

REPORT TO: Cabinet

MEETING DATE: 9 April 2013

BY: Executive Director (Services for Communities)

SUBJECT: HRA Housing Capital Investment Plan 2013/14

1 PURPOSE

- 1.1 To advise Cabinet of the detail of the HRA Housing Capital Investment Plan for 2013/14 and seek approval for the Programmes contained within the Plan.

2 RECOMMENDATIONS

- 2.1 It is recommended that Cabinet approve the detailed HRA Housing Capital Investment Plan for 2013/14.

3 BACKGROUND

- 3.1 The budget provision for 2013/14 was reported to and approved by Council on the 12 February 2013. The budget for 2013/14 is £25.6m and is set out in Table 1.

Table 1

HRA Housing Capital Investment Plan	2013/14 (£m)	2014/15 (£m)	2015/16 (£m)	2016/17 (£m)	2017/18 (£m)
Modernisation/Extensions (Existing Stock)	10.135	10.231	10.328	10.4	10.525
Leasing	0.514	0.011	0.001	0.000	0.000
New Affordable Housing	14.335	10.000	10.000	10.000	4.250
Mortgage to Rent	0.646	0.662	0.678	0.695	0.713
TOTAL	25.6	21.0	21.0	21.1	15.4

3.2 Close financial monitoring of each of the programmes making up the Housing Capital Investment Plan will be undertaken routinely to ensure that expenditure is managed within budget. Any 'slippage' identified within any of the Programmes will be used to accelerate alternative projects or works within that Programme or alternative projects or works in other Programmes making up the overall Plan.

3.3 **The Plan**

3.4 The Plan is separated into 4 main programmes:

- Modernisation/Extensions (Existing Stock)
- Leasing
- New Affordable Housing
- Mortgage to Rent

3.5 **Modernisation/Extensions (Existing Stock) Programme**

3.6 £10.135m has been allocated to the delivery of the Council's Modernisation/Extensions (Existing Stock) Programme. The majority of this programme delivers improvements to the Council's stock to meet the Scottish Housing Quality Standard (SHQS). This programme includes the following:

- kitchen, bathroom, central heating, window and door replacements
- energy efficiency works (mainly in the form of insulation)
- re-roofing
- dry dash roughcast repair programme
- stair improvement programme

3.7 It is anticipated that the programme will deliver in the region of 550 kitchen replacements, 250 bathroom replacements and 450 replacement heating systems.

3.8 The programme also delivers

- Disabled Adaptations
- Local Initiative Projects
- Extensions to alleviate overcrowding

3.9 Annually, the Council provides a range of major and minor adaptations to council stock to meet the assessed needs of its tenants. The proposed budget will continue to allow for a full range of adaptations to council stock, as required.

3.10 Appendix 1 sets out the proposed budget for each area of work.

3.11 Leasing

3.12 This programme of £0.514m is to fund End of Lease arrangements for windows, doors and central heating equipment which have reached their termination date.

3.13 Council House New Build Programme

3.14 £14.3 million has been allocated to the delivery of the Council's New Affordable Housing Programme. It is anticipated that 116 council units will be completed during 2013/14. Appendix 2 outlines in detail, the projects which will be delivered through this programme. The total in Appendix B differs from the budget figures noted above as a result of re-profiling of project spend and project slippage during 2012/13.

3.15 To date, the Council has received £7.2m through the Council House Building Grant and a further £4.32m through the Innovation and Investment Fund. A total of £10.175m has currently been drawn from these funds.

3.16 In 2012 East Lothian Council was allocated new funding for the delivery of affordable housing for the period 2012-15. The initial award was £3.296, with a further three allocations of £0.527m, £0.649m and £0.864m, bringing the total to £5.336m. It is likely that £1.68m will require to be reallocated to new projects as original grant offers were for projects that are no longer being brought forward. This brings the total to £7.01m. This funding is for both the Council and Registered Social Landlord new build affordable housing programmes. ELC will continue to work closely with the Scottish Government to allocate this fund and anticipate that a programme will be confirmed in late spring. Registered Social Landlords continue to experience challenges in securing private finance through the markets which is impacting on our ability to finalise the programme.

3.17 Mortgage to Rent Programme

3.18 £0.6m has been allocated to enable the Council to participate in the National Mortgage to Rent scheme, which aims to prevent repossession and homelessness. Purchase and repairs subsidy is received from the Scottish Government for each property which the Council purchases through this Scheme. It is anticipated that this budget will facilitate around six purchases. When that total is reached, the Council will review its continued participation in the scheme for the remainder of the financial year.

4 POLICY IMPLICATIONS

4.1 There are no policy implications arising from this report.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The capital spend outlined above has been included within the current approved Housing Revenue Account budget.
- 6.2 Personnel - There are no personnel implications arising from this report.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 Administration HRA Budget Proposals 2013/2018
- 7.2 Appendix 1 Modernisation Existing Housing Stock 2013/14
- 7.3 Appendix 2 New Affordable Housing Programme

AUTHOR'S NAME	Richard Jennings
DESIGNATION	Head of Housing and Environment
CONTACT INFO	rjennings1@eastlothian.gov.uk
DATE	25 March 2013

APPENDIX 1

Modernisation/Extensions (Existing Stock) Programme		2013/14
		£
1	Disabled Adaptations	0.750
2	Re-roofing	0.300
3	Roughcast	0.300
4	Window & Door Replacement	0.010
5	Electrical Re-wiring	1.700
6	Central Heating	1.600
7	Energy Efficiency	0.050
8	Fencing Programme	0.050
9	Local Initiatives	0.200
10	Play Areas	0.050
11	Building Envelope Projects	0.500
12	Stair Improvement	0.030
13	Kitchen Replacement	1.650
14	Bathroom Replacement	0.942
15	House Extensions	0.600
16	Lead Water Service Pipes	0.200
17	Asbestos Survey and Removal Works	0.400
18	Sheltered/Amenity Housing Alarm Renewals	0.050
19	Internal Fees	0.528
20	Groundcare Projects	0.100
21	IT System	0.125
		<hr/> 10.135 <hr/>

APPENDIX 2**Council House New Build Programme 2013/2014**

Project	Units	Est Programmed Spend (£m)	Stage
North High Street, Musselburgh	9	0.019	C
Kilwinning St, Musselburgh	26	1.500	S
Goosegreen, Musselburgh	19	1.805	S
Joogie Brig, Musselburgh	14	1.684	P
Pinkie Mains, Musselburgh	23	2.500	T
Whitecraig Avenue, Whitecraig	28	0.040	C
Muirpark Wynd, Tranent	100	0.168	C
Labour Club, Tranent	10	0.020	C
Rollos Yard, Prestonpans	9	0.020	C
Lidl, Prestonpans	24	0.800	S
Station Court, Macmerry	14	0.040	C
Nethershot Road, Prestonpans	9	0.870	T
Victoria Park, Haddington	20	0.500	P
Law Site, North Berwick	42	4.000	S
Abbeylands, Dunbar		0.300	A
Kellie Road, Dunbar	16	1.776	P
Other Opportunities			
TOTAL	363	16.042	

A – Acquisition, F- Feasibility, P- Planning, T- Tender, S – On Site, C - Complete