



Services for the Community Policy Development and Scrutiny Panel

West Lothian Civic Centre
Howden South Road
LIVINGSTON
EH54 6FF

31 January 2018

A meeting of the **Services for the Community Policy Development and Scrutiny Panel** of West Lothian Council will be held within the **Council Chambers, 1st Floor, West Lothian Civic Centre** on **Tuesday 6 February 2018** at **12:30pm** or at the conclusion of the meeting of the Council Executive, whichever is the later.

For Chief Executive

BUSINESS

Public Session

1. Apologies for Absence
2. Declarations of Interest - Members should declare any financial and non-financial interests they have in the items of business for consideration at the meeting, identifying the relevant agenda item and the nature of their interest.
3. Order of Business, including notice of urgent business and declarations of interest in any urgent business
4. 2018/19-2022/23 Housing Revenue Account Budget and Rent Level - Report by Depute Chief Executive (herewith)
5. Housing Capital Investment Programme 2018/19 - 2022/23 - Report by Depute Chief Executive (herewith)

NOTE **For further information contact Anne Higgins, Tel: 01506 281601 or email: anne.higgins@westlothian.gov.uk**

DATA LABEL: Public



SERVICES FOR THE COMMUNITY POLICY DEVELOPMENT AND SCRUTINY PANEL

2018/19-2022/23 HOUSING REVENUE ACCOUNT BUDGET AND RENT LEVEL

REPORT BY DEPUTE CHIEF EXECUTIVE

A. PURPOSE OF REPORT

The purpose of the report is to advise the panel of the proposed Housing Revenue Account (HRA) rent strategy for the period 2018/19- 2022/23, as well as the HRA Budget, rent and service charges for 2018/19.

B. RECOMMENDATION

It is recommended that the panel notes:

1. The 2018/19-2022/23 3% per annum rent strategy, encompassing HRA properties and garages, which will fund service needs and a five year Housing Capital investment programme;
2. the 3% rent strategy for Sheltered Housing and Homelessness properties, as well as related service and support charges, for the period 2018/19 -2022/23;
3. a rent increase of 3% in 2018/19 and associated HRA Revenue Budget as set out in the report.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs Being honest, open and accountable Making best use of our resources Working in Partnership
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	This report complies with legal requirements under the Housing Act 1987. The HRA budget and associated rent increase is reported to the Council annually for approval. An Equality Relevance Assessment has been undertaken in compliance with the Equality Act 2010 and is included in Appendix 1.
III Implications for Scheme of Delegations to Officers	None
IV Impact on performance and performance Indicators	None
V Relevance to New Single Outcome Agreement	Outcome 10 – We live in well designed, sustainable places where we are able to access

the services we need.

VI Resources - (Financial, Staffing and Property)	The 3% p.a. rent strategy will deliver a balanced HRA Budget and a capital investment programme over the five year period 2018/19-2022/23.
VII Consideration at PDSP	N/A
VIII Other consultations	A formal rent consultation has taken place with all tenants. Discussion with the Head of Finance and Property Services.

D. TERMS OF REPORT

D.1 GOVERNANCE

The Housing Revenue Account (HRA) budget setting process is subject to statutory, regulatory and governance requirements. Section 25 of the Housing (Scotland) Act 2001 requires landlords to give tenants at least four weeks' notice of any increased rent due to be paid, while section 53 of the Act requires a tenant participation strategy to be in place. The council's financial regulations state that the Depute Chief Executive – Corporate, Operational and Housing Services is responsible for presenting an HRA Revenue Budget to a meeting of the full council.

The HRA Revenue Budget, alongside the Housing Capital budget, both form part of the council's integrated approach to financial strategy, corporate planning, delivery of outcomes and performance monitoring. The activity budget, along with service management plans, links activities, resources and outputs / outcomes which enables the council to demonstrate Best Value in the use of resources. The activity budget is published on the council's intranet.

The council has continued to build a resilient culture of effective planning and governance, with strong evidence to demonstrate how the council meets the defined best value characteristics. The council's Best Value Framework, which was approved on 10 June 2014, ensures that the council complies with the provisions contained within the Local Government in Scotland Act 2003. The 2003 Act requires the council to:

- secure best value in the performance of its functions;
- balance the quality and cost of the performance of its functions and the cost of council services to service users;
- have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance;
- fully discharge its duty to secure best value in a way which contributes to the achievements of sustainable development.

In line with statutory and regulatory requirements, this report seeks formal Council approval for a five year rent strategy, encompassing a 3% rent increase each year, covering the period 2018/18 -2022/23.

D.2 FIVE YEAR RENT STRATEGY

West Lothian Council previously approved both a five year rent and capital investment strategy in January 2013, and as such 2017/18 is the final year of the approved programme. In developing financial plans, and in line with the Housing (Scotland) Act 2001, a formal tenant consultation was undertaken on future housing rent and capital

investment strategy. The outcome was reported to the Services for the Community Policy Development and Scrutiny Panel on 12 December 2017 and indicated that tenants favoured a 3% rent increase per annum over the five year period to 2022/23. Tenants also indicated they would be willing to fund future council housing investment and supply.

In line with statutory and regulatory requirements, formal Council approval for a rent rise of 3% per annum over the five year period 2018/19-2022/23 will be sought. The 3% increase will apply to: all HRA properties, garage and garage site rents, as well as for Sheltered Housing and Homeless properties and associated service and support charges over the same period.

D.3 HRA PROPERTIES AND GARAGE AVERAGE RENT

A 3% per annum rent increase will enable delivery of a balanced HRA revenue budget over the period 2018/19-2022/23 and ensure continued investment in our housing infrastructure, improving existing homes and creating new affordable homes over the five year timeframe.

If the rent increase is approved, and based on the latest stock report as at 31 December 2017, the average weekly rental for homes will be £70.49 in 2018/19, increasing from £68.44 in 2017/18. The equivalent weekly figure for garages is £5.93 in 2018/19, increasing from £5.76 in 2017/18. The indicative rent level for HRA properties and garages across the five year period is detailed in the table below.

Table 1: Average Weekly Rent

Average Weekly Rent	2018/19 (£)	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)
HRA Properties	70.49	72.60	74.78	77.02	79.33
Garages	5.93	6.11	6.29	6.48	6.67

An exercise has been undertaken using the Scottish Federation of Housing Associations (SFHA) rent affordability tool to assess the impact of the proposed rent strategy. The affordability tool presumes that landlords are not able to set affordable rents for every single tenant, but examines the impact of rent on moderate incomes. A low affordability ratio, represented by 25% of net income, being the measure for affordability of social rents. Based on the highest council rent, for one, two or three bedroom properties, all current rents are viewed as being affordable for all household types. Using this ratio, and assuming a rental increase of 3% per annum over five years, and a modest income increase of 1% per annum, all average rents are judged to fall within the affordable range over the period of the rent strategy.

D.4 HOUSING REVENUE ACCOUNT – FIVE YEAR STRATEGY

In formulating the five year strategy, it is assumed that there will be a 3% rent increase each year from 2018/19 through to 2022/23, in line with the outcome of the tenant consultation. This rental increase, along with an increase in housing stock numbers, rising from 13,169 at April 2017 to around 14,270 in 2022/23, will generate additional income to the Housing Revenue Account and enable a balanced budget to be delivered. It will also support capital investment over the medium term. Income assumptions also take into account estimates of mortgage to rent and open market

acquisitions, demolitions, and final right to buy sales in 2017/18, as well as increases to the new housing supply. It is assumed that there will be no overall change in the number of void properties and temporary tenancies, with numbers being maintained at 2017/18 levels.

The table below shows the estimated allocation of revenue resources, and the associated funding generated through a 3% rent increase, throughout the five year period covered by the HRA budget strategy.

