**Common Housing Quality Standard Forum**

**Topic Paper 5: Prioritising work in a common standard**

**Purpose**

1. This paper has been prepared to facilitate discussion by members of the Common Housing Quality Standard Forum on an issue relating to the development of a new cross-tenure housing standard for Scotland. This paper focusses on prioritising work in a standard.

**Common Housing Quality Standard**

1. The aim of the Common Housing Quality Standard Forum is to enable discussion with and between stakeholders on key issues affecting house condition to inform recommendations by the Scottish Government for a new common housing standard. Scottish Ministers will take account of the recommendations in considering whether to take forward a formal public consultation on a proposed common standard.

**Background**

1. Existing standards are lists of minimum requirements for homes. There is no prioritisation within these lists because it is taken for granted that every home that the standard applies to should comply with every element in it. Yet it is clear that some failures are more serious than others. For example a social house will fail SHQS if it is structurally unstable or if it has less than 6 electric sockets in the kitchen and the standard itself does not allow the classification of one as a more serious failure than the other. While all houses should comply with all elements of the relevant standard there is in practice an issue about which defects are prioritised and, if there is more than one, in which order they should be dealt with. Realistically, home owners, private and social landlords all have to make decisions on their priorities for their investment in their homes.

**Estimated costs of work on housing**

1. The last estimate of the overall cost of repairs and improvements across Scotland was carried out in 2002.[[1]](#footnote-1)

|  |  |  |
| --- | --- | --- |
| Tenure | Cost of BTS and patch repairs (£m) | Cost of BTS and patch repairs + improvements (£m) |
| Owner occupier | 1,079 | 2,100 |
| LA/other public | 385 | 735 |
| HA/co-op | 50 | 149 |
| Private rented sector | 243 | 466 |
| Total | 1,758 | 3,451 |

1. BTS repairs are costs needed to bring a house up to the tolerable standard. Patch repairs were defined as the cost of rectifying visible disrepair. Around 40% of this was due to repairs to the external elements of the building and 19% to internal repairs. Taken together, repairs to the exterior and the external environment (e.g. steps and paths) accounted for 72% of the estimated total repair bill.
2. Improvements were defined as follows –

* Alterations to overcome inadequate space in kitchens, bathrooms, apartments or circulation areas.
* Alterations to overcome other deficiencies in the layout of kitchens, bathrooms, apartments or circulation areas (generally unsatisfactory circulation arrangements).
* Full installation of central heating.
* Supplementing inadequate kitchen storage provision.
* Thermal insulation to roof spaces and/or cavity external walls. [[2]](#footnote-2)
* Sound insulation to party walls and/or party floors.
* Provision of garden fencing and paving where none exist.

1. The full cost of comprehensive repairs, that is patch repairs plus the cost of replacing all external and common elements assessed by surveyors as having a residual life of 10 years or fewer, was much higher. On this 2002 estimate the total cost of repairing, maintaining and improving housing in Scotland was more than £8 billion.

|  |  |  |  |
| --- | --- | --- | --- |
| Tenure | Cost of comprehensive repairs (£m)[[3]](#footnote-3) | Cost of improvements (£m)[[4]](#footnote-4) | Total estimated cost (£m) |
| Owner occupier | 4,147 | 1,021 | 5,168 |
| LA/other public | 1,280 | 350 | 1,630 |
| HA/co-op | 270 | 99 | 369 |
| Private rented sector | 804 | 223 | 1,027 |
| Total | 6,501 | 1,693 | 8,194 |

**Investment in private housing**

1. The following chart summarises investment in homes by owners (including private landlords): [[5]](#footnote-5)
2. The following table shows the range of things that money was spent on:[[6]](#footnote-6)

|  |  |  |
| --- | --- | --- |
| **Core repairs** | **Energy repairs** | **Other work** |
| Work to foundations  Structural work to walls or roof  Work to damp-proof course  Completely rewire property  Work to stairs or staircase  Replace/repair floor  Timber treatment  Replace roof covering  Rebuild/repoint chimney stack  Gutters or downpipes  Rendering or harling on walls  Mains water connection  Basic repairs to corridors, stairway or main entrance  Partial demolition | Central heating system  Loft insulation  Wall insulation | Conservatory or extension  Convert loft, attic or garage  Completely refit kitchen  Completely refurbish bathroom  Provide additional bathroom  Replace drives or paths  Replastering  Paint outside windows  Replace windows  Replace door  Replace fires or heaters  Flat roof to pitched roof  External timber to UPVC  Entry phone system  Smoke alarms |

