
To: Housing and Community Safety Policy Board

On: 25 August 2015

Report by: Director of Development and Housing

Heading: Scottish Housing Quality Standard – Programme Completion Report

1. Summary

- 1.1 This report advises members on the final outturn position for Renfrewshire Council in relation to meeting the requirements of the Scottish Housing Quality Standard (SHQS) by 1 April 2015. The report confirms that after taking allowable exemptions and abeyances into consideration all of the Council's housing stock met the required standard by the due date.
 - 1.2 The report also summarises the extent of the work carried out since commencement of the programme in May 2010, the final financial position, the community benefits that have accrued over the course of programme, and the strategy for maintaining the stock at the levels required by SHQS and the new Energy Efficiency standard for Social Housing (EESH).
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2. Recommendations

- 2.1. Note that the all of the Council's housing stock met the requirements of the Scottish Housing Quality Standard by the 2015 deadline, taking account of allowable exemptions and abeyances. Compliance with SHQS was 100% and the net figure was 84.56%.
- 2.2. Note that the total HRA capital expenditure over the period of the programme, from 2011 to 2015, was c. £138m. Section 5 sets out the financial outturn

- 2.3. Note that allowances for work required to address allowed abeyances will be incorporated within future HRA capital programmes, taking account of expected demand and the availability of funding.
 - 2.4. Note the community benefits delivered over the course of the programme as set out within section 7.
 - 2.5. Note that future HRA capital programmes will take account of the requirement to maintain the Council housing stock at the level required by the SHQS.
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3. **Background**

- 3.1. The Scottish Housing Quality Standard was introduced by the Scottish Government in February 2004. It set out a range of minimum standards which all social rented housing in Scotland was required to meet by April 2015.
- 3.2. Social landlords were asked to set out their strategy for delivering SHQS within a Standard Delivery Plan. The Renfrewshire plan was approved by the Council on 21 May 2009. Thereafter a 5 year investment plan totalling approximately £138m was approved by the Housing and Community Safety Policy Board on 2 March 2010. The primary elements of the programme consisted of internal improvements (comprising replacement kitchens, bathrooms, heating systems and electrical wiring) and external improvements (roofing, render, insulation, gutters and downpipes). A number of smaller programmes were also carried out including door entry systems and replacement flat entrance doors.
- 3.3. Regular progress reports including recommendations to improve tenant liaison were provided to Council as the programme progressed. In addition a Project Board with representation from a number of Council departments was established to monitor the delivery of the programme, assess contractor performance and tenant satisfaction, and manage a range of low, medium and high category risks which could impact on delivery.
- 3.4. Common works require participation of owners and the programme structure reflected the need to liaise with owners and support their participation. Given the timescales available to deliver the programme projects involving owners were in the main placed towards the latter years in order to provide time to discuss work requirements and costs, and arrange any financial support including Council grant assistance.
- 3.5. The programme was principally funded from the HRA with support from General Services Private Sector Housing Grant Programme (PSHG) for

owners' grants. In addition the Council was able to secure additional support for both tenants and owners through a number of energy and carbon reduction related initiatives such as CERT, CESP, ECO and HEEPS:ABS. The financial support obtained allowed the Council to fund a range of measures which may not have been feasible through the core programme and in doing so provide better insulated more energy efficient homes, and address fuel poverty.

4. SHQS – Final Outturn Position

4.1. Compliance with SHQS from commencement to conclusion, excluding allowable exemptions and abeyances, is set out in the table below:

Period (Year to):	31 March 2011	31 March 2012	31 March 2013	31 March 2014	31 March 2015
Healthy, Safe and Secure	60.70%	89.03%	90.87%	95.72%	96.57%
Modern Facilities	18.65%	51.02%	67.95%	76.41%	90.62%
Energy Efficient	45.35%	60.70%	72.86%	91.09%	97.35%
Free from Serious Disrepair (<i>note: all disrepair relates to secondary SHQS element failures</i>)	33.91%	44.60%	65.12%	91.69%	100%
Tolerable Standard	100%	100%	100%	100%	100%
Overall Compliance	2.9%	15.1%	32.30%	62.10%	84.56%

