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SERVICES FOR THE COMMUNITY POLICY DEVELOPMENT AND SCRUTINY PANEL

HOUSING CAPITAL INVESTMENT PROGRAMME 2021/22 to 2022/23

REPORT BY DEPUTE CHIEF EXECUTIVE

A. PURPOSE OF REPORT

To advise the Panel of the updated Housing Capital Investment Programme for 2021/22 to 2022/23 and the proposed exemption for works under the terms of the Best Value Framework.

B. RECOMMENDATION

It is recommended that the Panel:

1. Notes the proposed updated 2021/22 to 2022/23 Housing Capital Investment Programme and related funding as detailed in the report;
2. Notes the 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 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)	<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>
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)	Proposed capital investment of £80.393 million for 2021/22 to 2022/23, with £43.828 million planned for 2020/21.
VII. Consideration at PDSP	Not applicable.
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

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 sets out the proposed updated two year Housing Capital Investment programme for 2021/22 to 2022/23.

D.2 2020/21 HOUSING CAPITAL OUTTURN POSITION

An updated 2020/21 Housing Capital budget of £29.241 million was approved by Council Executive on 23 June 2020. 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 9 February 2021, expenditure totalling £23.270 million is forecast for the 2020/21 programme. The month 9 projected expenditure represents a net slippage/saving position of £5.971 million against the budgeted resources for 2020/21, mainly due to the ongoing effects and restrictions in place due to the Covid-19 pandemic, and the final outturn position for the year will be reported to Council Executive in June 2021.

Any slippage or acceleration on projects in the 2020/21 programme will be rolled forward into the revised two year programme, and an updated programme will be presented to Council Executive for approval in June 2021.

D.3 UPDATED HOUSING CAPITAL INVESTMENT PROGRAMME 2021/22 TO 2022/23

The updated two year Housing Capital Investment Programme for 2021/22 and 2022/23 will see total investment of £80.393 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 two year programme will see continued investment to increase housing supply and deliver the 3,000 new affordable homes programme. 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 Covid-19 pandemic and the resulting restrictions have had a material impact on the housing capital programme, and this has been taken into account in the proposed updated budget for 2021/22 and 2022/23. The programme has been reviewed in light of current

restrictions, estimates of when these restrictions are likely to be eased and the likely impact that these changes will have on the various types of projects required to be carried out as part of the housing capital investment programme.

For the new housing supply element of the programme, the complete shutdown in construction in spring 2020 and the continuing restrictions around working practices will inevitably mean continuing delays in delivering the planned new build and open market acquisition programme. Revised budgets have been updated based on current assumptions as to what can realistically be progressed during 2021/22 and 2022/23.

Although the capital programme has been reviewed and updated based on current guidance and assumptions, there remains a material risk that circumstances may change further. Current uncertainty around the period and level of restrictions that will apply over the coming months means that the level of risk around deliverability of the updated programme remains extremely high. There are also substantial risks around the affordability of the current approved programme. There may be further increased costs due to construction inflation, there may be further increased costs and delays due to lack of availability of materials, and there may be issues around availability of contractors as some companies may not survive the current crisis.

Given the ongoing material disruption and uncertainty around the Covid-19 situation, officers will continue to review the programme and will continue to report on the impact to Council Executive as part of the established budget monitoring exercise. Officers will also endeavour to pursue all options for delivery of the programme and to minimise any further delays where possible.

Taking into account the challenges and assumptions outlined above, 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	2021/22 £'000	2022/23 £'000	TOTAL £'000
New Housing Supply	28,289	21,989	50,278
Major Refurbishment	496	0	496
Major Elemental Upgrades	3,224	3,187	6,411
Planned Programmes	2,611	3,710	6,321
Environmental Upgrading	330	561	891
Compliance Works	8,278	6,258	14,536
Miscellaneous	600	860	1,460
Total Expenditure	43,828	36,565	80,393

New Housing Supply

Significant resources will be invested in the creation and acquisition of new homes, with budgeted resources of £50.278 million factored into the investment programme. The new build programme includes the completion of the current approved programme, and the updated budget reflects the new build sites and open market acquisitions in Bathgate approved by Council Executive on 17 November 2020 to replace the original planned units at Guildiehaugh.