1. This indicates that around 40% of owners have done work on their homes each year, spending approximately £2 billion every year (on average around £3,000 on each home). This is consistent with other indicators of investment by owners in their homes (e.g. media, feedback from informal sources). It is quite possible that some of this spending was not on the things most important for the house in question. For example, we know that a kitchen refurbishment can sometimes be prioritised over roof disrepair.
2. The Office for National Statistics estimates that the UK housing repair, maintenance and improvement sector is worth around £22 billion every year. In addition, a further £9.3bn of work is estimated to have been undertaken in the informal economy[[7]](#footnote-7) in 2010. The Federation of Master Builders estimates that the informal economy in the housing repair, maintenance and improvement sector in Scotland is 56% of the formal one, the largest proportion of any country in the UK. This element of spending raises a question about the quality and lasting value of some of the work that is being done.

**Investment in social housing**

1. The Scottish Housing Quality Standard set a target for social housing to meet by April 2014. Over the past 10 years SHQS has helped social landlords to direct £3.3 billion between 2007 and 2015 into investment into hundreds of thousands of social homes to provide warmer, safer and drier homes for some of the poorest people in Scotland. These achievements in improving social housing show the benefits of a standards-led approach.[[8]](#footnote-8)

|  |  |
| --- | --- |
|  | Annual social landlord investment in SHQS (£m) |
| 2007/08 | 425 |
| 2008/09 | 444 |
| 2009/10 | 500 |
| 2010/11 | 370 |
| 2011/12 | 375 |
| 2012/13 | 439 |
| 2013/14 | 350 |
| 2014/15 | 306 |
|  | 3,209 |

Assuming that social landlords’ investment was at a similar level for the first 3 years of SHQS the total investment would be around £4 billion, which is about twice the 2002 estimate for comprehensive repairs and improvements (paragraph 7 above).

**Hierarchy of Needs**

1. We asked a question in the consultation on *Homes That Don’t Cost The Earth* on a hierarchy of needs.[[9]](#footnote-9)

**Question 12.** We identify a checklist for maintaining a quality home [below]. Do you agree with our proposed hierarchy of needs?

**Looking after your home: What is most important?**

1. Make sure that your home is wind and watertight and that it is structurally sound; make sure that it stays that way by carrying out regular maintenance.

2. Make sure that work is done properly because poor quality repairs may be ineffective and can cost more in the long run,

3. Consider retrofitting appropriate insulation,

4. Make sure that your home is properly ventilated because this is essential to keep it healthy,

5. Review your boiler to ensure that it is efficient, and

6. Ensure that points 1-5 have been addressed before considering micro-renewable technology.

1. We received 55 responses to this question.[[10]](#footnote-10)

|  |  |  |
| --- | --- | --- |
|  | YES | NO |
| **Overall** | **43** | **13** |
| Local Authority | 16 | 5 |
| Registered Social Landlord | 11 | 5 |
| Representative body for private sector organisations | 4 | 1 |
| Third sector/equality organisation | 4 | 1 |
| Representative body for third sector/equality organisations | 2 |  |
| Representative Body for Professionals | 2 |  |
| Private Sector Organisation | 2 |  |
| Others | 2 | 1 |

Overall this is a good level of support (77% in favour).

1. Interestingly, most of the “noes” are actually “we agree with the principle but we think that the text should be amended/reordered” and a lot of the “yeses” are actually “broadly yes, but we think the text should be amended/reordered”. We had one “no” response with no comments and we had one response that did not tick “yes” or “no” but had comments about the text (included in with the noes in the calculation above).
2. The comments in more detail:

* There needs to be a statement at the start that makes it clear it is intended as a reasonable guide and priorities may be different in particular circumstances. It should be incorporated in more general guidance about scheduling maintenance, but essential maintenance should be prioritised over cosmetic or non-essential work. We should preface the list with information about getting advice, or include advice about trusted traders. And we should say that different types of property will have different needs.
* We need definitions of what we mean by “appropriate”, “efficient”, “micro-renewable technology”, and “properly ventilated.”
* We presumed gas central heating boilers, and should amend this to reflect different heating types, and perhaps consider whether the most appropriate heating system is installed. For example say, “Ensure existing heating has appropriate controls, and is being used efficiently and cost effectively.” It was also suggested that we should add an additional point to cover the choice of heating systems, for example, “When heating needs replaced, appraise all options before deciding on new system (don’t assume like for like).” Other suggestions for the wording of this elements are, “Ensure that your existing heating system is as energy efficient as possible and review the availability of grants and funding to help you improve the energy efficiency of your system by contacting your local one stop energy efficiency advice shop”, another is, “Join a district heating or combined heat and power scheme if one exists in your area, or replace your boiler with an A-rated efficient appliance.”
* Consider double glazing and external doors for energy efficiency, and draft exclusion, alongside insulation – one specific suggestion is “Install insulation where it is technically feasible to do so, and ensure all other reasonable improvements such as draft-proofing and energy efficient glazing have been completed.” Also we need to encourage owners to think about their behaviour re wasting energy, such as “Contact your local ESSAC for advice on how to effectively control your energy use.” Also suggest that people suggestions to review the tariffs and meters or use smart meters for their heating system.
* Some responses suggested that energy efficiency is more important than anything else, or that it should be higher up in the list. Another said that the wording in relation to insulation and retrofitting should be more forceful and we should be careful that the wording does not discourage people from installing energy efficiency measures.
* Other responses were that ventilation should come before insulation, and should refer to condensation, “and make the link between ventilation, insulation and lifestyle.”
* Other responses were that making sure work is done properly should come first (but one said it should be last) or that the need for a maintenance plan should be at the top.
* Home safety should be included, such as safe electrical installations, hot water (i.e. thermostatic mixing valves) and smoke detectors should be included. In some areas of Scotland it will be important to take appropriate measures to limit ingress of radon and ensure that it is not captured within the house.
* Adaptation for the needs of older and disabled people should be included.
* We should include specific advice to carry out an annual inspection of roofs and gutters.

1. A revised note on prioritising work, taking account of these comments, is set out in an Annex at the end of this paper. Note that energy efficiency is still at the end of the list. This does not mean that energy efficiency is unimportant. In fact it is only the energy efficiency measures in this list that can improve carbon emissions and fuel poverty. But it is much more difficult and expensive to make a home energy efficient if it is in a bad state of repair.

**Key Issues**

1. The cost of comprehensive repairs is considerable and some owners in the private sector may need to prioritise works.
2. Some repair and maintenance issues may be brought to light by home reports.[[11]](#footnote-11) We would prefer to identify works earlier and on an ongoing basis.
3. The proposed guidance is advisory, intended to raise awareness of home owners and landlords or the need to prioritise investment. It is not intended to be compulsory. However, it could be considered as part of a statutory duty of care for buildings or an obligation to plan maintenance, especially in shared blocks.
4. Home owners and landlords may need additional guidance on what to look for in homes and identify works that ought to be considered.
5. Home owners and landlords may also need guidance on make-do measures. If a job is too big to carry out in the short term, there may be measures which can prevent deterioration until a substantive repair can be carried out.
6. There is a need for good quality communications to raise awareness of maintenance issues and prioritisation of the most important works.

**Suggested questions for discussion**

1. Do you agree that more should be done to encourage home owners and landlords to think about the need for ongoing investment in homes? For example, would it be useful to develop a template maintenance plan for home owners?
2. Do you agree that it would be beneficial to improve home owner and landlord awareness of prioritisation for work on homes?
3. Do you think that the guidance in the Annex below raises the right points in the right order?
4. Are there other points that should be included?
5. Do you think there should be a statutory duty to look after homes (or alternatively a limited duty applying to some kinds of homes, or for some elements)?

**Scottish Government**

**June 2016**

**Annex: Looking after your home: What is most important?**

The Scottish Government has prepared a checklist to help home owners and landlords prioritise how they invest in their properties.

The checklist is intended as a reasonable guide and home owners’ priorities may be different in particular circumstances.

