

# Scottish Housing Quality Standard (SQHS)



Energy Efficient

Free From Serious Disrepair



Tolerable Standard

Healthy, Safe & Secure

Modern Facilities & Services



## STANDARD DELIVERY PLAN APRIL 2005

Standard Delivery Plan for all  
Council housing stock to achieve the  
Scottish Housing Quality Standard  
by 2015

Aberdeenshire  
COUNCIL



Housing & Social Work



# Aberdeenshire Standard Delivery Plan 2005 - 2015

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# **Aberdeenshire Council Standard Delivery Plan 2005-2015**

## **Executive Summary**

### **Background to the Scottish Housing Quality Standard (SHQS)**

In March 2003 the Scottish Executive's consultation paper "Modernising Scotland's Social Housing", established proposals for a national housing standard based on a minimum set of quality measures for all houses in the social rented sector. The national standard has since been updated and amended to produce the Scottish Housing Quality Standard.

The Scottish Housing Quality Standard (SHQS) is consistent with what constitutes acceptable, modern, good quality, housing. It is however different to the Statutory Tolerable Standard (a very basic standard of acceptability) and the Building Standards (which only apply to new buildings).

The SHQS is based on a number of broad quality criteria. To meet the standard a house must be:

- Compliant with the Tolerable Standard;
- Free from serious disrepair;
- Energy efficient;
- Fitted with modern facilities and services;
- Healthy, safe and secure.

Across the social rented sector, Local Authorities and Registered Social Landlords (RSL's) must submit their Standard Delivery Plans by 29 April 2005 to demonstrate how their stock will meet the standard by 2015.

The Standard Delivery Plan (SDP) requires a significant amount of background information to be provided to evidence the context and process by which the SDP has been developed. To keep the SDP as concise as possible, the Council has developed the SDP in two parts. The core document is the SHQS SDP, which sets out the Council's position, approach and programme. The other key document is the Supporting Information which provides more detailed information on key aspects of the SDP.

### **Strategic Context**

Aberdeenshire's Local Housing Strategy (LHS) received a positive assessment by Communities Scotland in 2004. The LHS sets out a vision "to work in partnership to ensure every household in Aberdeenshire has access to housing, of good quality, which meets a required particular need, in a sustainable and inclusive community".

The main issue identified within the LHS is the lack of affordable housing which remains a key priority for the council to tackle with its partners. A recent Housing Needs Study found over 6,300 in housing need and currently there are around 4,500 households on the Council's housing waiting list.

Whilst many communities in Aberdeenshire are situated in very pressured housing markets producing challenges and access to housing and affordability issues, there are also two important regeneration strategies underway in Fraserburgh and Peterhead.

In Fraserburgh, the Council along with Communities Scotland and Scottish Enterprise Grampian are moving towards the implementation of a series of proposals to rejuvenate the northern part of the town, which will tackle social, economic and environmental issues. Similarly, the Council and its partners are active in implementing proposals in Peterhead involving the renewal of key sites. Improved and more suitable housing will be developed as well as an enhanced environment which will complement the business activity and bringing added economic confidence to the town.

The SDP takes into account these regeneration plans, particularly where Council housing stock is affected in terms of any demolition or upgrading issues.

### **Stock Condition Database**

As part of the Large Scale Voluntary Transfer study, carried out in 1999, the Council undertook a survey of all its housing stock. The accuracy of the survey results was independently tested and confirmed at that time. Since then, the Council have continued to update the Database to include improvements carried out since 1999.

Following the introduction of the SHQS, the Council has reviewed and further updated the Database to take into account the emergence of the SHQS, particularly in terms of achieving the required standards.

The SDP details how this Database was updated and where extra work took place to address information gaps, leading to an analysis of how the Council can move towards meeting the required standard by 2015. The process by which the Database will continue to be updated is also described, reflecting the crucial role the Database will play in shaping future improvements and investment programmes. Again, the Council's approach was supported through an independent assessment carried out early in 2005.

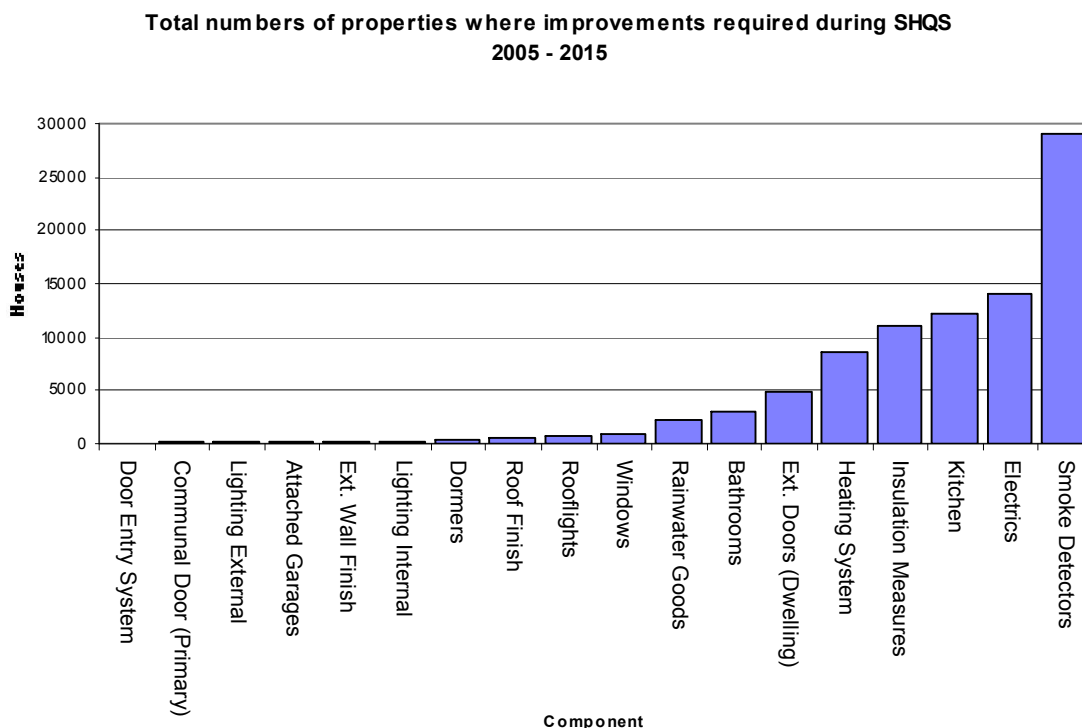
### **SHQS Analysis**

The analysis and the Stock Condition Database describes where the Council needs to target its investment across its stock of 14,044 properties to meet the SHQS by 2015. A full description is given, detailing where specific "failures" in the Standard occur. This includes analysis of the individual SHQS criteria as well as details on emerging failures up to 2015.

While the SHQS brings forward a set of minimum standards, there remains significant scope within the guidance around the interpretation of those (minimum) standards. The Council has applied an onerous interpretation of key components within the Standard, specifically regarding smoke detectors, electrical checks and insulation. This more onerous approach has resulted in a current pass rate of 2% of the Council's housing stock against the Standard. The 2005 National Stock Condition Survey estimated the Council's pass rate to be 33% (better than average) which in terms of the minimum Standard required to pass is likely to be more realistic. However, the Council's view was to set higher expectations in respect of these 3 key areas.

As well as the key targets around smoke detectors, electrical checks and insulation, the other main focus of expenditure is on kitchens, heating systems and bathrooms. These particular components feature strongly within the SDP timescale due to their relatively high cost and their planned replacement period being relatively short.

The Chart below summarises the total number of properties where improvements are required (by component) during the SHQS period up to 2015 (note that the total number of properties exceeds the Council's housing stock as the component may need replacement more than once during the 10 year period).



## **Operational Plan**

This part of the SDP sets out the Council's proposals for each of the items where failure of an SHQS criterion has been identified. The proposals are described under the 5 broad criteria.

### **a. Complement with the Tolerable Standard**

The 1999 Stock Condition Survey identified 391 properties as having dampness present. These have since had specific appropriate improvements targeted at them and the Council is in the process of ensuring the dampness has been eradicated.

### **b. Free from Serious Disrepair**

No issues have been identified with the primary building elements (which includes walls, floors, foundations and roof structures).



In terms of secondary building elements, the 1999 Stock Condition Survey identified a potential need to replace 4,617 roof coverings, rainwater goods and windows and doors. However recent sample inspections have determined that most of these components continue to be in good condition and they have been (and will continue to be) reprofiled for future replacement accordingly.

c. Energy Efficient

The Council is embarking on a significantly enhanced programme of fitting higher levels of loft, cavity, hot water pipe and tank insulation as necessary. Partnerships with local contractors are being reviewed to ensure delivery of this.

In relation to heating systems, a systematic process has been agreed to upgrade those homes with lower SAP ratings, through the installation of the most effective heating system to improve the energy efficiency of these properties.

While most properties will be brought up to the required standard, around 500-600 properties are projected to be hard to treat mainly due to their location (no access to gas) and construction type. These properties will be the focus for the Council investigating alternative and innovative technologies to bring them up to standard.

d. Modern Facilities and Services

No significant issues identified – kitchen and bathroom replacements will take place as necessary to ensure the Standard is met by 2015.

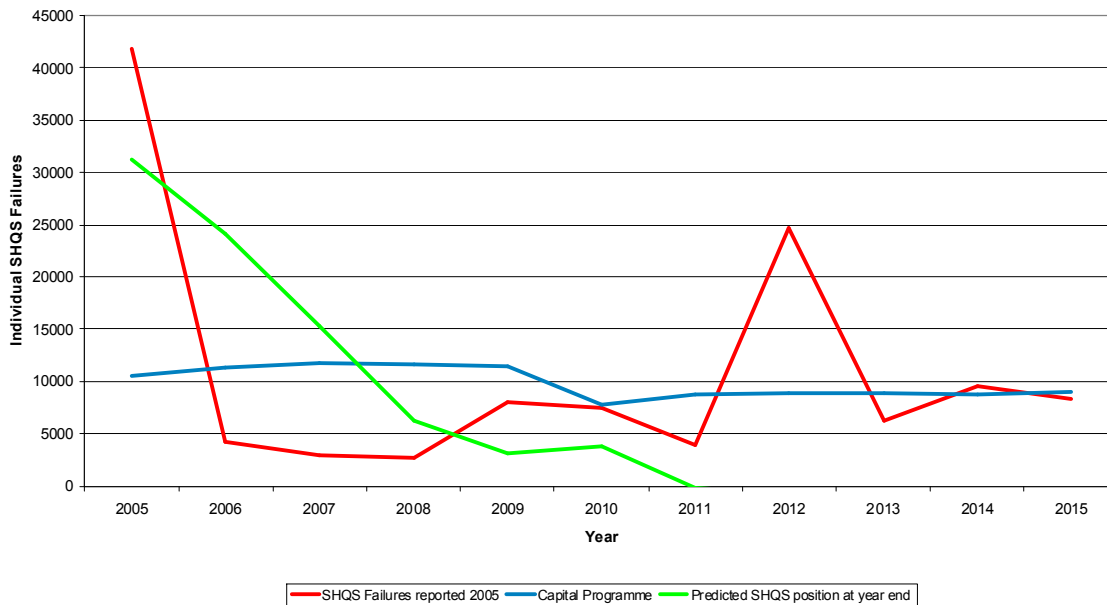
e. Healthy, Safe and Secure

Enhanced plans involve formal electrical safety checks (rather than a single visual check) and replacement of hardwired smoke detectors every 5 years (rather than simply having a smoke detector present). These more onerous plans affect all the housing stock over the 10 year period and therefore as this process is implemented, rapid progress towards overall compliance is achieved.

As a Summary, the predicted overall future SHQS compliance is described in the graph below. Projections indicate that the council will be fully SHQS compliant by 2011.

## Graph of Effect of Improvement Programme on SHQS Position

**Effect of Improvement Programme on SHQS position**



The Council is also committed to reviewing its procurement methods to improve the value for money and effectiveness of the delivery of this improvement programme

### **The Housing Business Plan**

The Housing Business Plan has been in place since 2000. The Council has since reviewed it and updated it to fully take account of the SHQS requirements and the Business Plan has been independently assessed to continue to be robust.

### **Monitoring and Evaluation**

An Action Plan forms a key part of the SDP and sets out priorities for the Council in meeting the key milestones within the Plan. This will be the key means by which the Council will continuously monitor progress towards meeting the Standard.

# Section 1 - Introduction

## **Background to the Scottish Housing Quality Standard (SHQS)**

- 1.1 In March 2003 the Scottish Executive's consultation paper "Modernising Scotland's Social Housing", established proposals for a national standard based on a minimum set of quality measures for all houses in the social rented sector. That national standard has since been updated and amended to produce the Scottish Housing Quality Standard.

The Scottish Housing Quality Standard (SHQS) is consistent with what constitutes acceptable, modern, good quality, housing. It is however different to the Statutory Tolerable Standard (a very basic standard of acceptability) and the Building Standards (these only apply to new buildings).

- 1.2 The SHQS is based on a number of broad quality criteria. To meet the standard a house must be:

- Compliant with the Tolerable Standard;
- Free from serious disrepair;
- Energy efficient;
- Fitted with modern facilities and services;
- Healthy, safe and secure.

Across the social rented sector, Local Authorities and Registered Social Landlords (RSL's) must submit their Standard Delivery Plans by 29 April 2005 to show how their stock will meet the standard by 2015.

## **Format and Structure of Aberdeenshire's Standard Delivery Plan**

- 1.3 The Standard Delivery Plan (SDP) requires a significant amount of background information to be provided to evidence the context and process by which the SDP has been developed. To keep the SDP as concise as possible, the Council has developed the SDP in 2 parts. This SDP is the core document that sets out the Council's position, approach and programme as required by the guidance. The other key document is the Supporting Information, which provides more detailed information on key aspects of the SDP and while provided separately this constitutes part of the Council's overall SDP. Where appropriate, elements of the Supporting Information will be referred to within the SDP.
- 1.4 In Section 2 the Council's SDP will describe the strategic context within which the SDP operates, drawing on key links with the Local Housing Strategy in particular. Section 3 sets out how the Stock Condition Survey Database has been developed and updated to reflect SHQS requirements, while Section 4 provides the more detailed analysis of the SHQS criteria and the investment required to achieve the standard. Section 5 sets out the Operational Plan the Council will put in place to deliver the investment programme to meet the Standard, Section 6 discusses the Council's review of its existing 30 year Business Plan and the Option Appraisal, and finally Section 7 includes proposals for a monitoring and evaluation framework.

