

WEST DUNBARTONSHIRE COUNCIL

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

Council: 30 March 2011

Subject: HRA Capital Programme 2011/12

1. Purpose

- 1.1** This report seeks approval for the 2011/12 HRA Capital Programme of £20.561m, which is based on the investment requirements set out in the Standard Delivery Plan (SDP) agreed by Council in October 2008. One of the primary aims of the capital programme is to meet the Council's obligation to comply with the Scottish Housing Quality Standard (SHQS) by 2015. The programme set out in the report is consistent with the investment strategy agreed by Council when it adopted its partial stock transfer policy, in that it concentrates mainly on work in retained stock.

2. Background

- 2.1** Housing, Environment and Economic Development committee approved a report entitled Capital Planning at its meeting on 2 February 2011 that set out the way forward for planning capital expenditure from 2012 onwards. The report noted that financial year 2011/12 would be a transition period and the capital programme would be drawn up using largely existing methodology. Thereafter, it would be more closely linked to the results of condition surveys and professional scrutiny of the property database.
- 2.2** The Council has recently completed a stock condition survey of 10% of the housing stock together with a more detailed structural survey, both of which provide up to date information for the partial stock transfer project. Analysis of the survey results is currently taking place to establish the most up to date investment requirements of the housing stock. If there is any significant change to the investment requirements arising from this analysis, it will be necessary to update the Council's HRA Business Plan, the SDP and the Investment Plans for the housing stock. A further report setting out the outcome of this survey analysis will be submitted to members during 2011. The report will also set out a procurement strategy for longer term framework type contracts and a revised programmed of work based on these latest survey results.

3. Main Issues

- 3.1** A number of the projects contained in the capital programme for 2010/11 have been committed but may not achieve full spend by March 2011, partly due to inclement weather. These projects will be carried forward as committed expenditure against the 2011/12 budget. To minimise the possibility of a further underspend in financial year 2011/12 it will be important to carry out as much work as possible in the period between April and November. To that end it will be advantageous to extend existing contracts, where possible and desirable, and carry out additional work using rates that have recently been tendered. In addition, it would be sensible to utilise the existing Housing Maintenance and Repairs Measured Term Contract (MTC) where possible for additional work subject to best value criteria being satisfied.
- 3.2** Members should note that the limitations on the Private Sector Housing Grants budget paid through the Council's Scheme of Assistance policy will adversely impact on the delivery of HRA Capital Projects where owners have to pay their share of project costs. Enforcement measures to maximise participation will be used where possible and appropriate, subject to the conditions contained in the relevant disposition of sale that was used at the time of house sale.
- 3.3** The recommended 2011/12 HRA Capital programme is set out below, with a summary contained in appendices 1 and 2. Total resources required to fund the programme are £20.561m. Members are asked to note that whilst the principal driver for the programme is compliance with the SHQS by 2015, provision has been made to allow the Council to meet its landlord obligations and Health and Safety responsibilities in both proposed retained and transfer stock.
- 3.4** It is proposed that the programme continues to be prioritised on the basis of condition as directed by the Executive Director of Housing, Environmental and Economic Development in consultation with the Housing Convenor.

Proposed Programme

3.5 Demolitions/Environmental Improvements - Proposed budget £150,000

This budget is required for the demolition of garages and lockups previously agreed by Council. Allowance has been made for an element of environmental improvement following the demolition.

3.6 General Environmental Improvement - Proposed budget £500,000

It is recommended that this budget be established to enable continued planning and programming of environmental projects, such as paths, car parks and landscaped areas.

3.7 Safety Security Projects - Proposed budget £75,000

This budget will fund the Care and Repair service and interagency working with the Police on security related projects.

3.8 Door Entry/Close Upgrades - Proposed budget £250,000

This work includes installing door entry systems, close and back garden security lighting and close upgrades. Expenditure is heavily dependent on the participation of owners and, consequently, the availability of Private Sector Housing Grant.

3.9 PVCU front and back doors - Proposed Budget £300,000

This budget is for ad-hoc replacement of front and back doors.

3.10 Statutory Compliance Improvement Work - Proposed Budget £350,000

This budget will fund work such as the management of Fire Risk, Legionella and Asbestos and all other areas of Health and Safety relating to the housing stock.

3.11 Structural Works Drumry - Proposed Budget £1,000,000

This is a continuing programme of work to address specific structural faults in a number of tenement properties in Drumry.

3.12 Lift Upgrades - Proposed Budget £700,000

This is an on-going programme of work to upgrade lifts in multi-story blocks.

3.13 Kitchen Upgrades - Proposed Budget £150,000

The kitchen renewal programmes is almost complete and this budget is to carryout ad-hoc installations in properties missed for reasons of no access or refusal when the main programme was being carried out.

3.14 Bathroom Upgrades - Proposed Budget £1,500,000

This is an on-going programme of work being done by the DLO as part of its Repairs and Maintenance contract.