1. Make sure that your home is wind and watertight and that it is structurally sound. Make sure that it stays that way by carrying out regular maintenance

* Essential maintenance should be prioritised over cosmetic or non-essential work
* Make a maintenance plan for your home
* One way to reduce the risk of unexpected expensive repairs is to get an annual inspection of your home’s roof and gutters
* Make sure that work is done properly because poor quality repairs may be ineffective and can cost more in the long run
* Combine savings by carrying out any necessary repair work at the same time as energy efficiency improvements
* If you are carrying out extensive works think about future-proofing your home so that it will meet your needs when you are older, or for young children or disabled people

1. Make sure that electrical and gas supplies are safe to use by arranging a regular inspection
2. Make sure that your home is properly ventilated because this is essential to keep it healthy and contribute to the health and comfort of the occupants

* Ventilation is the exchange of air inside a building with fresh air from outside – air is naturally ventilated through windows and vent spaces by changes in air pressure due to wind and temperature – this process is essential to maintain air quality inside the house, to reduce condensation, and to control the build-up of moisture inside the fabric of the building

1. Keep your home safe

* Install carbon monoxide detectors and hardwired interlinked smoke alarms, and make sure that they are tested regularly
* Consider other safety devices such as electrical residual current devices and thermostatic mixing valves
* Make sure the water supply pipework into the property and any storage tanks are not of lead or other material that would cause the water supply to be unwholesome
* If you live in a high radon area make sure that radon is not building up in your house – prolonged exposure to radon gas can cause damage in living tissues, increasing the risk of cancer (interactive radon maps and other information about radon is available at [www.ukradon.org](http://www.ukradon.org)).

1. Make sure that your home is energy efficient

* Install insulation, and carry out all other reasonable improvements such as draught-proofing and energy efficient glazing
* Review your energy tariffs or use smart meters for the heating system
* Ensure that your existing heating system is as energy efficient as possible and is being used cost effectively
* If your heating system needs replaced, weigh up alternative options before deciding on new system (don’t assume like for like)

1. Consider installing efficiency measures, but ensure that points 1-5 have been addressed before considering microrenewable technology (turbines, solar panels, heat pumps etc.). Contact Home Energy Scotland (<http://www.greenerscotland.org/home-energy/home-energy-scotland>) for advice on how to effectively control your energy use.

1. Scottish House Condition Survey 2002 (Communities Scotland), <http://www.scotland.gov.uk/Resource/Doc/933/0039916.pdf>, table 7.17, pages 120. [↑](#footnote-ref-1)
2. The tolerable standard was amended in 2009 and now includes thermal insulation which was treated as an improvement in the 2002 report, see paragraph 6 of this paper. [↑](#footnote-ref-2)
3. See note 2, table 7.14, page 116. [↑](#footnote-ref-3)
4. The cost of improvements is estimated from the figures in the table at paragraph 4 above. However, the report cautions that this is a crude estimate and should be treated with caution, given the linkages between elements in the cost model process, i.e. works needed for patch repairs/BTS/modernisation are not easily separated, for if a complete upgrade of a heating system is needed the cost of fixing disrepair to the existing system is disregarded. [↑](#footnote-ref-4)
5. Scottish House Condition Survey - Local Authority Analyses, tables 7.2 and 7.8, <http://www.gov.scot/Topics/Statistics/SHCS/keyanalyses>, n.b. data is in 3 year averages and was not collected after 2011. [↑](#footnote-ref-5)
6. Scottish House Condition Survey 2010, ad hoc report summarised in Private Sector House Condition in Scotland (2012) <http://www.gov.scot/Topics/Built-Environment/Housing/sustainable/Strategygroup/meeting5/condition>. [↑](#footnote-ref-6)
7. “Informal economy” means the paid production and sale of goods and services that are unregistered by, or hidden from the state for tax, benefit and/or labour law purposes but which are legal in all other respects (see Office for National Statistics, 2005, *Identifying Sources on Entrepreneurship and the Informal Economy*, <http://works.bepress.com/colin_williams/33/>) [↑](#footnote-ref-7)
8. Scottish Housing Regulator, Scottish Housing Quality Standard Progress Updates 2007/08 to 2013/14 and National Report on the Scottish Social Housing Charter: An analysis of landlords’ 2013/14 annual returns, <https://www.scottishhousingregulator.gov.uk/publications>. [↑](#footnote-ref-8)
9. Homes that don't cost the earth: a consultation on Scotland's Sustainable Housing Strategy (2012), <http://www.gov.scot/Publications/2012/06/8390>. [↑](#footnote-ref-9)
10. Homes that don't cost the earth: a consultation on Scotland's Sustainable Housing Strategy – Responses, <http://www.gov.scot/Publications/2012/10/4512/0> [↑](#footnote-ref-10)
11. Research to Inform the Five Year Review of the Home Report: 5 Performance of The Home Report Against its Objectives, <http://www.gov.scot/Publications/2015/01/6011/8>. [↑](#footnote-ref-11)