



**WEST LOTHIAN COUNCIL**

**HOUSING CAPITAL INVESTMENT PROGRAMME 2020/21 to 2022/23**

**REPORT BY DEPUTE CHIEF EXECUTIVE**

**A. PURPOSE OF REPORT**

To seek approval for the updated Housing Capital Investment Programme for 2020/21 to 2022/23 and the proposed exemption for works under the terms of the Best Value Framework.

**B. RECOMMENDATION**

It is recommended that Council:

1. Approves the updated 2020/21 to 2022/23 Housing Capital Investment Programme and related funding as detailed in the report;
2. Approves the exemptions for works under the terms of the Best Value Framework, as outlined in section D.6 of the report.

**C. SUMMARY OF IMPLICATIONS**

<b>I. Council Values</b>	Focusing on customers' needs, being honest, open and accountable, making best use of our resources, working in partnership.
<b>II. Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)</b>	<p>The report on the updated Housing Capital Programme complies with the Housing (Scotland) Act 1987 and the council's Financial Regulations.</p> <p>The equality impact of the budget has been assessed in compliance with public sector duty requirements, as set out in the Equality Act 2010, the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 and Fairer Scotland Duty, Part 1 of the Equality Act 2010.</p> <p>An Integrated Relevance Assessment has been undertaken and is included in Appendix 3.</p>
<b>III. Implications for Scheme of Delegations to Officers</b>	None.
<b>IV. Impact on performance and performance Indicators</b>	An effective housing capital and asset strategy is vital to service performance.
<b>V. Relevance to Single Outcome Agreement</b>	Outcome 10 – We live in well designed, sustainable places where we are able to access the services we need.

<b>VI. Resources - (Financial, Staffing and Property)</b>	Proposed capital investment of £100.703 million for 2020/21 to 2022/23, with £32.850 million planned for 2020/21.
<b>VII. Consideration at PDSP</b>	The proposed budget was considered at Services for the Community PDSP on 4 February 2020.
<b>VIII. Other consultations</b>	Consultation has taken place with the Tenants Panel and the Head of Finance & Property Services.

## **D. TERMS OF REPORT**

### **D.1 BACKGROUND**

The council approved a five year rent and capital investment strategy for 2018/19 to 2022/23 in February 2018. As reported to the Services for the Community Policy Development and Scrutiny Panel on 12 December 2017, the statutory consultation on the five year rent strategy 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 for the updated three year Housing Capital Investment programme for 2020/21 to 2022/23.

### **D.2 2019/20 HOUSING CAPITAL OUTTURN POSITION**

An updated 2019/20 Housing Capital budget of £36.398 million was approved by Council Executive on 25 June 2019. 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.

As reported to Council Executive on 4 February 2020, expenditure totalling £34.436 million is forecast for the 2019/20 programme. The month 9 projected expenditure represents a net slippage/saving position of £1.962 million against the budgeted resources for 2019/20, and the final outturn position for the year will be reported to Council Executive in June 2020.

Any slippage or acceleration on projects in the 2019/20 programme will be rolled forward into the revised three year programme, and an updated programme will be presented to Council Executive for approval in June 2020.

### **D.3 LOANS FUND REVIEW**

A review of both the General Fund and Housing Revenue Account (HRA) loans fund advance repayments was carried out following the update of the Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016, and discussions were held with the council's treasury advisors. After reviewing and considering the options and recommendations resulting from the Loans Fund Review, officers proposed a number of changes to the way that the statutory loans fund was operated, which were approved by Council on 19 February 2019 and 24 September 2019.

Debt repayments for future years have been recalculated as a result of this decision, meaning that they will be repaid over a longer period of time to ensure that the payments can be assessed as prudent and to ensure that the repayments reasonably reflect the period over which the community receives the economic benefit of assets that are now lasting longer than originally assumed. It also means that loans fund repayments that have effectively been over provided for in prior years will be adjusted, with an under provision in future repayments being made to offset the previous over provision.

Taking into account potential additional loans fund costs, the reprofiling of loans fund repayments will generate one off net cash flow savings for the Housing Revenue Account in the short to medium term, as set out below:

*Table 1: Net Impact of Loans Fund Review Reprofiling of Debt Repayments*

	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2019/20 to 2022/23 £m	2023/24 to 2027/28 £m	Total £m
Loans Fund Review	1.630	4.181	4.245	4.284	14.340	11.660	26.000
Additional Loans Fund Costs	(0.150)	(0.150)	(0.150)	(0.150)	(0.600)	(0.750)	(1.350)
<b>Net Loans Fund Review Surplus</b>	<b>1.480</b>	<b>4.031</b>	<b>4.095</b>	<b>4.134</b>	<b>13.740</b>	<b>10.910</b>	<b>24.650</b>

As approved by Council, options as to how to utilise the one off HRA resources for 2019/20 to 2022/23 of £13.740 million from the reprofiling of the loans fund repayments within the HRA have been considered in the context of the current HRA rent strategy and capital programme. The remaining one off surplus of £10.910 million available for 2023/24 to 2027/28 will be considered as part of future rent strategy and capital planning for the next five year strategy period.