Expenditure	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
Employee Costs	4,660	4,792	4,888	4,985	5,085
Premises Costs	15,646	16,294	16,966	17,671	18,411
Transport Costs	154	155	155	156	157
Supplies & Services	3,409	3,413	3,428	3,423	3,428
3 rd Party Payments	62	67	72	77	83
Transfer Payments	978	986	995	1,004	1,013
Central Support	2,552	2,552	2,552	2,552	2,552
Capital Financing	15,360	16,919	18,446	19,136	19,461
CFCR	6,302	6,997	6,521	6,711	8,464
Total Expenditure	49,123	52,175	54,023	55,715	58,654
Funding					
Housing Rents	(48,196)	(51,220)	(53,038)	(54,699)	(57,607)
Garage Rents	(571)	(584)	(597)	(611)	(624)
Miscellaneous	(356)	(371)	(388)	(405)	(423)
Total Income	(49,123)	(52,175)	(54,023)	(55,715)	(58,654)
Rent: Capital Ratio	31.9%	33.0%	34.8%	35.0%	33.8%

The key expenditure assumptions are as follows:

- A pay award of 2% for 2018/19 and 2019/20, followed by a 1.5% pay award for 2020/21 to 2022/23;
- An uplift in the living wage of 2.5% per annum;
- An increase to employers' pension contributions of 2.4% per annum;
- Inflation of 5% per annum for Repairs, Gas Servicing, Utilities and Transport costs;
- A range of inflationary pressures of 2% to 3% per annum for insurance costs, council tax, bad debts, void property costs and other third party costs;
- Increase in bad debt provision of £200,000 per annum, to take account of the potential impact of Universal Credit;
- Capital financing charges will increase by £4 million from 2018/19 to 2022/23 due to additional prudential borrowing to support a core housing maintenance and refurbishment programme for existing stock, averaging £15 million per annum, and to support an increase in the housing supply.

It is noted that under the 3% rent strategy, the ratio of capital financing costs to housing rental income will increase from 31.9% in 2018/19 to 33.8% in 2022/23.

D.5 HRA REVENUE BUDGET 2018/19

The proposed HRA Revenue budget for 2018/19 is based on a 3% per annum rent strategy which will enable high quality and responsive housing services to be maintained for tenants and allow key priorities to be delivered. The 2018/19 budget will enable financial resources to be directed towards the efficient management of the council's housing stock and tenancies, with customer focused services delivered by local housing teams. Targeted resources will support tenant participation, including

tenants' panels, networks and other groups, as well as tenant led inspections. The service will continue to maximise rental income through effective management of council houses, work to mitigate the impact of welfare reform, and in particular Universal Credit which is scheduled for West Lothian implementation during 2018. The service will be responsive to social housing regulation and inspection. West Lothian Council will continue to work to improve the quality of life for tenants; assisting individual households as well as playing an important role in promoting strong and sustainable communities.

West Lothian Council remains committed to providing high quality, value for money housing services. The council's Housing Service was a finalist at the UK Housing Awards 2017, under the Outstanding Strategic Local Authority category, and were also highly commended at the national Premier Guarantee Excellence Awards. Building Services continue to seek to modernise and deliver a more cost efficient service, while delivering well over 40,000 repairs for our customers. The service continues to work towards meeting the 2020 standard for home energy efficiency in Scotland.

Planned service developments and improvements continue for Housing and Building Services. In 2017/18 there has been successful implementation of the new Tenant Participation Strategy and the approval and implementation of a new Local Housing Strategy. Successful development work for tenant participation was recognised at the Tenants Information Service (TIS) National Excellence Awards in June 2017. The innovative Homelessness and Housing Network Group were also runners-up at the TPAS Awards 2017. Where possible, further efficiencies and improvements will continue to be sought, enabling customer focused services to be maintained across a wider tenant base. It should also allow continuing support to be provided to tenants affected by changes brought about by Welfare Reform and Universal Credit.

The summary HRA Budget for 2018/19, and the proposed allocation of resources, is shown in the table below. Estimated Income and Expenditure is expected to be £49.1 million in 2018/19.

	2017/18 £M	2018/19 £M
Rents	45.9	48.8
Other Income	0.3	0.3
Total Funding	46.2	49.1
Employee Costs	4.5	4.7
Premises Costs	15.0	15.7
Transport Costs	0.1	0.1
Supplies & Services Costs	3.4	3.4
Third Party Payments	0.1	0.1
Transfer Payments	0.9	0.9
Support Services	2.6	2.6
Capital Financing Costs	19.6	21.6
Total Expenditure	46.2	49.1

As detailed in Section D.4, the proposed budget takes account of a number of cost pressures and assumptions including:

- 3% rental increase for council houses and garages.
- 2.0% pay award for staff; plus allowance for living wage and incremental pay progression.

- Indexation pressures, such as energy costs.
- Updated capital financing charges relating to the Housing Capital Programme.
- Ongoing impact of Welfare Reform and introduction of Universal Credit in May 2018.

While the Housing Scotland Act 1987 requires local authorities to maintain a ring fenced HRA, the HRA revenue budget also forms part of the council's integrated approach to corporate planning and performance management. In setting a balanced budget, the council is committed to delivering a well maintained housing stock and efficient management services to support tenants and their communities.

D.6 RISKS AND UNCERTAINTIES

In developing the 2018/19 HRA Budget, it is recognised that there are a number of risks and uncertainties that could impact on the level of financial resource required. This would include potential variances to pay and price indexation as well as capital borrowing requirements and associated interest rates. Resources for reactive repairs remain subject to demand for services and potential impact of winter weather.

The ongoing effect of Welfare Reform changes continue to present risk and uncertainty to all social landlords. While the council continues to actively pursue housing arrears, the balance of housing arrears as at 8 January 2018 was £1.654 million. It has been confirmed that the wider roll out of Universal Credit will commence in West Lothian in May 2018.

The Scottish Government have stated that they would wish to take advantage of provisions within the Scotland Act 2016 in relation to Welfare Benefits, making these changes can take time to come into regulatory effect. As of 4th October 2017, Universal Credit claimants in Scotland can now have payments made every two weeks, instead of once a month, with the housing part of their payment sent directly to their landlord. The Scottish Government could also utilise its new welfare flexibilities, to effect change which could positively impact on plans to withdraw housing support to single people aged 18-21.

Appropriate steps will be taken to mitigate against risks and contain expenditure within available resources during the financial year. Quarterly monitoring reports will be reported to Council Executive during 2018/19 to provide updates on the financial position and actions to ensure risks are appropriately managed.

D.7 HOUSING RESERVES

Local authority accounting standards require that, in setting budgets, the Council receives details of reserves, their proposed use and an opinion as to the adequacy of the reserves for the forthcoming year.

As reported to Council Executive on 14 November 2017, within the period 6 monitoring report, a breakeven position is forecast for the HRA revenue budget. It is therefore projected that the HRA reserve at 31 March 2018 will remain at £926,000 and there is no provision to augment this during 2018/19.

Given the inherent risk associated with the impact of Universal Credit, extreme weather conditions and other risks and uncertainties, it is recommended that this balance be maintained and the level is considered adequate to meet with unforeseen demands on resources. The proposed budget for 2018/19 does not assume any use of this reserve.

D.8 PRUDENTIAL CODE IMPLICATIONS

The Prudential Code provides the council with local discretion in investment levels for Housing, provided it ensures that capital spending and associated borrowing are at levels that are affordable, prudent and sustainable.

To demonstrate this, the Code sets prudential indicators that are designed to support and record local decision making. The Head of Finance and Property Services is responsible for reporting these indicators for both the General Fund and the HRA. For this reason, the Prudential Indicators will be reported in detail by the Head of Finance and Property Services in the 2018/19 General Fund Revenue Budget, presented to the Council budget setting meeting.

A key Prudential Indicator is affordability, which assesses the incremental impact of capital spending on rent levels. Under the proposed budget, increases to loans charges arising from borrowing are fully funded within the HRA. This area will continue to be closely monitored; particularly in relation to affordability with housing arrears, remaining procurement costs for both the 1,000 Houses and any future new build project.