4.2. The Council achieved 100% SHQS compliance within all of the properties to which access was agreed. The reported compliance rate achieved (84.56%) and the consequential rate of exemption and abeyance recorded (15.44%) is in line with projections made at the commencement of the programme and reflects the challenges associated with carrying out comprehensive internal programmes within occupied properties, particularly where tenants are elderly, as well as to a lesser degree the challenges of coordinating common works in multiple tenure blocks. Whilst some local authorities were able to show net compliance in excess of 90%, most authorities with a comparable profile to

Renfrewshire achieved similar figures to ourselves. The lowest compliance level recorded was 75.3%.

Further information on the high level programme outcomes are provided in the tables below:

4.3. Internal Works – Summary Outcome Table

Element	No. of Completions
Kitchen Replacement	6,177
Bathroom Replacement	8,443
Rewiring	9,019
Central Heating	6,484

4.4. External Works – Summary Outcome Table

Element	No. Of Tenants	No. Of Owners	No. Of Blocks
Roofs	2,554	932	484
Render	2,651	1,022	525
Rainwater Goods	4,566	1,317	752

5. SHQS – Final Financial Position

- 5.1. At its meeting of 21st May 2009, Council approved the SHQS Standard Delivery Plan and the HRA Business Plan which underpinned the investment required to deliver the SHQS by March 2015. The Housing and Community Safety (HACS) Policy Board of 2nd March 2010 approved the indicative Capital Investment Plan 2010-2015 totalling approximately £138m which detailed the programmed expenditure over the next 5 years required to achieve SHQS.
- 5.2. It was also agreed at the HACS Policy Board of 2nd March 2010 that the 5 year plan would be subject to a regular review against the HRA Business Plan. The HACS Policy Board of 10th August 2010 also recognised the need for flexibility between both elements of the programme and between financial years to ensure the effective and optimum use of resources and to achieve optimum programme loading. The Policy Board approved the necessary authorisation for officers to reprofile and revise the programme as required, which proved to be a key factor in the successful delivery of the programme on time and on budget.
- 5.3. The Capital Investment Plan has been reviewed annually and reprofiled and revised as required and Appendix 1 details the final outturn on each expenditure programme category required to deliver the SHQS compliance achieved in 2015.
- 5.4. The delivery of the SHQS programme has been complex and challenging. The £138m of investment in council properties has been augmented by external grant funding levered in and expenditure on owners' properties in schemes with both council and private ownership. It is expected that c. £4m will be recovered on final completion of the 10 phases of investment in external envelope upgrading from those schemes with both Council and private ownership. The £4m will be funded from Private Sector Housing Grant, grant from the Home Energy Efficiency Programme for Scotland: Area Based Schemes (HEEPS:ABS) and from owners.
- 5.5. Grant funding has been levered in to augment the Council's investment from several sources over the course of the 5 year investment plan:
- £0.50m from the Scottish Government for Mortgage to Rent,
 - £0.66m from the Community Energy Safety Programme (CESP) for the overcladding of Gallowhill and Glencairn Courts in partnership with British Gas,
 - £2.311m and £2.056m from the Home Energy Efficiency Programme for Scotland : Area Based Schemes in 2013/14 and 2014/15 respectively, and

- Energy Company Obligation (ECO) funding has also provided support totalling c. £8.5m from British Gas to carry out a “managed” programme of external wall insulation and District Heating upgrading in the Charleston Area.

6. Programme highlights and Issues emerging

- 6.1 The huge scale of the investment programme meant that internal improvements were carried out in 85% of our housing stock and the remaining 15% had the opportunity for work to be carried out but did not agree.

This equates to internal improvements being completed in 10,706 properties across Renfrewshire.