- 1.5 The Council has sought independent expert validation relating to key parts of the SDP and this will be evidenced as necessary throughout the Plan. Similarly the guidance sets out that the SDP must provide information through standardised appendices to assist in the assessment process – this is attached as part of the SDP.
- 1.6 The Council used its 100% Stock Condition Database and a new SHQS Database module, developed by Aberdeenshire Council in partnership with Concept Informatics, to complete the Scottish Executive’s standard SHQS appendices, and to inform the Council’s key Operational Objectives for the continued planned maintenance and improvement of the stock for the SHQS 2005 – 2015 period in particular and beyond for the full 30 year Business Plan timescale.

## Section 2 – Strategic Context

### Local Housing Strategy Vision

- 2.1 The Aberdeenshire Local Housing Strategy (LHS) was submitted in April 2004 and following assessment by Communities Scotland was given a “good” grading. The vision statement of the LHS is:

“To work in partnership to ensure every household in Aberdeenshire has:

- Access to housing;
- Of good quality;
- Which meets a required particular need;
- In a sustainable and inclusive community.”

The key issue affecting Aberdeenshire is the lack of Affordable Housing. Affordable Housing can take a variety of forms and those available in Aberdeenshire can be: social rented either Council or Registered Social Landlord (RSL), low cost home ownership, some private rented, shared ownership and subsidised house plots.

### Housing Need

- 2.2 The LHS describes that affordable housing need in Aberdeenshire has remained consistently high for many years. There are currently over 4,500 applicants on the Council’s housing waiting list and a recent Housing Needs Assessment identified over 6,300 households as being in housing need, although the results of a more recent study is expected soon and will feature in the update to the LHS planned for summer 2005.

- 2.3 The pressure for affordable housing varies across Aberdeenshire as a result of employment patterns, demographics and market pressures, with some towns under more pressure than others. The towns under most pressure are listed in order of priority below:

Inverurie, Ellon, Stonehaven, Peterhead, Banchory, Fraserburgh, Huntly, Turriff, Alford, Aboyne, Portlethen, Westhill, Torphins, Kemnay, Mintlaw, Ballater, Newmachar, Banff, Oldmeldrum and Kintore.

The remaining settlements, although not under as much pressure, still have waiting lists which exceed the number of relets or where the levels of affordable housing are not sufficient enough to sustain the community. A comprehensive list can be found in the Local Housing Strategy (LHS).

- 2.4 Demand for housing could arguably be addressed in 3 ways - by increasing the supply, by maximising the use of existing housing, and to give people better information to make the right decision for housing options – as the LHS sets out.

To help meet the vision of the LHS in terms of quality and to help tackle the severe shortage of affordable housing, it is important that the Council and its partners maintain, and improve where necessary, the quality of all existing housing in Aberdeenshire in order to maximise its effectiveness in meeting housing need.

## **Regeneration Strategies**

2.5 Although the LHS sets out that there are no significant areas of low demand within Aberdeenshire there are areas, which have been identified as having types of housing which are no longer fit for purpose. This is either because they are in the wrong location or are deemed to be defective. Regeneration Strategies have been developed for Fraserburgh and Peterhead. A Plan has also been developed for a small number of defective houses in Cruden Bay and also for a small number of non-traditional house types in Aberchirder, redevelopment options are being considered. A Regeneration Strategy is being developed for Banff/Macduff and it is expected that this will be available by April 2006.

### 2.6 Fraserburgh Regeneration Plan

Aberdeenshire Council, Communities Scotland and Scottish Enterprise Grampian have through the Aberdeenshire Towns Partnership, worked closely to develop sustainable regeneration proposals for North Fraserburgh. The area has challenging social, economic and environmental issues and the proposals emerging from the wide ranging local consultation now has the support of all the key partners. A detailed Implementation Plan is now being progressed and is being reported to the Partners via the Building Buchan - New Beginnings Board (the Board oversees wider regeneration proposals across North Aberdeenshire).

The housing proposals for Fraserburgh involve the demolition of 95 Council properties in an area of low demand that has for some time been stigmatised and where properties have often been extremely difficult to let – this has been exacerbated in part by the type of property (3-bed flats) being of low demand. The proposals involve the redevelopment of a nearby derelict site by a Housing Association to provide more appropriate house types and an enhanced environment. The cleared site of the demolition area will be re-designed to provide more suitable housing and a better environment but will in addition provide necessary facilities – all of which will create a more sustainable community. While this area has been stigmatised it should not mask the continued need for affordable housing in Fraserburgh generally. Local residents will continue to be involved in shaping the future of the area. The report to Social Work and Housing (SW&H) Committee on the 4 November 2004 sets out the background and proposals in more detail and can be viewed along with a presentation of the Fraserburgh North Masterplan in the Supporting Information, Local Strategic Context Section, Items 1.1 and 1.2 respectively.

Demolitions are planned to take place in 2007 and the impact of the demolition on the Business Plan has been taken into account.

## 2.7 Peterhead Regeneration Strategy

Peterhead has developed a Regeneration Strategy through the Aberdeenshire Towns Partnership. These proposals target the town centre in particular for regeneration and a number of key sites have been identified for redevelopment, which will impact substantially on the social, economic and environmental well-being of the town.

The housing proposals, which have also been agreed by the Partners, involve the demolition of a property containing 55 Council flats. Over time this property has caused significant management and maintenance issues to the extent that the building, regarded as an eyesore in the centre of Peterhead, is now vacant and secured. Implementation plans include the redevelopment of this housing site to provide a non-housing use (potentially a retail/leisure facility), with alternative sites identified for Housing Association development to compensate for the loss in supply of affordable housing. The new provision will be in other redeveloped sites in the town centre and will primarily be houses rather than flats. This is line with the priorities identified in the Regeneration Strategy.

A full copy of the Peterhead Regeneration Strategy can be viewed in the Supporting Information, Local Strategic Context Section, Item 1.3.

## 2.8 Cruden Bay.

There are 6 Council properties in Cruden Bay, which are badly affected by subsidence. The Council is currently considering redevelopment options with partners including demolition, which may be the most cost-effective option. An update will be available from April 2006. A copy of the report to Buchan Area Committee can be viewed in the Supporting Information, Local Strategic Context Section, Item 1.4.

## 2.9 Non Traditional Construction

Chartered Structural Engineers were appointed to undertake Full Structural Assessments of the Council non-traditionally constructed properties to estimate long term structural repairs and to estimate a future life for each type.

The Summary Report (see Supporting Information, Local Strategic Context Section Item 1.5) from these surveys has found that the majority of the non-traditional house types are in excellent condition and have anticipated future life in excess of 30 years. The survey has identified that there are 2 'defective house types' within Aberdeenshire Council the 'Dorran' and 'Orlit' types of which there are 5 and 136 respectively. Despite being defined as defective the report has advised that the 136 Orlit properties are in good condition with a substantial future life expectancy. However, the 'Dorran' type of which there are only 5 have a limited future life at this stage demolition has been identified as necessary and as being the most cost-effective option. An update will be available from April 2006.

## **Other Tenures**

- 2.10 A significant issue of concern within Aberdeenshire is the quality of housing in the private sector. Following a Private Sector House Condition Survey in 2003 (a copy is available on request), it was found that 24% of private housing is in an unsatisfactory condition. More information on how the Council is approaching the issue of condition in the Private Sector and linking with various initiatives and the Housing Revenue Account capital improvements budget can be seen in the Operational Plan of this Delivery Plan.

The Council and its partners are preparing a Private Housing Strategy, which will address these issues and more details on this will be included within the LHS in its update later this summer. This is being co-ordinated through the Private Sector Housing Grant (PSHG) Team.

The LHS indicates there are no significant issues in relation to the quality of housing stock within the RSL sector. Details on each RSL's Standard Delivery Plan will also be included within an update to the LHS in due course.

## **Links to Specific LHS Objectives**

- 2.11 The LHS sets out the path to improving the quality of housing across Aberdeenshire, this is summarised through the key objectives. The implementation of this Delivery Plan will directly tackle a number of these objectives, in particular these relate to:

- Objective 4. To ensure 14,825 houses by 2009 (9,250 Council houses, 2,000 RSL houses and 3,575 private houses) are targeted to provide good quality housing, which is fit for purpose.
- Objective 5. To improve standards of energy efficiency in all homes allowing 88% of Aberdeenshire residents to afford to heat their own homes.

There are also a number of objectives, which will be met indirectly by the delivery of the SHQS. These are:

- Objective 6. To support a sustainable building industry through new activities which will provide a minimum of 150 apprenticeships by 2009.
- Objective 9. To provide a range of quality, affordable housing in a high quality environment for all sections of the community provided through sensitive mixed-use regeneration of areas in Fraserburgh, Peterhead and Banff/ Macduff.



## Section 3 – Stock Condition Database

### Development of Aberdeenshire Council's Stock Condition Database

- 3.1 As part of the Large-Scale Voluntary Transfer (LSVT) Feasibility Study carried out in 1999 (lead consultant DTZ Pieda), Aberdeenshire Council undertook a survey of its entire stock of approximately 18,000 properties in 1999/2000. The bulk of this survey (80%) was completed in early 2000. The remaining 20% took longer due to access difficulties, however by Summer 2001, 99% of the stock had been fully surveyed. (A fuller and wider account of the LSVT study in terms of the option appraisal element is given later in this Plan).

The personnel used to undertake Aberdeenshire Council's Stock Condition Survey in 1999/2000 were all qualified Building Surveyors, Architects, Architectural Technicians or recently qualified graduates with construction related degrees.

Prior to the start of the Survey an introductory course was organised where each Surveyor was given an information pack containing details of local architectural characteristics, health and safety information and "hands-on" training. All Surveyors were competence tested prior to starting full surveys. Results were compared, and harmonisation exercises undertaken to ensure relatively consistent approaches to defining age and condition of key elements.

For each property a physical survey was completed of the exterior and interior of the dwellings. Using a standard questionnaire, data was collected using handheld computers, and downloaded into a computerised survey database. The survey collected information on details particular to each property involving all aspects of the construction and condition in addition to various internal, service and environmental issues.

Sufficient information was also collected at this time to enable an energy audit of the stock to be completed. The analysis produced energy ratings using the National Home Energy Rating (NHER) scheme at Level Zero and also using Standard Assessment Procedure (SAP).

- 3.2 In September 1999, Aberdeenshire Council (in conjunction with DTZ Pieda) appointed John Martin Partnership, Chartered Surveyors, to validate the information contained in the Council's Stock Condition Database. The main task was to undertake a survey of 5% of the stock selected randomly. This information was compared to the ongoing Stock Condition Survey being carried out by the Housing Service, which at this stage comprised 80% of the stock. The conclusion of this comparison, was that the data within the Councils Database was robust. A copy of the "Stock Condition Report, October 2000" from DTZ Pieda is available in the Supporting Information, Stock Condition Database Section Item 2.7.
- 3.3 In 1999 when the Database was first conceived the intention was to populate the then empty database from the many valid information sources already held within and outwith the Housing Service.

In practice the data required for our comprehensive database was spread across a variety of spreadsheets and databases, which in general required a great deal of manipulation and validation before being compatible with the Stock Condition Database.

Typical examples were painting schedules, maintenance systems, gas boiler and electrical servicing databases. Additional information was extracted from the Housing Management System, which is now one of many computerised systems linked to the Stock Condition Database, to transfer information such as Right to Buy and Tenancy Details to ensure those details are always consistent and up to date in each system.

Data integration techniques were developed to pull all this information together. These same principles were used to ensure that the information in the 100% Stock Condition Database used to report on the SHQS was accurate and up to date. This involved various stages as outlined below:

- Scoping;
- Information Gaps;
- Data Integration;
- Analysis & Reporting.

### 3.3.1 Scoping

This stage established the extent and quality of the existing data and identified if any additional information was required for each element of the SHQS. It identified:

- All possible sources of data.
- Where data sources are available and determine whether the information covers the entire stock or only a sample.
- Where data sources are available, assess them in terms of fitness for purpose, quality and extent.
- Where sample data is available determine how representative it is and whether it can be extrapolated to the whole stock with an acceptable degree of confidence.
- Where no existing sources of data exist for a particular element, identify cases in which assumptions or estimates could reasonably be used. (See Supporting Information, Section 3, SHQS Definitions and Assumptions).
- Identify cases where further data needs to be collected and devise a strategy for gathering this information. (See: Item 3.3.2 below).

A full detailed breakdown of how Aberdeenshire Council has interpreted every single element of the SHQS is shown in the Supporting Information at Section 3, SHQS Definitions and Assumptions.

### 3.3.2 Information Gaps

When assessing the Database to ensure compliance with the criteria in the SHQS, gaps in the information held were identified, highlighting that certain specific areas hadn't been included in the Database:

- Attached Garages (100% survey)
- Balconies and Verandas (100% survey)
- Common areas (20% sample survey)
- Non-traditional Properties (sample survey)

Failure to address this situation would have resulted in Aberdeenshire Council not being able to fully report on the SHQS.

### Attached Garages

The locations of every garage associated with a Council property had been identified during the 100% Stock Condition Survey in 1999. It also determined whether they are attached, detached, integrated, Council built or built by the Tenants. This was useful information but unfortunately it did not contain information on condition. To ensure its accuracy lists of the locations were forwarded to each of the Housing Managers to confirm from local knowledge. Once this had been completed, and to avoid any sampling difficulties a 100% survey of all 81 attached garages was undertaken in May 2004, to identify the required SHQS information. All attached garages were identified, each was surveyed, and this information has now been entered into the database and is used to report on the SHQS. Attached garages will be included in any future survey of Council stock.

### Balconies and Verandas

The locations of every balcony/veranda were determined through local knowledge and a detailed study of the Council property picture library. To ensure its accuracy lists of the locations were forwarded to each of the Housing Managers to confirm. Once this had been completed, and to avoid any sampling difficulties, a 100% survey of all 34 balconies and verandas was undertaken in May/June 2004, to identify the required SHQS information. All locations were confirmed, each was surveyed, and this information has now been entered into the database and is used to report on the SHQS. Balconies and verandas will be included in any future survey of Council stock.

### Common Areas

The most significant gap identified was that common areas were not included on the Database. To address this issue, action was taken to identify all properties associated with a common area and to create a unique property reference number (UPRN) for each of the 1,016 common areas identified. Once this had been completed, all common areas were linked to the properties each served. This task also included any properties sold under the Right to Buy legislation, which will assist when identifying owner-occupiers when proposing capital improvement works in each area.

At this point Aberdeenshire Council had a 100% Council Housing and Common Area Database, but the common areas contained no condition information.

To provide the necessary detail regarding the condition of the common areas it was accepted that there was insufficient time to complete a 100% survey. Accordingly it was agreed that a sample should be undertaken.

To help with this task assistance was sought from the Scottish House Condition Survey (SHCS) Team at Communities Scotland and the eventual sample methodology was agreed in consultation with various members of this team.

The data from this stratified sample has now been entered onto the database and to allow full reporting it has been cloned across the remaining unsurveyed common areas.