D.9 CONSULTATION

Under Section 25 of the Housing (Scotland) Act 2001, the council has a statutory duty to inform and consult tenants on its rent policy. Formal consultation took place from 9 October - 8 December 2017. During the consultation period, meetings were held with Tenants Panels and Tenant networks, as well as specifically arranged drop in sessions and through a special edition of Tenant News.

The Scottish Social Housing Charter sets the standards and outcomes that all social landlords should aim to achieve when performing their core housing activities. Indicator 29 requires all landlords to establish what percentage of tenants feel that the rent for their property represents good value for money. In a two yearly survey, last completed in autumn 2017, 78.5% of tenant responses indicated that rent levels represented good value for money. Just under 1,800 tenants completed the survey, the highest response level to the tenant satisfaction survey to date.

COSLA rent statistics indicate that West Lothian's average rent of £68.44 for 2017/18 was below the national average of £70.55.

E. CONCLUSION

The five year HRA Revenue budget strategy provides a balanced financial plan, incorporating a 3% rent increase, which will allow the council to continue to provide value for money services to our tenants and to be responsive to customers' needs. It also enables continued investment in our existing housing stock and infrastructure, as well as to expand the supply of new housing. The balanced budget for 2018/19 includes moving towards completion of the 1,000 houses new build programme to improve the amenity of communities to meet the needs of existing and future tenants, as well as enabling the delivery of key priorities and allow the people of West Lothian to continue to be supported to find a suitable place to live and have quality housing options available to them.

F. BACKGROUND REFERENCES

- 2017/18 Housing Revenue Account – Month 6 Monitoring, Report to Council Executive 14 November 2017.

- Housing Capital Investment Programme 2018/19 – Report to Services for the Community PDSP, 6 February 2018.

Appendices/Attachments: One

Appendix 1 - HRA Budget (Equality Impact Assessment)

Contact Person: alistair.shaw@westlothian.gov.uk

Graeme Struthers
Depute Chief Executive
6 February 2018



West Lothian
Council

Equality Relevance Assessment

1. Policy details	
Policy title	2018/19 to 2022/23 Housing Revenue Account Budget and Rent Level
Policy lead officer	Alistair Shaw, Head of Housing, Customer and Building Services
Date relevance considered	17/01/2018
2. Does the council have control over how this policy will be implemented?	
YES	<input checked="" type="checkbox"/> X
NO	<input type="checkbox"/>
3. Do you have evidence or reason to believe that this policy will, or may potentially:	
General Duties	Level of impact (high , medium or low)
Reduce or increase discrimination, victimisation or harassment against people covered by the equality protected characteristics?	Low
Reduce or increase equality of opportunity between people who share an equality protected characteristic and those who do not?	Low
Provide opportunity to improve good relations between those who share an equality protected characteristic and those who do not?	Low
4. Equality impact assessment required? (All high and medium policies MUST be impact assessed)	
YES	<input type="checkbox"/>
NO	<input checked="" type="checkbox"/> X
5. Decision rationale	
<p>The Equality and Human Rights Commission (EHRC) Non-Statutory Guidance on "Making Fair Financial Decisions" 2015 outlines a duty to consider the impact of fiscal planning decisions on equality. The impact for tenants of the ongoing UK Government Welfare Reform Act roll-out, Universal Credit in particular, places a duty of care and an ethical obligation as a responsible landlord on the council to consider the social-economic impact of financial decisions on the local economic climate. In particular, there is a duty to consider the needs of those vulnerable to financial hardship or poverty as a result of these decisions. It should be noted that a separate EQIA has been conducted on the implementation of Universal Credit in West Lothian during May 2018.</p>	

Previous related rent setting proposals seeking formal committee approval and EQIA screened for relevance are as follows:

- Approval for the rent strategy consulted on with tenants setting out 3% increases from 2012-17;
- Approval for the HRA budgets over financial years 2013/14 to 2017/18;
- Approval for rent and garage charge changes over financial years 2013/14 to 2017/18;
- Changes to service and support charges for Sheltered Housing properties including rents, service and support charges for Homeless properties over financial years 2013/14 to 2017/18; and
- The 2017 rent consultation with tenants on proposed rent changes over the period 2018/19 to 2022/23.

This assessment deals with the proposals for 2018/19 to 2022/23 which are as follows:

1. The 2018/19 to 2022/23 HRA 3% rent strategy which will fund current service needs and a five year Housing Capital programme;
2. A rent increase of 3% in 2018/19;
3. A 3% increase in garage rents in 2018/19;
4. An increase of 3% in rents and service and support charges for Sheltered Housing and Homelessness properties for 2018/19.

Rent Levels

The Rent Strategy has been fully consulted on with council tenants, individually and via tenants representative groups. The HRA and rent levels being proposed for 2018/19 to 2022/23 remain in line with the previous strategy. The Council has undertaken significant investment in its housing stock over recent years. The 3% increase will enable delivery of a balanced HRA revenue budget, and will allow high quality and responsive housing services to be maintained for our tenants and ensure continued investment in our housing infrastructure, improving existing homes and new build programme all of which will have a positive impact on equality and support for those within various protected characteristics.

Delivering affordable, socially rented accommodation built to a high standard of specification helps the council meet some of the rising demand for such accommodation within the community and increases housing options for vulnerable people. By investing significantly in our existing stock to meet SHQS and EESSH standards, regenerating local communities, and investing in energy efficiency improvement works, the service will mitigate the effects of rent increases through improving the energy efficiency of older properties that cost more to heat – working towards the outcome of helping vulnerable tenants avoid the threat of fuel poverty.

If the rent increase is approved, and based on the latest stock report at 31 December 2017, the average weekly rental for homes will be £70.49 in 2018/19, increasing from £68.44 in 2017/18. The equivalent weekly figures for garages are £5.87 in 2017/18, increasing to £5.93 in 2018/19. The indicative rent level for HRA properties and garages across the five year period is detailed in the table below.

Average Weekly Rent	2018/19 (£)	2019/20 (£)	2020/21 (£)	2021/22 (£)	2022/23 (£)
HRA Properties	70.49	72.60	74.78	77.02	79.33
Garages	5.93	6.11	6.29	6.48	6.67

Service and Support Charges

In line with previously agreed strategies, it is proposed that service charges for Sheltered Housing properties will be increased by 3% in 2018/19. A 3% increase for support charges in relation to Homeless Properties for 2018/19 is also proposed.

Other Factors

As a result of either a freeze or minimal uprating for most working-age benefits from 2016 to 2020, the financial situation for benefit tenants will continue to be challenging in the coming year. However unlike rents in the private sector, through the Local Housing Allowance limits, if council rents go up by 3%, the eligible rent on which the Housing Benefit calculation is based will also go up by 3%, so those on full benefit will not suffer further financial detriment. Someone entitled to full Housing Benefit with a £100 rent whose rent increases to £103 will see their benefit increase to £103. While payment arrangements will be impacted by the implementation of Universal Credit in West Lothian in May 2018, a range of initiatives are being undertaken separately to manage and mitigate the impact of this. Affordability in terms of council tenants on benefits is unlikely to be affected, but rather the process for payment.

Those on part benefit, who may have to pay a portion of their rent just now, will see that amount increase, and those already subject to under occupancy charge (bedroom tax) who currently have their £100 Housing Benefit award reduced by £14, will see their £103 award reduced by £14.42 – so there will be increased pressure on our Discretionary Housing Payment cash which WLC utilises to mitigate this shortfall. The HCBS focus on rent arrears from a preventative standpoint should assist those who are negatively impacted by the 3% raise as officers continue to work in partnership with the Advice Shop to maximise income and improve budgeting skills.