The council remains committed to expanding the housing supply, and delivery of 3,000 additional houses and, as such, it is planned that further Open Market Acquisitions will be progressed in the remaining two years of the 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. A total of £496,000 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 £6.411 million to be invested in 8 individual projects during the period 2021/22 and 2022/23.

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 £6.321 million are anticipated over the two year period.

Environmental / External Upgrading

Planned work, to the value of £891,000, 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.

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 an update report was presented to Council Executive in November 2019 which agreed the budgets to be subject to the West Lothian Community Choices process.

The tenants' environmental improvements budget was included as part of the proposed Community Choices programme. Positive engagement and discussions have been held with the Tenants' Panel on how the current process could be updated to incorporate a more Community Choices based focus, and a proposed approach was approved by Council Executive in December 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 £14.536 million are anticipated over the two year period.

The introduction of Scotland's Energy Efficiency Standard for Social Housing (EESH) regulations means that 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).

Miscellaneous

Some of the most significant investment activities facing the service over the next two 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 £1.460 million, are encompassed within this heading, including feasibility studies, a provision for works required as a result of the introduction of unsuitable accommodation legislation by the Scottish Government and a range of home security measures, such as aids and adaptations, which support tenants to live safely and independently within their homes.

D.4 UPDATED HOUSING CAPITAL RESOURCES 2020/21 TO 2022/23

The updated split of the £80.393 million resources to fund the proposed 2021/22 to 2022/23 capital programme is detailed in Table 2. Financing of the programme will continue to be met largely through borrowing, with £41.428 million of borrowing planned over the two 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 two 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 gross rental income to capital financing charges will increase from 23.6% in 2021/22 to 25.5% in 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 £16.170 million is anticipated for 2021/22 to 2022/23, with £11.778 million anticipated to support both the new build programme and open market acquisitions in 2021/22.

With regards to other sources of financing, funding of £550,000 is expected from developer contributions and £145,000 from council tax on second homes, which will be directed towards the creation of new social housing, and £200,000 from capital receipts. In total, £895,000 is anticipated from these sources over the updated two year period from 2021/22 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 2 below summarises the updated capital resources available to fund the housing capital programme.

Table 2: Capital Funding

Investment Area	2021/22 £'000	2022/23 £'000	TOTAL £'000
CFCR	11,162	10,738	21,900
Borrowing	20,463	20,965	41,428
Government Grants	11,778	4,392	16,170
Developer Contributions	250	300	550
Council Tax on 2 nd Homes	75	70	145
Capital Receipts	100	100	200
Total Funding	43,828	36,565	80,393

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 proposed Housing Capital Investment Programme for 2021/22 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 2021/22 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.6 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 2021, 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 two 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.7 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 two 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 2021/22 and 2022/23, with proposed investment of £80.393 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 approved new build programme 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 £46.650 million is anticipated in 2021/22. The updated programme reflects movements reported to Council Executive in February 2021 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.

Revised budgets take into account estimated delays due to the current Covid-19 pandemic, based on latest guidance and assumptions, however there remains a material risk to the delivery of the programme if restrictions continue for longer than currently estimated. Officers will continue to monitor the impact of the current situation on the housing capital investment programme and will continue to make every effort to minimise any further delays where possible.

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

2020/21 Period 9 Housing Capital Monitoring – Report by Depute Chief Executive to Council Executive on 9 February 2021

Housing Revenue Account Budget 2021/22 to 2022/23 and Rent Level 2021/22 – Report to Services for the Community Policy Development and Scrutiny Panel on 9 February 2021

Appendices/Attachments: Three

Appendix 1: Housing Capital Investment Programme 2021/22 to 2022/23

Appendix 2: Housing Capital Investment Programme 2021/22 to 2022/23 – Further Information