### Non-Traditional Construction

In June 2004, Chartered Structural Engineers were appointed to undertake Full Structural Assessments of a limited sample, approximately 40 surveys, of the Council's non-traditionally constructed properties. These surveys were required to ensure that the SDP included any potential long-term structural repair expenditure and to develop a position on the estimated future remaining life for each construction type. This research was essential to ensure that any proposed investment in the non-trads was economically viable.

Due to the intrusive nature of surveys, they are only undertaken when the properties are empty, unfortunately it is impossible to know when any non-traditional property will become empty. This has made it difficult to predict the number of surveys within each construction type, that can be completed during any predetermined period. 17 full structural surveys were undertaken to assist in defining the actions to be developed, in the SDP.

Table 1

<b>Non-Traditional House Types</b>	<b>Count</b>	<b>Surveys Completed 2004</b>
Anchor	244	4
Cruden	362	3
<b>Dorran</b>	<b>5</b>	<b>1</b>
MacRae	122	1
No fines	232	2
<b>Orlit</b>	<b>133</b>	<b>1</b>
Orlit Design	65	1
Scandinavian	556	2
Stewart Timber Frame	6	0
Stewart Type	18	1
Hallum MK III	33	1
<b>Grand Total</b>	<b>1776</b>	<b>17</b>

Dorran and Orlits are 'Defective House Types'

Although a small sample it considered that the findings reflect the current condition of the non-traditional stock in Aberdeenshire Council. However, as it is appreciated that this information requires to be expanded to be statistically robust, the Council has commissioned a rolling programme of structural surveys, programmed to complete 40 surveys each year. The summary report from these surveys has advised that the majority of the non-trads are in excellent condition and have anticipated future life in excess of 30 years. The survey has identified that there are 2 'defective house types', as defined by the Housing (Scotland) Act 1987, within Aberdeenshire Council the 'Dorran' and 'Orlit' types of which there are 5 and 136 respectively. Despite being defined as defective, the report has advised that, the 136 Orlit properties are in good condition with a substantial future life expectancy.

However, the 'Dorran' type, of which there are only 5, have a limited future life. At this stage demolition has been identified as necessary and as being the most cost-effective option. An update will be available from April 2006.

### 3.3.3 Data Integration

The SHQS Delivery Plan Guidance advocates the use of a 100% Stock Condition Database. Aberdeenshire Council has long supported this approach to stock management. In 1999/2000 numerous disparate sources of data were amalgamated and combined along with a 100% Stock Condition Survey into a 100% Database.

The Stock Condition Database consolidates the information required to produce SHQS Delivery Plans. It consists of a central framework customised to meet its specific requirements and includes comprehensive information on the make-up of the stock, the condition of the various building elements plus details of the energy efficiency of each property.

During this stage, the disparate data sources were combined whilst at all times ensuring their validity. The data sources often required cleaning up, for example, some data files included a UPRN (unique property reference number) to identify each property whereas others depended on the address alone. Once all the data had been cleaned up, validated and merged into the database we were in a position to use the database's sophisticated analysis and reporting facilities to produce robust housing quality information.

### 3.3.4 Analysis & Reporting

The information contained in the Stock Condition Database was then analysed to:

- Detect failures and potential failures under the standard;
- Calculate the number of failures and analyse the reasons for failure;
- Take account of the fact that failure under disrepair of secondary elements requires failure of 2 elements;
- Take account of the links between common areas and the individual properties adjusting the pass / fail rates accordingly;

- Develop cost schedules for work required to bring the stock up to standard;
- Produce data for a robust Standard Delivery Plan.

The Stock Condition Database was further developed and enhanced to include a Scottish Housing Quality Standard analysis module to determine compliance with each element of the SHQS. It identifies:

- Properties where source data is missing;
- All dwellings currently failing the Standard and the reasons for such failure;
- All dwellings likely to fail by 2015 and the reasons for failure;
- The investment required to bring the housing stock up to the Standard;
- The number of properties where this element of the Standard is not relevant;
- The number of properties that currently fail plus the number of properties that will, in the absence of further investment, fail before 2015;
- The number of properties that pass.

Reports that show the level of expenditure required to bring the properties up to the Standard by the target date are also included.

They may also be expanded to reveal details down to the individual property level. This facility allows all elements of the SHQS and the Database to be summarised into one easy to read screen. It shows the SHQS information to 3 levels of detail:

1. SHQS Status of the property as a whole ie does it pass or fail as it stands now (top left hand of Figure 1 below)
2. SHQS Status for each of the 5 SHQS categories again pass / fail but this time it breaks down any fail or potential fail (ie will it fail during the period of the SHQS) into cost terms and places that cost in the appropriate year 2005 – 2015. (the top section of Figure 1 below A–E).
3. SHQS Status for each of the 5 main categories broken down into its constituent parts, ie Section A the Tolerable Standard is broken down into the 10 parts that make up the Tolerable Standard (the bottom section of Figure 1 starting AAA/AAB/AAC etc).

Figure 1

This is shown in the screen below:

Unit:1 ACADEMY DRIVE

File Edit Buttons Record Table View Tools Window Help

SHQS Summary:1 ACADEMY DRIVE, BANFF, AB45 1BP

SHQS Status: Fail

Code	Item	Status	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
A	Tolerable standard	Pass	0.00	0	0	0	0	0	0	0	0	0	0
B	Free from serious disrepair	Pass	0.00	0	0	0	0	0	0	0	0	0	0
C	Energy efficient	Fail	1.00	0	0	0	0	0	0	0	0	0	0
D	Modern facilities	Potential fail	0.00	0	0	0	0	0	0	2800	0	0	0
E	Healthy, safe and secure	Fail	2470.0	0	0	0	0	0	0	0	0	150	0

Details

Code	Item	Status	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
AAA	Tolerable standard elements, Structurally stable	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAB	Tolerable standard elements, Free from damp	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAC	Tolerable standard elements, Light, ventilation a	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAD	Tolerable standard elements, Adequate water su	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAE	Tolerable standard elements, Sink with hot/cold	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAF	Tolerable standard elements, Exclusive use WC	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAG	Tolerable standard elements, Bath or Shower ar	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAH	Tolerable standard elements, Effective foul/surfa	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAI	Tolerable standard elements, Satisfactory cookin	Pass	0.00	0	0	0	0	0	0	0	0	0	0
AAJ	Tolerable standard elements, Access to external	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BAA	Primary elements, Wall Structure	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BAB	Primary elements, Internal floor structure	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BAC	Primary elements, Foundations	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BAD	Primary elements, Roof structure	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBA	Secondary elements, Roof covering	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBB	Secondary elements, Chimney stacks	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBC	Secondary elements, Flashings	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBD	Secondary elements, Rainwater goods	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBE	Secondary elements, External wall finishes	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBF	Secondary elements, Access decks/balustrade	N/A	0.00	0	0	0	0	0	0	0	0	0	0
BBG	Secondary elements, Common access	N/A	0.00	0	0	0	0	0	0	0	0	0	0
BBH	Secondary elements, Individual balconies/veran	N/A	0.00	0	0	0	0	0	0	0	0	0	0
BBI	Secondary elements, Attached garages/int. stair	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBJ	Secondary elements, DPC	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBK	Secondary elements, Windows/doors	Pass	0.00	0	0	0	0	0	0	0	0	0	0
BBL	Secondary elements, Common window/roof lin	N/A	0.00	0	0	0	0	0	0	0	0	0	0

Record 7714/27893 Last Updated 22/11/2004 by FB

NUM

Start Dave Thom... 3½ Floppy ... Draft:SDP J... SHQS Asse... Draft Supp... Unit:1 ACA... 17:30

### 3.4 Ongoing Progress, Measurement and Refinement

Considerable work is undertaken by the Council throughout each year to ensure that the Database remains current, pertinent and robust at all times. This involves manually inputting checks undertaken in the field by Housing Staff, utilising inbuilt software validation routines, adding improvements completed through the Capital Works Programme, input directly via links with other Housing Systems (repairs and gas servicing), and regular surveying of specialist fields (non-traditional), random sample surveys based on house types undertaken by in-house team, and a 100% of all Sheltered Housing Communal areas due to be commissioned in Summer 2005.

The Database will be used to measure performance in progressively meeting the SHQS. Over the lifetime of the Standard Delivery Plan the initial data needs to be refined and expanded in order to maintain robust coverage of 100% of the housing stock. Since 2000 this has been achieved by constantly updating the information held on the Stock Condition Database on an on-going basis from multiple sources of information including but not limited to:

- Capital Programme Works
- Repairs and Maintenance Works
- Voids
- Change of Tenancy Form
- Rent Setting Inspection
- Gas Servicing
- Electrical Safety Checks
- Electrical Installation Certificates
- General Improvements
- Tenant Improvements
- Software Validation Routines
- Links to other Housing Management Systems
- Tenancy Records
- Housing Register (Low demand)
- Full Structural Surveys (Non traditional House Types)
- Lead Testing

Details of how each of the items above are integrated into policies and working procedures to ensure on-going robustness of the Database can be found in the Supporting Information.

In summary, an inspection regime is considered to be a vital part of the SHQS Delivery planning. All the assumptions used in the analysis of the Database will be checked and validated by regular inspections and surveys by in-house staff as discussed below.

### Enhanced Proposals

Whilst continuing with all the validation and ongoing improvement and maintenance checks already built into working practices as outlined above, this will be further enhanced by undertaking the following additional work:

#### ▪ **Surveys**

The Housing Service has employed a Data Collection Officer presently on a 2 year contract, however it is envisaged that this will most likely become a permanent position. This post is responsible for undertaking an annual rolling programme of Stock Condition Surveys of a random stratified sample of the stock. These surveys will include all SHQS information and feed it back into the database. It is envisaged that 1% will be surveyed annually.

#### ▪ **House Types Surveys**

A new survey regime has been instigated whereby the condition of the house and its immediate environs are noted using handheld computers and this information is used to update the Database. During this visit the Surveyor takes digital photographs, which are then stored on the Database, undertakes a full measured survey and draws up plans/elevations/sections in AutoCAD 2006, which again are stored on the Database.



These house type surveys are then checked against the properties of the corresponding house type to ensure that the information on the Database falls within acceptable parameters. If not they are resurveyed and the information within the Database updated.

- **Non-Traditional Construction Property Surveys**

In June 2004, Chartered Structural Engineers were appointed to undertake Full Structural Assessments of a limited sample, approximately 40 surveys, of the Council's non-traditionally constructed properties to estimate long term structural repairs and to estimate a future life for each type, see Item 3.3.2. The surveys have shown very little of concern, except for the 5 'Dorran' properties, however the surveys will continue throughout the period of the SHQS to ensure robust data is supplied at each milestone. See Item 5.2. Due to the intrusive nature of surveys they are undertaken when the properties are empty so it is difficult to exactly predict the number of surveys with each construction type, however it is anticipated that 40 full structural surveys will be completed each year.

- **Energy Efficiency Audits**

The Council has undertaken a 100% Energy Audit using the National Home Energy Rating software at level zero. This is ideal for assessing the energy performance of the stock as a whole, but is less satisfactory at individual property level due to the margin of possible error. Therefore to enhance this aspect, energy efficiency surveys will be undertaken over the SHQS period, resulting in a 100% Energy Audit using NHER Level 1 by Milestone 3.

- **Revised Change of Tenancy Form**

At each change of tenancy the Clerk of Works visits to undertake an inspection of the property. At this time they complete a "Change of Tenancy" form to advise on various elements of the building. They also complete a "Gas Inspection" form and a "Rent Setting Information" form, these are then fed back to the Database Team to advise on any variances from the information supplied and any changes the Clerk of Works has instructed i.e. a new kitchen. This information is then entered into the Database.

The forms described above are now being adapted to consolidate them and the SHQS information into one form. This form will be generated and populated automatically by the Database and given to the Clerk of Works who will validate the information contained in the form at each change of tenancy. This information from trained technical staff will then be used to ensure the continued robustness of the Database.

To assist with this process and to avoid duplication of work a number of other key computerised systems are linked to the Stock Condition Database.

Examples are:

- Housing Management System
- Repairs and Maintenance System
- Gas Servicing Database

### 3.5 Robustness of the Database

A key element in the development of the SHQS Delivery Plan was to ensure that the robustness of the Stock Condition information, which was confirmed by the independent Audit in 2000 (see Item 3.2 and Supporting Information, Stock Condition Database Section, Item 2.7), had been maintained. The Council appointed a Consultant to assist with updating the 1999/2000 Option Appraisal. To ensure the Database had been maintained since 2000 and also to demonstrate impartiality, the Council instructed DTZ Pieda to appoint an independent organisation to give an assessment of Aberdeenshire Council's Database, and the existing and proposed procedures for ensuring that it is maintained and current. The brief required being that the chartered surveyors appointed to have considerable experience in undertaking Stock Condition Surveys and reviewing Stock Condition Databases. They were asked to provide comments on the Database in line with the assessment criterion issued to Local Authorities on 23 December 2004 by Communities Scotland. The full report from the independent assessment is shown at Item 9 of the Supporting Information.

The extract below, from the surveyors report gives a quick summary of their views of the Stock Condition information and the flexibility of the Database used by Aberdeenshire Council:

*“The Council have invested in a Database, which has been developed specifically to address issues around SHQS and the requirements of the Delivery Plan. The continual data collection and inputting allows constant monitoring of progress towards compliance and a number of reporting functions have been produced to identify the current status at any time. We were very impressed by the extent and functionality of the Database and are of the opinion that it will form an efficient and effective base for all future delivery plan monitoring”.*

The considerable validation work undertaken internally, (see Item 3.4 of this report and Supporting Information, Stock Condition Validation Section, Item 4), has ensured that the Database has remained robust and current. This has been confirmed by the independent assessment. Aberdeenshire Council is confident to use this information to inform both the Business Plan and the SHQS Delivery Plan.

### 3.6 Database as a Planning Tool

Aberdeenshire Council operates a 100% Database, populated using a 100% Stock Condition Survey, meaning all the information within the Database pertaining to every individual dwelling is unique to that property. As such there are no concerns over sampling or cloning techniques utilised. Because of this abundance of accurate information the Database is used to directly determine the work required within the stock for any particular year.

### 3.6.1 Planned Maintenance Strategy

One of the major the tasks that Aberdeenshire Council faced in the development of the SHQS Delivery Plan was the prioritisation of maintenance and renewal expenditure, in a manner that secured best use of available resources:

- Maintenance Expenditure - Includes cyclical maintenance, planned replacements of sub-components, and responsive repairs.
- Renewal Expenditure (Major Repairs) - Is the replacement of major building elements, which have a finite life cycle

The replacement of any component prematurely will lead to excessive expenditure. However, an inefficient maintenance strategy will lead to excessive response repairs.

As a first priority Aberdeenshire Council ensures that sufficient resources are made available to carry out cyclical maintenance in full and at the appointed time. Failure to do so would lead to excessive response repairs and extra expense. It would be a false economy to cut back on cyclical maintenance.

