

The Highland Council Annual Update to the Scottish Housing Quality Standard Delivery Plan September 2011

1. BACKGROUND

1.1 Introduction

This document is intended as an update on the progress made by the Highland Council since the Standard Delivery Plan 2010 to ensure that its housing stock meets the Scottish Housing Quality Standard by 2015.

1.2 Scottish Housing Quality Standard

The (then) Scottish Executive defined the quality criteria for meeting the Scottish Housing Quality Standard in 2004. This sets a minimum standard for all Council and Housing Association housing. To meet the standard all houses should be:

- Compliant with the tolerable standard
- Free from serious disrepair
- Energy efficient
- Provided with modern facilities and services
- Healthy, safe and secure

2. HIGHLAND COUNCIL HOUSING STOCK

2.1 Stock as at 31 March 2011

At the end of March 2011, the Council housing stock comprised 13,549 properties. In comparison, at the end of March 2010 the Council housing stock comprised 13,602 properties.

3. STOCK CONDITION ANALYSIS

3.1 Stock Condition Survey

The Council commissioned David Adamson and Partners Ltd to undertake a Stock Condition survey in 2006. The study involved a comprehensive house condition survey with a completed sample of houses representing approximately 30% of the housing stock at that time. The survey questionnaire was specifically designed to collect information on performance against the Scottish Housing Quality Standard and to assess the need for future major component replacement over a 30 year period.

3.2 Housing Stock Database

Using the survey programme as a foundation together with the full address and attribute data for all council stock, David Adamson and Partners Ltd undertook a “data cloning” exercise to provide the Council with a 100% housing stock conditions database. Since 2006 stock condition data has been updated to take account of:

- Changes in housing stock numbers though right to buy sales and more recently through new Council house building;
- Specific investment undertaken since the survey was undertaken;
- Updating energy ratings using the Council's energy assessment modelling tool and taking into account energy efficiency measures e.g. heating systems which have been installed since 2006;
- Local data verification.

3.3 In August 2009 the Council initiated an in-house stock survey to further build up our database information. As at 31st March 2011 approximately 45% of our properties had been surveyed. Based on current surveyor staffing levels, 100% of our stock will have been surveyed by December 2013 although this does not factor in the potential problem of non-access which may prevent a proportion of our properties being surveyed. The internal stock survey is based on assessment against the Standard and aims to limit and eventually eliminate our reliance on "cloned" information.

3.4 The Council has also reviewed the investment costs to take account of the most up to date contract prices for capital projects.

3.5 **Current Performance against SHQS**

The following table gives a detailed breakdown of the failure rate against the five criteria of the SHQS. The first column shows properties that were reported as failing in 2007 when we produced our first Standard Delivery Plan. The second column shows the current number of failures taking into account the updating described at 3.2 above and also includes properties that were predicted to fail in 2010. It should be noted that each category contains a number of different elements and individual properties can fail on more than one element. The total number of failures against the Standard is therefore greater than the number of Council houses.

Criterion	Number of failures 2007	Number of failures 2011
Tolerable standard	0	0
Serious disrepair – primary elements		
Wall structure	0	0
Internal floor structures	0	0
Foundations	27	0
Roof structure	0	0
Serious disrepair – secondary elements		
Roof covering	3	0
Chimney disrepair	15	0
Flashings	1	0
Gutters disrepair	27	0
External wall finishes	34	0
Access decks/balustrades	0	0
Common access stairs/landings, pathways within the curtilage of the dwelling	32	0