An exercise has been undertaken using the Scottish Federation of Housing Associations (SFHA) rent affordability tool to assess the impact of the proposed rent strategy. The affordability tool presumes that landlords are not able to set affordable rents for every single tenant, but examines the impact of rent on moderate incomes. A low affordability ratio, represented by 25% of net income, being the measure for affordability of social rents. Based on the current highest council rent, for one, two or three bedroom properties, all rents are viewed as being affordable for all household types. Assuming a rental increase of 3% per annum over five years, and a modest income increase of 1% per annum, all average rents are judged to fall within the affordable range over the period of the rent strategy. This exercise has provided useful evidence to demonstrate the

impact of the proposed rent strategy on council tenants going forward.

The ongoing effect of general economic conditions and Welfare Reform changes, including direct housing costs to tenants on Universal Credit, continue to present risk and uncertainty to all social landlords. Pressure on rent collection will be closely monitored following the implementation of Universal Credit within West Lothian.

The Council continues to actively pursue housing arrears. HCBS continues to focus effort on reducing arrears. A corporate approach to debt continues to be taken forward, to ensure resources are most appropriately targeted and that services are working in partnership to break the cycle of debt in complex and high level arrears cases where tenants have instances of multiple debts.

The service Group Accountant, HCBS Senior Management Team, Income Management staff and the service equality lead were involved in the consultation of this assessment. The details of the budget proposals within this report support these findings and it is unnecessary that a full EQIA be carried out.

It is recommended that any further budgetary proposals or amendments to the rent strategy or rent levels be screened for EQIA relevance where required.

- **No assessment required – process ends**
- **Assessment required – continue to next section**



SERVICES FOR THE COMMUNITY POLICY DEVELOPMENT AND SCRUTINY PANEL

HOUSING CAPITAL INVESTMENT PROGRAMME 2018/19-2022/23

REPORT BY DEPUTE CHIEF EXECUTIVE

A. PURPOSE OF REPORT

To advise the panel of the proposed Housing Capital Investment Programme 2018/19-2022/23 and the proposed for exemption for works under the terms of the Best Value Framework.

B. RECOMMENDATION

It is recommended that the panel notes:

- (1) The proposed 2018/19-2022/23 Housing Capital Investment Programme and related funding as detailed in the report; and
- (2) the updated exemptions for works under the terms of the Best Value Framework, as outlined in section D.5 of the report.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs Being honest, open and accountable Making best use of our resources Working in Partnership
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	The report on the Housing Capital Programme complies with the Housing (Scotland) Act 1987 and the council's Financial Regulations. An Equality Relevance Assessment has been carried out in compliance with the Equality Act 2010 and is included in Appendix 3.
III Implications for Scheme of Delegations to Officers	None
IV Impact on performance and performance Indicators	An effective housing capital and asset strategy is vital to service performance.
V Relevance to Single Outcome Agreement	Outcome 10 – We live in well designed, sustainable places where we are able to access the services we need.
VI Resources - (Financial, Staffing and Property)	Capital investment of £ 154.877 million during the period 2018/19-2022/23, with £45.219 million

scheduled for 2018/19.

VII Consideration at PDSP

This is the first time PDSP has considered the detail of the proposed Housing Capital and Investment Programme for 2018/19 to 2022/23.

VIII Other consultations

Consultation has taken place with the Tenants Panel and the Head of Finance & Property Services.

D TERMS OF REPORT

D.1 Background

West Lothian Council previously approved both a five year rent and capital investment strategy in January 2013, and as such 2017/18 is the final year of the approved programme. As reported to the Services for the Community Policy Development and Scrutiny Panel on 12 December 2017, the statutory consultation with individual tenants and tenant groups indicated support for a future rent strategy with an annual rent increase to fund capital investment and to increase the housing stock. This report seeks approval of the proposed five year Housing Capital Investment programme for 2018/19 - 2022/23.

D.2 2017/18 Housing Capital Out-turn Position

2017/18 is the final year of the existing five year housing capital investment programme. Over this five year period there has been an unprecedented £196 million of expenditure on the council's existing stock, achieving Scottish Housing Quality Standards, moving towards energy targets, while also increasing new build supply.

As detailed within the month 6 monitoring report to Council Executive on 14 November 2017, expenditure totalling £50.574 million is forecast to be incurred within the 2017/18 Housing Capital Programme. The programme encompasses both new build housing and major investment in the existing housing stock, with a number of large scale housing projects undertaken by Building Services. The projected expenditure of £50.574 million represents a £6.878 million variance against budgeted resources, compromising slippage, acceleration as well as variances against planned expenditure. Consequently, the following resources will be carried forward into the future five year programme:

- Re-phasing of New Build Housing expenditure of £6.7 million, to reflect appropriate planning approvals and consents, and consequent site start dates.
- £268,000 for Harrison Houses in Whitburn, to enable legal arrangements to be established in an area of mixed tenure, prior to works commencing.
- £115,000 for Tenant Street Improvements, the environmental scheme at Lower Bathville has been deferred until upgrade of buildings has been completed.
- £262,000 for Almondell, land ownership issues has resulted in delay to planned upgrade of rear courtyards in Broxburn.

D.3 Housing Capital Investment Programme 2018/19-2022/23

The five year Housing Capital Investment Programme 2018/19-2022/23 will see total investment of £154.877 million with significant resources invested in the creation of

new homes and a strong focus on the maintenance of quality standards across the housing stock. The proposed programme is based on recent reports to Council Executive on the Strategic Housing Investment Plan and Local Housing Strategy, as well as the Housing Rent Consultation and Capital Investment Strategy which outlined proposals to be taken forward in relation to new housing supply and housing infrastructure.

The five year programme will see completion of the 1,000 Houses new build programme, and additional investment to increase housing supply. External upgrading will continue in areas identified as in greatest need and an increasing emphasis will be placed on the Energy Efficiency Standard for Social Housing (EESH). The proposed investment programme is summarised in the table below. Individual projects, comprised within each project heading, are listed in Appendix 1 and further detail on work to be encompassed within the programme is contained in Appendix 2.

Table 1: Planned Capital Investment

Investment Area	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	TOTAL £'000
New Build & OMA	25,600	15,140	20,592	16,000	1,900	79,232
Major Refurbishment	2,726	1,825	580	0	0	5,131
Major Elemental Upgrades	3,760	3,528	2,871	2,910	2,890	15,959
Planned Programmes	3,210	3,380	3,380	3,380	3,380	16,730
Environmental Upgrading	927	550	455	455	455	2,842
Compliance Works	8,291	7,921	6,721	4,945	5,045	32,923
Miscellaneous	705	335	340	340	340	2,060
Total Expenditure	45,219	32,679	34,939	28,030	14,010	154,877

New Housing Supply

Significant resources will be invested in the creation and acquisition of new homes, with budgeted resources of £79.232 million factored into the investment programme. The new build programme includes the completion of the current new build programme and a further 250 new build council homes. The council remains committed to expanding the housing supply, and delivery of 3,000 new houses between the period 2012-2022 and as such it is planned that around 90 Open Market Acquisitions will be incorporated into the future programme. The council will continue to support applications that meet required criteria under the Scottish Government Mortgage to Rent Scheme.

Major Refurbishment

Significant improvements will include the completion of regeneration works at Bathville flats and the continuation of roof, render, stair and balcony works at the Lochs Scheme in Whitburn. £5.131 million of major refurbishment works are planned, with an estimated completion during financial year 2020/21.

Major Elemental Upgrades

Major Elemental Upgrades consists of long term maintenance work to structural elements such as roof and external walls are beyond economical repair. This work will continue to form an important part of the investment programme, with planned resources of £15.959 million to be invested in 17 individual projects during the period 2018/19-2022/23.

Planned Programmes

Planned programmes cover a broad range of activities, including: energy efficiency

measures, central heating replacements, electrical testing and repair, painting and fencing programmes. These works are preventative maintenance in nature, and are scheduled and prioritised, based on condition. Works to the value of £16.730 million are anticipated over the five year period.

Environmental / External Upgrading

Planned work, to the value of £2.842 million, will continue on general environmental improvements and external upgrading, including tenant led street improvement projects. Although many works are of a small scale, these projects can have a substantial impact on the local amenity and community. The tenants' street improvements programme is delivered in consultation with tenants.

