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WEST LOTHIAN COUNCIL

HOUSING CAPITAL INVESTMENT PROGRAMME 2024/25 TO 2027/28

REPORT BY DEPUTE CHIEF EXECUTIVE

A. PURPOSE OF REPORT

To seek approval of the proposed Housing Capital Investment Programme for 2024/25 to 2027/28 and to note the scope of works to be undertaken by Building Services under the terms of the Best Value Framework.

B. RECOMMENDATION

It is recommended that the Council:

1. Approves the proposed 2024/25 to 2027/28 Housing Capital Investment Programme and related funding as detailed in the report; and
2. Notes the scope of works to be undertaken by Building Services under the terms of the Best Value Framework, as outlined in section D.5 of the report.

C. SUMMARY OF IMPLICATIONS

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|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I. Council Values | <ul style="list-style-type: none"> • Caring and Compassionate • Open, Honest and Accountable • Collaborate, Inclusive and Adaptive Focusing |
| II. Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment) | <p>The report on the updated Housing Capital Investment 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. |

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|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| VI. Resources - (Financial, Staffing and Property) | Proposed capital investment of £132.982 million for 2024/25 to 2027/28, with £39.360 million planned for 2024/25. |
| VII. Consideration at PDSP | The proposed budget was considered at the Housing Services PDSP on 9 February 2024. |
| 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 2023/24 to 2027/28 on 7 February 2023. The approved strategy set out a planned investment programme of £157.972 million over the period 2023/24 to 2027/28 and comprised of £27.245 million investment in new housing supply and £130.727 million of investment in the existing council housing stock and the environment, to improve homes and local amenity.

An updated 2023/24 Housing Capital budget of £31.012 million was approved by Council Executive on 20 June 2023. The revised programme incorporated programme slippage from 2022/23 into the 2023/24 capital investment programme previously approved by the council.

As reported to the Council Executive on 6 February 2024, expenditure totaling £27.649 million is forecast for the 2023/24 programme, with a variance of £3.363 million against the budgeted resources for 203/24. Any slippage or acceleration on projects in the 2023/24 programme will be rolled forward into the revised four-year programme, and an updated programme will be presented to Council Executive for approval in June 2024.

D.2 HOUSING SUPPLY AND DEMAND CONTEXT

The imbalance between supply and demand for permanent social rented accommodation continues to be a key challenge in West Lothian. There remains a high number of people applying to the council for permanent housing through the council's allocation policy, as well as accommodation require for homeless applicants to enable the council to discharge a statutory homeless duty.

The approved West Lothian Local Housing Strategy (LHS) 2023-2028 has identified both affordable and market housing supply targets for West Lothian based on the Housing Need and Demand Assessment (HNDA3). These targets are 316 affordable homes per annum (1,580 over five years) and 401 market homes per annum based on the average over a 20 year period to 2040.

The council's target is to facilitate the delivery of a minimum 1,621 new affordable homes over the next five years, directly through 383 additional council homes via new build and open market acquisitions and by supporting Registered Social Landlords (RSLs) in our capacity as the Strategic Housing Authority, to deliver a further 1,238 additional affordable homes for social renting.

The Strategic Housing Investment Plan (SHIP) 2024/25 to 2028/29 includes sites with a total of 2,608 potential affordable homes over the five year period. This exceeds the current minimum target of 1,621 affordable homes in West Lothian and ensures there are sufficient sites for prioritisation should opportunities for additional resources come forward during this time.

The Scottish Government supports the council and RSL's through the provision of grant funding in the form of Resource Planning Assumptions (RPA's) and has confirmed funding of £15.376 million for 2023/24. This represents the total funding for both the council and

RSLs in support of the new build and open market acquisition additions. The funding position for 2024/25 and the remaining period to 2027/28 has yet to be confirmed by the Scottish Government.