- 6.2 Throughout the five year investment programme continual efforts were made to make contact with householders and encourage their participation in the programme. The Council’s appointed contractor would make two attempts to contact and gain access to each property following which the Council would be formally notified where there was ‘no access’ and our liaison officers would make one further attempt. If unwilling to proceed with internal works, the tenant would be asked to sign a final refusal form. In some instances, despite repeated attempts, it was not possible to gain access in which case the Housing Management team would be notified to ensure the tenancy had not been abandoned. All Year 1 – 4 refusal properties were added to the “Catch – Up Programme” in Year 5 and a further three attempts made to carry out work. In addition to the “Catch – Up Programme”, the SHQS Voids Project picked up all properties becoming vacant and requiring investment work ensuring tenants did not lose out due to a previous householder’s refusal.

- 6.3 Analysis of the tenants’ reasons for refusing internal improvement works indicates the reasons for refusal as follows:

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| • Too much disruption, tenant didn’t want upheaval | 31% |
| • Tenant refusing rewire element of work | 14% |
| • Tenant elderly / health problems | 13% |
| • Tenant not willing to make contact/ no access | 12% |
| • Tenant happy with current condition | 9% |
| • Tenant not willing to have flooring / carpets lifted | 7% |
| • Tenant already carried out own upgrade | 2% |
| • Other / miscellaneous reasons | 12% |

6.4 Where the Council has been unable to carry out works through tenant refusal or no access, these properties are classed as 'abeyances' in terms of Scottish Government guidance and therefore are not failures. There are 1,929 properties where an abeyance has been recorded at 31st March 2015. The majority of these (1,782) are where it has not been possible to carry out internal improvement works due to tenant refusal or no access with a further 147 abeyances where it has not been possible to carry out external improvement works due to lack of owner participation. Those properties where abeyances have been applied must be monitored on an ongoing basis and any tenancy which is terminated will be reviewed to ensure any outstanding SHQS works are completed before the property is relet.

6.5 All contractors were monitored throughout the course of the works via Key Performance Indicators (KPI's) which were pre-agreed prior to work commencing. These covered such areas as tenant satisfaction, timescales, client satisfaction and contractor satisfaction with Renfrewshire Council performance. Careful monitoring ensured that over the course of the five year project the agreed targets were either met or exceeded in all instances and the table below demonstrates how satisfaction levels improved year on year.

Performance Indicator	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Council Satisfaction with Contractor	72%	72%	85%	100%	98%
Tenant Satisfaction with improvements	87%	90%	94%	94%	95%
Works Complete within Target Timescale	44%	71%	78%	99%	98%
Contractor Meeting Target Allocation of Work	79%	92%	93%	100%	100%

- 6.6 Improving energy efficiency and tackling fuel poverty have been key outcomes of the investment programme with the installation of almost 6,500 modern, energy efficient heating systems. The external improvement programme has seen over 1,300 properties benefit from either loft and cavity wall insulation or external wall insulation. These measures will have a significant impact on tenants' ability to heat their homes whilst reducing their fuel costs. Through both insulation and heating programmes, it is estimated these measures have already saved tenants over £4.8 M over the last five years. Work is ongoing with utility providers to ensure the remaining 160 properties on the programme, awaiting a gas connection are progressed as quickly as possible to allow them to be switched from electric to gas heating.
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7. SHQS – Community Benefits Summary