Compliance Works

The introduction of Scotland's Energy Efficiency Standard for Social Housing (EESH) regulations means that by the end of December 2020, any house in Scotland under the management of social landlords should meet a minimum energy rating. EESH continues to be a major focus for project work. There will be enhanced investment in external wall insulation to target work in council houses, in areas of mixed tenure, to maximise economies of scale where homeowners receive support through the Home Energy Efficiency Programme Scotland (HEEPS). A programme of central heating upgrades will also be taken forward to help meet EESH. The total value of planned compliance works is £32.923 million within the five year programme.

Miscellaneous

Some of the most significant investment activities facing the service over the next five years will require focus on the synergies between housing investment, repairs and the wider community regeneration agenda. A range of capital projects and measures to support the work of the Housing Revenue Account, totalling £2.060 million, are encompassed within this heading, including feasibility studies, asbestos management and legionella upgrades. A range of home security measures, as well as aids and adaptations, also support our tenants to live safely and independently within their homes.

D.4 Resourcing the Capital Investment Programme 2018/19-2022/23

The projected split of the £154.877 million resources to fund the 2018/19-2022/23 capital programme is detailed in Table 2. Financing of the programme will continue to be met largely through borrowing, with £98.698 million borrowing planned over the five year investment period.

It should be noted that capital financing costs in respect of monies borrowed for the purpose of improving the housing asset stock, or acquiring new stock through new build or open market acquisition, must be charged to the HRA account under Schedule 15 of the Housing (Scotland) Act 1987. As such, the level of sustainable capital expenditure is coterminous with the Housing Rent strategy over the five year period and must be deemed as prudent and affordable, based on the Prudential Indicators contained within the General Fund Revenue Budget report. The level of capital financing charges and CFCR associated with the proposed programme are considered to be at an affordable level within the HRA Revenue Budget, based on an anticipated rent increase of 3% per annum. The projected ratio of housing rental income to capital financing charges ratio will increase from 31.9% in 2018/19 to 33.8% by 2022/23.

Updated assumptions on Scottish Government grants and other contributions have also been factored into funding sources as the council completes the existing new

build housing programme and enters into a new phase of funding. Scottish Government grant funding for all new build equates to £57,000 per unit, and for open market acquisitions £30,000 per unit. A total of £18.934 million is anticipated for 2018/19-2022/23, with £4.884 million anticipated to support both the new build programme and open market acquisitions in 2018/19.

With regards to other sources, funding of £250,000 per annum is expected from developer contributions and £200,000 from council tax on second homes which will be directed towards the creation of new social housing. In total £2.250 million is anticipated from these sources over the five year period 2018/19-2022/23. Legislative changes came into effect on 1 August 2016 that ended tenants' right to buy council houses; no further sales receipts are therefore anticipated.

Table 2 below shows the capital resources available to fund the housing capital programme 2017/18 and Council Executive will be updated on latest assumptions in future monitoring reports.

Table 2: Capital Funding

Investment Area	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	TOTAL £'000
CFCR	6,302	6,997	6,521	6,711	8,464	34,995
Borrowing	33,583	24,632	24,371	11,016	5,096	98,698
Government Grants	4,884	600	3,597	9,853	0	18,934
Developer Contributions	250	250	250	250	250	1,250
Council Tax 2 nd Homes	200	200	200	200	200	1,000
Total Funding	45,219	32,679	34,939	28,030	14,010	154,877

D.5 Governance

In setting the HRA capital budget, due cognisance must be made to the relevant statutory, regulatory and governance requirements.

The Prudential Code requires the council to take into account a number of factors when agreeing capital spending plans. In overall terms the Housing Capital Investment Programme for 2018/19-2022/23 is considered affordable relative to gross rent levels, subject to appropriate management of capital risks and housing arrears. The revenue implications are incorporated within the HRA Revenue budget and loan charge projections continue to indicate that the Housing Capital Investment Programme is prudent, affordable and sustainable.

The council has continued to build a resilient culture of effective planning and governance, with strong evidence to demonstrate how the council meets the defined best value characteristics. The council's Best Value Framework, which was approved on 10 June 2014, ensures that the council complies with the provisions contained within the Local Government in Scotland Act 2003. The 2003 Act requires the council to:

- secure best value in the performance of its functions;
- balance the quality and cost of the performance of its function and the cost of council services to service users;
- have regard to efficiency, effectiveness, economy and the need to meet equal opportunity requirements in maintaining that balance;
- fully discharge its duty to secure best value in a way which contributes to the achievements of sustainable development.

All aspects of the Housing Capital investment programme are geared toward securing best value. The Best Value Framework requires works over a pre-determined threshold to be subject to competitive tendering. Under the 2003 Act, exemptions are permissible and the Council Executive approved exemptions relating to a number of identified projects undertaken by Building Services on 10 June 2014. A review of the Housing capital investment programme for the period 2018/19-2022/23 has been undertaken to determine works that will be carried out by external providers and works to be carried out in-house to ensure compliance with the Best Value Framework. It is therefore proposed that works on Energy Efficiency as well Roof and Roughcasting continue to be carried out by Building Services, as well as Electrical Periodic Inspections. The list of projects for exemption therefore include:

- Energy Efficiency – Gas Central Heating Upgrades
- Roofing and Roughcasting Works – various projects
- Electrical Periodic Inspections and installation of smoke detection upgrades

The proposals within the overall Housing Capital Investment programme were considered for their impact on equality. No specific issues were identified from an equality perspective and the assessment is detailed in Appendix 3.

D.6 Corporate Asset Management and Future Capital Investment

The current Corporate Asset Management Strategy was agreed by the council in January 2013. Asset management provides appropriate structures and governance arrangements to ensure the council's assets are utilised appropriately in support of service delivery. It is important that resources are prioritised on an ongoing basis to ensure investment has the maximum impact on the core assets required to sustain existing service delivery. The five year Housing Capital Programme forms a key part in the longer term approach to asset investment and planning, and considers expenditure required to improve and extend council's assets for future years. Looking forward, investment plans will be updated annually to demonstrate best value, continuous improvement, sound performance management, partnership working and sustainable development.

E. CONCLUSION

This report sets out the Housing Capital investment programme for 2018/19-2022/23, with proposed investment of £154.877 million. It builds on, and consolidates, local housing needs identified within the Strategic Housing Investment Programme and Local Housing Strategy. The investment proposals are framed on the outcome of the Housing Rent and Consultation Strategy reported to Services for the Community Policy Development and Scrutiny Panel on 12 December 2017 which indicated that the majority of responses from tenants supported a 3% rent increase per annum.

There is a strong focus within the programme on the creation of additional social housing including completion of the existing new build programme, delivering a further 250 new build homes and continuing with a programme of open market acquisition. These measures will increase the availability of social housing within communities for both existing residents and future generations. Alongside investment in new and additional housing stock, there will be continued investment in existing council housing stock and the environment, to improve homes and local amenity. Energy efficiency is recognised as a continuing priority, with an emphasis on meeting the requirements of the Energy Efficiency Standards for Social Housing legislation.

Expenditure of £45.219 million is anticipated in 2018/19, and the programme consolidates and updates on movements reported to Council Executive in November 2017, recognising the requirement to refine and phase projects and expenditure. It also introduces a new period of planned investment in our housing stock, ensuring that resources are prioritised effectively and reflect the investment needs of our housing stock.

Through the Housing Capital programme, the council continues to maintain quality standards and invest in the suitability and sufficiency of its housing stock to improve the environment within communities and meet the needs of existing and future tenants across West Lothian.

F. BACKGROUND REFERENCES

Housing Capital Programme 2013/14 to 2017/18, Report to Council, 29 January 2013.

Best Value Framework, Report to Council Executive 10 June 2014

2016/17 Period 6 Housing Capital Monitoring, Report to Council Executive 14 November 2017.