D.3 HOUSING CAPITAL INVESTMENT PROGRAMME 2024/25 TO 2027/28

The updated four year Housing Capital Investment Programme for 2024/25 to 2027/28 will see total investment of £132.982 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 SHIP and LHS, 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 updated four year programme will see continued investment to increase housing supply, while external upgrading will continue in areas identified with greatest need and an increasing emphasis will be placed on energy efficiency and the anticipated requirements of the new Social Housing Net Zero Standard, which is estimated to be in place by 2025 following the consultation and development period.

Taking into account the challenges and assumptions outlined above, the proposed investment programme is summarised in the table overleaf. 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	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
New Housing Supply	12,619	9,635	3,135	1,334	26,723
Major Refurbishment	0	0	0	400	400
Major Elemental Upgrades	7,297	5,025	6,368	6,874	25,564
Planned Programmes	8,224	8,610	9,016	9,441	35,291
Environmental Upgrading	261	274	289	302	1,126
Statutory Compliance	10,623	10,912	10,678	11,026	43,239
Miscellaneous	336	97	101	105	639
Total Expenditure	39,360	34,553	29,587	29,482	132,982

New Housing Supply

Significant resources will continue to be invested in the creation and acquisition of new homes with budgeted resources of £26.723 million factored into the investment programme. The new build programme will deliver a further 112 additional new council houses, including both new build and open market acquisition additions, over the four year period and the council will continue to support applications that meet required criteria under the Scottish Government Mortgage to Rent Scheme.

Good progress is being made in delivery of the West Lothian Affordable Housing programme across the active sites, with 782 units completed to the end of Quarter 3 2023/24, representing 48% of the overall Affordable Housing Programme minimum target of 1,621. Affordable homes are under construction at twelve sites across West Lothian and a total of 559 homes are under construction.

Major Refurbishment

Significant improvements will include the completion of major works at the Lochs Scheme in Whitburn, and windows, roof and render works at Almondell Road in Broxburn. A total of £400,000 of major refurbishment works are planned over the four year period.

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 £25.564 million to be invested in fifteen individual projects over the period from 2024/25 to 2027/28. Fallas Place, Fauldhouse is an addition to the programme approved in February 2023, and is proposed within the updated programme following consultation with owner occupiers through the Tenement Management Scheme and will complete the work within this area of Fauldhouse.

Planned Programmes

Planned programmes cover a broad range of activities, including kitchens and bathroom replacements, window and door refurbishments, painting and fencing programmes. These works are of preventative maintenance in nature, and are prioritised based on condition.

It is recognised that increasing legislative standards relating to insulation and energy efficiency of housing stock, in tandem with modern day lifestyles can create challenges relating to air quality and ventilation. As such, planned programmes contain air quality and ventilation in addition to the energy efficiency measures included within statutory compliance works. Works to the value of £35.291 million are anticipated from 2024/25 to 2027/28.

Environmental / External Upgrading

Planned work, to the value of £1.126 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.

Statutory Compliance Works

The Scottish Housing Quality Standard (SHQS) remains a key focus for investment in existing stock, however in addition there are range of legislative requirements that require to continue to be met including aids and adaptations, fire safety, electrical safety and management of asbestos.

Statutory compliance works include projects to deliver energy efficiency measures, central heating replacements, aids and adaptations, electrical testing and repair, external wall insulation upgrades and asbestos management projects. Works to the value of £43.239 million are anticipated from 2024/25 to 2027/28.

The proposed programme also includes investment to support the removal of Reinforced Autoclaved Aerated Concrete (RAAC) in council housing stock. Identification of RAAC in buildings extends beyond West Lothian, encompassing the wider Scottish housing sector. Following a desktop review and structural surveys, the council has identified RAAC within 69 houses and 15 common blocks, representing 0.5% of the overall council housing stock and a strategy for remediation was presented to Housing Services Policy Development and Scrutiny Panel on 9 February 2024. Early estimates of costs for removal and remediation indicate a budget requirement of £4.3 million and provision has been included in the programme for this work.

The Energy Efficiency Standard for Social Housing (ESSH) regulations means that any house in Scotland under the management of social landlords should meet a minimum energy rating. ESSH continues to be a major focus for project work. This Standard will be replaced in 2025 with the Social Housing Net Zero Standard (SHNZS) which is under consultation at present and once further details on the requirements of proposed new standard are published programmes of work will be reviewed in line with these.