As noted in the updated Housing Revenue Account Budget and Rent Level report for 2020/21 to 2022/23, also presented to Council today for approval, it is proposed that the reduced capital financing costs within the revenue account are offset with an increased level of budgeted CFCR. This would allow for the cash flow saving from the review of the loans fund operations to be utilised as an additional source of funding to enhance the existing approved housing capital investment programme for 2020/21 to 2022/23.

Proposals for the use of this funding within the updated three year capital investment programme are set out below:

### **New Housing Supply**

Due to the council's ongoing commitment to deliver 3,000 additional houses between 2012 and 2022, it is proposed that some of the additional resource that has been made available from the loans fund reprofiling is used to help deliver this commitment. The 3,000 houses are to be delivered by both the council and by Registered Social Landlords (RSLs), and current plans indicate that 2,893 houses can be delivered within current budget assumptions, meaning that there is likely to be a shortfall of 107 houses from the 3,000 target.

The two main options available to increase housing supply within the required timescale to deliver the 3,000 house commitment are 'off the shelf' purchases from developers and open market acquisitions (OMAs). Two sites have been identified at Eliburn, Livingston and Wellhead Farm, Murieston that would deliver 62 units directly from developers at a net cost of approximately £4.590 million. The balance of at least 45 units to meet the 3,000 target could then be delivered through open market acquisitions at a net cost of approximately £4.725 million. Both of these options assume that these units will attract the standard Scottish Government grant awards for new builds and for OMAs.

### **Unsuitable Accommodation Legislation**

As reported to the Services for the Community PDSP in October 2019, the Scottish Government have announced their intention to amend current homelessness legislation to extend the restrictions in the Unsuitable Accommodation Order to all homeless people. By May 2021, the seven day restriction for time spent in unsuitable accommodation, which currently only applies to families and pregnant women, will be extended to all homeless groups.

This will increase the requirement for suitable accommodation to be made available to homeless households. Officers are working on identifying the impact of the change, and have identified that current provision in Newlands House and at Open Door does not meet the criteria for suitable accommodation and that there may be other properties that will need to be assessed to determine suitability. It is therefore proposed that an allowance of £1 million is allocated from the loans fund resources to enable works to be identified and carried out to meet the requirements of the new legislation.

### **Improvements to Existing Housing Stock**

There are a number of projects in the current approved housing capital programme where works have been accelerated due to demand and due to rescheduling of resources, namely central heating works and works to install smoke and heat detectors.

This means that the planned work approved as part of the original five year capital programme will be completed earlier than scheduled. It is proposed that an allocation is made from the loans fund resources to add to the existing budgets for these projects to enable the programmes to be extended and to achieve further improvements to the existing stock.

In particular, further investment in the central heating budget will enable the council to not only meet the current requirements of EESSH (the Energy Efficient Standard for Social Housing), but will enable work to be started on meeting future legislative requirements. It is proposed that £1.6 million is allocated to the existing central heating budget, and £1.1 million is allocated to the existing smoke and heat detector upgrade budget.

It is also proposed to allocate £625,000 to enhance the existing Planned Reactive/HIO Investment budget. This would result in a revised budget of £3.252 million over the next three years in planned reactive works, which would provide additional flexibility within the programme to respond to issues arising in relation to dampness and/or other emerging property related matters.

### **Tenant Environmental Projects**

It is proposed that the remaining balance of £100,000 is allocated to the Tenants' Environmental Projects budget. The current approved expenditure over the next three years is £150,000 per annum.

