

Housing, Homelessness and Fair Work Committee

10.00am, Thursday, 4 November 2021

Housing Revenue Account (HRA) Capital Programme – update on projects

Executive/routine Wards Council Commitments	Executive All
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1. Recommendations

- 1.1 It is recommended that Housing, Homelessness and Fair Work Committee notes the:
 - 1.1.1 Update on the HRA Capital Programme; including key housing investment priorities in localities; and
 - 1.1.2 The contribution that HRA investment makes to the delivery of Council commitments on affordable housing and net zero carbon by 2030.

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Report

Housing Revenue Account (HRA) Capital Programme – update on projects

2. Executive Summary

- 2.1 On [3 June](#) Committee approved the 2021/22 HRA Capital Programme and noted the 2022/23 planned programme and five-year investment programme. Committee also agreed an Addendum by the Coalition calling for a report within two committee cycles on key housing investment projects in localities.
- 2.2 This report provides an update on the delivery of the HRA Capital Programme; including work that has been commissioned to support the move to whole house retrofit. Appendix 1 of the report contains an update on housing investment projects in localities. The work programme set out in this report forms part of the HRA Budget Strategy and supports delivery of Council commitments on affordable housing and net zero carbon.

3. Background

- 3.1 On [18 February 2021](#), Council approved a one-year revenue budget, an outline £1.2bn five-year programme and £2.8bn ten-year capital investment programme to deliver Council commitments on affordable housing and net zero carbon by 2030, and to create places where people want to live that keep them safe, secure, healthy and connected through a holistic area-based approach.
- 3.2 The Council also agreed to accelerate £1.860m investment to improve internal common stairwells and to increase resources for the Mixed Tenure Improvement Strategy (MTIS).
- 3.3 On [18 March 2021](#), Housing, Homelessness and Fair Work Committee approved the planned HRA Capital Programme for investment of £87.386m in 2021/22.
- 3.4 On [3 June 2021](#), Housing, Homelessness and Fair Work Committee received a further report, which set out a detailed HRA Capital Programme of £103.987m for 2021/22 and £203.069m for 2022/23, as well as a revised five-year capital programme that takes into account of the slippage from 2020/21, the phasing of additional capital investment agreed in the budget and the impact of Covid-19. It

also agreed to receive a report in two cycles on the projects outlined in the key priorities in Appendix 3.

- 3.5 This should include, for large scale projects such as external fabric improvements, status updates on community engagement and consultation, design work, the scope of works and indicative time frames for work to begin.

4. Main report

- 4.1 Tenants' views on investment plan, services and associated rent levels are sought every year as part of the budget consultation. Briefings with elected members were carried out in January 2021 on the HRA Budget Strategy 2021-2031 and key investment priorities.
- 4.2 Further sessions were held in April 2021 with ward Councillors on the planned investment in 2021/22 and 2022/23. This has helped to shape the current capital investment plan and the key investment priorities going forward. Updates on these key investment priorities can be found in Appendix 1 of this report.
- 4.3 Investment in existing homes has previously been prioritised due to lifecycle replacement, health and safety, and statutory compliance. Over the next two years, the programme will move to a holistic area-based approach that will combine whole house retrofit with wider estate regeneration. This transition will need to be informed by accurate stock information and understanding of the whole house retrofit (WHR) measures that are best suited to the existing Council homes.
- 4.4 The future area-based approach will also be informed by repairs trends, such as recurring repair issues in particular property types or a concentration of issues relating to dampness, mould or condensation in particular parts of the city. Work is ongoing to introduce a new Asset Management ICT System which will support this analysis.
- 4.5 The [Housing Sustainability Update](#) report provided details on the stock condition survey and design principle commission which are the key elements of the two-year transition period.
- 4.6 To date 1,352 properties have had stock condition surveys completed, but due to the resource intensity of this work, the remaining building types will be progressed externally via the new Professional Services Framework. This commission is now in place and is scheduled to go live later in 2021.
- 4.7 The commission for high rise stock condition surveys has been finalised and is being progressed via the Professional Services Framework. The main findings from both of these commissions will be overlaid with the design principles work.
- 4.8 Phase one of the Design Principles commission is now underway with all 48 archetypes expected to be surveyed by March 2022. About half of these archetypes have been surveyed by accessing void properties but there may be a need to access tenanted properties for the remainder. There are six common archetypes that make up around 50% of the whole council estate.

