

## **CLYDEBANK HOUSING ASSOCIATION LTD**

**TO:** Management Committee (23 June 2020)                      **DATE:** 19.06.2020  
**FROM:** Housing Services Manager  
**SUBJECT:** **Maintenance Report – Item 22 (Decisions Required)**

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### **Purpose of Report**

The purpose of the report is to update the Management Committee on maintenance issues that require decisions to be made before progressing any actions.

### **Potential impact on tenants and service users/Tenant Consultation requirements**

Decisions required in this report will have an impact on the delivery of ongoing and upcoming contracts as well possible tenancy sustainment issues.

### **Value for Money**

**CHA considers Value for Money in all aspect of its business including: -**

- Managing our resources to provide quality services and homes to meet the needs of customers and the local community.
- Delivering the right service at the right time at the right cost.
- Planning for and delivering year on year improvements on our services based on customer priorities.
- Getting the most out of our assets and staff by operating efficiently and effectively.

### **Risk**

Recommendations made in this report will mitigate any potential risks in relation to achieving efficient operation of upcoming electrical contracts and increased tenancy sustainment issues as a result of fuel poverty.

### **Legal/constitutional Implications (Reference to Model Rules)**

There are no legal implications as a result of the information contained within this report.

### **Relevant CHA Objectives:**

1. To provide quality, affordable housing that meets the changing needs of our customers and to ensure fair access to housing within our area.
2. To manage the houses provided, in a professional and cost effective manner, for the benefit of our local community and the environment.
3. To provide a first class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving high levels of satisfaction.
4. To work in partnership with others, supporting our tenants and other customers, to maximise opportunities for physical and socio-economic regeneration in Clydebank.

5. To ensure local decision making and community control, we will encourage our tenants and other customers to influence our policy and participate in decisions, which may affect them.
6. To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.
7. To promote social inclusion by applying principles of equality and diversity to everything we do.

## **Relevant SHR Regulatory Standards of Governance and Financial Management**

### **Standard 1**

The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.

### **Standard 2**

The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

### **Standard 3**

The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.

### **Standard 4**

The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

### **Standard 5**

The RSL conducts its affairs with honesty and integrity.

### **Standard 6**

The governing body and senior officers have the skills and knowledge they need to be effective.

### **Standard 7**

**The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.**

***The Management Committee will require confirming that the contents of this report and decisions required (if applicable) do not constitute a breach, material or otherwise, of the above Standards and there is no requirement to report a Notifiable Event to the Regulator.***

## **Equalities**

No protected group is adversely affected by the proposals, recommendations or updates within this report. Our commitment to equal opportunities and fairness applies irrespective of factors such as race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.



**a) First Time Central Heating – [REDACTED] (Decision Required)**

As previously reported to the Housing Services Sub-Committee in January of this year, an Energy Company Obligation (ECO) funding application was submitted in September 2019, to install gas central heating within properties at [REDACTED] where households are at greater risk of fuel poverty due to the high cost of the current electric heating system.

At present, due to the storage heaters being in place, tenants do not have a choice of energy supplier as only Scottish Power have a tariff to supply cheaper energy during times in which water is heated within the hot water cylinder in order to provide heat to the house via the radiators. As a result, tenants do not have the opportunity to keep energy costs down by switching suppliers. Energy costs for these properties are therefore higher than elsewhere in our stock with energy costs varying from £100-£180 per month for a 2 apartment property.

Approval was given to proceed with the replacement at a cost of [REDACTED] to the Association (originally for 35 properties). While finalising the details, however, the application was reviewed and Eco funding allocated to the project has subsequently been reduced. Details of the changes can be found below for the 43 properties now eligible for the scheme;

<u>Property Address</u>	<u>No. of CHA Properties</u>	<u>Cost per Property</u>	<u>Original Cost per Property (INC Funding Allocation)</u>	<u>Original Funding Allocation</u>	<u>Updated Cost Per Property</u>	<u>Updated funding per Property</u>	<u>Total</u>
[REDACTED] Road	20	£3,995.00	£1,200.00	£2,795.00	£3,495.00	£500.00	£69,900.00
[REDACTED] Road	23	£3,995.00	£1,200.00	£2,795.00	£2,495.00	£1,500.00	£57,385.00
<b>TOTAL</b>	<b>43</b>	<b>£3,995.00</b>	<b>£1,200.00</b>		<b>As Above</b>	<b>As Above</b>	<b>£127,285.00</b>

An additional change to the agreement would be that those properties that do not currently have internal wall insulation works can access funding for the heating upgrade which was previously not the case. Owners will also be included in the project however levels of funding available to them will be criteria based and they will have the opportunity to decide whether or not to include their home within the project at their own cost.