External Wall Insulation (EWI) works will continue 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 year 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 £639,000, are encompassed within this heading, comprising feasibility studies and a range of home security measures, which support tenants to live safely and independently within their homes.

D.4 HOUSING CAPITAL RESOURCES 2024/25 TO 2027/28

The breakdown of the £132.982 million resources to fund the proposed 2024/25 to 2027/28 capital programme is detailed in Table 2. Financing of the programme will continue to be met largely through borrowing, with £94.956 million of borrowing planned over the investment period.

Table 2: Capital Funding

Investment Area	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
CFCR	7,599	7,050	6,376	5,211	26,236
Borrowing	28,861	22,213	20,511	23,371	94,956
Government Grants	2,100	4,390	1,800	0	8,290
Developer Contributions	200	200	200	200	800
Council Tax on 2 nd Homes and long term empty homes	100	100	100	100	400
Capital Receipts	500	600	600	600	2,300
Total Funding	39,360	34,553	29,587	29,482	132,982

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 budget 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 3.5% per annum. The projected ratio of gross rental income to capital financing charges is forecast to increase from 25.0% in 2023/24 to 30.6% by 2027/28, however there are ongoing risks around interest rates that can adversely affect borrowing cost projections and these ratios are regularly reviewed to identify the impact of any increases in costs on the overall funding of the capital programme.

The capital investment programme approved by council on 7 February 2023 is predicated on the five-year rent strategy which provides for a 3.5% per annum increase in the rental charge for council houses, garages, sheltered housing and homelessness properties and related accommodation. From this programme CFCR contributions of £26.236 million are planned over the four-year period to 2027/28 from the HRA to support the proposed capital investment programme.

Any decision to reduce the annual rent increase below 3.5% per annum would have implications for the level of capital investment programme unless the cumulative shortfall in rent is reinstated in future years and/or there is an increased level of borrowing and/or capital resources. A 1% reduction in rent would equate to a £601,000 reduction in CFCR funding in a single year and over the remaining four-year period this would equate to a minimum of £2.4million.

Scottish Government grant funding is restricted to the support for new build and open market acquisition properties. All other costs associated with investing in existing stock for

issues such as SHQS, EESSH, SHNZS and RAAC require to be fully funded from the other sources of capital funding which are principally funded from tenant's rents via CFCR and borrowing costs.

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 assumed to be £75,000 per unit, and for open market acquisitions the grant available is assumed to be £40,000 per unit. A total of £8.290 million is anticipated for 2024/25 to 2027/28.

With regards to other sources of financing, funding of £800,000 is expected from developer contributions and £400,000 from council tax on second homes and long-term empty properties, which will be directed towards the creation of new social housing, and £2.3 million is budgeted from capital receipts. In total, £3.5 million is anticipated from these income sources over the four-year period to 2027/28.

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 2024/25 to 2027/28 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 22 February 2022, 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 no longer sets a pre-determined threshold over which works must be subject to competitive tendering and exemptions are not specified. Instead, it recognises that there is a range of benefits though in-house delivery but that issues relating to available capacity, skills and resources may result in the need to procure external support or service delivery. Where that is the case, Standing Orders for the Regulation of Contracts and Corporate Procurement Procedures apply. Decisions to proceed in-house or through external provision must be made on a case-by-case basis and must be informed by and justified against the Best Value Framework.

A review of the Housing Capital Investment Programme for 2024/25 to 2027/28 has been undertaken to determine works that may be carried out by external providers and works that may be carried out in-house to ensure compliance with the Best Value Framework. The outcome of that exercise will be kept under review at regular intervals over the duration of the programme and tested against the Best Value Framework. It is proposed that works on elements of the Refurbishment and Investment programme continue to be carried out by

Building Services and this work includes:

- Major Refurbishment
- Major Elemental Upgrades
- Planned Programmes – Kitchens and Bathrooms
- Planned Programmes – Windows and Door Refurbishment/Renewal
- Statutory Compliance Work – Central Heating programme
- Statutory Compliance Work – Periodic Testing and Smoke and Heat Detector 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.