- 4.9 Following these surveys each archetype will be assessed against a range of retrofit standards in terms of cost and technical interventions required to meet these standards. The scope for Phase 2 and 3 of the Design Principles commission will also now be progressed covering performance specification, detailed design and pilot projects. The programme for carry out stock condition surveys will be informed by this work and the results fed in in real time to enable the identification of around 6 pilot projects to further inform longer term investment planning. The pilot projects will be focused on the most common archetypes with the first pilot projects expected to be on site later next financial year.
- 4.10 Investment inside tenants' homes remains a priority in order to improve the energy efficiency of Council homes and ensure compliance with the Scottish Housing Quality Standard.
- 4.11 The pandemic has resulted in the programme only becoming fully operational in September this year, after the mainland of Scotland moved to Level 0. It has taken time to remobilise the workforce for paused contracts, as well as, to tender new contracts for internal work, and there still remains additional health and safety measures on site to minimise workforce transmission. Access to tenants' homes to progress internal upgrades remains a challenge.
- 4.12 Kitchen, bathroom and heating upgrades both resumed at the beginning of September and will be accelerated as much as possible to make up some of the delay built up since March 2020 (250 homes are expected to benefit from new kitchens and bathrooms and 350 homes from new heating systems this financial year).
- 4.13 The smoke detectors and fire alarm upgrade programme also started on site in September.
- 4.14 The door entry upgrade programme continues. Owners in 300 minority-owned stairs will be engaged in 2021/22 with work to progress subject to owners' agreement. There has been slippage in the lift service programme but it is expected to meet its original timescales (12 lifts in six multi-storey blocks).
- 4.15 Work continues on site for new windows and doors (280 homes expected to complete by the end of the financial year).
- 4.16 Adaptation work started to recover as restrictions eased and has seen a surge in demand. It is estimated that it will take 18 months to clear the backlog built up during the pandemic. New 'call-off contracts' have been put in place to help prevent any unnecessary delays.
- 4.17 Fabric and communal work have been less affected by Covid-19, though time on site is still elongated due to the impact of the pandemic on the workforce and the need to implement safe working practices.
- 4.18 The HEEPS:ABS has continued and regained momentum. In total 553 private homes and 204 Council properties in mixed tenure stairs will be targeted for a range of measures including external, internal and cavity wall insulation and solar PV.

- 4.19 The HEEPS:ABS 2021-22 programme is also now being procured and sign up will commence shortly. Approximately 464 private homes and 464 Council homes in mixed tenure settings will be targeted for a range of measures including external, internal and cavity wall insulation and solar PV.
- 4.20 Essential fire upgrade works for Citadel and Persevere multi storey blocks have now been completed with consultation underway with owners to progress the follow-on internal stair painting.
- 4.21 Whilst works programmes have re-commenced, the pandemic, labour and materials shortages continue to have a significant impact on delivery of the programme as does securing owner consent for works in mixed tenure blocks.

5. Next Steps

- 5.1 Briefing sessions on investment priorities going forward will be carried out with elected members in the next two months, before the HRA Budget Strategy 2022-2032 going to this Committee in January 2022.

6. Financial impact

- 6.1 The HRA is funded from tenants' rents, fees and service charges for services provided to tenants and assets held on the HRA account. The HRA is self-contained and has no direct impact on the Council's General Fund budget.
- 6.2 The HRA Capital Investment Programme is funded through a combination of specific capital grant from the Scottish Government, developers and third-party contributions, capital receipts and borrowing.
- 6.3 The investment priorities set out in Appendix 1 are funded from the £1,220.341m five-year HRA capital investment programme for 2021/22 to 2025/26, which was approved at full Council on [18 February 2021](#).
- 6.4 The programme includes the £19.968m gross slippage from 2020/21 and the acceleration of investment on internal stairwell refurbishment and MTIS programme through the additional resources, which was also approved at the 18 February meeting.