### **Summary of Proposals**

As outlined above, it is proposed to allocate the one off HRA loans fund resource for 2019/20 to 2022/23 as follows:

*Table 2: Summary of Proposals to Utilise Loans Fund Resources*

<b>Proposal</b>	<b>£m</b>
Purchase of 20 units from Bellway Homes at Eliburn	1.352
Purchase of 42 units from Bellway Homes at Wellhead Farm, Murieston	3.238
Purchase of 45 open market acquisitions	4.725
Allowance to meet requirements of updated unsuitable accommodation legislation	1.000
Increase to existing budget for central heating	1.600
Increase to existing budget for smoke and heat detector upgrades	1.100
Increase to existing budget for planned reactive and HIO investment	0.625
Increase to existing budget for tenants' environmental projects	0.100
<b>Total</b>	<b>13.740</b>

## D.4 UPDATED HOUSING CAPITAL INVESTMENT PROGRAMME 2020/21 TO 2022/23

The updated three year Housing Capital Investment Programme for 2020/21 to 2022/23 will see total investment of £100.703 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 proposed three year programme will see continued investment to increase housing supply and deliver the 3,000 new affordable homes programme by 2022. External upgrading will continue in areas identified with greatest need and an increasing emphasis will be placed on the Energy Efficiency Standard for Social Housing (EESH).

The updated investment programme includes the proposals for use of the one off loans fund resources, as outlined in Section D.3, and is summarised in the table below. Individual projects comprised within each project heading are listed in Appendix 1.

*Table 3: Planned Capital Investment*

<b>Investment Area</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>TOTAL £'000</b>
New Housing Supply	13,626	40,532	1,479	55,637
Major Refurbishment	2,278	385	0	2,663
Major Elemental Upgrades	3,491	2,530	2,639	8,660
Planned Programmes	3,175	3,270	3,512	9,957
Environmental Upgrading	380	380	330	1,090
Compliance Works	8,540	6,206	5,730	20,476
Miscellaneous	1,360	600	260	2,220
<b>Total Expenditure</b>	<b>32,850</b>	<b>53,903</b>	<b>13,950</b>	<b>100,703</b>

### **New Housing Supply**

Significant resources will be invested in the creation and acquisition of new homes, with budgeted resources of £55.637 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. It also includes budget provision for two additional sites at Eliburn, Livingston and Wellhead Farm, Murieston to be funded from one off loans fund resources, as detailed in Section D.3.

The council remains committed to expanding the housing supply, and delivery of 3,000 additional houses between the period 2012 to 2022 and, as such, it is planned that further Open Market Acquisitions will be progressed in the remaining three years of the programme, with at least an additional 45 units to be funded from loans fund resources. 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. A total of £2.663 million of major refurbishment works are planned, with estimated completion during financial year 2021/22.

### **Major Elemental Upgrades**

Major Elemental Upgrades consist of long term maintenance work, where structural elements such as roof and external walls are beyond economical repair by routine maintenance. This work will continue to form an important part of the investment programme, with planned resources of £8.660 million to be invested in 11 individual projects during the period 2020/21 to 2022/23.

Continued evaluation of the external condition of the housing stock through the cyclical maintenance survey programme and monitoring of high cost repairs has resulted in rephasing of some planned major upgrades to ensure that the projects and profile of works can be carried out as efficiently as possible. The annual cost review exercise of tendered rates has also identified potential savings against previous budget assumptions, which has been factored into the updated budget proposals.

### **Planned Programmes**

Planned programmes cover a broad range of activities, including decoration and internal upgrades, window and door refurbishments, painting and fencing programmes. These works are of preventative maintenance in nature, and are scheduled and prioritised based on condition. Works to the value of £9.957 million are anticipated over the three year period, and include an additional budget allocation for Planned Reactive/HIO investment, as proposed in Section D.3.

### **Environmental / External Upgrading**

Planned work, to the value of £1.090 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 local amenities and the community. The updated budget also includes an additional budget allocation for tenants' environmental improvements, to be funded from loans fund resources, as outlined in Section D.3.

Participatory Budgeting is usually referred to as 'Community Choices' in Scotland, and is a democratic process which empowers communities to have more say on how resources in their area are used. West Lothian Community Choices was included within the general fund revenue and capital budget reports and the housing capital investment report approved by Council in February 2018. Approval was given for a number of budget areas to be reviewed and for an update report to be presented to Council Executive in due course.

The tenants' environmental improvements budget was included as part of the proposed Community Choices programme, which was approved by Council Executive on 12 November 2019. Council Executive also agreed that the current process for determining works to be funded through this budget should be reviewed and the process extended to incorporate the community choices approach to funding. Further reports on the Community Choices process will be presented to Partnership and Resources PDSP and Council Executive during 2020.

### **Compliance Works**

Compliance works include projects to deliver energy efficiency measures, central heating replacements, electrical testing and repair, external wall insulation upgrades and asbestos management projects. Works to the value of £20.476 million are anticipated over the three year period. The updated budgets include additional allocation for central heating works and works to upgrade smoke and heat detectors, to be funded from loans fund resources, as outlined in Section D.3.