2017/18 Housing Revenue Account Budget and Rent Levels, Report to Services for the Community PDSP, 6 February 2018.

Update on the New Build Council House Programme, Report to Council Executive 19 December 2017

West Lothian Local Housing Strategy 2017-22, Report to Council Executive 24 October 2017

West Lothian Strategic Housing Investment Plan, Report to Council Executive 24 October 2017

Appendices/Attachments: Three

Appendix 1 – Housing Capital Programme Projects 2018/19-2022/23

Appendix 2 – Housing Capital Programme Further Information 2018/19 – 2022/23

Appendix 3 – Housing Capital Programme Projects 2018/19-2022/23 (Equality Impact Assessment)

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Graeme Struthers
Depute Chief Executive
6 February 2018

APPENDIX 1 - Housing Capital Programme 2018/19 to 2022/23

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
NEW SUPPLY						
New Build (250 units)	1,000	9,700	15,700	15,000	1,800	43,200
Open Market Acquisition Scheme	3,585	1,800	1,800	900	0	8,085
Mortgage to Rent	150	150	150	100	100	650
1,000 Houses New Build	20,865	3,490	2,942			27,297
TOTAL NEW SUPPLY	25,600	15,140	20,592	16,000	1,900	79,232
REFURBISHMENT AND INVESTMENT						
Major Refurbishment						
Harrison Houses - Loch Scheme, Whitburn	698	580	580	0	0	1,858
Bathville Flats, Armadale	2,028	1,245	0	0	0	3,273
	2,726	1,825	580	0	0	5,131
Major Elemental Upgrades						
Lanrigg Area, Fauldhouse - Ogilvy Crescent & Scott Place	750	800	0	0	0	1,550
Empire St Baillie St Bog Rd etc. Whitburn	200	0	0	0	0	200
Glebe Rd, Union Rd & Dr, Armadale Rd, Jubilee Rd, Whitburn	800	800	0	0	0	1,600
Strathlogie, Westfield	500	400	0	0	0	900
Croftmalloch Estate - Harrison Houses Whitburn	0	0	0	875	725	1,600
Almond View and Cousland Terrace, Seafield	0	0	0	0	750	750
Balbardie Av & Cres, Rosemary & Slate Roofs, Bathgate	400	772	0	0	0	1,172
Dedridge Area, Livingston	0	0	0	1,415	1,415	2,830
Fallas Place, Walker Road, Main Street, Fauldhouse (Flats)	0	0	600	620	0	1,220
Badallan Place, Fauldhouse	0	0	230	0	0	230
57 - 117 Lower Bathville	750	0	0	0	0	750
Auldhill Crescent, Bridgend	360	0	0	0	0	360
Mansefield Court & Waverley Street, Bathgate	0	0	981	0	0	981
Drummond Place - Blackridge	0	0	400	0	0	400
Church Place - Fauldhouse	0	0	110	0	0	110
Anderson Avenue, Armadale	0	0	550	0	0	550
Bedlornie/ Ogilface - Blackridge	0	756	0	0	0	756
	3,760	3,528	2,871	2,910	2,890	15,959
Planned Programmes						
Kitchens and Bathrooms	580	580	580	580	580	2,900
Windows & Doors Refurbishment / Renewal	380	400	400	400	400	1,980
Painting	300	300	300	300	300	1,500
Assisted Decoration and Internal Upgrade Scheme	450	450	450	450	450	2,250
Common Stair Upgrades	100	250	250	250	250	1,100
Common Access Door Upgrades	150	150	150	150	150	750
Rainwater Goods Testing and Upgrading	300	300	300	300	300	1,500
Fencing	200	200	200	200	200	1,000
Planned Reactive/ HIO Investment	750	750	750	750	750	3,750
	3,210	3,380	3,380	3,380	3,380	16,730
Environmental / External Upgrading						
Tenant Environmental Projects	265	150	150	150	150	865
Street Improvements - Area Improvements	100	100	100	100	100	500
Almondell, Broxburn	262	0	0	0	0	262
Programmed Drainage	150	150	100	100	100	600
Play Areas	50	50	50	50	50	250
Bin Store Improvements	50	50	25	25	25	175
Aerial Upgrades	50	50	30	30	30	190
	927	550	455	455	455	2,842
Compliance Works (Direct and Assistive)						
BISF Ladeside, Blackburn	320	0	0	0	0	320
Firewalls	50	50	50	50	50	250
Hard wired smoke detectors	500	500	500	500	500	2,500
Renewal of walls and footpaths	100	100	100	100	100	500
Periodic testing and Electric Upgrades	700	700	700	700	700	3,500
Central Heating	3,250	3,250	2,300	2,300	2,300	13,400
Energy Efficiency/PV Panels	350	350	100	100	100	1,000
Energy Performance Certificates	140	100	100	50	50	440
External Wall Insulation	1,726	1,726	1,726	0	100	5,278
Aids and Adaptations- Building Services	350	350	350	350	350	1,750
Aids and Adaptations- Occupational Therapists	350	350	350	350	350	1,750
Asbestos Management	425	425	425	425	425	2,125
Legionella Upgrades	30	20	20	20	20	110
	8,291	7,921	6,721	4,945	5,045	32,923
Miscellaneous						
Deans South, Livingston	370	0	0	0	0	370
Feasibility Surveys	70	70	70	70	70	350
Home Safety Service	170	170	170	170	170	850
Home Security for Senior People	45	45	50	50	50	240
IT	50	50	50	50	50	250
	705	335	340	340	340	2,060
REFURBISHMENT & INVESTMENT	19,619	17,539	14,347	12,030	12,110	75,645
TOTAL HOUSING CAPITAL PROGRAMME	45,219	32,679	34,939	28,030	14,010	154,877

Housing Capital 5 Year Investment Programme 2018/19 to 2022/23 Further Information

1. New Build Supply

Major investment is to continue, providing new houses in areas across the district of different sizes and style; many are designed to support occupation by people with limited movement ability, including wheelchair users. Built to modern standards, they are well insulated and will substantially reduce heating bills of tenants while ensuring warmth and stable heat levels. Existing tenants are given priority to move into the new housing supply. Rents are slightly higher but should be more than offset by the reduction in heating costs. A priority will be to complete the existing 1,000 houses programme. Details of the sites which are to be completed are provided below.

Site	Units	Est. House Completions by 2018/19	Estimated site completion date
Lammermuir House, Livingston	44	44	April 2018
Mayfield, Armadale	22	22	April 2018
Eastfield, Fauldhouse	40	40	April 2018
Redhouse, Blackburn	100	100	June 2018
Drumshoreland	86	86	May 2018
Almondell, East Calder	36	36	July 2018
Almondvale Stadium, Livingston	37	37	November 2018
Deans South (phase 1)	54	54	December 2018
Kirkhill, Broxburn	230	230	March 2019
Wester Inch, Bathgate	86	78	May 2019
Nelson Park, Armadale	26	0	2019/20
Deans South (phase 2)	37	0	2019/20
Bathville (phases 4 & 5)	12	0	2019/20
Total	810	727	

Sites for a further 250 new build council houses will be identified in the near future. These units will be constructed during the period of the five year programme.

The council will also add to its stock by purchasing houses; resources for acquisition of around 90 former council houses are included in the planned programme. The majority of these will be Open Market Acquisitions. Provision has also been made to continue with the Mortgage to Rent scheme.

2. Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESH)

One of the main objectives of the Housing Capital Programme is to invest in the existing housing stock to maintain Scottish Housing Quality Standard (SHQS) and achieve compliance with the Energy Efficiency Standard for Social Housing (EESH) by the 1st of January 2021. A review of stock condition survey data has been undertaken, to provide an up to date assessment of stock condition and to inform the type and level of investment required. Investment in the existing housing stock has been categorised as Major Refurbishment or Major Elemental Upgrades; as well as Planned Programmes, Environmental Upgrading, Compliance and other Miscellaneous works. It is anticipated that the investment programme will ensure that all stock continues to meet with the SHQS; and will also ensure that the stock meets with EESH requirements by the 1st of January 2021 and maintains that standard beyond 2021.

a) MAJOR REFURBISHMENT

The Major Refurbishment group of projects involves renewal and reconfiguration of multiple elements such as roof, render, stairs, balconies and external areas in a single project.

