

CLYDEBANK HOUSING ASSOCIATION LTD

TO: Management Committee (02 February 2021) **DATE:** 29.01.2021
FROM: Housing Services Manager
SUBJECT: **Maintenance Report – (Decisions Required)**

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 – Dumbarton Road

Following the report provided to the Housing Services Sub-Committee in September 2020, it was agreed that the Association pursue funding opportunities with the view of expanding the district heating system from the Queens Quay development to CHA managed properties at 119-173 Dumbarton Road. This was based on information that no funding was available for gas central heating installations that had been previously approved by the Management Committee.

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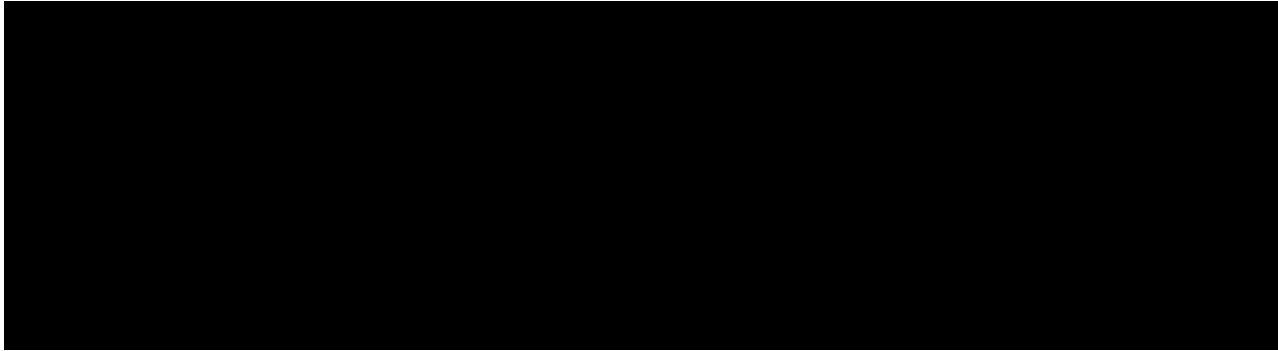
A breakdown of project costs are below:

Table 1 – Project Costs

[Redacted table content]

It should be noted that, in addition to initial project delivery costs, each system would require cyclical maintenance as part of our landlord obligations. The table below provides costs over the 15 year life cycle of the heating component, i.e. gas boiler or heat exchanger within tenanted properties. Costs included in the table are based on the following;

- [Redacted list item]
- [Redacted list item]
- [Redacted list item]



To reiterate, these properties were not due heating replacements until 2026/27 and therefore any amounts in the current investment plan () due to be expended in 2026/27 will be pushed back to 2036/37 and 2051/52 following installation (the next scheduled replacement dates for hot water cylinders and radiators and pipework respectively).

Fuel Poverty and Tenancy Sustainment

As previously reported to the Management Committee, tenants within these properties have reported high energy costs as a result of the current storage heating system in place.



During the recent internal wall insulation programme it was noted during surveys that a number of tenants are not using the current heating system.



Not only does this impact tenants' disposable income, it also creates issues with the properties themselves. Given the affordability of the current system it is reasonable to assume that properties are not being ventilated as windows are not being opened in order to try and retain heat and the design of the heating system brings difficulties for tenants to implement a proper heating regime. A consequence of poor ventilation and inadequate heating regimes is that the properties are more susceptible to mould growth and damp. Although tenants are to be commended for ensuring that this is not a widespread issue



For this reason, it is not seen as a viable option to keep the current system in place.

Advantages and Disadvantages

In order for an informed decision to be reached, pros and cons of each potential route and some additional information can be found below:

District Heating Expansion

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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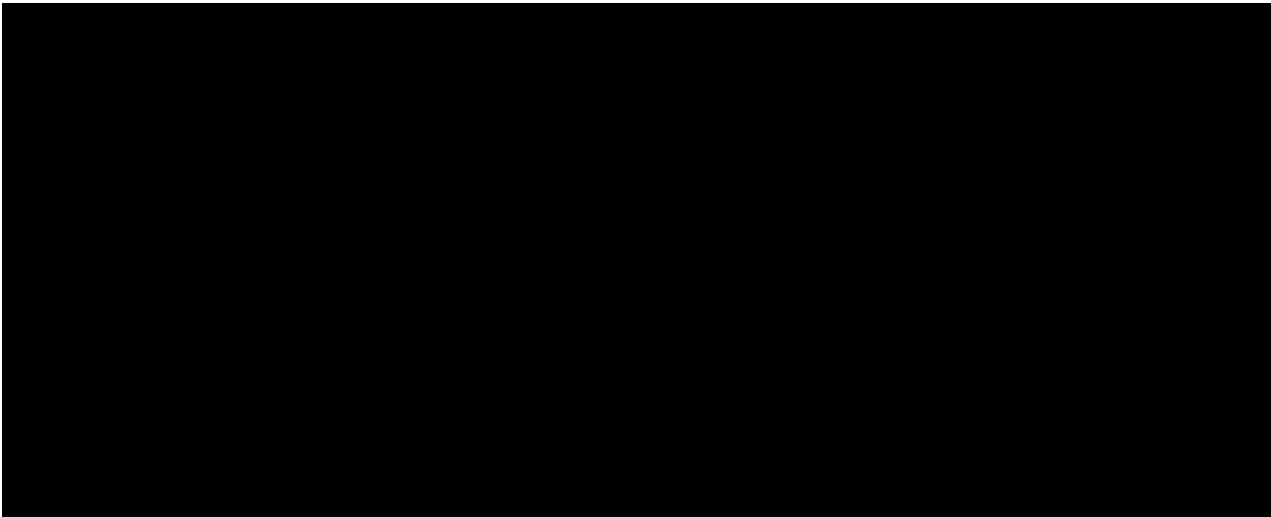
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Decision Required

It is requested that the Management Committee reaches a decision on which avenue to pursue based on the information provided above whilst noting the key issues as listed below;

1. Potential to alleviate fuel poverty.
2. Impact on tenants.
3. Longevity of the heating system.
4. Landlord obligations.

[Redacted text block]

[Redacted text block]

The Head of Finance and Corporate Services has confirmed that, based on the figures provided, the financial plans for 2020-25 can sustain the projected costs for the heating upgrades at Dumbarton Road (all options). These costs will have to be fully incorporated into the long-term LCC plans going forward to ensure that all costs are covered by rent receivable.