Assessment of the proposed four-year Housing Capital Investment Programme has demonstrated that 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. In previous years, 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, an integrated relevance assessment has been carried out for the updated 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 RISKS

The Housing Capital Investment programme was reviewed and updated in June 2023, to take account of the 2022/23 outturn position, latest circumstances and funding assumptions.

Market conditions are continuing to have an impact on costs. There may be further

increased costs due to construction price inflation, which remains highly unpredictable, with further increased costs and delays due to lack of availability of materials.

The (SHQS) remains a key focus for investment in existing stock, however in addition there are increased legislative requirements that will require to be addressed within the timeline of a ten-year capital investment strategy, including the new Social Housing Net Zero Standard (SHNZS) which is planned to replace EESSH from 2025 and the council commitment to be net carbon zero by 2045. The emphasis for the new Standard is likely to move towards zero emissions heating, which will require significant utilities infrastructure to support a large scale replacement programme.

RAAC is an emerging risk within housing stock. The council has undertaken surveys and established 0.5% of the housing stock is affected, with early indications of removal costs estimated at £4.3 million. However, there may be wider impacts for RSL's within existing stock which could impact the new supply programmes and these will be monitored closely in the coming months.

In order to meet the milestones towards SHNZS and net carbon zero by 2045, capital investment will span over multiple capital planning periods, and will include secondary replacement cycles.

The programmes of compliance, maintenance and investment work to existing housing stock requires to be fully funded through tenant rents.

D.8 CORPORATE ASSET MANAGEMENT AND FUTURE CAPITAL INVESTMENT

The current Corporate Asset Management Strategy was agreed by the council in February 2023. 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 Housing Capital Investment 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 proposed Housing Capital Investment Programme for 2024/25 to 2027/28, with proposed investment of £132.982 million over the four-year period, and anticipated expenditure of £39.360 million in 2024/25. It builds on, and consolidates, local housing needs identified within the SHIP and LHS. The investment proposals are framed on the outcome of the Housing Rent and Consultation Strategy reported to the Housing Services Policy Development and Scrutiny Panel on 9 February 2024, which indicated that the majority of responses from tenants supported a 3.5% rent increase per annum.

There is a strong focus within the programme on the creation of additional social housing including continuation 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 significant 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 and its replacement, the Social Housing Net Zero Standard.

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 Review – Report by Head of Finance and Property Services to Council Executive on 22 February 2022

Housing Capital Investment Programme 2023/24 to 2027/28 – Report by Depute Chief Executive to West Lothian Council on 7 February 2023

2022/23 Housing Capital Outturn and Updated 2023/24 to 2027/28 Budget – Report by Depute Chief Executive to Council Executive on 20 June 2023

2023/24 Housing Capital Programme – Month 9 Monitoring Report – Report by Depute Chief Executive to Council Executive on 6 February 2024

Appendices/Attachments: Three

Appendix 1: Housing Capital Investment Programme 2024/25 to 2027/28

Appendix 2: Housing Capital Investment Programme 2024/25 to 2027/28 – Further Information

Appendix 3: Integrated Relevance Assessment Form

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Graeme Struthers
Depute Chief Executive
22 February 2024