### 3.6.2 Component Life Cycle

The goal is to derive an investment strategy, with an expenditure pattern that optimises the balance between reactive and proactive maintenance. This is achieved through careful timing of component and sub-component replacement/ renewal in order to minimise expenditure.

The Council discussed 3 main strategies that could be adopted which are set out in Table 2 below:

Table 2

<b>Strategy</b>	<b>Replacement</b>	<b>Pro's</b>	<b>Con's</b>
Truly reactive	Only components where large numbers are failing are replaced and only when called out to a repair.	Only failed items are replaced.	High costs due to consequential damage, emergency call out and premium for unplanned work  Poor reputation.  Cycle of decline.
Industry standard	Determined by a conservatively estimated (Industry Standard) life.	Unplanned works minimised.	High costs as components may still have a serviceable life beyond Industry Standard.

<b>Strategy</b>	<b>Replacement</b>	<b>Pro's</b>	<b>Con's</b>
Just in Time	Longer life cycle, using flexible approach to unexpired life and use of IT systems.	Only items that have largely failed are replaced.  Lower levels of unplanned work than Truly Reactive approach	Higher levels of unplanned work than Industry Standard, but far less than the Truly Reactive.  Higher re-survey costs.

All of these Strategies provide a broadly similar quality of service to the Tenants. However the key point from the discussions was that the 'Just in Time' Strategy (source: Guide to Business Planning issued by ODPM for English Decent Houses Standard) provided the most cost effective way to achieve the most efficient use of available resources.

This focus allows maintenance and renewal programmes to be managed in a more timely and cost effective way.

Aberdeenshire Council has a 100% Database that allows planning and specification on an individual dwelling level. This level of detailed analysis permits the Database to directly lead the Capital Investment Programme. It is now also exerting more of an influence on the term contract and cyclical maintenance programmes. The advantage of having such a suitably stratified and structured comprehensive database with sophisticated interrogation tools is that the costs and the 'Industry Standard' component life, can be adjusted as more detailed and accurate, local and national information becomes available.

### 3.6.3 Schedule of Rates

The Council operates an annual review policy whereby key housing and property professionals discuss the Schedule of Rates items based on trends from previous years capital programmes and any technological advances. This exercise is undertaken for two reasons:

- Cost - The first is to ensure that the costs for every component contained in the intrinsically linked schedule of rates are always up to date.
- Life - The second is because the use of industry standard life may result in the incorrect assumption that installations beyond a certain age are no longer serviceable and a significant percentage may still have considerable useful life remaining. This review allows the costs to be adjusted to take account of local vagaries that national records may not incorporate and allows for the life to start to move away from the 'Industry Standard' adopted in the Schedule of Rates to the extended life adopted in the 'Just in Time' approach. This exercise will take time, however significant advances have been made over the last 5 years since the databases inception in 2000.

The 'Industry Standard' life in the Database generates replacement dates for every component and these are used as a trigger for an inspection as opposed to an actual automatic replacement date. The date for replacement of the component/ sub-component is revised based on the observed condition, which could be immediate or result in an extension of the life of the individual component. The revised data from the inspections are fed back into the Database, which is then used to produce the Capital Programme. The trends in the changes to the 'Industry Standard' will be monitored to determine if a generic change to the 'Industry Standard' for any component type can be applied.

The Council has used component life cycles to determine the SHQS failure time as opposed to the 20-25% failure rate proposed in the SHQS guidance. The percentage repair rate is appropriate for determining the present picture but does not give an indication of future failure rate, unless combined with a prediction of future component life as discussed above. The survey estimated the remaining life of each component, which permits the Database to indicate a year for replacement. Without this no future predictions could be provided. The percentage repair approach was used to determine present and predicted future failures and established a backlog of required replacements.

#### 3.6.4 Backlog

The Database does show an element of 'Catch-up' works, these are components past their useful life. However, due to a significant programme of capital improvements directed at these items since the original survey in 2000 (such as heating, windows and doors, those remaining are generally items that are considered to be of a lower priority.

#### 3.6.5 Aberdeenshire Standard

One of the benefits to come out of the Option Appraisal exercise in 2000 was the development of an 'Aberdeenshire Standard'. This standard was prepared in consultation with Tenants and has proved to be extremely successful in targeting capital expenditure to areas of priority. Table 3 below outlines what it has achieved:

Table 3

	Description	Nos. of properties that do not meet the standard	% of all stock that meets the standard	Target
1	Single glazed windows in conservation areas to be upgraded to include secondary glazing.	14	99.9%	2005
2	Mechanical extract fans installed in all kitchens and bathrooms	7,960	43%	2005

	Description	Nos. of properties that do not meet the standard	% of all stock that meets the standard	Target
3	External Insulation to be provided to all Cruden and No-fines houses.	288	52%	2005
4	CO detectors to be provided to all properties with a gas or open fire heating	2168	72%	2005
5	Automatic entrance doors to be provided to all sheltered housing schemes	8	87%	2005
6	All bed sits to be converted into one-bedroom flats.	89	N/A	2005
7	All flats in sheltered schemes to have their own bath or shower.	5	99%	2005
8	All properties to have full central heating	152	99%	2005
9	Increase the SAP rating to 60 or a minimum increase of 20.	8,734	38%	2020

It should be noted that the standards above that are sitting at 99% complete are only not 100% complete through Tenant choice as Tenants have been given the opportunity to refuse to have the work undertaken if they should wish. The small number incomplete is as a direct result of Tenant choice. However, these are monitored and at a change of tenancy they are brought up to meet the Standard.

The 'Aberdeenshire Standard' has now largely been superseded by the introduction of the SHQS, which incorporates the majority of the targets shown above. Those that are not included in the SHQS have been incorporated in the Business Plan and will continue to be monitored to ensure that the Aberdeenshire Standard is completed in its entirety. These items are the:

- CO Detectors
- Automatic doors to Sheltered Complexes
- Conversion of bedsits
- All sheltered flats to have a bath/shower

However, it is programmed that the CO Detectors and automatic doors will be completed in the 2004/05 Capital Works Programme.

The only item where there has been a change in policy is that external insulation will no longer be applied to all No-fines and Crudens unless they are considered to be hard to heat / hard to treat properties as detailed in the 'Other Energy Measures' (see Page 38, Figure 4)

### 3.7 Summary

In summary, Aberdeenshire Council has robust stock condition information on 100% of its stock held in a highly flexible Database. Capable of undertaking the required data processing, analysis, and recording of subsequent maintenance and renewal activity, so as to ensure the data is always up to date, which permits the information to be processed using the 'Just in Time approach' to enable:

- Planned maintenance to be timed to replace components at the optimum time.
- Expenditure on unplanned (response) maintenance to be reduced overtime.
- Management of available resources to ensure that sufficient funding is available when needed for cyclical maintenance.

# Section 4 – SHQS Analysis

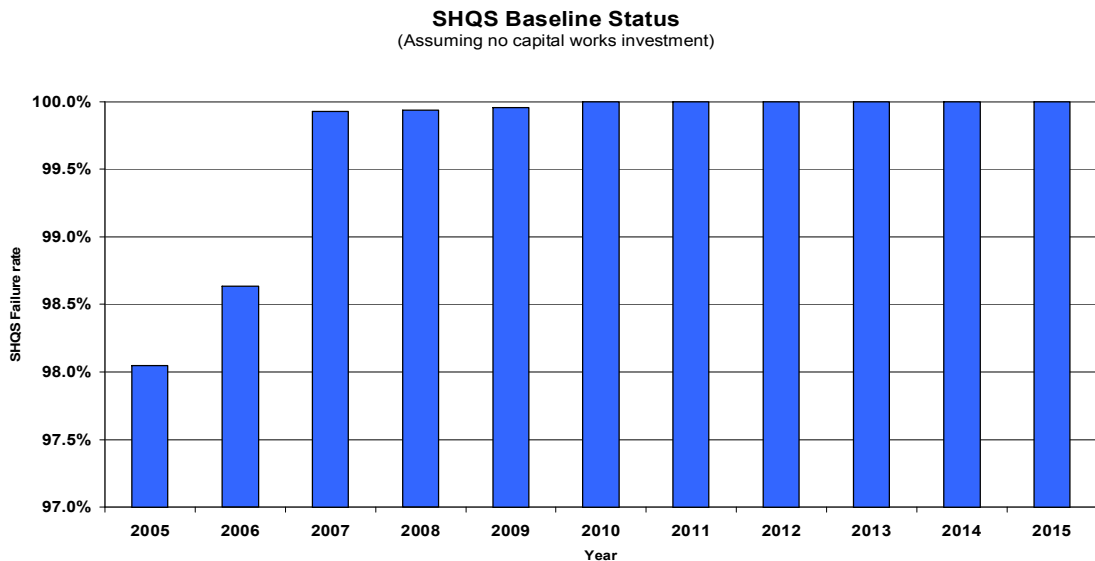
## Introduction

4.1 This Section shows how the Database has informed the Council of its current position in relation to the Scottish Housing Quality Standard (SHQS) and helped to identify the key areas for improvement over the period of the SHQS up to 2015.

## SHQS Assuming No Capital Expenditure

4.2 In the context of the introduction to this Section, the baseline position of Aberdeenshire Council in comparison to the SHQS shows a 98% failure rate. In the absence of any capital investment this would rise quickly to 100% failure by 2010 as shown in Chart 1 below (see Appendix 2).

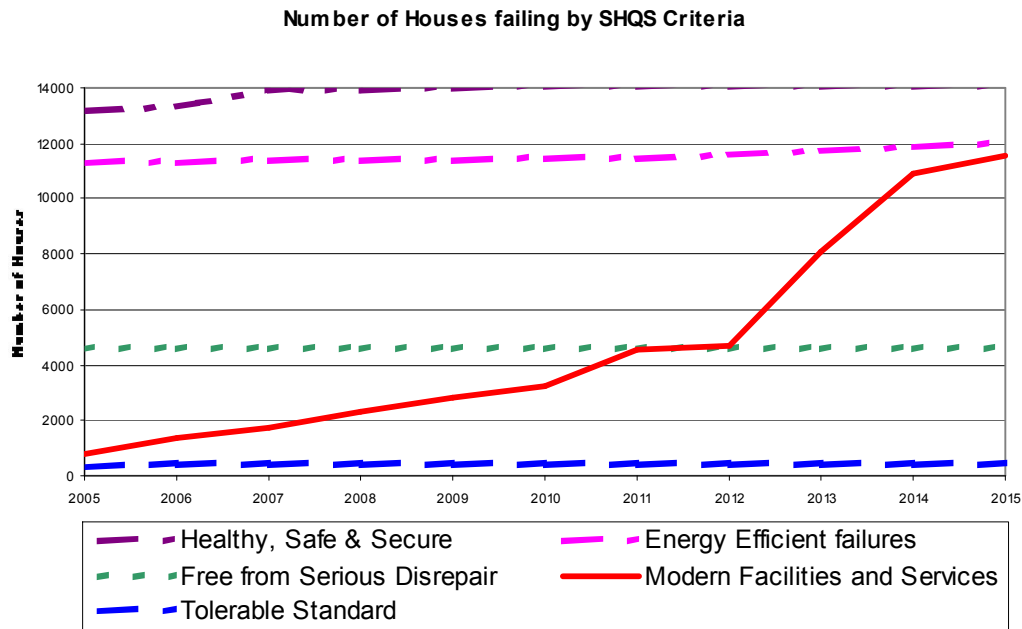
Chart 1



4.3 Graph 1 below shows how Aberdeenshire Council's stock sits when compared with each of the 5 broad SHQS criteria over the period of the SDP 2005-2015 (see Appendix 2)



## Graph 1



4.4 Graph 1 above shows what the current and predicted future SHQS position will be in the absence of any capital investment. To ensure the capital investment and strategies are targeted where required throughout the life of the plan, it is essential to understand what the driving factors are behind each of these. In brief, the chart above shows that:

- There are large numbers of failures in 2 of the SHQS key criterion, these are:
  - 1 - Healthy, Safe & Secure,
  - 2 - Energy Efficiency
- Within modern facilities, despite being low at the moment, the failure rate will rise rapidly in the absence of capital investment.
- There are a number failing under the Disrepair criterion and that this level remains constant.
- The Database has highlighted a number that appear to fail the Tolerable Standard.

### Analysis of Individual SHQS Criteria

4.5 The remainder of this Section shows how each of these criterion have been investigated to give an accurate understanding of where investment and accurate continuous monitoring are required to ensure that the SHQS is delivered by 2015. The Database has been structured to allow the individual elements of the Scottish Housing Quality Standard to be monitored and reported individually. The chart below has been produced directly from the Database and indicates the status for each element of the SHQS.