Appendix 3: Integrated Relevance Assessment Form

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Appendix 1

Housing Capital Investment Programme 2021/22 to 2022/23

	2021/22 £'000	2022/23 £'000	Total £'000
NEW SUPPLY			
New Build	21,479	19,889	41,368
Open Market Acquisition Scheme	6,710	2,000	8,710
Mortgage to Rent	100	100	200
TOTAL NEW SUPPLY	28,289	21,989	50,278
REFURBISHMENT AND INVESTMENT			
Major Refurbishment			
Bathville Flats, Armadale	111	0	111
Harrison Houses - Loch Scheme, Whitburn	385	0	385
	496	0	496
Major Elemental Upgrades			
Almond View & Cousland Terrace, Seafield	0	863	863
Church Place, Fauldhouse	277	0	277
Croftmalloch Estate - Harrison Houses, Whitburn	500	1,100	1,600
Dedridge Area, Livingston	1,453	159	1,612
Drummond Place, Blackridge	252	0	252
Fallas Place, Walker Road, Main Street, Fauldhouse	450	220	670
Mansefield Court & Waverley Street, Bathgate	0	556	556
Preston Area - Linlithgow	292	289	581
	3,224	3,187	6,411
Planned Programmes			
Assisted Decoration Scheme	350	350	700
Common Access Door Upgrades	100	100	200
Common Stair Upgrades	100	250	350
Fencing	100	100	200
Kitchens and Bathrooms	400	960	1,360
Painting	200	200	400
Planned Reactive/ HIO Investment	811	1,200	2,011
Rainwater Goods Testing and Upgrading	150	150	300
Windows & Doors Refurbishment / Renewal	400	400	800
	2,611	3,710	6,321
Environmental / External Upgrading			
Aerial Upgrades	30	30	60
Play Areas	50	50	100
Programmed Drainage	100	100	200
Tenant Environmental Projects	150	381	531
	330	561	891
Compliance Works (Direct and Assistive)			
Aids and Adaptations - Building Services	426	450	876
Aids and Adaptations - Occupational Therapists	200	200	400
Asbestos Management	690	321	1,011
Central Heating	3,398	3,832	7,230
Energy Efficiency/PV Panels	50	50	100
External Wall Insulation	1,262	0	1,262
Orlit Remedial Upgrades	218	400	618
Periodic testing and Electric Upgrades	817	700	1,517
Smoke and Heat Detector Upgrades	1,000	88	1,088
Stock Condition Surveys/Energy Performance Certificates	217	217	434
	8,278	6,258	14,536
Miscellaneous			
Deans South, Livingston	40	0	40
Feasibility Surveys	20	20	40
Home Safety Service	170	170	340
Home Security for Senior People	20	20	40
IT	50	50	100
Unsuitable Accommodation Works	300	600	900
	600	860	1,460
TOTAL REFURBISHMENT & INVESTMENT	15,539	14,576	30,115
TOTAL HOUSING CAPITAL INVESTMENT PROGRAMME	43,828	36,565	80,393

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Appendix 2

HOUSING CAPITAL INVESTMENT PROGRAMME 2021/22 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, as well as delivering the additional two new build sites approved in 2020 as a result of the additional one off funding made available through the loans fund review.

Details of the sites to be completed from 2021/22 to 2022/23 are provided below.

Site	Units	Est. House Completions by 31/03/2022	Estimated site completion date
Standhill, Bathgate	22	22	2020/21
Eagle Brae, Livingston	29	29	2021/22
Mossend, West Calder	69	69	2021/22
Deans South (phase 2)	29	29	2021/22
Eliburn, Livingston	20	20	2021/22
Mid Street, Bathgate	5	5	2021/22
Marjoribanks Street, Bathgate	6	6	2021/22
Wellhead Farm, Murieston	42	20	2022/23
Wester Inch, Bathgate	59	0	2022/23
Total	281	200	

The council will also add to its stock by purchasing houses, and resources for acquisition of former council houses through the Open Market Acquisitions Scheme are included in the planned programme.

Provision has also been made to continue with the Mortgage to Rent scheme, which is a Scottish Government subsidy scheme to allow owners in extreme financial difficulty to sell their properties to the council and become council tenants.

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 the Scottish Housing Quality Standard (SHQS) and achieve compliance with the Energy Efficiency Standard for Social Housing (EESH), originally planned for 1 January 2021.

On 5 May 2020, the Scottish Government published updated guidance on the Scottish Housing Quality Standard (SHQS). The amended guidance is found at <https://www.gov.scot/publications/shqs-technical-guidance-for-social-landlords/>.

The amendment covers the following areas:

- Changes to bring the guidance in line with changes to the tolerable standard for fire and smoke alarms and carbon monoxide detectors,
- Changes to reflect that the EESH supersedes the energy efficiency elements of SHQS,
- Changes to ensure guidance on electrical safety inspections is consistent with the requirements of BS 7671 Requirements for Electrical Installations (the "Wiring Regulations"), and
- Some minor and non-consequential changes to links, formatting and pagination.