The introduction of Scotland's Energy Efficiency Standard for Social Housing (EESH) regulations means that by 1 January 2021, 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 continuing 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).

As reported to Council in February 2019, structural investigations were carried out at the Orlit properties in Armadale and Linlithgow, as recommended by structural engineers following significant upgrades to the properties approximately 20 years ago. Reports from external consultants have identified a scheme of repairs that require to be carried out on these properties, which have now commenced. Based on the properties that have been completed, estimates of costs have increased due to additional works that are required to fully open up the properties for repair, together with additional reinstatement and decoration costs to bring the properties back to the appropriate standard. It is therefore proposed that additional budget is allocated to this project, to be funded from within existing resources, namely the reprofiling and tender savings identified within the major elemental upgrades budgets outlined above.

### **Miscellaneous**

Some of the most significant investment activities facing the service over the next three 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 £2.220 million, are encompassed within this heading, including feasibility studies and a range of home security measures, such as aids and adaptations, which support tenants to live safely and independently within their homes. The updated budget also includes a provision for works that are likely to be required as a result of the introduction of new unsuitable accommodation legislation by the Scottish Government, to be funded from loans fund resources, as outlined in Section D.3.

## **D.5 UPDATED HOUSING CAPITAL RESOURCES 2020/21 TO 2022/23**

The updated split of the £100.703 million resources to fund the proposed 2020/21 to 2022/23 capital programme is detailed in Table 4. Financing of the programme will continue to be met largely through borrowing, with £47.980 million of borrowing planned over the three 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 three year period and must be deemed as prudent and affordable, based on the Prudential Indicators contained within the General Fund Revenue Budget report.

Both the capital financing charges and the Capital Funded from Current Revenue (CFCR) have been updated following the review of loans fund operations, and the revised 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. Due to the reprofiling of loans fund principal repayments as a result of the review of loans fund operations, the projected ratio of capital financing charges to gross rental income will increase at a slower rate than previously assumed, from 23.4% in 2020/21 to 25.5% 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 is £57,000 per unit, and for open market acquisitions the grant available is £30,000 per unit. A total of £20.362 million is anticipated for 2020/21 to 2022/23, with £1.668 million anticipated to support both the new build programme and open market acquisitions in 2020/21. The updated grant assumptions include the Scottish Government grant funding that will be payable on the new build sites at Eliburn, Livingston and Wellhead Farm, Murieston and the additional 45 open market acquisitions that are proposed to be funded from the one off loans fund resources.

It is proposed that a capital receipts target is incorporated into the overall funding for the capital programme, on the basis that there are a number of land and garage sites owned by the HRA which, due to their size and suitability, are unlikely to be developed by the council. An initial target of £100,000 per annum is proposed, with further information on potential sites to be marketed to be reported and approved in due course.

With regards to other sources of financing, funding of £250,000 per annum is expected from developer contributions and between £70,000 and £80,000 per annum from council tax on second homes, which will be directed towards the creation of new social housing. In total, £975,000 is anticipated from these sources over the updated three year period from 2020/21 to 2022/23. Legislative changes came into effect on 1 August 2016 that ended tenants' right to buy council houses, therefore no further sales receipts are anticipated.

Table 4 below summarises the updated capital resources available to fund the housing capital programme.

*Table 4: Capital Funding*

<b>Investment Area</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>2022/23 £'000</b>	<b>TOTAL £'000</b>
CFCR	10,379	10,329	10,378	31,086
Borrowing	20,373	24,455	3,152	47,980
Government Grants	1,668	18,694	0	20,362
Developer Contributions	250	250	250	750
Council Tax on 2 <sup>nd</sup> Homes	80	75	70	225
Capital Receipts	100	100	100	300
<b>Total Funding</b>	<b>32,850</b>	<b>53,903</b>	<b>13,950</b>	<b>100,703</b>

## **D.6 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 proposed Housing Capital Investment Programme for 2020/21 to 2022/23 is considered affordable, relative to gross rent levels and 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 proposed 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 2020/21 to 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 and Roof and Roughcasting continue to be carried out by Building Services, as well as Electrical Periodic Inspections.

The list of projects for exemption therefore includes:

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

The Public Sector Equality Duty (PSED) (often referred to as the ‘general duty’) requires public bodies in the exercise of their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct;
- Advance equality of opportunity between those who share a protected characteristic and those who do not;
- Foster good relations between those who share a protected characteristic and those who do not.

