTC/Framework contracts are currently being formulated so that officers will be able to progress projects without the need to tender on an annual basis for current and future programmes.
- 3.9** This also provides the capacity to engage with future successful RSL’s bidding in the stock transfer initiative, where WDC can: either
- offer them during the transfer process the ability to take on existing contracts, or
 - procure West Dunbartonshire Council services to manage their projects to meet SHQS compliance.

This will enable the Council to ensure continuity of workflow for the Housing Maintenance DLO and that both the Council and receiving RSLs can be confident that there is continuity in programming and undertaking the necessary work for both the Council and RSL partners. It is envisaged that Housing Maintenance DLO would continue to provide current services towards achieving SHQS compliance subject to meeting requirements of best value, for both the council and partner RSL’s.

- 3.10** The Council’s advisor, Arneil Johnston, has revised the business plan to take account of the changes in the recently updated stock condition data and decision

to retain the high flats at Dalmuir. The investment figures also reflect the positive incremental impact of response revenue repairs on future capital investment. Any combination of stock transfer will reduce the WDC planned funding requirement to meet SHQS. The successful RSL partners will be informed by the data collated during the update surveys and the resulting planned investment shown below in table 2.

Table 2

Capital expenditure	Year 1 2011/12	Year 2 2012/13	Year 3 2013/14	Year 4 2014/15
Other Capital expenditure Allocations and New Builds	£ 890,000	£ 718,000	£ 735,000	£ 754,000
Major Component Replacement	£10,150,000	£12,892,000	£13,227,000	£13,570,000
Void Capital	£ 927,000	£ 984,000	£ 995,000	£ 1,006,000
Demolitions			£ 2,826,000	
Contingencies	£ 109,000	£ 259,000	£ 267,000	£ 275,000
Structural and environmental	£ 7,992,000	£10,237,000	£10,451,000	£10,715,000
TOTAL	£20,067,000	£25,089,000	£28,502,000	£26,320,000

(extract from Arneil Johnston data- assuming full stock retention)

3.11 The level of funding required is determined by the business plan. This will be kept under review throughout the three year period alongside the programmed annual targets set to achieve full compliance by 2015, by increasing from a target of 35% to the end of 2011/12 incrementally until achieving a 90% target by 2014/2015 which is subject to exemption abeyance claims. The outcome of the planned stock transfer ballot in September 2012 will impact on the level of planned expenditure required by WDC.

4. People Implications

4.1 There are no identified personnel issues at present.

5. Financial Implications

5.1 This report details the investment required by West Dunbartonshire Council and preferred partners over the period 2012-2015 to ensure that at least 90% of currently owned council housing meets the SHQS. It further outlines the ongoing investment the Council needs to make to deliver homes and environments which are in good condition and which actively contributes to the amenity for tenants and local communities. The service will be liaising with the Scottish Government to ensure that applications for exemptions and abeyances are appropriate, and that they fully reflect the nature of our mixed tenure stock. It should be noted that the current stock numbers are 11,313 and that the numbers of owned properties in our estates are 10,000. This does create a challenge in capital investment, repairs and maintenance, and for estate management staff in maintaining standards for all.

5.2 The level of capital investment indicated in table 2 reflects the overall required investment in the total current Council stock. Adjustments will be required after stock transfer and will have an impact on the income stream required to fund the necessary level of investment.

6. Risk Assessment

6.1 Investment is required at the level detailed in the Business Plan to enable the Council to meet SHQS and landlord obligations.

6.2 The actions outlined in this and previous reports are designed to ensure that this is in the best position to effectively mitigate the risks associated with delays in the procurement of capital works and the associated consequences in successfully achieving the commitment to tenants.

7. Equalities, Health and Human Rights Impact Assessment

7.1 No equalities impact assessment was required in relation to this report.

8. Strategic Assessment

8.1 The Council has identified four main strategic priorities for 2011/2012, namely Social and Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services,

8.2 The Housing Capital Investment Programme contributes to both Social and Economic Regeneration and the Asset Management Strategy via the provision of high quality housing.

9. Conclusions and Recommendations

- 9.1** Positive progress continues to be made in Capital Investment Planning and Compliance with SHQS. The outcome of the planned stock transfer ballot in September 2012 will impact on level of planned expenditure required directly by the Council.
- 9.2** The data demonstrates a robust framework for the standard delivery plan to 2015, both pre and post stock transfer, and will provide confidence to both customers and partner RSL's about the successful delivery of a programme that meets the needs of our community.
- 9.3** The new MTC/Framework contracts allow for a more flexible and sustainable programme that will optimise investment plan delivery and facilitate close participation of RSLs following Partial Stock Transfer.
- 9.4** It is recommended that the Committee note the positive progress made to date.

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Date: 12 August 2011

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Appendix: Appendix 1 - A summary of the five broad criteria and the 55 elements and nine sub-elements of the Scottish Housing Quality Standard (SHQS) - Source: Scottish Government, March 2011.

Background Papers: Report to 2 February 2011, Housing Environment and Economic Development Committee entitled "HRA Capital Planning"

Report to 30 March 2011, Council, entitled "HRA Capital Programme 2011/12"

Wards Affected: All