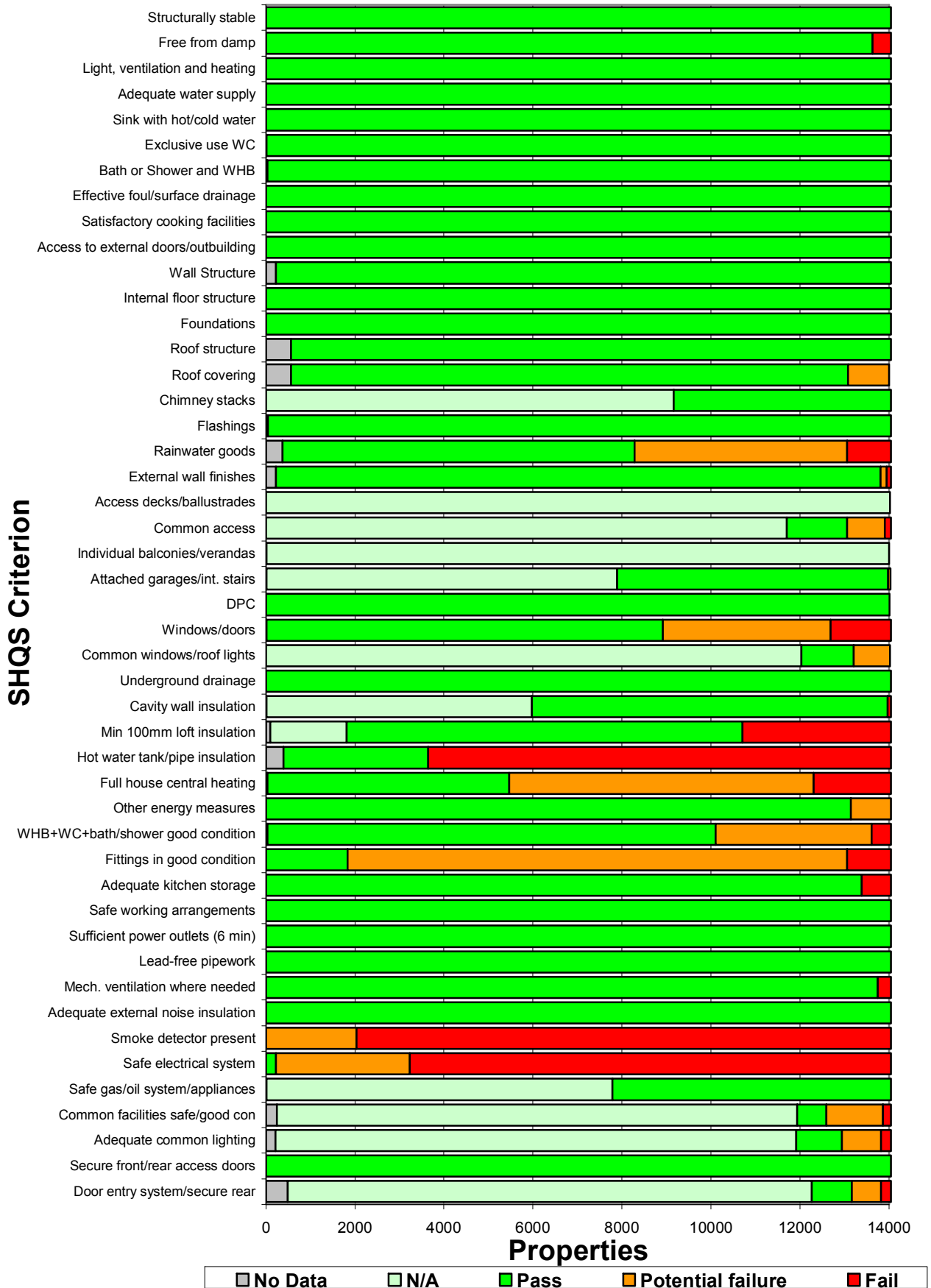
It is coded using the traffic light principle:

- Red = Fail (now)
- Orange = Potential Fail (during SHQS)
- Green = Pass (now and predicted to stay so during SHQS)
- Light green = Not applicable
- Grey = Undefined / No data

Chart 2

# SHQS STATUS

as at March 2005



4.6 Chart 2 above summarises where the current and predicted future challenges lie in the event of no capital investment. It shows that the issues within each of the broad SHQS criteria are as below:

- Compliant with the Tolerable Standard

The Council has used the Database to determine compliance in relation to the Tolerable Standard and each of the elements that make up the Tolerable Standard is included. It appears that there are 391 properties failing on dampness.

- Free from Serious Disrepair

The Database has identified that there are 2335 properties with windows or rainwater goods that fail and that this number will increase throughout the period of the Plan, as components reach the end of their predicted future life.

There is also 817 common windows/rooﬂights and other issues associated with common areas that are predicted to fail throughout the life of the plan.

- Energy Efficient

There approximately 3,000 properties with less than 100mm loft insulation and that the largest area of failure is to hot and cold water, tank and pipe, insulation.

- Modern Facilities and Services

There are a small number of failures at present in kitchens, bathrooms and heating. It also shows that there are a large number expected to fail over the period of the Plan. This is as expected, and explains the picture noted earlier, as the life of kitchens, bathrooms and heating within the Database is 15 years and 20 years respectively. As such you would expect 66% of kitchen/bathrooms to require upgrading and 50% of heating systems to require replacement throughout the period of the Plan even without any backlog.

- Healthy, Safe and Secure

Although there are various other minor issues, the largest elements failing here are smoke detectors and electrical checks where the majority of the stock either fail now or are predicted to fail.

4.7 The predicted SHQS failure rate for Aberdeenshire’s Council Housing is largely influenced in the as a direct result of failures in 2 key criterion:

1. Energy Efficiency

- hot and cold water, tanks and pipe insulation
- <100mm loft insulation

2. Healthy, safe and Secure

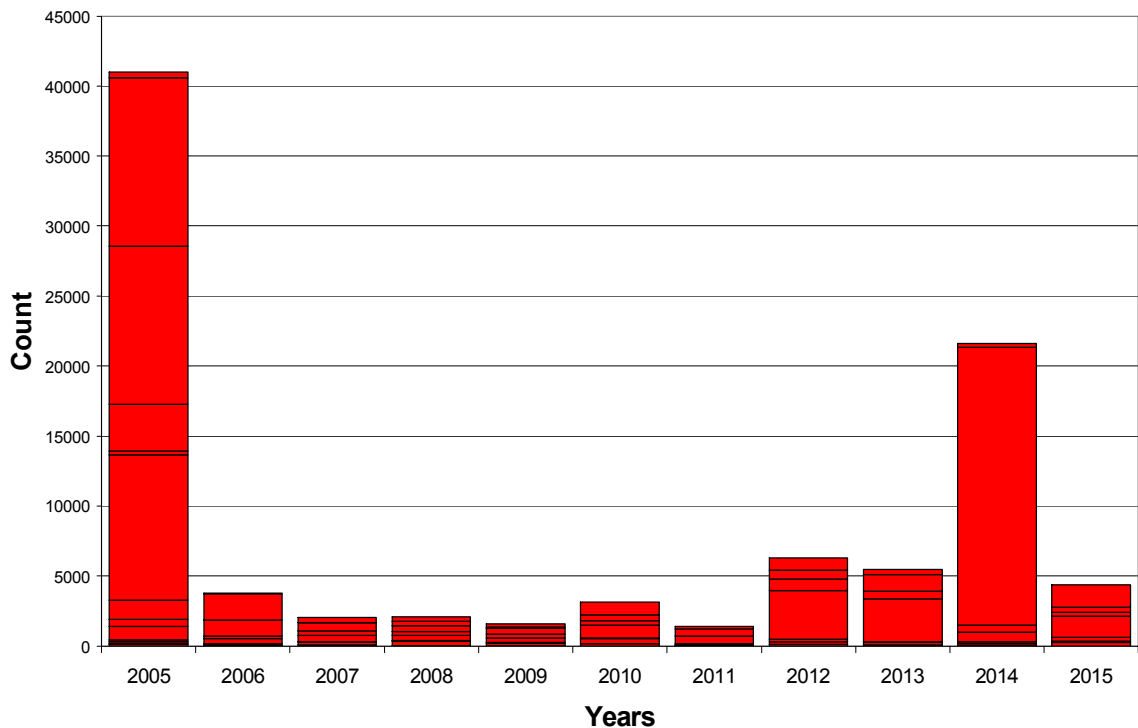
- smoke detectors
- electrical checks

Later in the SDP the predicted future failures identified within modern facilities and services start to exert more of an influence particularly:

- Kitchens
- Heating Systems
- Bathrooms.

**Analysis of SHQS Failures by Year**

Chart 3

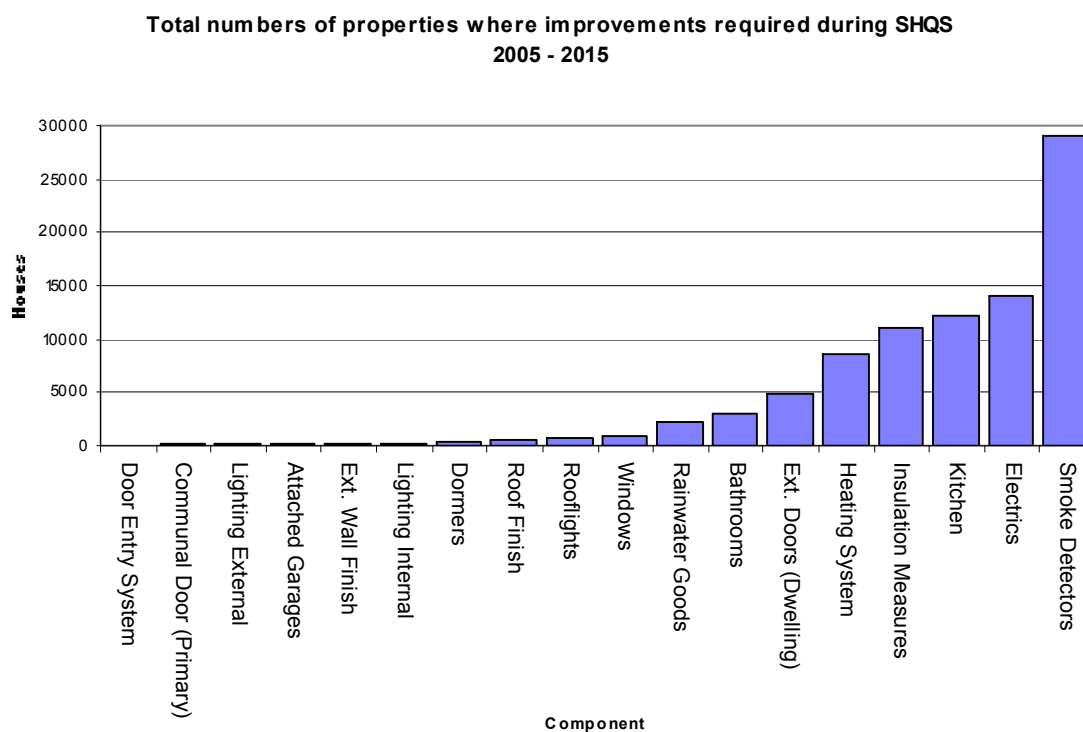


4.8 Chart 3 above shows the existing position in 2005 and the predicted future failures for each subsequent year of the Standard Delivery Plan. It shows that in excess of 40,000 individual failures occur in year 1. However, the large failure rate in year 1 of the Plan is due to the reasons detailed above ie Insulation, electrics and smoke detectors all of which are of relatively minor cost.

The peak in year 2014 is due to the electrical inspections identified as an immediate priority in year 2004 having a life of 10 years and being repeated at this point. In practice this will not occur, as a rolling programme of Electrical Safety Checks will be commissioned to check all properties.

## **SHQS Analysis by Component**

**Chart 4**



4.9 Chart 4 above clearly shows by individual component, the number of properties that will fail the SHQS over the period of the Plan.

The Database has identified that the large failure rate is due to the dwellings falling below the minimum SHQS Standard in 3 main areas, smoke detector provision, electrical safety checks, and insulation measures. These key issues are further described below.

## **Key SHQS Issues Emerging from the Analysis**

### **4.10 Smoke Detectors**

All of Aberdeenshire Council's properties have smoke detectors provided with the majority being hardwired. However, the analysis has established that there are a considerable number of smoke detectors failures. This is because Aberdeenshire Council has set a life cycle of 5 years for the replacement of hardwired smoke detectors, which results in multiple replacements over the period of the Plan.

#### 4.11 Electrical Checks

All Aberdeenshire Council's Council Housing pass the minimum visual inspection standard in the SHQS. However, the SHQS offers an alternative and the Council has adopted this more onerous method of assessment. The Council's approach to the SHQS throughout is comprehensive and for this element has acted to ensure the safety of its Tenants, by implementing a regime of electrical testing, undertaken by approved electricians, to a format agreed in consultation with the National Inspection Council Electrical Installation Contractors (NICEIC). This has resulted in a considerable number of properties requiring a test and assessment of their electrics, hence the high number of failures noted above.

The Council is confident that the electrics are safe as approximately 1,000 electrical checks have already been completed in void properties and no significant hazards have been identified.

#### 4.12 Energy Efficiency

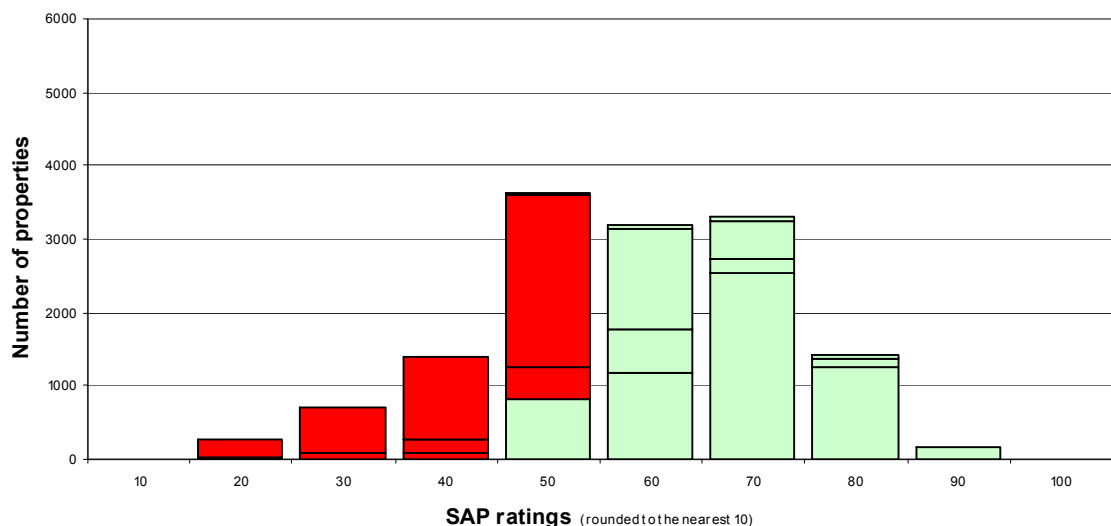
Considerable work has been undertaken to establish the existing situation and to predict possible future issues to allow the Council to clarify future investment plans.

At this stage a number of 'what if' scenarios have been investigated. The process to date has been to use the existing 100% Energy Audit Database at National Home Energy Rating Scheme (NHER) Level 0 (see Supporting Information) to determine the actions that could be built into the Operational Plan (discussed further in the next Section).

As the Council's 100% Energy Audit used NHER Level 0 which is only accurate to +/- 5 Standard Assessment Procedure (SAP), the ratings provided from the Energy Audit have been rounded to the nearest 10 to allow comparisons between the 'what if' scenarios. The results of which are show in the Charts 5, 6 & 7.