Supplementary legislation (the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012), requires the council to be proactive in meeting the general duty of eliminating unlawful discrimination, advancing equality and fostering good relations. In addition, the Fairer Scotland Duty, part 1 of the Equality Act 2010, places a legal responsibility on councils to pay due regard to how they can reduce inequalities of outcome, caused by socioeconomic disadvantage, when making strategic decisions. The Fairer Scotland Duty came into effect from 1 April 2018, therefore it is not a retrospective duty and does not apply to decisions taken before that date.

## **D.7 INTEGRATED EQUALITY IMPACT ASSESSMENT**

Following the key principles of relevance and proportionality within the Equality Act 2010, an integrated equality impact assessment of policies and decisions of the councils is a requirement of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012. This process is well established within the council’s budget setting process.

Prior to presentation of the corporate asset management strategy and five year housing capital investment plan to Council in February 2018, an initial equality relevance assessment was undertaken on the proposed projects. This assessment identified whether a full assessment was required to ensure appropriate consideration was given to the impact of proposals on protected groups, with judgements being undertaken regarding relevance and proportionality. The assessment determined that a full equality impact assessment was not required at that time.

On re-assessing relevance in 2020, there is clear evidence that the service plans and delivers an ongoing co-productive approach to the design, timing, and delivery of the capital programme with tenants, tenant representatives and other stakeholders. This ensures that the views and preferences of stakeholders are factored in to shape the programme, and the ongoing reporting of progress and scrutiny of the delivery of the programme means that officers are accountable and performance is transparent. The changes implemented throughout the period of the capital investment programme have reflected the changing needs of tenants, and have been made in response to feedback from customers.

Reflecting the recent Fairer Scotland duty, the integrated relevance assessment was refreshed for the updated three year programme and is attached as Appendix 3. The assessment gave consideration to the three key general duties and it is deemed unnecessary that a full Integrated Impact Assessment (IIA) be carried out. Any further budgetary proposals or amendments to the Housing Capital Investment Programme will be screened for IIA relevance where required.

## **D.8 CORPORATE ASSET MANAGEMENT AND FUTURE CAPITAL INVESTMENT**

The current Corporate Asset Management Strategy was agreed by the council in February 2018. Asset management provides appropriate structures and governance arrangements to ensure that 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 updated three 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 the 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 updated Housing Capital Investment Programme for 2020/21 to 2022/23, with proposed investment of £100.703 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 and agreed by Council on 13 February 2018, 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 acquisitions. 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 £32.850 million is anticipated in 2020/21. The updated programme reflects movements reported to Council Executive in February 2020 and recognises the requirement to refine and rephase projects and expenditure. It also continues a new period of planned investment in the council's housing stock, ensuring that resources are prioritised effectively and reflect the investment needs of the stock.

Through the Housing Capital Investment 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**

Best Value Framework - Report by Chief Executive to Council Executive on 10 June 2014

Rent Consultation – Report by Depute Chief Executive to Services for the Community PDSP on 12 December 2017

Housing Revenue Account Budget and Rent Levels 2018/19 to 2022/23 – Report by Depute Chief Executive to Council on 13 February 2018

West Lothian Strategic Housing Investment Plan 2019-2024 - Report by Head of Housing, Customer and Building Services to Council Executive on 9 October 2018

Treasury Management Plan 2019/20 – Report by Head of Finance and Property Services to West Lothian Council on 19 February 2019

Update on Review of the Loans Fund, Insurance Fund and Modernisation Fund – Report by Head of Finance and Property Services to West Lothian Council on 24 September 2019

2019/20 Period 9 Housing Capital Monitoring – Report by Depute Chief Executive to Council Executive on 4 February 2020

Housing Revenue Account and Rent Level 2020/21 to 2022/23 – Report to Services for the Community Policy Development and Scrutiny Panel on 4 February 2020

Housing Capital Investment Programme 2020/21 to 2022/23 – Report to Services for the Community Policy Development and Scrutiny Panel on 4 February 2020

Housing Revenue Account Budget 2020/21 to 2022/23 and Rent Level 2020/21 – Report to West Lothian Council on 18 February 2020

### Appendices/Attachments: Three

Appendix 1: Housing Capital Investment Programme 2020/21 to 2022/23

Appendix 2: Housing Capital Investment Programme 2020/21 to 2022/23 – Further Information

Appendix 3: Integrated Relevance Assessment Form

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**Graeme Struthers**  
**Depute Chief Executive**  
**18 February 2020**