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Appendix 1

Housing Capital Investment Programme 2024/25 to 2027/28

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	Total £'000
NEW SUPPLY					
New Build	8,060	9,560	3,060	1,259	21,939
Open Market Acquisitions	4,484	0	0	0	4,484
Mortgage to Rent	75	75	75	75	300
TOTAL NEW SUPPLY	12,619	9,635	3,135	1,334	26,723
REFURBISHMENT & INVESTMENT					
Major Refurbishment					
Almondell Road, Broxburn	0	0	0	400	400
	0	0	0	400	400
Major Elemental Upgrades					
Auldhill Cottages, Bridgend	446	0	0	0	446
Belvedere/ Dundas, Bathgate	0	0	0	1,241	1,241
Brown Street, Armadale	776	0	0	0	776
Craiginn Terrace, Blackridge	0	0	302	0	302
Croftmalloch	821	0	0	0	821
Dedridge, Livingston	3,413	3,583	3,762	3,951	14,709
Eldrick Avenue, Fauldhouse	0	0	231	0	231
Fallas Place, Fauldhouse (mixed tenure blocks)	516	0	0	0	516
Harestanes, Armadale	0	1,021	0	0	1,021
Heights, Blackridge	0	0	880	0	880
Hillside Place, Longridge	0	0	0	682	682
McNeil/ King Street, Armadale	0	0	1,021	0	1,021
Preston Area, Linlithgow	401	421	172	0	994
Seafield	924	0	0	0	924
School Place, Broxburn	0	0	0	1,000	1,000
	7,297	5,025	6,368	6,874	25,564
Planned Programmes					
Air Quality, dampness & ventilation	158	165	174	182	678
Common Access Door Upgrades	53	55	58	61	226
Common Stair Upgrades	44	46	49	51	190
Fencing	210	221	232	243	905
Kitchens and Bathrooms (incl. of decoration & ventilation)	4,196	4,406	4,626	4,857	18,085
Painting	158	165	174	182	679
Planned Reactive/ HIO Investment	500	500	500	500	2,000
Rainwater Goods Testing and Upgrading	147	154	162	170	634
Windows & Doors Refurbishment / Renewal	2,759	2,897	3,042	3,194	11,893
	8,224	8,610	9,016	9,441	35,291
Environmental / External Upgrading					
Aerial Upgrades	26	28	29	30	113
Play Areas	52	55	58	61	226
Programmed Drainage	25	26	28	29	108
Tenant Environmental Projects	158	165	174	182	679
	261	274	289	302	1,126
Statutory Compliance Works					
Aids and Adaptations - Building Services	700	735	772	810	3,017
Aids and Adaptations - Occupational Therapists	210	221	232	243	905
Asbestos Management	600	630	650	690	2,570
Central Heating	2,941	3,088	3,243	3,405	12,676
Common Stairwell lighting upgrades	50	53	55	58	216
EESH2 / Carbon Zero Additional Works	1,400	2,910	3,862	3,862	12,034
Orlit Remedial Upgrades	230	0	0	0	230
Periodic Testing and Electric Upgrades	883	927	974	1,022	3,806
RAAC Remediation Programme	2,800	1,500	0	0	4,300
Smoke and heat detector upgrades	588	617	648	681	2,534
Stock Condition Surveys/Energy Performance Certificates	210	221	232	243	905
Water Safety	11	11	12	12	46
	10,623	10,912	10,678	11,026	43,239
Miscellaneous					
Feasibility Surveys	20	20	20	20	80
Home Safety Service	74	77	81	85	317
IT	242	0	0	0	242
	336	97	101	105	639
REFURBISHMENT AND INVESTMENT TOTAL	26,741	24,918	26,452	28,148	106,259
TOTAL HOUSING CAPITAL INVESTMENT PROGRAMME	39,360	34,553	29,587	29,482	132,982

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Appendix 2

HOUSING CAPITAL INVESTMENT PROGRAMME 2024/25 TO 2027/28**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. In 2023/24 sites at Mossend in West Calder, Wellhead Farm in Murieston, Hopetoun Street in Bathgate and Cawburn Road in Pumpherston will complete. This will result in 54 new homes being added to the housing stock with 18 handovers at Mossend, 16 at Wellhead Farm, 4 at Hopetoun Street and 16 at Cawburn Road.

Details of indicative sites included as part of the new supply programme are provided below. It is anticipated these units will be constructed during the period of the programme. The list of sites is at present indicative and updates on new build council housing will be reported as part of the overall affordable housing programme updates.