- 7.1 Over the course of the SHQS programme contractors have provided 234 employment places with 144 of these being through sub-contractors. There have also been 23 apprenticeship positions, some continuing on to take up permanent employment with the contractor. Workplace training has been given to all employments allowing staff members to develop and progress on to other positions. Work experience placements for local school pupils have also been provided.
- 7.2 Additionally contractors have carried out the following Community Benefit Projects:
- Sponsorship of local youth football teams
 - Football Coaching to local schools
 - Health & Safety talks to local schools
 - New kitchens in all Renfrewshire Council Sheltered Housing Communal kitchens
 - Charitable events, raising money for local causes such as Barnardos, Macmillan Nurses and St Vincent's Hospice
 - Tenant open days, decorating workshops, coffee mornings, easter egg hunts and christmas hampers
 - Repairs or renovations to local nurseries, Cartside Community Centre, Glenburn Community Centre, Inkerman Bowling Club
 - Fence painting at Canal Street and fence replacement at Williamsburgh Court
 - Providing respite accommodation for tenants receiving upgrades
 - Working with local supply chains
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8. **Compliance with SHQS and EESSH in future years**
 - 8.1. SHQS in its current form concluded on 31 March 2015. Landlords are required to maintain stock at SHQS thereafter. Revised guidance is expected from the Scottish Government regarding post 2015 compliance and the reporting format for compliance from 31 March 2016 onwards.
 - 8.2. The Energy Efficiency Standard for Social Housing (EESSH) has been introduced with the first milestone to be achieved by 2020. Certain elements of the Council's SHQS investment programme to April 2015 also achieved EESSH compliance measures. Approximately 62% of Council properties are assessed as meeting the meet the 2020 standard.
 - 8.3. A review of EESSH which will assess progress towards meeting the 2020 milestone is expected to take place in 2017. We will continue to pursue any possible energy grant funding to help fund EESSH and report any updates to the Board in future reports.
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Implications of the Report

1. **Financial**
None
2. **HR & Organisational Development**
None.
3. **Community Planning –**
Community Care, Health & Well-being - improving and maintaining housing conditions to the benefit of tenants and private owners. Meeting the Scottish Government requirements for social housing standards. Addressing fuel poverty.
Jobs and the Economy - construction firms employ local staff
Safer and Stronger - ensuring the long term sustainability of the housing stock in both social rented and private sectors
4. **Legal**
None.
5. **Property/Assets**
Improvements
6. **Information Technology**
None

7. **Equality & Human Rights**

The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.

8. **Health & Safety**

None.

9. **Procurement**

None.

10. **Risk**

A full risk plan was in place for the duration of the Programme.

11. **Privacy Impact**

None.

List of Background Papers

- (a) Report to the Housing and Community Safety Policy Board on 20 January 2015 and 26 August 2014 entitled "Scottish Housing Quality Standard – Financial Review and Update".

The foregoing background papers will be retained within Development and Housing Services for inspection by the public for the prescribed period of four years from the date of the meeting. The contact officer within the service is Louise Feely 0141 618 6049

Capital Investment Plan 2010-2015**Summary****Appendix 1**

		Final Outturn *
Programme Head	Sub Element	£000s
Kitchens, Bathrooms, Rewiring	Planned Phases	41,484
	Catch Up Programme	7,412
	Void Programme	1,172
	Misc Wiring/Isolators/Earthing	490
		50,558
Heating	New Gas/Electric Replacement Programme	15,008
	Back Boiler Replacement/Gas Boiler Renewal	451
	District Heating	744
	Gas Infrastructure	739
		16,942
External Improvements	External Envelope upgrading	31,835
	Windows and Doors	4,147
		35,982
Energy Programme	Insulation measures - CWI	261
		261
Multi storey Flats	Lift Refurbishment/Renewal	1,229
	M&E Requirements	90
	Health & Safety Issues	1,717
	External Cladding	6,805
		9,841
Common and Environmental Works	Footpaths/Railings	53
	Environmental Improvements	245
	Door Entries	648
	Common Lighting	0
		946
Demolition	Demolition and Landscaping	2,102
	Home Loss and Disturbance	235
	RTB Buybacks	313
	Regeneration	77
		2,727
Other Council Priorities	Disabled adaptations	2,745
	Asbestos	1,525
	Rot	2,098

	Essential Property Improvements	236
		6,604
Other Assets	Garages	70
	Shops	509
	Launderettes	674
		1,253
Initiatives	Mortgage to Rent	1,367
	House Purchase Minority Stock	5
	Sheltered/Amenity Housing	1,037
		2,409
Non Property Expenditure	House sales fees	145
	IT Equipment	195
		340
Non Physical Investment	Investment Assessment	120
		120
	Total Expenditure	127,983
	Professional Fees	9,612
	Total SHQS Capital Programme	137,595

* Note

It should be noted that an element of the final outturn expenditure required to deliver SHQS was paid in financial year 2015/16.