## Housing Capital Investment Programme 2020/21 to 2022/23

	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
<b>NEW SUPPLY</b>				
New Build	12,576	34,357	1,379	48,312
Open Market Acquisition Scheme	900	6,075	0	6,975
Mortgage to Rent	150	100	100	350
<b>TOTAL NEW SUPPLY</b>	<b>13,626</b>	<b>40,532</b>	<b>1,479</b>	<b>55,637</b>
<b>REFURBISHMENT AND INVESTMENT</b>				
<b>Major Refurbishment</b>				
Bathville Flats, Armadale	1,448	0	0	1,448
Harrison Houses - Loch Scheme, Whitburn	830	385	0	1,215
	2,278	385	0	2,663
<b>Major Elemental Upgrades</b>				
Almond View & Cousland Terrace, Seafield	0	0	863	863
Anderson Avenue, Armadale	436	0	0	436
Badallan Place, Fauldhouse	182	0	0	182
Church Place, Fauldhouse	285	0	0	285
Croftmalloch Estate - Harrison Houses, Whitburn	0	875	725	1,600
Dedridge Area, Livingston	897	897	715	2,509
Drummond Place, Blackridge	715	0	0	715
Fallas Place, Walker Road, Main Street, Fauldhouse (Flats)	205	466	0	671
Mansefield Court & Waverley Street, Bathgate	556	0	0	556
Preston Area - Linlithgow	0	292	336	628
Strathlogie, Westfield	215	0	0	215
	3,491	2,530	2,639	8,660
<b>Planned Programmes</b>				
Assisted Decoration & Internal Upgrade Scheme	350	350	350	1,050
Common Access Door Upgrades	150	150	150	450
Common Stair Upgrades	100	100	250	450
Fencing	100	100	115	315
Kitchens and Bathrooms	680	680	680	2,040
Painting	200	200	200	600
Planned Reactive / HIO Investment	995	1,090	1,167	3,252
Rainwater Goods Testing & Upgrading	200	200	200	600
Windows & Doors Refurbishment / Renewal	400	400	400	1,200
	3,175	3,270	3,512	9,957
<b>Environmental / External Upgrading</b>				
Aerial Upgrades	30	30	30	90
Play Areas	50	50	50	150
Programmed Drainage	100	100	100	300
Tenant Environmental Projects	200	200	150	550
	380	380	330	1,090
<b>Compliance Works (Direct and Assistive)</b>				
Aids and Adaptations - Building Services	450	450	450	1,350
Aids and Adaptations - Occupational Therapists	250	250	250	750
Asbestos Management	690	690	690	2,070
Central Heating	2,850	2,850	2,800	8,500
Energy Efficiency/PV Panels	100	100	100	300
External Wall Insulation	1,300	426	0	1,726
Orlit Remedial Upgrades	240	240	240	720
Periodic testing and electrical upgrades	700	700	700	2,100
Renewal of walls and footpaths	100	100	100	300
Smoke and heat detector upgrades	1,690	300	300	2,290
Stock Condition Surveys/Energy Performance Certificates	170	100	100	370
	8,540	6,206	5,730	20,476
<b>Miscellaneous</b>				
Deans South, Livingston	100	340	0	440
Feasibility Surveys	20	20	20	60
Home Safety Service	170	170	170	510
Home Security for Senior People	20	20	20	60
IT	50	50	50	150
Unsuitable Accommodation Works	1,000	0	0	1,000
	1,360	600	260	2,220
<b>TOTAL REFURBISHMENT &amp; INVESTMENT</b>	<b>19,224</b>	<b>13,371</b>	<b>12,471</b>	<b>45,066</b>
<b>TOTAL HOUSING CAPITAL INVESTMENT PROGRAMME</b>	<b>32,850</b>	<b>53,903</b>	<b>13,950</b>	<b>100,703</b>

**HOUSING CAPITAL INVESTMENT PROGRAMME 2020/21 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 and deliver the additional 250 new build units that were approved in 2018, as part of the 3,000 affordable homes initiative.

In addition, provision has been made in the updated housing capital budget to utilise a portion of the one off funding that has been made available from the reprofiling of loans fund principal repayments to increase the housing stock further. Two sites have been identified at Eliburn, Livingston and Wellhead Farm, Murieston that will deliver 62 new build units directly from developers.

Details of the sites to be completed from 2020/21 to 2022/23 are provided below.