7. Stakeholder/Community Impact

- 7.1 Each year the views of tenants are sought on the HRA budget strategy, investment plan, services and associated rent levels. Consultation on the 2022/23 budget is currently underway and will run until the beginning of December 2021.
- 7.2 The consultation has been designed and developed with the help of the Housing Service Improvement Plan tenant working group (formerly the Rent Matters Working Group). It is being promoted in a range of ways, including individual letters

posted to every tenant; an online consultation; social media; communications to Registered Tenant Organisations; email footers for Council officers; and through word of mouth.

- 7.3 Briefings with elected members were carried out in January 2021 on the HRA Budget Strategy 2021-2031 and key investment priorities. Further sessions were held in April 2021 with ward Councillors on the planned investment in 2021/22 and 2022/23, which has helped inform the emerging priorities for the next annual budget cycle and a detailed five-year capital programme.
- 7.4 There is a regular programme of tenant engagement and customer insight. This includes regular satisfaction surveys, focus groups, tenant panels, tenant led service inspections and scrutiny, resident and community meetings. The annual Tenants' Survey is carried out by an independent third party, procured by the Council. The Council provides a random sample of tenants contact details, weighted by locality.

8. Background reading/external references

- 8.1 HRA Budget Strategy 2021-31, City of Edinburgh Council, [18 February 2021](#).
- 8.2 Housing Revenue Account (HRA) Capital Programme 2021/22, Housing, Homelessness and Fair Work Committee, [18 March 2021](#).
- 8.3 Updated Housing Revenue Account (HRA) Capital Programme, Housing, Homelessness and Fair Work Committee, [3 June 2021](#).

9. Appendices

- 9.1 Appendix 1 – Investment Priorities update by Locality.

Appendix 1 – Investment Priorities Update by Locality

North West - Key priorities going forward:			
Area	Work Requirement	Status	Update & Timescale
May and Gunnet Court	Internal and external fabric improvements.	On site	Started on-site in September 2021; expected duration of 52 weeks.
Birnies and Fidra Court	Re-roofing and stack lanes replacement.	On site	Started on site in September 2021 at Fidra Court; expected duration of 20 weeks (in Feb 2022); then followed by Birnies Court. Tendering of fire door strengthening and balcony insulation work by late 2021, with work starting on site in early 2022.
Oxcars and Inchmickery Court	Internal and external fabric improvements.	Brief development/ consultant engagement	Currently engaging with consultant on design. Consultation with residents to commence in early 2022.
Northview Court	Entrances and foyers upgrades. Weather protection for balconies and new privacy gates.	Scoping	Invitation to tender sent out in mid-October; work expected to start in early 2022.
Inchcolm and Inchgarvie Court	Entrances, plastering and decorating, refurbish security gates and protection for roof access.	Pre-tender	No contractor expressed interest to previous invitation to tender. Re-tender process is underway.
Muirhouse Park	Bin store upgrades, door entry and external fabric improvements to a number of identified blocks.	Engagement with locality	Meeting to be held with locality to scope work requirement; expected to start work in 2022/23.
Muirhouse Drive	Windowsill upgrades and external fabric improvements to a number of identified blocks.	Engagement with locality	Scoping and design work to be agreed; work expected to start in 2022/23.
Ferry Road Drive	New fencing and external fabric improvements as part of Stronger North Phase 2.	Contract awarded	Work to be commenced on site in late 2021.
Newhaven	Fabric repairs to two Category C listed properties at Pier Place and Wester Close.	Scoping	Invitation to tender to be issued in late 2021, with work expected to start in early 2022.

Royston/ Wardieburn	Render repairs to a number of identified blocks. Installation of new roof, communal satellite TV, and if required, door entry system and follow-on stair painting. Block consolidation is being progressed to help accelerate the investment.	Scoping	Invitation to tender to be issued in late 2021, and work to start in Wardieburn in early 2022, followed by Royston in 2022/23.
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North East - Key priorities going forward:

Area	Work Requirement	Status	Update & Timescale
Piershill Square and Lochend Road South	Externals and door entry systems.	Scoping/ design development	Work is expected to start in September 2022.
Magdalene Gardens/ Drive / Avenue	Externals, deck access and stairwells in Magdalene Gardens and Magdalene Drive, with Magdalene Avenue involved in shared drying green improvement work.	Resident engagement	Resident engagement commenced with works expected to start in February 2022. . Engagement with residents on drying green/courtyard improvement works to be carried out in Spring 2022.
North Cairntow	Re-development of the gypsy traveller site.	Contract awarded	Enabling work is underway and project is expected to start on site in April 2022 when the purpose-built chalets are delivered.
Bingham Way	Fire damage repairs. Externals, stairwells and open spaces upgrade. Installation of new heating, floors, windows and decorating. Upgrading to meet EESSH2.	On site	Fire damage repair work completed in October 2021. All tenants have been decanted for the duration of the works. Upgrades to achieve EESSH2 are in design development.
Duddingston Row and Niddrie Mains Road	Externals, stairwells and open spaces.	Scoping	Scoping and engagement with the locality to agree specification. Procurement is expected to start in early 2022.
Niddrie House	External fabric repairs and common stair improvements for 18 blocks in the area, including a repainting programme of both external and common internal areas.	Scoping	Design team meeting held in August 2021 and tender document prepared in September 2021. Projected start date is February 2022.

South East - Key priorities going forward:			
Area	Work Requirement	Status	Update & Timescale
Southhouse Grove	External improvement. Option appraisal is being carried out for two mixed tenure blocks.	Scoping	Engagement with residents commenced in October.
Moredun Multis	Internal (upgrade to foyers), windows, refurbishment and Automatic Opening Vents (AOV).	Tender under assessment for AOV work	Tenders for AOV work received in September 2021; work is expected to start on site in late 2021 after contract awarded. Improvement work to foyer is in design development, followed by engagement with residents as part of the Tenement Management Scheme (TMS) process. Review of the performance of existing windows ongoing, including air testing. Windows to be replaced over the next two years along with the over-cladding of the buildings.
Prestonfield	Internals (stairs and door entry), externals, painting and harling involving a maximum of 61 blocks of flats and individual properties. The Council is a minority owner in more than half of the blocks. Majority agreement would be required to proceed with the works.	Brief development	Currently scheduled for late 2022/23 and awaiting lessons learned from the Mixed Tenure Improvement Service (MTIS) pilot.
Balmwell Terrace	External roof improvements to sheltered housing cottages.	Brief development	Early intervention to replace windows and doors to be carried out by end of 2021, followed by invitation to tender for the fabric improvement work.
Dumbiedykes	Refurbishment to minority owned blocks with external wall insulation and Neighbourhood Environment Programme (NEP) external stairwell upgrades. This is Phase 6 of the improvement work carried out in Dumbiedykes, similar improvement work has been completed in fully owned and majority owned blocks. As Council is in minority ownership of all the blocks involved in this phase, owners' buy-in will be key to the delivery.	Tender under assessment	Tender is being assessed (September) and consultation with owners in the blocks has commenced. Majority ownership sign up would be required for contract award.

South West - Key priorities going forward:

Area	Work Requirement	Status	Update & Timescale
Murrayburn, Dumbryden, and Hailesland (low rise)	This forms part of the MTIS pilot - externals, internals (door entry and stairwells), and estates (bins, garden areas, pests control). For Phase 1 to 4, it involves a total of 54 blocks where the Council has full or majority ownership, 16 blocks where the Council has 50-50 or minority ownership and 30 individual houses.	Phase 1 – contract awarded and pre-start construction activities Phase 2 to 4 – survey reports, estimates, votes issued to owners; tender process to be commenced	Phase 1 to 4 are expected to start on site in 2021/22 and Phase 5 to 10 from 2022/23 onwards.
Westfield Court	Options to repair / replace internal stacks are currently being explored, a full building survey is underway. The Council is in minority ownership in the block.	Scoping	Options appraisal underway, this will be informed by the work on stock condition and design principles.
Oxgangs House	Externals (building and security, windows) and estates management (rubbish, fencing and bin stores).	Pre-tender	Options appraisal underway, this will be informed by the work on stock condition and design principles.
Calders low rise	Externals (landings and timber weatherboarding screens), internals (stairs and door entry), and estates management (security, bins and community areas). Roofs and thermal insulation. Flooring replacements at Calder View.	Brief development with locality	Meeting/ site visit held with the locality in September 2021. Design development work to be linked with new build programme as part of the early action project of the wider area Masterplan.