Individual dwelling balconies/verandas	0	0
Individual dwelling attached garages, internal stairs	0	0
Damp proof course	0	0
Windows	3	0
Doors	0	0
Common windows/roof lights	0	0
Underground drainage	0	0
Total serious disrepair failures	142	0
Total dwellings	56	0
Energy Efficiency		
Cavity insulation	4170	2209
Loft insulation	1133	578
Hot water pipes and tank insulation	0	0
Efficient heating (central heating system/boiler etc)	2257	1248
SAP failures (previously NHER failures)	9029	6952
Total energy efficiency failures	16589	10987
Total dwellings	11841	8463
Modern facilities and services		
Bathroom condition	128	984
Kitchen condition	441	564
Kitchen storage	451	98
Safe working arrangements	155	213
Power outlets	3927	852
Total modern facilities and services failures	5102	2711
Total dwellings	4411	2094
Healthy, safe and secure		
Internal pipe work lead free	82	0
Mechanical ventilation	0	0
Noise insulation (via windows)	236	0
Smoke detector	30	0
Safe electrical systems	0	0
Safe gas and oil systems	0	0
Common areas – good and safe order	0	0
Common external and internal lights	6417	0
Front and rear doors	5091	0
Front door entry system	406	0
Total healthy safe and secure failures	12262	0
Total dwellings	9369	0
Overall totals:		
Total failures =	34,095	13,698
Total dwellings failing =	13,634	9,205

3.6 Currently 7,852 properties fail the standard against one criterion with a further 1,353 failing on two or more criteria.

3.7 **Tolerable standard**

All of our housing stock is assessed as being above the tolerable standard.

3.8 **Serious disrepair**

All of our housing stock is assessed as passing the serious disrepair category. Through the ongoing stock surveys it was reported that identified repairs were localised/minor in nature and more suited to action within ongoing revenue maintenance programmes.

3.9 **Energy Efficiency**

To achieve compliance with the energy efficiency requirements of the SHQS, properties must be effectively insulated, efficiently heated and achieve a minimum energy rating. The table below shows the various ratings required to achieve the SHQS energy rating and the difference between heating systems.

Minimum NHER/SAP ratings to pass SHQS criteria		
Fuel source for central heating systems	National Home Energy Rating (NHER)	Standard Assessment Procedure (SAP) 2005
Gas	5	50
Oil	5	54
Liquid Petroleum Gas	5	54
Electric	5	58
Solid fuel	5	59
Biomass	5	59

- 3.10 In previous years we have reported progress on energy efficiency against the NHER measure. As previously agreed we intend to use the SAP measure in future reporting, and compliance this year is measured against SAP ratings.
- 3.11 Significant progress has been made since 2007 in providing insulation measures and new heating systems in our stock. Investment in multiple measures may be required to tackle the properties with the lowest energy ratings and this may involve high costs for some 'hard-to-treat' properties.
- 3.12 The Energy and Sustainability Team has re-profiled stock currently failing the energy efficiency standard and we are developing a set of specific measures to address these failures. We intend to develop a revised costed programme of energy efficiency improvements as part of the HRA Capital Programme for 2011-2015.
- 3.13 Investment will be supplemented by continuing to access external funding for energy efficiency works. These include the Carbon Emission Reduction Target scheme, the Community Energy Saving Programme and the Energy Assistance Package Social Sector Stage 3 funding scheme.
- 3.14 **Facilities and Services**
To meet the SHQS, all properties must have modern facilities and services. Bathroom and kitchen fittings must be in good and useable condition, while kitchens must additionally be provided with adequate storage, safe working arrangements and sufficient power outlets.

3.15 In 2007 there were 4,411 properties which failed against this criterion. As outlined in previous Standard Delivery Plans the number of failures in some elements of this category then increased as a result of properties that were predicted to fall below the standard based on the stock condition information available at the time. As a result of updating the stock condition information and work carried out in the financial years 2007-2011 there has been a reduction in the overall number of failures in this category.

3.16 Healthy Safe and Secure

To comply with the SHQS, dwellings must be healthy, safe and secure. In 2007, 9369 properties failed the Standard but the position in 2011 is that no properties fail.

3.17 As with the Serious Disrepair category, any individual failures identified by surveys or reported by tenants are currently tackled through day-to-day repairs or planned maintenance programmes. This may involve electrical failures which are included in the cyclical electrical inspection programme and in future re-wiring programmes if necessary.