Site	Units
Houston Road, Livingston	30
Simpson Parkway, Livingston	32
Almondvale Crescent, Livingston	20
Mossend, West Calder	20
Total	102

To the end of Quarter 3 2023/24, the council has acquired 10 properties through the Open Market Acquisitions Scheme (OMAS), and plans are in place to purchase a further 18 by the end of 2023/24. The council will also add to its stock by purchasing a further 10 former council homes through OMAS, and resources are included within the programme for this, giving a total of 38 homes purchased through OMAS in the programme.

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) which will be replaced with the Social Housing Net Zero Standard from 2025. The first part of ESSH has now been subsumed within the Scottish Housing Quality Standard Energy Efficiency criteria.

The Scottish Government recognises that the current economic climate with rising inflation leading to increased costs for construction and maintenance, rising energy bills and the moratorium on rent increases has added pressure to the need for investment and has had an impact on landlords and tenants. The Zero Emissions Social Housing Taskforce (ZEST)

recommended that the Scottish Government bring forward its review so it better aligns with the Net Zero strategy and the ZEST transition. The Scottish Government agreed to bring forward and accelerate the review. The review commenced in September 2022 it is anticipated that the new Social Housing Net Zero Standard will be in place from 2025 at the earliest. Whilst the review is underway, the 2025 and 2032 EESSH2 milestones are on hold. EESSH1 continues to apply during this period.

Whilst social landlords are not required to meet or show progress towards EESSH2 milestones in reporting their performance for 2023/2024, Social Landlords should however continue to collect data for their own use, including:

- The number of properties in each EPC band at the end of the year;
- The value of investment in energy efficiency improvements in each reporting year.

Whilst the review is under way social landlords are also advised to continue to invest in energy efficiency measures and zero direct emissions heating where appropriate. Investment should be driven by a cost-effective investment policy. During this time the priority remains:

- Fabric first approach using measures to improve thermal efficiency and ventilation;
- Measures that use zero emissions heating;
- Reducing energy use;
- Projects for district heating/communal heating systems;
- Projects that make a significant difference to hard-to-treat properties;
- Projects that help to model the actual performance of new technologies and their impact.

The review will develop new targets for domestic dwellings which will meet the aims outlined in the ZEST Report and the Scottish Government's response to it. The timing of this presents a risk to the programme in that the precise statutory requirements and timescales remain unknown at this time, however by following the principles above the council can ensure positive outcomes for tenants and make best use of tenants' rent money.

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 moves toward Net Zero whilst maintaining the Scottish Housing Quality Standard.

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.

Almondell Road, Broxburn

This project will include extensive external works across 1-45 Almondell road, involving roofs, windows and new and more secure stairwells as well as remedial external wall repairs.

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 from 2024/25 to 2027/28 is detailed below:

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Auldhill Cottages, Bridgend	446	0	0	0	446
Belvedere/ Dundas, Bathgate	0	0	0	1,241	1,241
Brown Street, Armadale	776	0	0	0	776
Craiginn Terrace, Blackridge	0	0	302	0	302
Croftmalloch, Whitburn	821	0	0	0	821
Dedridge, Livingston	3,413	3,583	3,762	3,951	14,709
Eldrick Avenue, Fauldhouse	0	0	231	0	231
Fallas Place, Fauldhouse	516	0	0	0	516
Harestanes, Armadale	0	1,021	0	0	1,021
Heights, Blackridge	0	0	880	0	880
Hillside Place, Longridge	0	0	0	682	682
McNeil/ King Street, Armadale	0	0	1,021	0	1,021
Preston Area, Linlithgow	401	421	172	0	994
Seafield	924	0	0	0	924
School Place, Broxburn	0	0	0	1,000	1,000
TOTAL	7,297	5,025	6,368	6,874	25,564

c) PLANNED PROGRAMMES

- **Air Quality, Dampness & Ventilation**

This programme supports required individual upgrades and investment in ventilation systems.

- **Common Access Door Upgrades**

This budget undertakes work which keeps the properties in compliance with the SHQS. This requires Secure Door Entry System upgrades or replacements in order to keep them in compliance with the SHQS. The budget funds around 7 communal blocks each year.

- **Kitchens and Bathrooms**

This category incorporates work which keeps Kitchens and Bathrooms in compliance with the SHQS. The budget funds around 350 full kitchen and bathroom installations each year.