The first part of EESH has now been subsumed within the Scottish Housing Quality Standard Energy Efficiency criteria, and the services. An implementation plan has been developed to work with existing work plans whilst ensuring compliance.

Whilst the Regulator's current guidance to landlords advises that assessment of performance will take account of the impact of the Covid-19 pandemic, the Scottish Government guidance on SHQS and EESH includes guidance on situations where landlords can report an exemption for houses that cannot meet standards for reasons outwith the landlords' control.

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 was anticipated that the investment programme would ensure that all stock continues to meet with the SHQS and will also ensure that the stock meets with EESH2 requirements by 1 January 2025 and 2032 whilst maintaining the Scottish Housing Quality Standard. The current Covid-19 pandemic has impacted on this, resulting in both the SHQS and EESH works being delayed.

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 Services 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 with only the external ground works to finish. This is scheduled for completion by February 2021. Work at phase five started in November 2020, with an estimated completion date of July 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 2021/22 to 2022/23 is detailed below:

	2021/22 £'000	2022/23 £'000	Total £'000
Almond View & Cousland Terrace, Seafield	0	863	863
Church Place, Fauldhouse	277	0	277
Croftmalloch Estate - Harrison Houses, Whitburn	500	1,100	1,600
Dedridge Area, Livingston	1,453	159	1,612
Drummond Place, Blackridge	252	0	252
Fallas Place, Walker Road, Main Street, Fauldhouse	450	220	670
Mansefield Court & Waverley Street, Bathgate	0	556	556
Preston Area - Linlithgow	292	289	581
TOTAL	3,224	3,187	6,411

c) Planned Programmes

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.

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 80 full kitchen and bathroom installations 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	Armada & Blackridge
2020/21	Fauldhouse & Breich
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

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.

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). This funds around 80 full Window and Door Upgrades each year.

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.

	2021/22 £'000	2022/23 £'000	Total £'000
Aerial Upgrades	30	30	60
Play Areas	50	50	100
Programmed Drainage	100	100	200
Tenant Environmental Projects	150	381	531
TOTAL	330	561	891

e) Compliance Works

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.

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) .

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 works required to meet The Energy Efficiency Standard for Social Housing (EESH).

External Wall Insulation

External wall insulation will be fitted to 50 Swedish Timber 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.

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.

Smoke and Heat Detector Upgrades

The original smoke detector programme, which commenced in 2010/11, 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 taken place to ensure compliance with the new legislation by the February 2022 deadline.

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).

f) **Miscellaneous**

Deans South, Livingston

This budget will fund any legal and property fees required as part of sale of the land.

Feasibility Surveys

This budget will support a two 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 Senior People

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.

Unsuitable Accommodation Works

The Unsuitable Accommodation Order 2004 requires local authorities to ensure that homeless households with children and pregnant women are not placed in unsuitable temporary accommodation unless exceptional circumstances apply. This budget funds work to properties to increase suitable housing stock directly to support the Rapid Rehousing Transition Plan and includes refurbishment of the former supported accommodation unit in Hopetoun Street, Bathgate.

Data Label: Public



Integrated Relevance Assessment Form

1. Details of proposal																			
Policy Title (include budget reference number if applicable)	Housing Capital Programme 2021/22 to 2022/23																		
Service Area (detail which service area and section this relates to)	Housing, Customer and Building Services																		
Lead Officer (Name and job title)	AnnMarie Carr, Head of Housing, Customer and Building Services																		
Other Officers/Partners involved (list names, job titles and organisations if applicable)	Marjory Mackie, Housing Strategy & Development Manager 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																		
Date relevance assessed	15/01/2021																		
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"> • 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; and • Foster good relations between those who share a protected characteristic and those who do not <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 ticks (✓) 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 two 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 (SHQS) 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 the 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.

Signed by Lead Officer	AnnMarie Carr
Designation	Head of Housing, Customer and Building Services
Date	15/01/2021
Counter Signature (Head of Service or Depute Chief Executive responsible for the policy)	Graeme Struthers, Depute Chief Executive
Date	15/01/2021