

## **EAST AYRSHIRE COUNCIL**

**CABINET – 18 MARCH 2009**

### **PROPOSED HOUSING INVESTMENT PROGRAMME 2009/2010**

#### **Report by the Executive Director of Neighbourhood Services**

#### **1. PURPOSE OF REPORT**

- 1.1 To inform Cabinet of the anticipated financial allocation for 2009/2010 and advise of the actions required to continue to direct the Investment Programme towards the objectives of the Scottish Housing Quality Standard.

#### **2. BACKGROUND**

- 2.1 In 2004 the then Minister for Communities introduced the new Scottish Housing Quality Standard and set a target date of April 2015 by which date all local authorities and registered social landlords are required to achieve compliance.
- 2.2 The Council carried out a full Options Appraisal to determine whether the Standard could be delivered under full stock retention and, as the Appraisal confirmed this to be affordable and achievable, a Standard Delivery Plan was submitted and accepted by the Scottish Executive in May 2005.
- 2.3 Since acceptance of the Standard Delivery Plan, all Housing Investment works have been tailored towards achievement of the Standard in any non-compliant housing and to ensure that currently compliant housing continues to be maintained at a level that will avoid future failure.
- 2.4 The initial Standard Delivery Plan forms the basis of this approach and is updated to reflect progress towards achievement and to provide confirmation reports to the Scottish Government on an annual basis. Reported performance indicators show that the Council is progressing as planned towards achievement of the Standard within the required timescale. The reports confirm that the level of housing stock failing the Standard is reducing by over 1750 dwellings per annum which supports achievement by 2015 on current progress and funding levels.
- 2.5 To achieve and maintain current progress levels towards the Standard, houses must continue to be maintained and improved to be:
- Compliant with the tolerable standard
  - Free from serious disrepair
  - Energy efficient to current National House Energy Rating 5 or more
  - Fitted with updated and modern facilities and services
  - Healthy, safe and secure

- 2.6 The implications arising from the first two requirements are not expected to become significant as the current Housing Investment Programme and new housing repair arrangements will ensure that all of the Council's housing stock is maintained at a level above the Tolerable Standard and that any occurring serious disrepair is timeously resolved.
- 2.7 In terms of "Energy efficiency" the Standard relates to the heating and thermal properties of the Council's housing stock, and although the Council's ongoing heating and insulation programmes will raise non-compliant properties to the Standard, ongoing maintenance of the Standard requires that the Council continues programmes to install new heating systems at similar levels as at present and to install new double glazed windows where less energy efficient single glazing may contribute to a future failure.
- 2.8 "Provision of modern facilities" refers to modern kitchens and bathrooms with suitable electrical systems and ventilation/extraction systems. The Council's existing programmes are working towards achievement of the Standard by the end of 2012/13 and completion by this earlier date will release available funding to accelerate other required improvements towards the Standard in the remaining two contract years.
- 2.9 The Standard for accommodation to be "Healthy, safe and secure" includes current programme elements such as safety and suitability of electrical wiring, security of doors and windows, door entry systems, door viewing systems, smoke/CO<sub>2</sub> monitors and lead pipe replacement. This section of the Standard also deals with noise nuisance from external sources such as motorways/trunk roads and factories and any areas where this was prevalent were incorporated within the early years of the programme.

### **3. FINANCIAL ASSUMPTIONS**

- 3.1 To inform the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a number of mandatory prudential indicators; these are required to be separately calculated for the Housing Revenue Account and General Services capital investment strategies. The indicators cover affordability, prudence, capital expenditure, external debt and treasury management. At the special meeting of the Council held on 12 February 2009, members agreed the revenue budgets for 2009/10 which included the resource allocations to council services and increases to council house rent levels, which in turn supports funding to the annual Housing Improvement Programme
- 3.2 Details of the proposed investment programme funding for 2009/10 have been set at £15.592M to continue progress towards the Scottish Housing Quality Standard. It should be noted that the contract figures given are based on known historic costs but should be regarded as provisional only at this time pending completion of the usual procurement and tendering exercises.

## **4. PROPOSED HOUSING INVESTMENT PROGRAMME 2009/10**

### **4.1 Asbestos**

#### **i) Asbestos Removal**

Significant progress has been made to identify and remove asbestos from the Council's housing stock to protect the occupants and any workers employed in improvements. However, this is expected to remain a problem in future years and it is proposed to set aside £0.250M during 2009/10 to deal with identification, sampling and asbestos removal to safely facilitate the ongoing works programmes and to remove any remaining contamination from earlier asbestos component removals.

### **4.2 Energy Efficiency**

#### **i) Replacement windows, doors and screens**

The replacement of doors and screens with UPVC double glazed units in recent years continues to reduce the need for demand repairs and improves the energy efficiency of our properties. It is proposed to continue these works by installing 570 doors and screens to houses with existing double glazed windows. It is also proposed to incorporate door and screen replacement within the recently introduced window replacement programme to provide new windows, doors and screens to a further 350 homes whilst continuing to target those dwellings where the National Home Energy Standard is compromised by deficient single glazed windows.