#### Chart 5

#### **Aberdeenshire's Council Housing Existing SAP Profile as at December 2004**

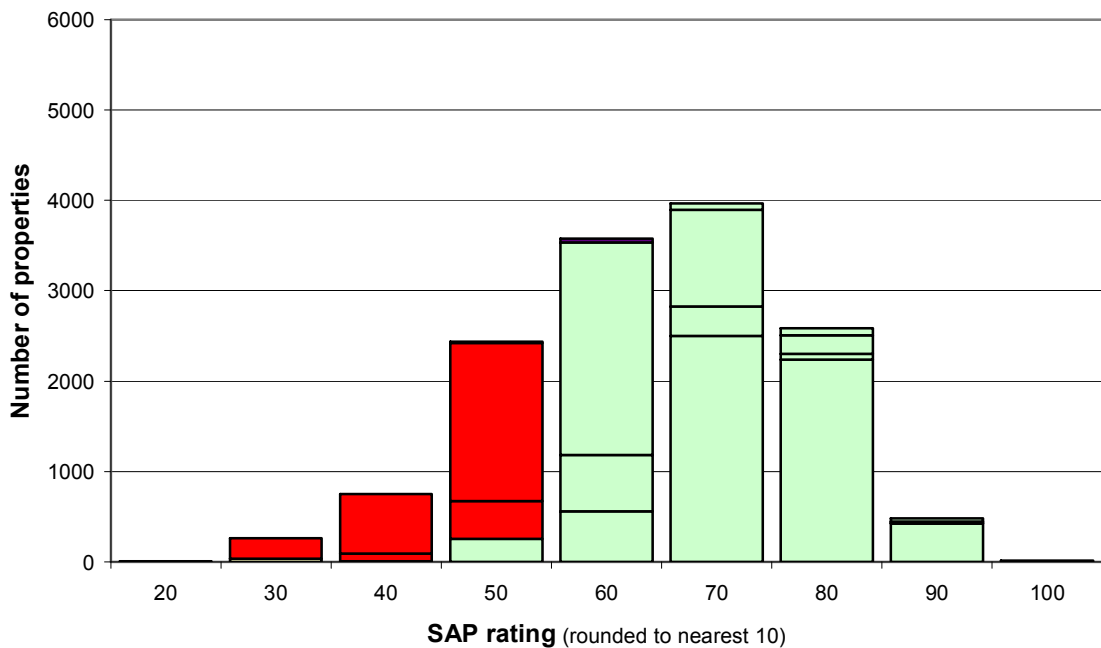


- 4.13 Chart 5 above shows the existing energy efficiency profile of Aberdeenshire's Council Housing stock. Red shows the properties below the targets set in the SHQS and the green showing those that pass. This format is followed in the following 2 charts 6 and 7.

The properties at SAP 50 are split as the Standard has determined that properties with Gas Central Heating pass the SHQS at SAP 50, but all other fuels are required to achieve a SAP of 60. Hence the Green portion, which shows the properties at 50 with gas that pass, the rest are red as they are heated using other fuels that require to achieve a SAP of 60 to pass. At present there are 7,250 properties of the Council's 14,044 stock that are above the SHQS targets, which equates to 52%.

Chart 6

**Aberdeenshire's Council Housing SAP Profile, at December 2004 with all SHQS insulation measures added.**



- 4.14 Chart 6 above follows the same format as described earlier, and is also the same stock at the same time, but this shows what impact the insulation standards detailed in the SHQS would have if all the stock were improved to meet this standard. The assumptions used here are that all cavity walls, hot and cold water tanks and pipes, and lofts being insulated to the maximum standard ie >50mm on hot water tanks and 300mm in all lofts. The chart shows that if this work were undertaken, an extra 3,087 properties would pass the SHQS targets, resulting in 74% pass rate.
- 4.15 Chart 7 below shows the profile if the best possible heating system were installed, when replacement is required.

The process described below was initially applied to all stock, bringing forward any heating systems that were outside the SHQS period and replacing them early. These properties have been removed from these charts if they would pass when the heating is due to be replaced.

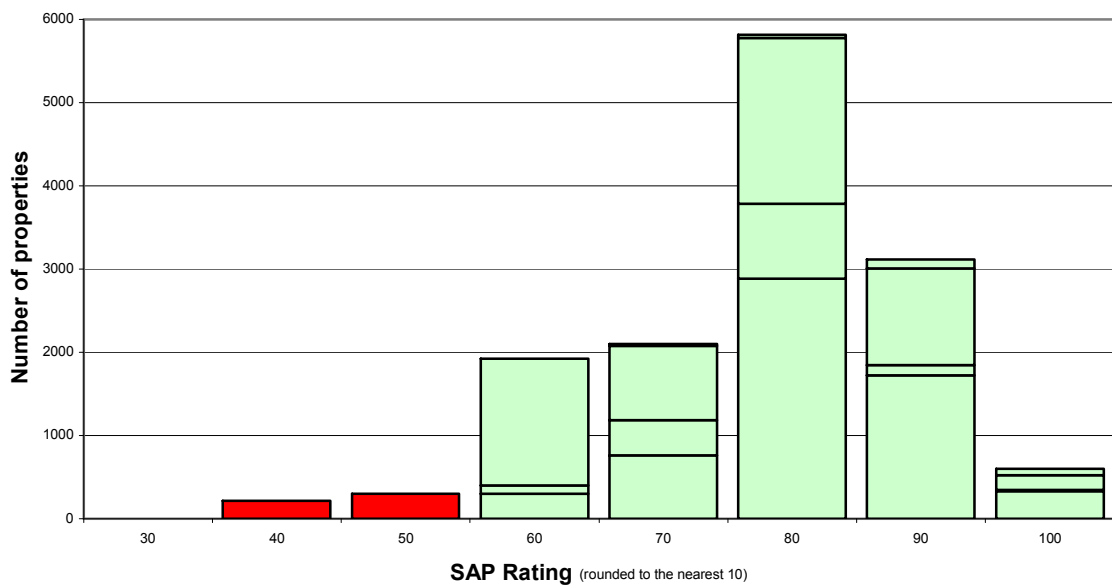


It is considered that these properties will be exempt from the SHQS in terms of energy efficiency on the understanding that they will pass in all other aspects and will pass on SAP ratings when the heating is replaced at its due date.

- 4.16 Finally in the analysis of insulation requirements, the Council wanted to determine the properties in the housing stock that would be hardest to treat. To establish where these properties are, the best possible heating systems at this time have been determined as gas condensing SEDBUK 'A' rated boilers to be installed in all properties in settlements where gas already exists. If gas is not available, oil should be installed if a wet system already exists, again using condensing boilers, if not then electric storage heaters are to be installed. If all best possible insulation measures and heating systems are installed the profile would be as shown below:

Chart 7

**Aberdeenshire's Council Housing SAP Profile, at December 2004 with all insulation and best heating added.**

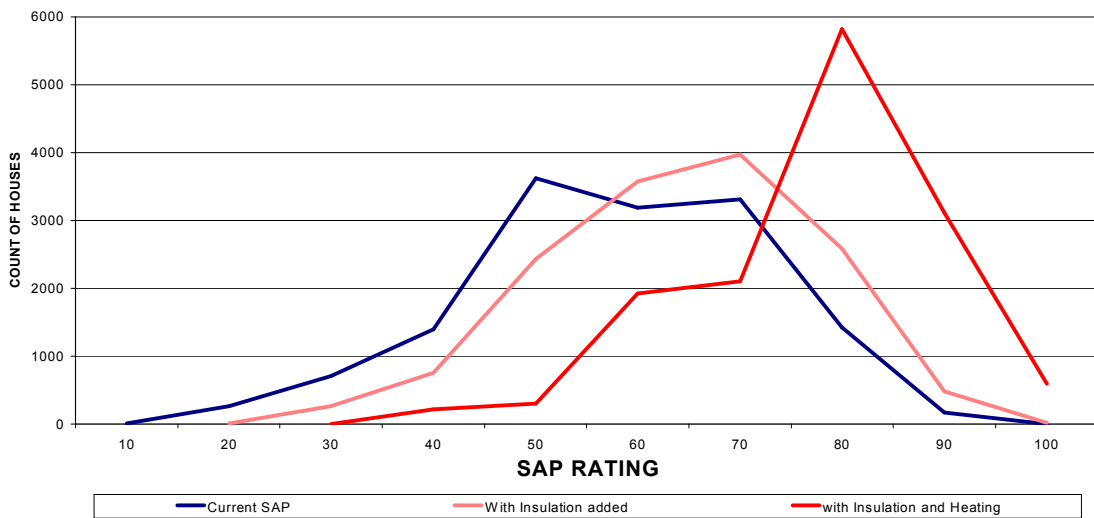


- 4.17 Chart 7 above shows the final profile with all insulation and heating measures applied. It demonstrates that even with all the work described above there are still 520 (4%) properties that are difficult to treat and will remain below the SHQS target, all these properties are electrically heated and are either non-traditionally constructed or built of stone (granite/sandstone).

The effect of the additional measures is summarised in Graph 2 below:

## Graph 2

### Progress towards improving SAP Ratings



More detailed proposals around these key issues emerging from the SHQS analysis are provided in the Operational Plan Section.

### **Anticipated Expenditure to meet the SHQS by 2015**

#### 4.18 Expenditure by Component during SHQS 2005-2015

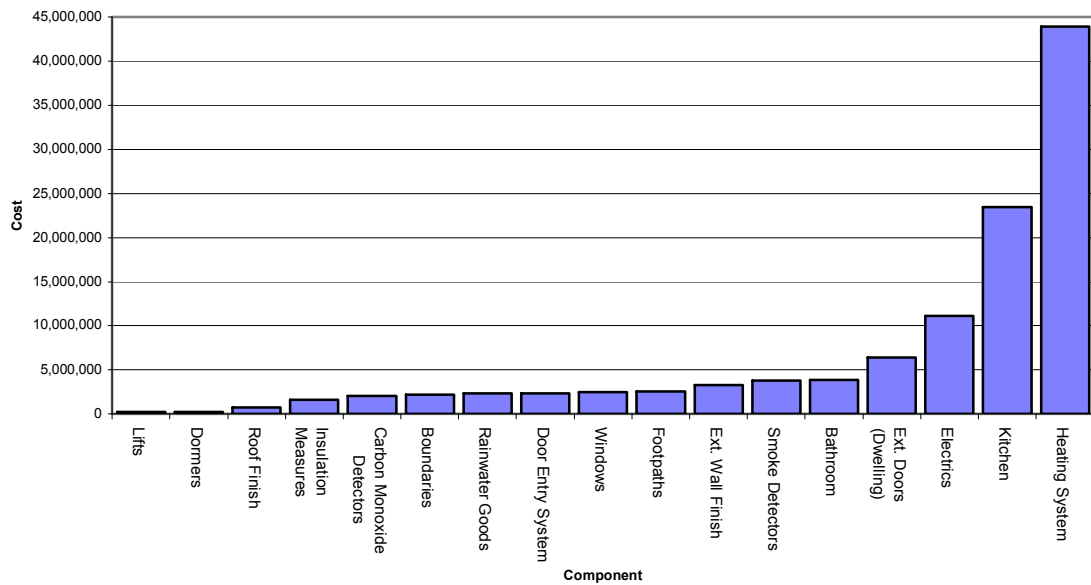
Chart 8 (below) shows expenditure over the period of the SHQS shows that despite there being high SHQS failure rates identified, particularly as a result of insulation works, electrical checks, and smoke detector installation that the costs of rectifying these issues are relatively modest.

The large cost items - heating systems, kitchens, doors and bathrooms are already planned and accounted for.

Both of these key findings has meant that the increased cost of meeting the SHQS is manageable as described in the following section of the SDP.

**Chart 8**

**Expenditure over SHQS Period 2005-2015**

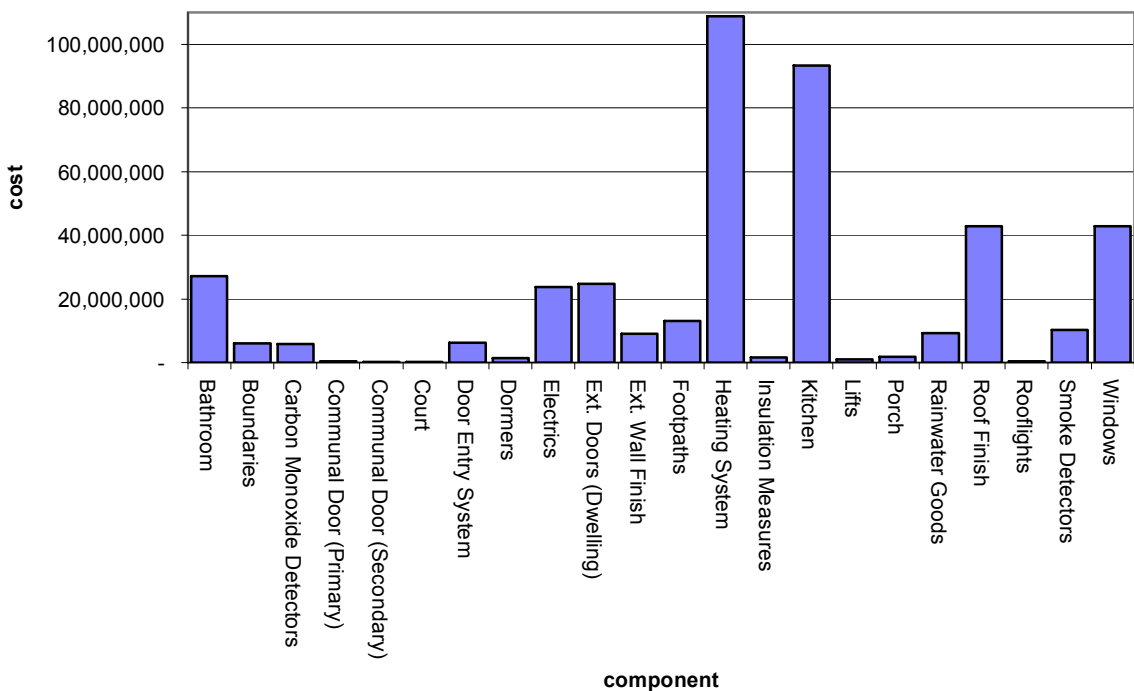


**4.19 Expenditure by Component 2005 - 2034**

The Council has ensured that it can continue to meet not only the immediate maintenance and improvement needs of the stock over the next 10 years (the period of the SHQS) but also over the longer term over the next 30 years as shown in the Chart 9 below.

