

REPORT TO: HOUSING COMMITTEE - 20 AUGUST 2012

REPORT ON: SHQS PROGRESS REPORT ON COMPLIANCE

REPORT BY: DIRECTOR OF HOUSING

REPORT NO: 264-2012

1. PURPOSE OF REPORT

To appraise Committee on Scottish Housing Quality Standard (SHQS) progress to the end of March 2012 and to advise on the risk management measures in place to mitigate risks to compliance.

2. RECOMMENDATIONS

Committee is recommended to note progress at the end of 2011/12 towards achieving SHQS by 2015 and the actions being implemented to manage risks to delivery.

3. FINANCIAL IMPLICATIONS

The SHQS programme for 2011/12 has been financed in line with the agreed Five Year Housing Capital Plan 2011/12 to 2015/16 approved by the Policy and Resources Committee on 24 January 2011.

4. MAIN TEXT

4.1. Compliance

Good progress is being made towards achieving the SHQS standard with targets being met.

Houses Passing SHQS to Date			
Financial Year	% Complete	Number of Houses	% Compliance (including Exemptions and Abeyances)
2010/11	35.7%	4,509	44%
2011/12	55.7%	7,330	65%

SHQS compliance in Dundee's council housing stock as of 31 March 2012 is 55.7% this compares to a figure of 35.7% compliance at 31 March 2011 and is in line with the target in the Council Plan. Target compliance for March 2013 is 72%, 88% for March 2014, and 100% at March 2015. These figures do not take account of stock that has been identified for abeyance or exemption which presently stands at close to 10%. Stock that is exempt cannot meet the standard for reasons of disproportionate cost or technical reasons or in the case of abeyance social reasons (non access or non agreement to works). The majority of abeyances relate to non agreement by owner occupiers to the installation of secure entry systems so in order to maximise the installations of controlled entry systems

within mixed tenure tenement property the Council has implemented the Tenement Management Scheme, this scheme enables the Council to install systems on the basis of a majority vote. The scheme is achieving positive results with 421 successful ballots to date. In order to achieve SHQS standards in the city's multi storey stock funding has been secured from the Community energy savings project (CESP) to carry out a programme of cladding and district heating at the Dallfield, Whorterbank, and Lansdowne/Pitalpin locations.

This work will be complete by the end of the calendar year and will mean fuel savings of up to 35% for tenants whilst also vastly improving the external appearance of these blocks.

4.2. Progress on Installations

Progress on core installations related to SHQS compliance are on target at 31 March 2012. Broken down into elements the present compliance rate is:

- Kitchens 68%
- Bathrooms 68%
- Energy Efficiency 77%
- Secure Entry 59%

The Council is ensuring value for money in programme delivery by re-tendering the frameworks for both the heating/kitchen and bathroom programme in 2011/12 and the secure entry programme in 2012/13. These frameworks cover the SHQS programme to 2015.

- 4.3. Delivery of SHQS is financed by prudential borrowing and income raised from capital receipts. In recent years the level of borrowings has increased due to the current economic circumstances impacting on receipts from Land and Right to Buy Council sales being below the anticipated levels.

As a result of this, levels of projected receipts from both these areas have been re-profiled within the 2012-2016 Five Year Capital Budget approved by Policy and Resources Committee on 23 January 2012. This provides a more accurate projection of the levels of borrowing required to achieve SHQS and the rent levels required to support this. The levels of receipt allowed for at present for the period to 2015 are:

- RTB sales at 55 houses per year £7.092m
- Land sales £2.450m
- Sale of last house in block £2.500m

Sales of last in block relate to sales of the only council owned house in a mutual block being sold when they come empty.

4.4. Risk Management

The Scottish Housing Regulator (SHR) has highlighted that there are risks to the delivery of SHQS in Dundee. The Council's governance of the SHQS process is headed by a SHQS Project Board chaired by the Director of Housing and attended by the other heads of service involved. A risk matrix has been developed for consideration by the board which tracks all identified risks to SHQS compliance and utilises a traffic light system to identify those that require urgent action and others that should continue to be monitored. The current red and amber risks are as follows:

RED

- None at present

AMBER

- Levels of capital receipts are lower than forecast
- Decreasing numbers of Right to Buy, sales
- An increase in interest rates for prudential borrowing
- Pressure on rent levels
- Stock condition information
- Impact of owner occupiers on the programme
- Investment in other areas impact on SHQS plan

Actions to Mitigate Amber Risks

- Re-profiling of Capital receipts to 2015 to ensure targets to fund SHQS are met.
- Council mortgages available to Right to Buy applicants and assumptions on projected number of sales reduced to 55 per annum.
- Profile rent increases required to 2015.
- Stock condition validation survey planned.
- Implementation of the Tenement Management Scheme.
- SHQS spend prioritised to 2015.

4.5. Stock Condition Survey/Data Base

The Council has been updating this database with project completions since 2009 and a number of elemental In house surveys have been carried out in the same time period. This means the percentage of real information on the database is much higher than 30% surveyed as part of the formal Stock condition survey carried out in 2008. Notwithstanding this a validation survey of 5% of the Housing stock has been commissioned from the JMP partnership who carried out the original 30% survey on which Stock Information Database (SID) is based.

5. POLICY IMPLICATIONS

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

There are no major issues.

6. CONSULTATIONS

The Chief Executive, Director of Corporate Services and Head of Democratic and Legal Services and all other Chief Officers have been consulted on the preparation of this report. No concerns were expressed.

7. BACKGROUND PAPERS

Report 19-2011 Five Year Housing Capital Budget 2011/12 to 2015/16
 Report 31-2011 Review of Rents and Other Charges
 Report 412-2011 Housing Department Asset Management Strategy
 Report 32-2012 Five Year Capital Budget from 2012-2017

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JULY 2012