- **Cyclical Maintenance**

Cyclical Maintenance (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 the service as part of the five year rolling programme. The survey programme is pre-determined as shown in the table below:

Year	Areas
2024/25	Armadale & Blackridge
2025/26	Fauldhouse & Breich
2026/27	Blackburn, Whitburn & Bathgate
2027/28	Livingston South/North, East Livingston & East Calder
2028/29	Broxburn, Uphall, Winchburgh & Linlithgow

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 to ensure compliance with the Scottish Housing Quality Standard.

- **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). This funds around 390 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, while the Tenant Led Environmental Projects support the council's Community Choices works.

	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	TOTAL £'000
Aerial Upgrades	26	28	29	30	113
Play Areas	52	55	58	61	226
Programmed Drainage	25	26	28	29	108
Tenant Environmental Projects	158	165	174	182	679
TOTAL	261	274	289	302	1,126

e) STATUTORY 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**

Central heating upgrades are undertaken in order to keep the properties in compliance with the SHQS and meet EESSH. The budget funds around 700 full central heating systems each year.

- **EESSH2 / Carbon Zero Additional Works**

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 EESSH.

- **RAAC Remediation and Removal**

The project strategy for RAAC remediation and removal will commence in 2024/25 and will continue into 2025/26. This project will ensure these houses continue to meet SHQS.

- **Periodic Testing and Electric Upgrades**

There is an obligation on the council as a landlord to electrically test each house at least every five years and additionally at the point of re-letting after a house is empty.

These surveys identify any potential problems. The most important of these are electrical faults, earthing issues and asbestos in consumer units. This includes full electrical upgrading where required.

- **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.

On 5 May 2020, the Scottish Government published updated guidance on the SHQS. The amendment included changes to bring the guidance in line with changes to the tolerable standard for fire and smoke alarms and carbon monoxide detectors. A review of the programme has taken place and all properties are now compliant with the new standard. The proposed budget will ensure continued compliance with the standard.

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

This budget funds stock condition 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.

To date 2,985 properties have been surveyed, with the remainder of the stock to receive a full house condition survey by 2027/28.

This will also help focus investment measures required to ensure the council complies with the SHQS and EESSH.

f) **MISCELLANEOUS**

- **Feasibility Surveys**

This budget will support the 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.

DATA LABEL: PUBLIC



Integrated Relevance Assessment Form

1. Details of proposal	
Policy Title (include budget reference number if applicable)	Housing Capital Investment Programme 2024/25 to 2027/28
Service Area (detail which service area and section this relates to)	Housing, Customer and Building Services
Lead Officer (Name and job title)	Julie Whitelaw, Interim 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 Gillian Edwards Team Manager Housing Strategy & New Supply Robert Smith, Housing Investment Manager Karen Stevenson, Senior Service Accountant Tenants Panel Capital Programme Working Group
Date relevance assessed	12/01/2024
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>	
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"/>

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 proposed 2024/25 to 2027/28 housing capital programme details where the 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 (SHQS), 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 Energy Efficiency Standard for Social Housing (EESH) compliance) and equipment and adaptations.</p> <p>The focus on meeting the 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 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 EESH over the course of the investment programme. 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 is 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. There is funding commitment within the Housing Capital Investment Programme allocated for improvements include boiler and heating system replacements, the installation of energy efficient loft and cavity wall insulation, and double/triple glazing window and door replacements. 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>			

A key focus in the direction of capital funding is new housing supply. The new supply programme seeks to address the gap in supply and demand issues for good quality 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 significant 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 also ensures all stock is more accessible at a basic level. 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 more accessible housing 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 Housing Capital Investment Programme be screened for IIA relevance where required.

Signed by Lead Officer	Julie Whitelaw
Designation	Interim Head of Housing, Customer and Building Services
Date	22/02/2024
Counter Signature (Head of Service or Depute Chief Executive responsible for the policy)	Graeme Struthers, Depute Chief Executive
Date	22/02/2024