Lower Bathville

The works at Bathville are extensive, involving roof and external wall upgrades; new and more secure stairwells, as well as environmental improvements. The works have been complicated by services such as gas and electricity which underlay the buildings. Despite significant problems and delays, Building Services are making significant progress with the development. Currently the refurbishment work at phases one and two are substantially complete and three new build units are nearing completion and will be tenanted by February 2018. Work will continue with the new investment programme.

Harrison Houses

Due to ongoing maintenance issues, resulting in high cost roof repairs; major external and structural upgrades will take place at the Whitburn Harrison Houses. The streets to be encompassed in the project include: Gareloch Way, Loch Awe Way, Loch Earn Way, Loch Fyne Way, Loch Maree Way, Loch Trool Way. Despite their relative age, these properties have been assessed as being in greater need of upgrade, due to the impact on the day to day maintenance budget. This site is complex due to the large volume of privately owned properties and the need to engage with owners to encourage participation in the improvement programme. Housing is working with Environmental Health and Legal to maximise options and outcomes of the scheme.

b) MAJOR ELEMENTAL UPGRADES

The work involves long term maintenance work, where structural elements such as roof and external walls are identified as beyond economical repair through routine maintenance.

The work planned in 2018/19 to 2022/23 is detailed below:

MAJOR ELEMENTAL UPGRADES	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Lanrigg Area, Fauldhouse - Ogilvy Crescent & Scott Place	750	800	0	0	0	1,550
Bog Rd - Whitburn	200	0	0	0	0	200
Glebe Rd, Union Rd & Dr, Armadale Rd, Jubilee Rd, - Whitburn	800	800	0	0	0	1,600
Strathlogie - Westfield	500	400	0	0	0	900
Croftmalloch Estate – Harrison Houses Whitburn	0	0	0	875	725	1,600
Almond View and Cousland Terrace, Seafield	0	0	0	0	750	750
Balbardie Avenue & Crescent, Bathgate	400	772	0	0	0	1,172
Dedridge Area	0	0	0	1,415	1,415	2,830
Fallas Place, Walker Road, Main Street - Fauldhouse (Flats)	0	0	600	620	0	1,220
Badallan Place - Fauldhouse	0	0	230	0	0	230
57 - 117 - Lower Bathville	750	0	0	0	0	750
Bridgend	360	0	0	0	0	360
Mansefield Court & Waverley Street, Bathgate	0	0	981	0	0	981
Drummond Place - Blackridge	0	0	400	0	0	400
Church Place - Fauldhouse	0	0	110	0	0	110
Anderson Avenue	0	0	550	0	0	550
Bedlormie/ Ogilface - Blackridge	0	756	0	0	0	756
TOTAL	3,760	3,528	2,871	2,910	2,890	15,959

c) PLANNED PROGRAMMES

Kitchens and Bathrooms

This category incorporates work which keeps Kitchens and Bathrooms in compliance with the Scottish Housing Quality Standard (SHQS). The budget funds around 100 full kitchen and bathroom installations each year.

Windows and Doors

Windows and Door upgrades to keep them in compliance with the Scottish Housing Quality Standard (SHQS) and contribute towards meeting Energy Efficiency Standard for Social Housing (EESH). The budget funds around 90 Full Windows and Door Upgrades each year.

Cyclical Maintenance (CM)

CM work involves external and communal parts of the council housing stock and undertakes the required preparatory repairs and minor external upgrades. The work is done on a five year rolling programme. The programme plays a significant role within the council's capital programme planning processes linking key conditions information to overall investment planning.

All properties within the council stock are to be surveyed externally by a Housing Investment Officer (HIO) as part of the five year rolling programme. The survey programme is pre-determined as shown in the table below:

Year	Area's
2018/19	Broxburn, Uphall, Winchburgh & Linlithgow
2019/20	Armadale & Blackridge
2020/21	Fauldhouse & Brieche
2021/22	Blackburn, Whitburn & Bathgate
2022/23	Livingston South/ North, East Livingston & East Calder

The CM Programme is primarily made up from the following Capital Planned Maintenance Budgets:

- Painting
- Common Stair Upgrades
- Rainwater Goods Testing and Upgrading
- Fencing

Assisted Decoration and Internal Upgrade Scheme

In 2015 we introduced the Assisted Decoration Scheme to benefit tenants of West Lothian Council who are either senior citizens or of limited physical capacity and who are unable to decorate their home without assistance. Qualifying Tenants can apply for one room per household for the duration of the scheme. Since introducing this innovative scheme we have successfully assisted 653 tenants, and the proposed budget 5 years programme is intended to assist a further 2,812 households

Common Access Door Upgrades

This Budget undertakes work which keeps the properties in compliance with the Scottish Housing Quality Standard (SHQS). This requires Secure Door Entry System upgrades or replacements in order to keep them in compliance with the Scottish Housing Quality Standard (SHQS). The budget funds around 12 communal blocks each year.

Planned Reactive/ HIO Investment

This programme supports required individual upgrade investment out-with the named current capital projects and is commissioned by the Housing Investment Manager and Building Services Manager.

d) ENVIRONMENTAL & EXTERNAL UPGRADING

This category supports local environmental programmes which include; Tenant Led Environmental Projects, Street and Area Improvements, Programme Drainage, Play Area, and Aerial Upgrades. These projects are delivered in consultation with NETS, Roads, Local Housing Offices, tenants and elected members. For example, the drainage programme supports the design and implementation of large works to multiple homes to prevent the flooding of homes and the damage to access paths. 162 council houses have been identified by SEPA (The Scottish Environment Protection Agency) as being at risk of flooding over time as climate change continues. The Flood Risk Management team are identifying the solution to these issues and will be putting them in place over the years.

ENVIRONMENTAL / EXTERNAL UPGRADING	18/19	19/20	20/21	21/22	22/23	18/19-22/23
Tenant Environmental Projects	265	150	150	150	150	865
Street Improvements – Area Improvements	100	100	100	100	100	500
Almondell	262	0	0	0	0	262
Programmed Drainage	150	150	100	100	100	600
Play Areas	50	50	50	50	50	250
Bin Store Improvements	50	50	25	25	25	175
Aerial Upgrades	50	50	30	30	30	190
TOTAL	927	550	455	455	455	2,842

e) COMPLIANCE WORKS

BISF Ladeside, Blackburn

BISF Houses are steel framed and have steel walls. The upgrades are to protect the existing structure and to increase the energy efficiency of the homes, benefitting both the houses and the tenants. All other BISF council houses in West Lothian have been upgraded and this scheme will complete the programme.

Firewalls

This scheme will upgrade firebreaks in Winchburgh at: Midhope Place, Oakbank Place, Craigton Place, Main Street and Castle Terrace. The programme will see 70 properties upgraded over the 5 year planning period.

Hard Wired Smoke Detectors

A ten-year programme, which commenced in 2010/11, will continue and replace battery operated smoke detectors with hard wired smoke detectors and battery operated heat detectors. The outcome of the Scottish Government's consultation on Fire and Smoke Detectors has not been

released yet. The programme may need to be reviewed to take account of any recommendations or legislative changes following the conclusion of the Government review.

Renewal of Walls and Footpaths

This budget is a part of the cyclical maintenance survey programme, and will address statutory compliance issues with the surface finishes or structure of external paths, ramps, paved areas, courts, laundry and drying areas associated with council housing. This Budget allocation will ensure properties stay in compliance with the Scottish Housing Quality Standard (SHQS).