The level of replacement of doors and screens provides a continuation of improvement at the same level as in the previous two programme years. The window replacement with energy efficient units continues the programme initiated in 2008/09 and with projected costs for 2009/10 for doors, screens and windows of £3.194M.

### **4.3 Efficient Heating**

#### **i) Central Heating – provision of efficient systems**

Continued investment is required to address the problem of obsolete and inefficient heating systems generally installed 15+ years ago. This requirement is mirrored in the Scottish Housing Quality Standard and it is estimated that a cyclic replacement of 770 units per annum is necessary to reach and maintain that Standard by 2015.

This replacement programme allows for the renewal of heating systems with gas fuelled grade "A" condensing combi systems where a mains gas supply is available and a highly efficient wet electric system where there is no mains gas.

These works, when allied to a full energy audit and provision of comprehensive thermal insulation packages delivered by the Intermediate Labour Market provider, the Wise Group, will ensure that all homes where this work is undertaken will exceed the National Energy Rating required by the Standard and assist in the reduction of fuel poverty.

An estimated 770 replacements are necessary within 2009/10, with a funding requirement of £2.922M.

#### **4.4 External Envelope Enhancement**

##### **i) External Roof Replacement, Redesign and Thermal Improvement**

It is proposed to continue both the ongoing replacement programme of works to point-block flats with known flat roofing failures and, in line with previous decisions, to continue with the selection of roofs where work is required either to address structural design problems or to deal with Scottish Housing Quality Standard failures related to the breakdown of the existing roofing timbers or coverings.

Current information indicates that there are approximately 150 roofs requiring replacement due to serious structure or covering failure at an estimate cost of £0.784M in 2009/10 and this is a reduction from the previous replacement levels of over 250 replacements per year which included an element to address predicted failure.

The redesign and thermal improvement to point-block flats requires continuation of the replacement works in the New Farm Loch area of Kilmarnock, the Craigie Place area of Galston and other areas of the Council where the roof coverings have significantly exceeded their expected lifespan and temporary repairs are no longer cost effective or successful. It is also proposed to re-roof the sheltered housing complex at St. Maurs Gardens in Kilmaurs as an added element of the Sheltered Housing Refurbishment programme for the coming year as this roof has also exceeded its lifespan and is seriously defective.

The required budget for both the redesign and renewal of the roofs of the point-block flats and sheltered housing complex as detailed is estimated at £0.411M, giving a combined spend of £1.195M under this heading for 2009/10. A further 15 blocks of flats are considered to be exhibiting similar levels of deterioration and are expected to require replacement by 2015.

#### **4.5 Modern Facilities and Services**

##### **i) Upgrade of Internal Facilities and Services**

It is proposed to continue the co-ordinated renewal of all the major internal facilities and services of our homes within a single multi-work contract. It is anticipated that this method will continue to provide economies of time and

cost whilst ensuring that disruption to tenants is minimised and satisfaction enhanced.

The works to be undertaken include electrical upgrading, kitchen and bathroom renewal and redesign, internal plumber work renewal and replacement of any encountered lead piping feeds.

It is anticipated that not all of the aforementioned replacements will occur in every home due either to recent renewal within earlier repair or replacement contracts or to the actions of tenants who have carried out prior works to their own design and satisfaction. Any such prior works carried out by the tenants will be examined to ensure compliance with the Standard and replacement or alterations offered if they would contribute to a failure.

Modern facilities and services are a principal requirement of the Scottish Housing Quality Standard and it is proposed to carry out these necessary works at the continued level of approximately 1100 properties per year to address the remaining estimated 5700 homes that await this work. During 2009/10 this would require an estimated outlay of £6.384M.

#### **4.6 Neighbourhood Improvements**

##### **i) Demolitions**

This element continues to be targeted towards regeneration of selected areas in partnership with other housing providers and continuation and completion of the previous programmes directed towards areas of low demand. The low demand housing initiative in the Cairnhill area of New Cumnock and the regeneration in the Chapel Lane area of Galston requires an input of £0.200M for 2009/10 to address remaining demolitions and retentions.

##### **ii) Timber Clad Houses**

There are some 329 timber clad properties within the area which require annual external decoration and timber preservation works as part of a cyclic maintenance programme to maintain the exterior envelope in sound condition. It is proposed to continue the painting programme cycle to some 45 of these properties in 2009/10 at an estimated cost of £0.162M and thereafter to an average of 45 houses per annum to ensure their ongoing compliance with the Standard.