**Chart 9**

**Expenditure over SHQS Period 2005-2015**

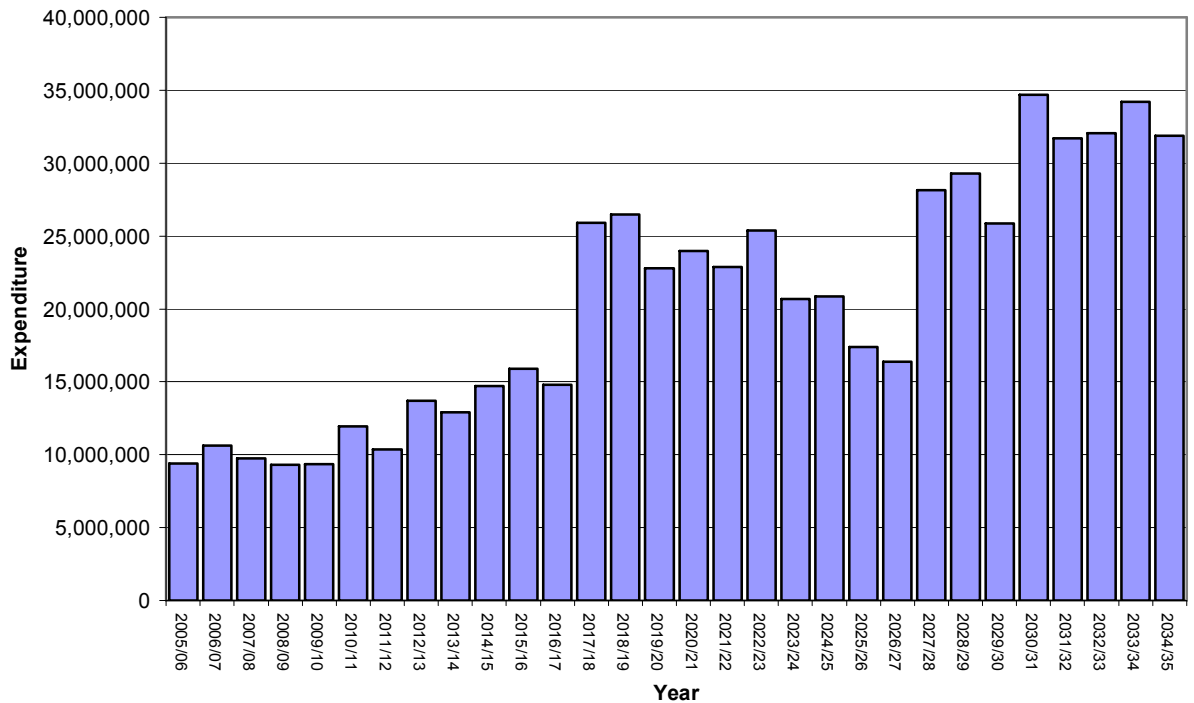


#### 4.20 Expenditure over 30 Years by Year

Chart 10 below identifies the total expenditure, informed by the Database, required for each of the next 30 years. It is this profile of expenditure that the Council is proposing over the next 30 years and is fully accounted for within the existing Business Plan.

#### Chart 10

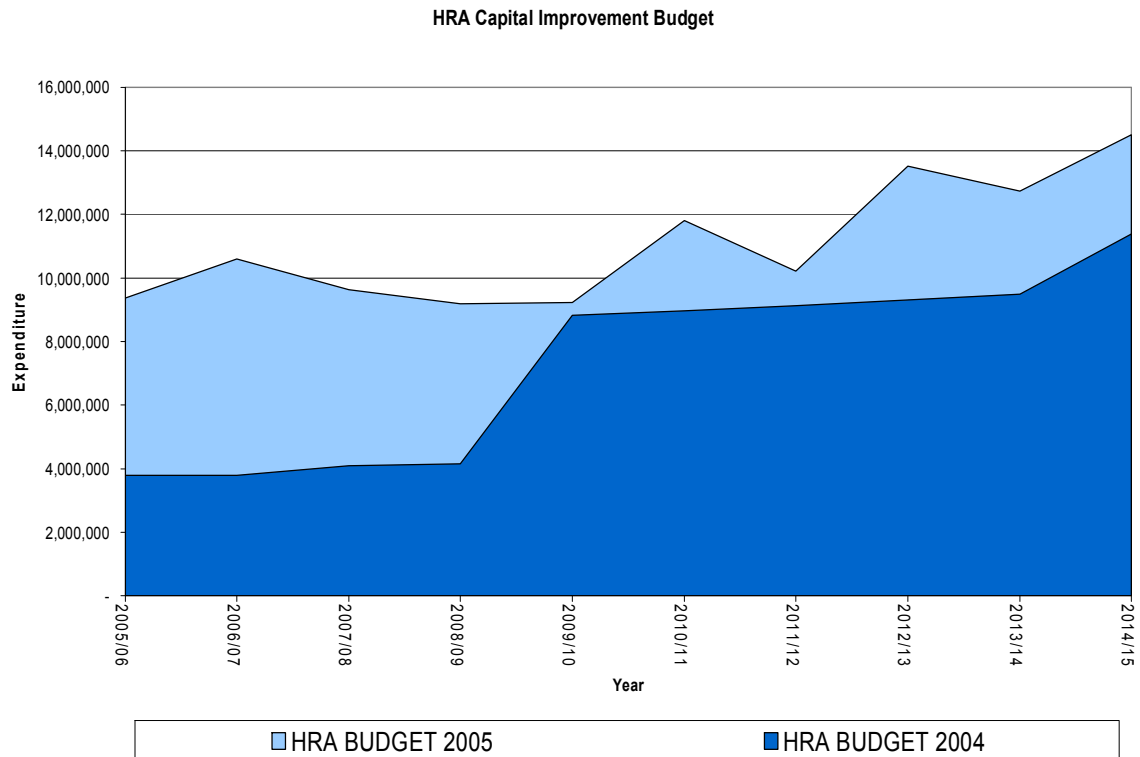
#### **Stock Improvement Expenditure required over next 30 years generated from the Business Plan**



#### 4.21 Comparison of Capital Investment Programme Pre and Post SHQS

The Graph 3 below shows the impact that meeting the SHQS has on the Council's Capital Investment Programme, in comparison to the situation prior to the application of the SHQS. It is over the early years that the largest impact will occur, from that point on, although still higher, the maintenance of the stock at the SHQS Standard can be achieved more in line with the original assumptions.

### Graph 3



(see Supporting Information, Business Planning Section, item 602, HRA Capital Programme 2005-2006, report to Social Work and Housing Committee)

### **Summary**

4.22 The analysis of the 2005 Stock Condition Database has identified that the existing SHQS pass rate is 2%, that the main areas of failure are related to relatively low cost items associated with 2 of the 5 main SHQS Criteria - Energy Efficiency and Healthy, Safe and Secure - principally loft, tank and pipe insulation and smoke detector upgrades and electrical safety checks respectively.

The high cost items largely take effect later in the SDP and are associated with modern facilities (kitchen and bathroom upgrades), and disrepair, door and roof finish replacements.

It must be recognised at the outset that while the failure rate appears high, the Council's stock is generally in good condition and the failure rate is due to the onerous interpretation of key criteria that are universal to all stock, meaning the number of homes affected is high. Furthermore, the individual components comprising these criteria are low cost to address and can be actioned quickly meaning a rapid progression towards SHQS compliance can be achieved. The criteria in question relate to the provision of smoke detectors, electrical safety checks and insulation. This more onerous interpretation has the support of the Council and Tenants and has been agreed on the understanding that they bring added benefit to the Tenants through high standards of health and safety and maximising energy efficiency. A fuller description of this is given later in this section.

By way of general comparison, had the Council adopted less onerous interpretations of these criteria (but perfectly acceptable for the purposes of the SHQS), it is estimated that the failure rate would be much closer to the Scottish

average of around 70% - as set out in the estimates provided via the national Stock Condition Survey in 2003. This survey in fact estimated Aberdeenshire's failure rate at 67% (better than average) lending weight to the discussion above. Any comparison across Councils in terms of failure rates must therefore be caveated to acknowledge that while the SHQS helpfully brings forward a minimum standard, there remains significant scope within the criteria for variations of interpretation across Councils, meaning direct comparisons will be difficult.

The following Section the 'Operational Plan' identifies how issues highlighted throughout this analysis will be delivered to ensure that the Council's stock meets the Scottish Housing Quality Standard by 2015.

## Section 5 – Operational Plan

### Milestones

- 5.1 At critical stages throughout the SDP a full ‘Review and Evaluation’ of the Plan will be undertaken by the SHQS Steering Group to ensure that the SHQS Action Plan, described in Section 6 is achieved. The Stock Condition Survey Database has been enhanced to assist with this process, and now incorporates a SHQS module which permits accurate monitoring of progress towards full SHQS compliance.
- 5.2 Each full ‘Review and Evaluation’ will be undertaken at specific points throughout the SHQS period 2005 - 2015. The Council has established that throughout the Plan that there will be 3 such exercises undertaken and that these will be key ‘milestones’: The ‘milestones’ will coincide with the timetable for the review of the existing Business Plan, as below:
- Milestone 1 – Year 3 – April 2007
  - Milestone 2 – Year 6 – April 2010
  - Milestone 3 – Year 9 – April 2013

Progress in moving towards compliance with the SHQS is described in some detail below and is set against the 3 key milestones. An Action Plan drawing this together is given in Summary form in the Section on Monitoring and Evaluation.

### Meeting the SHQS – Detailed Proposals

- 5.3 This Section sets out the Council’s Policy for each of the items where “Failure” or “Potential Failure” of a SHQS criterion has been identified by the Stock Condition database. The proposals are summarised under the 5 main headings described earlier.
- Compliant with the Tolerable Standard
  - Free From Serious Disrepair
  - Energy Efficient
  - Modern facilities and Services
  - Healthy, Safe and Secure

#### **5.3.1. Compliance with the Tolerable Standard**

##### Free from Damp

The Council’s 1999/2000 Stock Condition Survey asked the question “Does the dwelling suffer from dampness”? If so it was categorised according to the Scottish House Condition Survey (SHCS) definitions as slight, moderate or severe. The assessment method used for this category is the assumption that a property will fail if it has moderate or severe dampness.

Since the original Survey in 1999/2000, the properties identified as having dampness have benefited from considerable capital investment, being targeted with installations of double glazed windows, full house central heating and insulation works. The Council's view is that dampness has been almost entirely eradicated in Aberdeenshire Council's housing stock, but the picture from the original survey has been reported until updated information is available to confirm the current position.

As such every property identified as being damp at the last survey will be inspected to confirm that the capital investment has eradicated the dampness. The inspections will all be complete and the Database updated in time for the first milestone.

If there are any houses where dampness is still an issue a plan for its eradication will be developed by the first milestone.

### **5.3.2 Free From Serious Disrepair**

#### Primary Building Elements

There are no issues with the wall/floor/foundation or roof structures associated with any of the housing stock.

#### Secondary Building Elements

##### *Roof Covering*

There are very few roof coverings that require to be replaced over the SHQS period. Those that do exist are manageable within the existing Capital Programme and there is a sufficient local contractor base to undertake the work required. There are a very small number of roofs that the Database has determined as requiring replacement, these will be inspected to determine if they require to be built into the 10 year SHQS Capital Programme for immediate replacement.

##### *Rainwater Goods*

Based on the 2000 Survey, the Database suggests that there are a considerable number of rainwater goods that require replacement. However based on sample surveys recently undertaken it was discovered that the majority, although past their industry standard life do not in fact require replacement. These will all be inspected and their future life adjusted accordingly within the Database in time for reporting at the first milestone.



## *Windows and Doors*

Since the appraisal exercise was undertaken in 2000, the Council has undertaken a significant programme of installing windows and doors in Council properties and close to 100% (except a very few where tenants refused the work) now have fully draught proofed, double glazed windows. There are also a considerable number of properties that have had very high performance and thermal efficient, argon filled, low emissivity, double glazed windows installed.

However, despite this there are a number of existing double glazed windows that have reached the end of their "Industry Standard" life. These windows will be inspected to determine their actual need for replacement and either their life adjusted or they will be built in for replacement in the first 3 years of the SHQS. By year 3 (2007/08) there will be no windows overdue for replacement.

### **5.3.3 Energy Efficient**

#### Effective Insulation

##### *Cavity Wall Insulation*

All Council properties with traditionally constructed cavity walls have had cavity wall insulation installed.

##### *Loft Insulation*

Aberdeenshire Council have been working in partnership with the 2 Local Energy Advice Centres (Buchan Insulation and SCARF) to install up to a maximum 300mm of loft insulation, various other insulation and draught proofing measures to Council properties along with the provision of energy advice for the Tenants. This scheme is part funded by the Warm Deal programme with any shortfall being met by the Housing Revenue Account.

One of the benefits of this scheme is that it allows the long term unemployed to be taken on as apprentices and trained up as installers; they not only gain practical experience but achieve National Vocational Qualifications (NVQ's). The success of this scheme is reflected in the fact that every person taken on so far has moved onto full time employment. Helping to meet the LHS objectives 3, 4 & 5.

The Aberdeenshire Standard (discussed above) always had a commitment to improve the Energy Efficiency of the Council Housing Stock along lines broadly similar to that set out in the SHQS. As such, partnerships are already in place to ensure that the insulation in all suitable lofts in the Local Authorities housing stock far exceed the minimum 100mm set out in the SHQS. The Council is committed to improving the thermal comfort of Tenants and will ensure that all homes have 300mm loft insulation by the second milestone.

This will be achieved firstly by extending the existing Service Level Agreements with the local installers to increase the numbers of properties targeted each year and secondly by extending the successful Aberdeenshire Energy Efficiency Advice Project (AEEAP). Preliminary discussions have already taken place with these organisations all of whom have advised that they are able to gear up to meet the increased workload.

This scheme will be complemented by the whole house approach being adopted for all major capital works contracts. For example when a property is having a new central heating system installed, the level of loft insulation will be brought up to the new standard (300mm) at the same time.

In 1998 Aberdeenshire Council, in partnership with SCARF, created a new organisation to provide energy advice for all households private, rented and social housing, called Aberdeenshire Energy Efficiency Advice Project (AEEAP). This project has proved to be extremely good value and has been recommended by the Scottish Executive in their 1999 - 2001 HECA update summary report as an example of good practice. The intention is now to expand their remit and our commitment to incorporate a pre and post full heating installation service for all Aberdeenshire Council Tenants.

This new service called the “Tenants New Heating Systems Service” – includes the pre-installation option to assist Tenants with their “Tenant Choice” and offers any Tenant who wishes it, free, independent and impartial advice. Every house where a new heating system is to be installed is sent a letter offering the Tenant the opportunity to contact this service. The Council also uses it where a Tenant opts for a system that is less efficient and asks AEEAP to contact the Tenant to advise on the advantages and disadvantages of each system.

At the post installation phase every Tenant who has had new heating installed is visited and offered energy advice (on tariffs, fuel suppliers and efficient system use) and is asked for their views on the installation, contractor etc by completing a Tenant Satisfaction Slip, the results of which are compiled and handed back to the Council as statistics, thereby ensuring anonymity (unless direct action is requested). The results of the returns are used in improving future specifications, contractor selection and working methods.

#### *Hot Water Pipe and Tank Insulation:*

As above and in addition, all new hot water tanks whether installed through the repairs and maintenance contract or when new heating is installed are to be insulated to a depth of greater than 50mm of foam insulation. Where no repair has been undertaken and no new heating is being installed by 2010 then a **H/W** Tank jacket will be provided to bring the level of insulation up to a depth of 50mm or greater.

## Efficient Heating

### *Full House Central Heating*

When heating systems are due to be replaced, Aberdeenshire Council has committed to install the most efficient, economically viable systems available at that time in each property. At present this will take the form of installing Condensing Gas Boilers that are Seasonal Efficiency Database United Kingdom (SEDBUK) 'A' rated in all properties where gas exists within the settlement. Where Gas does not exist but at present a wet system is installed, Condensing Oil Boilers are to be fitted. Where a wet system does not exist an electric storage/panel heating system will be installed until such time as a more effective electrical 'wet' heating system is proved in the market place.