Periodic Testing and Electric Upgrades

There is an obligation on the council as a landlord to electrically test each house at least every five years and additionally at the point of re-letting after a house is empty. These surveys identify any potential problems. The most important of these are electrical faults, earthing issues and asbestos in consumer units. This includes full electrical upgrading where required.

Central Heating

The central heating upgrades are in order to keep the properties in compliance with the Scottish Housing Quality Standard (SHQS) and meet The Energy Efficiency Standard for Social Housing (EESH) by 1 January 2021. The budget funds around 3,800 heating upgrades over 5 years.

Energy Efficiency/PV Panels

Local energy efficiency schemes will continue to be carried out, prioritising households in fuel poverty, in consultation with the local housing offices and the Advice Shop. It will also include PV panel schemes and replacement of existing insulation where required to meet The Energy Efficiency Standard for Social Housing (EESH) by January 2021.

Energy Performance Certificates

EPCs are required for circa 9,000 of the council's properties in order to ensure the council meets its legal requirements when renting a property as well as updating our Asset Management Database. This will also help focus investment in the energy efficiency measures required to ensure the council complies with EESH.

External Wall Insulation

External wall insulation will be fitted to 685 No Fines properties across the district in order to improve the properties' energy efficiency level and ensure the properties comply with EESH. This improvement will make the properties cheaper to heat creating a saving in the tenant's fuel bills and will work towards reducing levels of fuel poverty in the district.

Aids and Adaptations

Aids and adaptations for both council housing and private sector housing are assessed by Occupational Therapists in Social Policy and are carried out based on individual need.

Asbestos Management

This budget funds surveys and removal work arising from those surveys.

Legionella Upgrades

This budget funds surveys and remedial work to installations of stored water in common areas. It also allows for upgrade and prevention works.

f) MISCELLANEOUS

Deans South

This budget funds ongoing maintenance work, pending any agreement on the long term future of the estate.

Feasibility Surveys

This budget will support a 5 year Stock Condition Programme aimed at updating the council's stock conditions information and providing cost information for future capital planning. The budget also supports detailed engineering reports on structural issues.

Home Safety Service

This provides an upgraded package of smart technology primarily for older people in their own homes. This technology can help in providing a safer and more secure long-term home environment.

Home Security for Pensioners

This scheme provides options including; the provision of locks, external lighting, door viewers, door chains, window locks and door intercom systems. To date around 3,000 council houses have had security measures fitted under this scheme.

Mortgage to Rent

This is a Scottish Government subsidy scheme to allow owners in extreme financial difficulty to sell their properties to the council and become council tenants.



West Lothian
Council

Equality Relevance Assessment

1. Policy details	
Policy title	Housing Capital Programme 2018/19 to 2022/23
Policy lead officer	Alistair Shaw, Head of Housing, Customer and Building Services
Date relevance considered	17/01/2018
2. Does the council have control over how this policy will be implemented?	
YES	<input checked="" type="checkbox"/> X
NO	<input type="checkbox"/>
3. Do you have evidence or reason to believe that this policy will, or may potentially:	
General Duties	Level of impact (high , medium or low)
Reduce or increase discrimination, victimisation or harassment against people covered by the equality protected characteristics?	Low
Reduce or increase equality of opportunity between people who share an equality protected characteristic and those who do not?	Low
Provide opportunity to improve good relations between those who share an equality protected characteristic and those who do not?	Low
4. Equality impact assessment required? (All high and medium policies MUST be impact assessed)	
YES	<input type="checkbox"/>
NO	<input checked="" type="checkbox"/> X
5. Decision rationale	
<p>The five year capital programme details where West Lothian Council intends to spend its capital receipts. The justification for this expenditure is on house (stock) condition as outlined by the Scottish Housing Quality Standard, new build council houses, as well as other additional non SHQS upgrades and improvements including externals, environmental work to aid in achieving energy efficiencies (in support of EESSH compliance) and equipment and adaptations.</p> <p>The focus on meeting the Scottish Housing Quality Standard will improve the condition of older stock to make it more secure, safe, accessible and energy efficient by design. The new build homes are being built to an exceptionally high specification and the selection of the designs at tender bid stage were made in partnership with members of the local equality groups to ensure the service had considered the needs of potentially vulnerable tenants from the formative stages of the project.</p>	

External upgrading will continue in areas identified as in greatest need and an increasing emphasis will be placed on the Energy Efficiency Standard for Social Housing (EESH) over the coming year. Demographically, the communities in greatest need of housing improvements tend to include people who may face fewer life choices and decreased social mobility – these tenants benefit most from improvement projects. By improving the appearance and overall quality of stock in these areas as a priority the life chances of those living there are significantly improved, with benefits to education, health and wellbeing and community safety.

EESH is intended to continue investment in external wall insulation to target work in council houses in areas of mixed tenure, where homeowners benefit from support through the Home Energy Efficiency Programme Scotland (HEEPS). The funding to help tenants achieve energy efficiency and keep fuel bills as low as possible will obviously aid those in most danger of fuel poverty and deprivation. This funding commitment allocated for improvements include boiler and heating system replacements and the installation of energy efficient loft and cavity wall insulation. The service intends to continue to focus on this area in recognition of the importance of tackling poorly insulated and heated homes to mitigate the threat of fuel poverty for those tenants most vulnerable to this threat. Improving the energy efficiency of our stock most in need of this work is a priority for the service.

One of the main drivers of the direction of capital funds is new build and housing supply. These programmes seek to address the gap in supply and demand issues for decent and affordable socially rented housing in the area. Provision of modern housing, exceeding the SHQS standard that is well supported by robust local infrastructure and services will benefit those most in need of housing and increase housing options for tenants and potential tenants. There is enormous housing demand pressure on all local registered social landlords; the capital programme priorities are directed towards alleviating some of this pressure and increasing the supply of affordable, socially rented accommodation.

This type of combined approach to meeting demand of increasing housing supply through new homes and improving older stock is continued in the proposed capital programme through the environmental upgrade works in communities, and the energy efficiency measures through the provisions made for increased spend on improving energy efficiency of properties. External environmental improvement projects support regeneration of communities most in need of works to improve the local environment.

The capital programme specifically budgets for needs based improvements to aid active living through provision of funding projections for adaptive equipment and adaptations to West Lothian Council's housing stock as determined by the health assessment process. Improvements made to meet the SHQS ensure all stock is more accessible at a basic level. The provision made for improvements to lighting, kitchen and bathroom renewals will also increase safety and quality of life for residents in older properties. This portion of the programme remains need-based and reactive in terms of service delivery in order to deliver improvements at the point of need to the tenant. A needs based investment approach prevents areas from becoming undesirable places to live, increases choice for potential tenants and encourages social mobility for existing residents, thereby increasing the social diversity of communities while seeking to prevent socio-economic deprivation.

The approach of making general structural and fixture/fittings improvements combined with specific adaptations where required enables tenants with mobility issues to remain independent in their own homes for longer and ensures that the adaptations that are made are tailored to the individual.

By budgeting for and recognising the importance of this type of improvement work to properties the proposals ensure the provision of needs based solutions for those who require it most. The policy on equipment and adaptations is centred on qualification via a set criteria applied by Occupational Therapy professionals; this has led to a straightforward process that is transparent and easy to access. Most requests meet the criteria and are approved.

By designing new build properties with the capacity for future aids and adaptations future proofs the supply of accommodation types in order to meet the needs of a diverse range of tenants. The decision to build one story bungalows is a result of responding directly to the needs of our local communities as expressed during consultation activity.

The service Group Accountant, HCBS Senior Management Team, Housing Strategy Officers, Special Projects Co-ordinator (responsible for the Capital Programme) and the service equality lead were involved in the consultation of this assessment. The details of the budget proposals within this report support these findings and it is unnecessary that a full EQIA be carried out.

It is recommended that any further budgetary proposals or amendments to the Capital Programme be screened for EQIA relevance where required.

- **No assessment required – process ends**
- **Assessment required – continue to next section**