3.15 Special Needs - Proposed Budget £300,000

This is a contingency budget to undertake major adaptation projects if they arise and cannot be accommodated in other adaptation budgets. Demand is led from referrals coming from Occupational Therapists.

3.16 Roofing and Gutter replacement Projects - Proposed Budget - £1,500,000

This is an on-going programme of roof replacement for roofs that are now beyond economic repair and have reached the end of their planned life cycle.

3.17 Void House Strategy - Proposed Budget - £1,590,000

This budget provides resources for projects to improve the quality of life for tenants in buildings which are difficult to live in and are unpopular, and/or to tackle anti social difficulties, crime and fear of crime. Investment is designed to assist in reducing the level of voids.

3.18 Minor Capital Projects - Proposed budget - £400,000

This budget is used to carry out one off projects that should be funded from capital rather than revenue. For example, a building element or elements that have reached the end of their life cycle and are therefore uneconomical to repair. Typical work would include communal alarm systems, ground stabilisation works, and replacement of mechanical plant in high flats.

3.19 Heating improvements - Proposed budget - £3,000,000

This budget funds the planned programme of obsolete boiler replacements and ad-hoc replacement of boilers that are beyond economic repair.

3.20 Energy Compliance - Proposed budget - £100,000

Previous years budgets have been used for the installation of both cavity and loft insulation. The budget has, over the past years, been supported by "Warm - Deal" funding provided by the Government. However, Government advice is that similar money will not be available in 2011/12. It is important to continue this work both to meet the requirements of SHQS and to alleviate the effects of fuel poverty where possible. The budget will support the Council's participation in both the Universal Home Insulation Scheme (UHIS) and the Home Insulation Service (HIS) initiatives.

3.21 Electrical Improvement - Proposed Budget - £1,500,000

This budget will be used to upgrade or replace electrical installations to meet SHQS compliance. This year will see the start of a programme of work to target the replacement of electrical heating systems, particularly in the high flats.

3.22 External Cladding Projects - Proposed Budget - £5,030,000

This budget will fund on-going projects at Pappert, Westbridgend and Irving Avenue. It will also allow a number of new projects to begin. New projects will stretch over more than one financial year and the budget figures noted for both projects are first phase costs for 2011/12 only.

3.23 Supporting Regeneration - Proposed Budget - £250,000

This budget will be used to buy out owners in North Mountblow and Mitchel Way as part of the Council's surplus housing policy.

3.24 Direct Project Support Costs - Proposed Budget - £1,776,000

This is mainly central support and salary recharges and the 2011/12 budgets reflect the figures included in the HRA and General Services accounts.

3.25 Contingency - Proposed Budget - £100,000

This budget will be used for any unforeseen projects which arise during the course of 2011/12.

3.26 Standard Delivery Plan Investment - Proposed Budget - £40,000

This budget will cover final payments on projects contained in the 2010/11 budget.

4. People Implications

- 4.1** Resources will be allocated to progress and develop framework agreements with staff arranging early, contact with tenants and owners.

5. Financial Implications

- 5.1** The HRA capital plan as detailed in appendix 2 totals £20.561m and is fully funded by identification of required resources as detailed in appendix 1.

6. Risk Analysis

- 6.1** The target date of 2015 for SHQS compliance requires specific funding streams to achieve that target. Failure to fund the recommended Budget may prejudice the Council's compliance capability. To ensure compliance, the Council has agreed to move towards longer term strategic planning and procurement of its housing investment plan, as set out in the Capital Planning report by Housing, Environment and Economic Development Committee in February 2011. A review of the Council's mixed tenure strategy will be carried out during 2011, in particular for those parts of the programme where the participation of owners is required.

7. Equalities Impact

- 7.1** There are no recognised implications.

8. Conclusions and Recommendations

- 8.1** This report sets out the proposed HRA Capital Programme for 2011/12 in terms of both resource requirements and budget proposals. It describes the elements requiring attention in line with the technical knowledge of staff combined with the revised and updated stock condition survey, the principle drivers for the Council meeting the SHQS in the main for proposed retained stock by 2015.
- 8.2** Appendix 1 sets out the financial summary and appendix 2 shows a summary of the programme details.
- 8.3** It is recommended that Members:-
- (i) consider and approve the proposed recommended capital project budgets for 2011/12 as indicated in the report.
 - (ii) authorise the Director of Housing, Environment and Economic Development to extend existing contracts using rates that have recently been tendered to carry out additional work where that is possible and desirable.
 - (iii) authorise the Director of Housing, Environment and Economic Development to utilise the existing Housing Maintenance and Repairs Measured Term Contract (MTC) where possible for additional work subject to best value criteria being satisfied.

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Date: 9 March 2011

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- Appendix:**
1. Resource Budget
 2. Budget Proposal Spreadsheet

Background Papers: Report to 2 February 2011, Housing, Environment and Economic Development Committee entitled "Surplus Council Housing Stock: Owners Update"

Wards Affected: All