3.18 Major component replacement

In addition to the work required to achieve the Standard, investment will be required to replace property elements that have come to the end of their recommended life cycle and prevent property deterioration below the Standard in the period up to 2015. A further 2159 properties are expected to fail the modern facilities Standard before 2015.

4. INVESTMENT PROGRAMME: 2011-15

4.1 Investment to meet SHQS

Based on the pattern and types of failure identified as a result of the 2006 stock condition survey and subsequent data verification exercises the cost of achieving SHQS in the years 2011-15 is estimated at £56.232m.

SHQS Element		Properties failing SHQS 2010-15	Cost £m
1	Tolerable standard	0	0
2	Free from serious disrepair	0	0
3	Energy Efficiency	9,351	£39.574m
4	Modern facilities and services	2,559	£16.658m
5	Healthy safe and secure	0	0
Total investment			£56.232m

4.2 Other investment

In addition to work required to meet the Standard, future major component improvement programmes are required to maintain the properties at the SHQS. There are also exceptional repairs that arise from time to time largely relating to health and safety issues. It is estimated that £2.329m is required for this type of investment between 2011 and 2015.

4.3 The need for equipment and adaptations to enable tenants to stay in their own homes will continue throughout the period of the plan and the Council has set

targets for expenditure of around £4.4m per year on equipment and adaptations to 2015.

4.4 It has been agreed that further stock condition survey work is necessary to update and verify previous results further. Consequently a sum of £0.4m has been included for stock condition surveys in 2011-12 and 2012-13.

4.5 **Required investment**

For the years 2011-15 the estimated total HRA capital investment required is summarised below:

Category	Total £m
SHQS	
Energy efficiency	£39.574m
Modern facilities and services	£16.658m
Total SHQS	£56.232m
Other	
Major component replacement/exceptional repairs	£2.33m
Equipment and Adaptations	£4.4m
Housing stock survey	£0.4m
Total Other	£7.13m
Total expenditure	£63.362m

5. **FUNDING THE INVESTMENT PROGRAMME**

5.1 For the period 2011-2015 projected capital expenditure amounts to £63.362m. Revenue projections submitted to the Council for the financial year 2011-12 indicate that it is possible to fund investment to 2015 through Capital from Current Revenue (CFCR) and new borrowing. This will enable a capital programme of £63.362m to be achieved within the following resource assumptions:

Year	Capital receipts £m	CFCR £m	New borrowing £m	Total Capital programme £m
2011/12	2.131	2.909	11.680	16.720
2012/13	2.131	2.476	10.300	14.907
2013/14	2.131	3.133	10.640	15.904
2014/15	2.131	2.831	10.869	15.831
Total	£8.524m	£11.349m	£43.489m	£63.362m

5.3 The following table shows the projected progress toward the standard based on the investment assumptions above:

Number of dwellings failing by SHQS element Criteria					
	2011	2012	2013	2014	2015

Tolerable Standard	0	0	0	0	0
Free from Serious Disrepair	0	0	0	0	0
Energy Efficient failures	8,463	6,592	4,550	2,508	0
Modern Facilities and Services	2,094	1,533	1,022	511	0
Healthy, Safe & Secure	0	0	0	0	0
Total dwellings failing SHQS:	9,205	7,084	4,858	2,632	0

6. OPERATIONAL PLAN AND MONITORING FRAMEWORK

6.1 Monitoring HRA Capital Programme

The Service recently reviewed and strengthened its operational arrangements for managing and monitoring the HRA capital programme. Monitoring reports will continue to be presented to each meeting of the Housing and Social Work Committee. Monitoring progress against the Standard Delivery Plan is part of the capital programme monitoring arrangements. The Council produces an annual Standard Delivery Plan monitoring report to the Housing and Social Work Committee.