Site	Units	Est. House Completions by 31/03/2021	Estimated site completion date
Brucefield, Livingston	33	33	2020/21
Standhill, Bathgate	22	22	2020/21
Eagle Brae, Livingston	30	0	2021/22
Mossend, West Calder	69	0	2021/22
Bathgate Sites	82	0	2021/22
Deans South (phase 2)	24	0	2021/22
Eliburn, Livingston	20	0	2021/22
Wellhead Farm, Murieston	42	0	2021/22
<b>Total</b>	<b>322</b>	<b>55</b>	

The council will also add to its stock by purchasing houses; resources for acquisition of former council houses are included in the planned programme, and additional provision has been made from loans fund resources to increase the scheme and contribute towards the achievement of the 3,000 additional houses target by 2022. 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 (ESSH)**

One of the main objectives of the Housing Capital Programme is to invest in the existing housing stock to maintain the Scottish Housing Quality Standard (SHQS) and achieve compliance with the Energy Efficiency Standard for Social Housing (ESSH) by 1 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 ESSH requirements by 1 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.

#### **Harrison Houses**

Due to ongoing maintenance issues, resulting in high cost roof repairs, major external and structural upgrades will continue 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 and 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 will continue to work with Environmental Health and Legal to maximise options and outcomes of the scheme.

#### **Bathville Flats**

The works at Bathville are extensive, involving roof and external wall upgrades, new and more secure stairwells and environmental improvements. The works have been complicated by services such as gas and electricity which underlay the buildings. Building Services are making significant progress with the development.

Currently the refurbishment work at phases one, two and three are complete. Phase four is ongoing and scheduled for completion early Summer 2020. Work at phase five has yet to start and is scheduled to be on site late in August 2020, with an estimated completion date in February 2021.

**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 2020/21 to 2022/23 is detailed below:

	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Almond View & Cousland Terrace, Seafield	0	0	863	863
Anderson Avenue, Armadale	436	0	0	436
Badallan Place, Fauldhouse	182	0	0	182
Church Place, Fauldhouse	285	0	0	285
Croftmalloch Estate - Harrison Houses, Whitburn	0	875	725	1,600
Dedridge Area, Livingston	897	897	715	2,509
Drummond Place, Blackridge	715	0	0	715
Fallas Place, Walker Road, Main Street, Fauldhouse (Flats)	205	466	0	671
Mansefield Court & Waverley Street, Bathgate	556	0	0	556
Preston Area - Linlithgow	0	292	336	628
Strathlogie, Westfield	215	0	0	215
<b>TOTAL</b>	<b>3,491</b>	<b>2,530</b>	<b>2,639</b>	<b>8,660</b>

**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 (ESSH). The budget funds around 90 full Window 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	Areas
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, the Assisted Decoration Scheme was introduced 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 977 tenants, with the approved 5 year programme intended to assist a total of 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.

Additional budget allocation of £625,000 from one off loans fund resources is proposed to enhance the existing Planned Reactive/HIO Investment budget, to provide additional flexibility within the programme to respond to issues arising in relation to dampness and/or other emerging property related matters.

**d) Environmental and External Upgrading**

This category supports local environmental programmes which include; Tenant Led Environmental Projects, Programmed 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.

Additional budget allocation of £100,000 from one off loans fund resources is proposed to enhance the existing Tenant Environmental Projects budget in 2020/21 to 2022/23.

	2020/21 £'000	2021/22 £'000	2022/23 £'000	Total £'000
Aerial Upgrades	30	30	30	90
Play Areas	50	50	50	150
Programmed Drainage	100	100	100	300
Tenant Environmental Projects	200	200	150	550
<b>TOTAL</b>	<b>380</b>	<b>380</b>	<b>330</b>	<b>1,090</b>

**e) Compliance Works**

**Smoke and Heat Detector Upgrades**

The original smoke detector programme, which commenced in 2010/11, was concentrated on upgrading battery operated smoke detectors to hard wired smoke detectors. As reported to Council in February 2019, there was a need to review the plan once the outcome of the Scottish Government's consultation on Fire and Smoke Detectors was known. The legislation has now been updated, and a review of the programme has now taken place to ensure compliance with the new legislation by the February 2021 deadline.

Additional budget allocation of £1.1 million from one off loans fund resources is proposed to enhance the existing smoke and heat detector upgrade budget.

**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 2,200 heating upgrades over 3 years.

Additional budget allocation of £1.6 million from one off loans fund resources is proposed to enhance the existing central heating budget.

### **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.

### **Stock Condition Survey/Energy Performance Certificates (EPC)**

This budget funds stock conditions survey work and EPCs that 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 measures required to ensure the council complies with the Scottish Housing Quality Standard (SHQS) and The Energy Efficiency Standard for Social Housing (EESH).

### **External Wall Insulation**

External wall insulation will be fitted to 485 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 three 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.