#### **4.7 Safe and Secure Neighbourhoods**

##### **i) Door Entry Systems and Security**

It is proposed to install first time systems where no system presently exists and continue replacement of existing door entry systems that have either failed due to obsolescence or remain inoperative for protracted periods due to

ongoing vandalism or the difficulties in sourcing replacement components that result in failures within an average 77 houses per annum. The works include the provision of metal or timber security doors and screens dependent on the condition of the current units and the history of damages from forced entry. An estimated cost of £0.141M during 2009/10 is required to ensure the installation, ongoing operation and security of these systems.

ii) Intermediate Labour Market Project (ILM)

This project is jointly funded by the Council and the Wise Group who obtain matched funding through the Energy Savings Fund, Scottish Enterprise, Jobcentre Plus, Warm Deal and the utility companies among others. The project provides an Energy Auditing, Draught proofing and Loft Insulation Service with the works also extending to cavity fill and personal homes security initiatives in the form of door overview cameras and alarms.

The costs of the energy efficiency package are as detailed within the Efficient Heating budgets and it is proposed to continue to set aside a budget of £0.240M during 2009/10 to meet the costs associated with the provision of safety surveys and security initiatives.

This joint project continues to benefit many workers transferring from this intermediate labour market initiative to full time employment as a result of the training opportunity provided and since its inception it has secured equal funding in excess of £5M, has provided temporary employment to 827 trainees and secured ongoing permanent employment for 324 local employees.

#### 4.8 Sheltered Housing Safety and Improvement Initiative

i) Sheltered Housing Modernisation

Following the successful completion of works to 4 of the Council's 5 sheltered housing complexes, it is proposed to continue these works to refurbish and upgrade St Maurs Gardens within 2009/10 at an anticipated cost of £0.690M..

The works comprise the full re-roofing of the complex, provision of new gas central heating systems, full re-wiring, an automatic fire fighting sprinkler system to domestic and communal areas, improved fire detection and warden call systems and redecoration and refurbishment of communal areas and access corridors. Full redecoration and renewal of kitchens and bathrooms is also undertaken within the individual homes. These works to the 12 house complex are complementary to the achievement of both the Disabled Discrimination Act's requirements and the Scottish Housing Quality Standard.

### 5. FINANCIAL IMPLICATIONS

The cost of the Housing Investment Programme for next financial year is estimated at £15.592M and costs will be met from the agreed Housing Revenue Account budget for 2009/10.

## **6. LEGAL IMPLICATIONS**

There are no legal implications arising directly from this report.

## **7. COMMUNITY PLANNING IMPLICATIONS**

The annual Housing Investment Programme improves the condition of the council housing stock towards achievement of the Scottish Housing Quality Standard by 2015 and supports the East Ayrshire Community Plan themes of “Delivering Community Regeneration” and “Improving Health and Wellbeing”.

## **8. ASSET MANAGEMENT IMPLICATIONS**

The ongoing investment programme improves and maintains individual properties and supports the long term sustainability of the council housing stock in East Ayrshire.

## **9. RISK MANAGEMENT IMPLICATIONS**

Due to the currently experienced and future predicted falls in receipts from house and land disposals, greater reliance on borrowing and support from the Housing Revenue Account is anticipated. Any further reduction in funding is likely to prejudice the achievement of the Standard by 2105.

The Housing Investment Programme and Standard Delivery Plan is based on the present Scottish Housing Quality Standard in terms of affordability. Any additions to the Standard would require the overall Standard Delivery Plan to be reappraised.

Any reduction in cyclic replacement based on the life expectancy of components, such as heating systems, would result in future increased costs for the Council through increased failures and obsolescence of parts. Tenant satisfaction levels would likely reduce as a result of increased waiting times for replacement, lower heating efficiency and increased fuel costs, in turn leading to increased fuel poverty.

Any necessary reduction in the projected Investment Programme would result in a general extension of timescales over which improvements are delivered. Any significant extension of timescales would require the revision of the currently published 5 year plan and is likely to result in dissatisfaction from our tenants including those who have prepared for these notified and impending improvements. They may also require to endure addition energy costs and poorer living conditions whilst awaiting postponed improvements.

## **10. RECOMMENDATIONS**

It is recommended that the Cabinet:

- i) consider and approve the proposals for the 2009/10 housing investment programme for submission to an early Cabinet meeting;
- ii) note that details of properties to be included in the programme will be circulated to elected members in respect of their own ward interests; and
- iii) note that regular reports on progress in delivering the programme will be submitted to members through the budget scrutiny arrangements throughout the year.

William Stafford  
Executive Director of Neighbourhood Services

11<sup>th</sup> March 2009

WS/CMCA/LA

#### **LIST OF BACKGROUND PAPERS**

1. Capital programme records and reports 1999-Present
2. House Attributes and Condition surveys 2005-Present
3. Housing Options Appraisal and Standard Delivery Plan 2004/05

Any person wishing further information should contact Jim Clark, Housing Improvement Programme Manager, Neighbourhood Services on (01563-576658), e-mail: [jim.clark@east-ayrshire.gov.uk](mailto:jim.clark@east-ayrshire.gov.uk)

Implementation Officer: [chris.mcaleavey@east-ayrshire.gov.uk](mailto:chris.mcaleavey@east-ayrshire.gov.uk)