

REPORT TO: HOUSING COMMITTEE – 19 AUGUST 2013
REPORT ON: SHQS PROGRESS REPORT ON COMPLIANCE
REPORT BY: DIRECTOR OF HOUSING
REPORT NO: 306-2013

1. PURPOSE OF REPORT

The purpose of this report is to update members on the Scottish Housing Quality Standard (SHQS) progress to the end of March 2013 and to advise on the risk management measures in place to mitigate risks to compliance.

2. RECOMMENDATIONS

It is recommended that Housing Committee note progress at the end of 2012/13 towards achieving SHQS by 2015 and the actions being implemented to manage risks to delivery.

3. FINANCIAL IMPLICATIONS

The cost of delivering the SHQS in 2012/13 was £19.080 million which was funded through prudential borrowing and capital receipts.

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 Including Exemptions and Abeyances		
Financial Year	% Complete	Number of Houses
2011/12	55.7%	7,330
2012/13	80.7%	10,487

SHQS compliance in Dundee's council housing stock as of 31 March 2013 is 80.7% this compares to a figure of 55.7% compliance at 31 March 2012 and is ahead of the target in the Council Plan of 73%. Target compliance for March 2014 is 88%, and 100% at March 2015. These figures take account of stock that has been identified for abeyance or exemption which presently stands at 6%. 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 639 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 was completed by the end of 2012/13 and means fuel savings of up to 35% for tenants whilst also vastly improving the external appearance of these blocks.

A further project is planned at Kirk Street MSD and Low Rise from ECO (Energy Company Obligation) funding and will be complete by the end of 2014.

4.2. **Progress on Installations**

Progress on core installations related to SHQS compliance are on target at 31 March 2013. Broken down into elements the present compliance rate is:

- Kitchens 90%
- Bathrooms 90%
- Energy Efficiency 91%
- Secure Entry 78%

The Council ensured 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 2013-2018 Five Year Capital Budget approved by Policy and Resources Committee on 23 January 2013. 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 £4.179m
- Land sales £3.100m
- Sale of last house in block £1.650m

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

The recent announcement from the Scottish Government that the Right to Buy will cease by 2017 ensures that receipts from this source will be available to fund SHQS until 2015.

4.4. **Risk Management**

The Scottish Housing Regulator (SHR) has previously highlighted that there are risks to the delivery of SHQS in Dundee.

However in the Council's Assurance and Improvement Plan for 2013/16 the SHR has stated "that the Council is continuing to work towards meeting the standard and mitigating the financial risks and other challenges it faces so no further scrutiny is required."

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
- Pressure on rent levels
- Welfare Benefit reforms

Actions to Mitigate Amber Risks

- Re-profiling of Capital receipts to 2015 to ensure targets to fund SHQS are met.
- Profile rent increases required to 2015.
- Welfare Reform action plan in place.

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 undertaken by the JMP partnership who carried out the original 30% survey on which Stock Information Database (SID) is based.

The results of this validation survey confirm that the information in the stock information database is reliable.

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

None.

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JULY 2013