**Integrated Relevance Assessment Form**

1. Details of proposal																			
<b>Policy Title</b> (include budget reference number if applicable)	Housing Capital Programme 2020/21 to 2022/23																		
<b>Service Area</b> (detail which service area and section this relates to)	Housing, Customer and Building Services																		
<b>Lead Officer</b> (Name and job title)	AnnMarie Carr, Head of Housing, Customer and Building Services																		
<b>Other Officers/Partners involved</b> (list names, job titles and organisations if applicable)	Grant Walker, Development Manager Robert Smith, Housing Investment Manager Kirsty Weir, Service Development Officer Pamela Bell, Senior Service Accountant Tenants Panel Capital Programme Working Group																		
<b>Date relevance assessed</b>	15/01/2020																		
2. Does the council have control over how this policy will be implemented?																			
YES	<input checked="" type="checkbox"/> X <input type="checkbox"/> NO																		
<p>3. The General Duty of the Equality Act 2010 requires public authorities, in the exercise of their functions, to have due regard to the need to:</p> <ul style="list-style-type: none"> <li>• Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct</li> <li>• Advance equality of opportunity between those who share a protected characteristic and those who do not; and</li> <li>• Foster good relations between those who share a protected characteristic and those who do not</li> </ul> <p>NB: In this section you must also consider the Human Rights Act and the key PANEL (Participation, Accountability, Non-Discrimination, Empowerment and Legality) principles of Human Rights – (further detail on what these are, are provided in the guidance document)</p> <p>Which groups of people do you think will be, or potentially could be, impacted upon by the implementation of this policy? You should consider employees, clients, customers and service users (Please tick below as appropriate)</p> <table border="1"> <tr> <td>Age - Older people, young people and children</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Disability - people with disabilities/long standing conditions</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Gender reassignment - Trans/Transgender Identity – anybody who's gender identity or gender expression is different to the sex assigned to them at birth</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Marriage or Civil Partnership – people who are married or in a civil partnership</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Pregnancy and Maternity – woman who are pregnant and/or on maternity leave</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Race - people from black, Asian and minority ethnic communities and different racial backgrounds</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Religion or Belief – people with different religions and beliefs including those with no beliefs</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Sex - Gender Identity - women and men (girls and boys) and those who self-identify their gender</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Sexual Orientation – lesbian, gay, bisexual, heterosexual/straight</td> <td><input type="checkbox"/></td> </tr> </table>		Age - Older people, young people and children	<input type="checkbox"/>	Disability - people with disabilities/long standing conditions	<input type="checkbox"/>	Gender reassignment - Trans/Transgender Identity – anybody who's gender identity or gender expression is different to the sex assigned to them at birth	<input type="checkbox"/>	Marriage or Civil Partnership – people who are married or in a civil partnership	<input type="checkbox"/>	Pregnancy and Maternity – woman who are pregnant and/or on maternity leave	<input type="checkbox"/>	Race - people from black, Asian and minority ethnic communities and different racial backgrounds	<input type="checkbox"/>	Religion or Belief – people with different religions and beliefs including those with no beliefs	<input type="checkbox"/>	Sex - Gender Identity - women and men (girls and boys) and those who self-identify their gender	<input type="checkbox"/>	Sexual Orientation – lesbian, gay, bisexual, heterosexual/straight	<input type="checkbox"/>
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4. Do you have evidence or reason to believe that this policy will or may impact on socio-economic inequalities? Consideration must be given particularly to children and families			
Socio-economic Disadvantage			Impact – please tick below as appropriate)
Low Income/Income Poverty – cannot afford to maintain regular payments such as bills, food, clothing			✓
Low and/or no wealth – enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future			
Material Deprivation – being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure and hobbies			
Area Deprivation – where you live (rural areas), where you work (accessibility of transport)			
Socioeconomic Background – social class i.e. parents education, employment and income			
5. Integrated impact assessment required? (Two <b>ticks (✓)</b> above = full assessment necessary)			
YES		NO	✓
6. Decision rationale – if you have ticked no above, use this section to evidence why a full IIA is not required			
<p>The three year capital programme details where West Lothian Council intends to spend its capital resources. 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> <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.</p> <p>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.</p>			

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.

Housing, Customer and Building Services Senior Management Team, the Senior Service Accountant, the Housing Development Manager, the Housing Investment Manager, Housing Strategy Officers 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 IIA be carried out. It is recommended that any further budgetary proposals or amendments to the Capital Programme be screened for IIA relevance where required.

<b>Signed by Lead Officer</b>	AnnMarie Carr
<b>Designation</b>	Head of Housing, Customer and Building Services
<b>Date</b>	15/01/2020
<b>Counter Signature</b> (Head of Service or Depute Chief Executive responsible for the policy)	Graeme Struthers, Depute Chief Executive
<b>Date</b>	12/02/2020