The Association has been informed that a time period of between 8-12 weeks would be expected between a formal instruction being provided and the start of the works. An anticipated start date would therefore be October 2020.

It should be noted that new guidance has been provided stating that the Scottish Government is looking to turn off gas to domestic properties in 2032. A normal gas boiler installation costing approximately £1600.00 per property would be expected to last 15 years before replacement according to our life cycle costings. This would mean that newly installs would have to be changed over in year 12 of the programme however radiators and pipework installed would be able to be reused. In addition to this an additional cost would be assigned to the properties for annual gas services.

An alternative to the gas central heating installations would be to explore the expansion of the [REDACTED] being installed at the [REDACTED] development to supply properties at [REDACTED] and early discussions have taken place. At present the information available is limited, however initial talks have been positive and information with regards to the deliverability of the project and costs is expected to be available within the next month. Furthermore, it should be noted that the ongoing costs to supply the properties with energy to run the heating system would be invoiced directly to residents and rates would be set by [REDACTED] and will vary depending on consumption.

In order to tackle the fuel poverty and tenancy sustainment issue, the Association has 3 options: -

1. Proceed with gas heating upgrades to all properties at a cost of [REDACTED]
2. Proceed with gas heating upgrades to properties at [REDACTED] only at a cost of [REDACTED] and explore [REDACTED] option to [REDACTED]
3. Proceed with works to join all properties at [REDACTED] to the [REDACTED] from the [REDACTED] based on pre-agreed criteria of costs and deliverability.

Due to the upcoming anticipated environmental targets within upcoming EESSH 2 regulations, lower ongoing service costs and the overall longevity of the system, it is recommended that the Association pursues option 3 as detailed above. This recommendation would be on the basis that the works are deliverable this calendar year and that costs are acceptable to the Association. Given the high risk of fuel poverty within the properties at [REDACTED] it is requested that if assurances or information is not available prior to July 31<sup>st</sup> 2020 or if the requirements cannot be met then approval be given for the Association to proceed with option 2 at this point.

**b) Appointment of Clerk of Work – Electrical Contracts (Decision Required)**

Meetings with proposed contractors for rewiring and electrical inspection (lots 3 and 4 of electrical major repair contracts) have now been held. New guidance states that properties where work is not completed within these contracts during this financial year may be subject failure under the SHQS guidelines and will therefore be reportable in the ARC return for 2020/21.

In order to ensure that the Association's interests are represented throughout the contracts, it is requested that approval be given for a Clerk of Works to be appointed via a quick quote to be listed on the Public Contract Scotland website. We propose including the following companies who have been recommended by consultants at [REDACTED] who have previous experience of working with each;

- [REDACTED]
- [REDACTED]
- [REDACTED]

It is proposed that the successful candidate would be the Association's point of contact for the contract and tenants, attend pre work surveys, monitor performance, ensure agreed health and safety measures are implemented, ensure all relevant

information is provided to the Association and report progress to the Association on a weekly basis.

**C) Open Space Maintenance (Decision Required)**

Letters to notify all contractors on the outcome of the recent procurement process have now been issued. A stand still period ending at midnight on 29<sup>th</sup> June 2020 is now being observed to allow any challenges from unsuccessful contractors to be made. Until this point the Association cannot enter a formal contract with the successful contractor.

In order to ensure that the Association is able to provide this service while pre-contract discussions take place it is requested that approval be granted to extend the ongoing contract with [REDACTED] for a period of one month from 30<sup>th</sup> June 2020 to 31<sup>st</sup> July 2020. Provided that no challenges to the decision is made a start date of 1<sup>st</sup> August 2020 will be proposed for the newly procured contract during a pre-contract meeting to be held on Thursday 25<sup>th</sup> June 2020.