All the systems will be full house heating systems.

## Additional Energy Efficiency Measures

### *Other Energy Measures:*

Considerable work has been undertaken to inform proposals for the future in respect of energy efficiency measures.

The Council has used the existing 100% Energy Audit Database at NHER Level 0 (see Supporting Information) to determine the actions to be taken at each individual property.

As NHER Level 0 is only accurate to +/- 5 SAP, the ratings provided from the Energy Audit have been rounded to the nearest 10 to allow comparisons between the 'what if' scenarios set out below. The results of which resulted in the following Strategy:

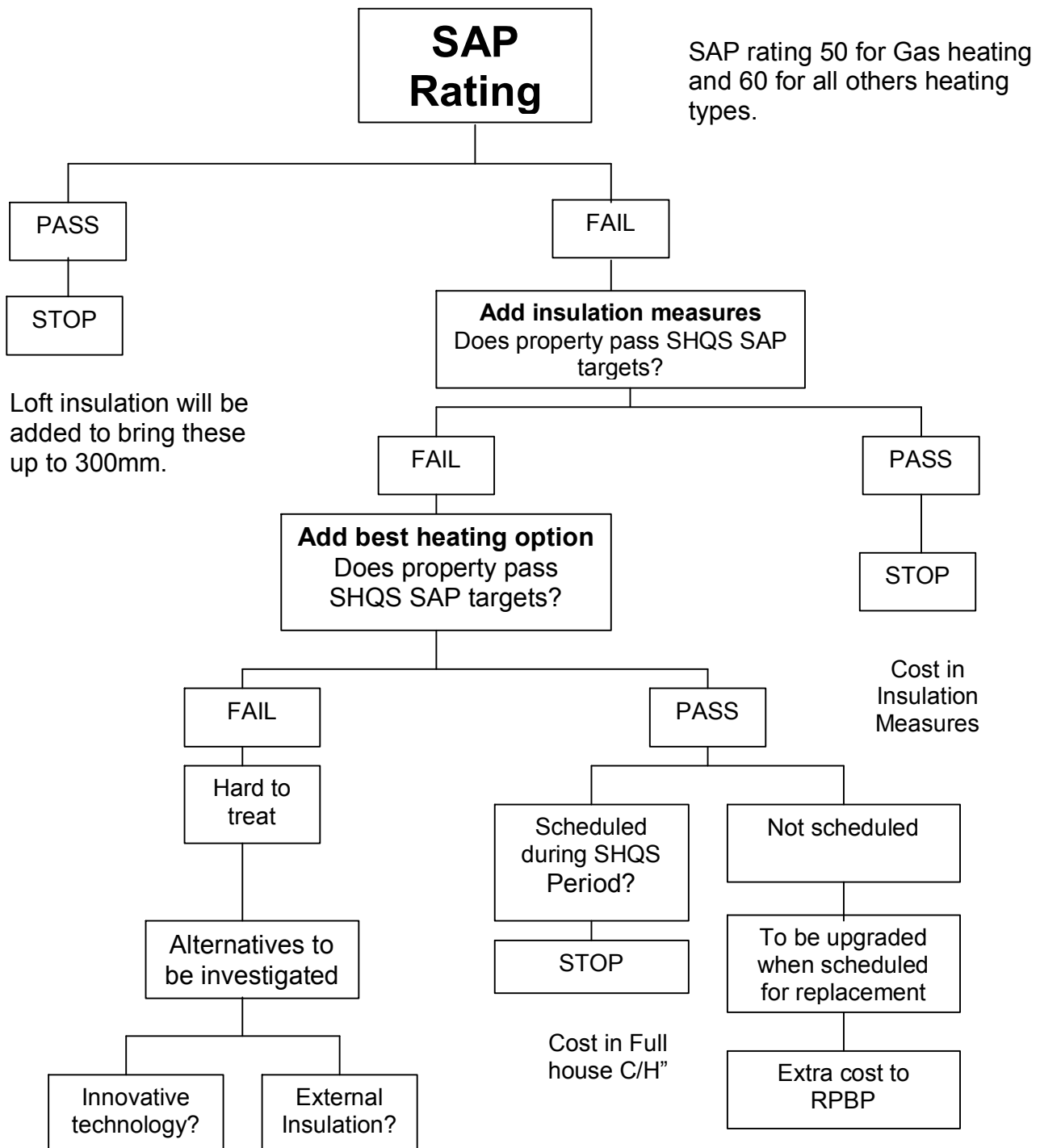
- Determine those that pass the required SAP ratings (50 for Gas heating systems and 60 for all others);
- For those that fail apply the insulation measures, as discussed above, for those that still fail;
- Apply the best possible heating system (if it requires to be replaced within the SHQS period), for those that still fail;
- Determine which ones will pass when their heating is due to be replaced but is outside the SHQS period. At present until further research has been completed, it is considered uneconomic to bring forward the replacement of the heating systems for these 1,000 properties into the SHQS period. To do so would increase the Business Plan by £20m replacing what are perfectly operational, if slightly less efficient heating systems;
- This leaves the remaining 600 properties, which are considered to be hard to treat. This group of electrically heated properties will form the focus of attention in determining suitability for external insulation and innovative technology and other research.

The intention is to have researched the possibilities for each of these properties with a detailed action plan prepared by the second milestone.

The process for the above is outlined in the flow Figure 4 below.

Figure 2

**Energy Flow Chart**



Cost to be determined with future analysis of the Energy Audit Database

Cost in other measures

All the above and the assumptions around best heating are subject to change as technology and best practice moves on and will be reviewed in detail at each milestone.

What this does show is that the targets set are at present extremely difficult for rural Local Authorities away from mains gas to achieve.

Aberdeenshire Council is committed to energy efficiency and reducing fuel poverty across all tenures as outlined in the emerging Fuel Poverty Strategy and the Environmental Charter. The Council is also committed to improving energy efficiency and has been a member of the NHER scheme since April 1994, has a trained Plan Assessor and a Site Assessor within the service and is in the process of training NHER Site Surveyors. This commitment is long standing which is borne out by the existence of a 100% Energy Audit of the stock at NHER Level 0. The Council has given a commitment to enhance this survey by already developing the database to allow energy labelling calculations at NHER Level 1, and to complete a 100% House Type, Energy Audit at NHER Level 1 by milestone 3.

Should technology not have advanced sufficiently to allow all the Council's properties to be brought above the SAP targets by the end of the SHQS period, this improved accuracy of energy labelling will permit research into the viability of including "Affordable Warmth" in the rent setting policy. This will ensure that no-one is in Fuel Poverty at the end of the SHQS period due to the thermal properties of their Council house. Details on this issue will be provided in due course when available.

#### **5.3.4 Modern Facilities and Services**

##### Bathroom Condition

Any showing as failures, subject to the re-profiling exercises (see 'Just in Time' approach at Item 3.6, Table 2, will have new installations by year 3 (2007/08). The potential failures will all be replaced as they occur.

##### Kitchen Condition

Any showing as failures, subject to the re-profiling exercises (see 'Just in Time' approach at Item 3.6, Table 2, will have new installations by year 3 (2007/08). The potential failures will all be replaced as they occur.

##### Kitchen Facilities

Fittings in good condition. Any showing as failures, subject to the re-profiling exercises (see 'Just in Time' approach at Item 3.6, Table 2, will have new installations by year 3 (2007/08). The potential failures will all be replaced as they occur.

### Adequate Kitchen Storage

Any showing as failures, subject to the re-profiling exercise (Item 5), will have new installations by year 3. The potential failures will all be replaced as they occur. The harmonised specification for kitchen installation includes the requirements of the SHQS and has done so for at least the last 5 years. These are recorded and identifiable in the database.

## **5.3.5 Healthy, Safe and Secure**

### Mechanical Ventilation

Whenever kitchens and/or bathrooms are installed new extractor fans are fitted as standard. Throughout the period of the SHQS, the small number of extractors required to be installed will be achieved through kitchen and bathroom upgrades. However, the Council is researching a new standard of extractors with heat recovery and/or positive ventilation methods as an alternative to the installation of extractors. The result of this research will be reported at the first milestone.

### Smoke Detectors

All Council houses have smoke detectors installed, most of which have now been converted to hard-wired installations. A contract will be commissioned this year to replace the hard wired smoke detectors through a 5 year rolling programme. 25% will be replaced by milestone 1 and 100% by milestone 2.

### Safe Electrical System

All properties will have had an electrical safety check undertaken by milestone 2. Thereafter they will be inspected on a 10 year rolling programme of Safety Checks.

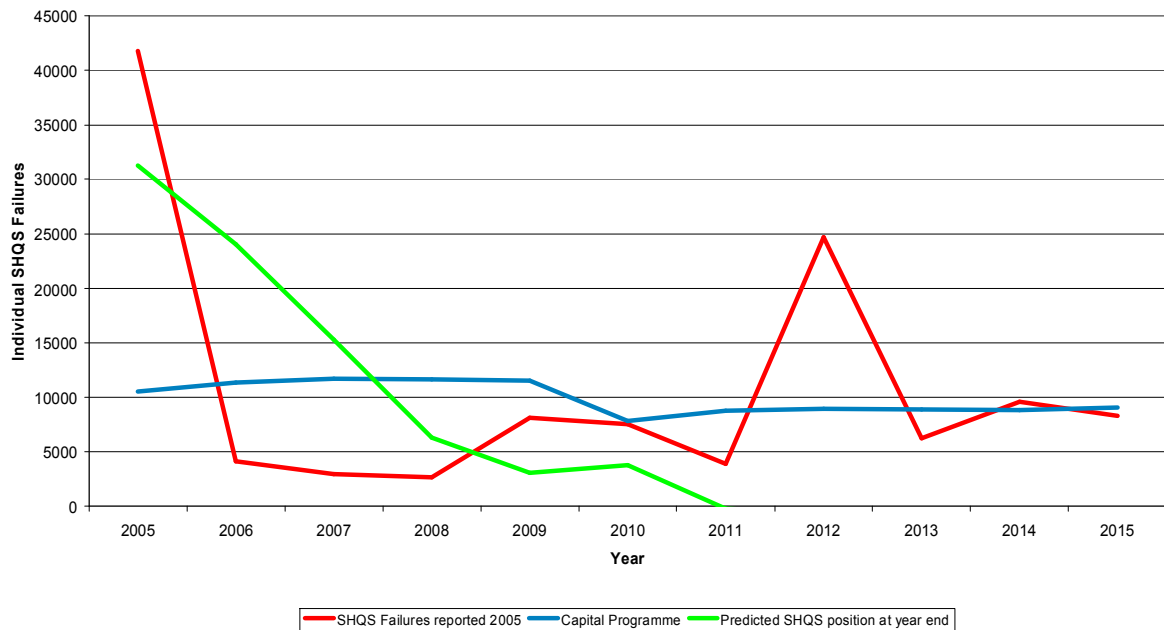
### Safe Gas and Oil System

The Council have a Gas and Oil Servicing contract, which ensures that each system is serviced annually. The results are recorded in a Servicing Database, which has been inspected and approved by the Health and Safety Executive (HSE). This Service Recording System is now linked to the Stock Condition Database and the SHQS reporting and monitoring module, thus ensuring that all systems are co-ordinated, avoiding duplication of work and allowing exception reporting. This allows each system to be validated to ensure that no gas/oil heating systems ever misses a service or replacement when required.

## Predicted Future SHQS Compliance

Graph 4

### Effect of Improvement Programme on SHQS position



5.4 Graph 4 above shows the impact that the proposed HRA Capital Improvement Programme will have on the predicted SHQS failure rate (see also Appendix 4). It clearly shows dramatic reductions in the SHQS failure rates over the early years of the Plan. To the extent that by 2011, all Aberdeenshire's Council Housing stock will meet the SHQS. From this point on 100% compliance with the SHQS will be maintained through careful deployment of the Capital Programme's resources.

## Procurement Strategies

5.5 The definition of procurement has evolved and is now viewed as encompassing every aspect of the purchasing process from determining the need for goods and services, to buying, delivering and storing them in order to help achieve an organisations key objectives and outputs. Procurement is now described as central to the management of any operation.

In recent years, Council contracts have increasingly included specific quality criteria. This is intended as the start of a move away from the traditional methods of tendering and appointment. The intention for future years is to investigate alternative and innovative procurement methods such as:

- Partnerships
- In house teams
- Preferred Contractors
- Tendered Framework Agreements

## Mixed Tenure

### 5.6 Owner-Occupiers and Improvements

When capital projects such as door entry systems are proposed in mixed tenure properties, such as 4 in a block, the Council will attempt to negotiate with the other owners to agree an acceptable approach where each owner meets their proportion of the cost of the improvement. If the properties are ex-council there is more scope to negotiate using the burdens placed in the title deeds. However, in practice these have proved to vary considerably from area to area and often even within the same block. Despite efforts to highlight the benefits of any improvement on many occasions the owners are unwilling or unable to meet their proportion of the costs of the works. In these circumstances the contract is prevented from starting. The Council cannot insist that an owner meets the costs, as the project is an improvement to the building not a necessary repair. However, it is always the intention to revisit once there is a change in owner-occupier however due to the time lag between such changes this often is not achieved.

### 5.7 Owner Occupiers and Essential Repairs

Even with essential works such as re-roofing the Council is not always successful in recovering costs from owner-occupiers due to the differences or omissions in the title deeds of the sold property. This situation is now being more closely controlled and such issues should not be so common with properties sold in the recent past and in future years.

When a capital contract is proposed in an area where there are owner-occupiers, a strategy is being researched whereby those owners are given the opportunity to link to the Council's contract. The benefit to the Council is to increase the levels of insulation and/or efficiency of the heating systems and improve the thermal comfort and/or to generally improve the standard of the private sector stock in Aberdeenshire in line with the direction set by the SHQS. The benefit to the owner-occupier is to have improvements undertaken in their properties at no cost to the Council but at a cost greatly reduced to that which they would have to pay otherwise. This is because they benefit from the economies of scale that the Council's Capital Programme offers. The intention is to trial this approach in a number of contracts in the next 2 years and to report on the findings at the first milestone.

### 5.8 Registered Social Landlords

The Council has consulted all Registered Social Landlord's in Aberdeenshire. Although some have advised that they do not have 100% Databases to fully report on their current position, the majority have advised that they are confident that their stock currently meets the SHQS due to their housing stock largely being of recent construction.

The Council has also worked with the RSL's to identify if there are any circumstances where Council stock is located in a mixed tenure blocks with RSL stock. It has been determined that this does not occur in Aberdeenshire.



- 5.9 300 dwellings were trickle transferred out of Council ownership through the New Housing Partnership programme to Aberdeenshire Housing Partnership (AHP). Consequently they have a stock that is spread across Aberdeenshire, is of a similar condition profile to Council stock, and is also within very close proximity to Council owned stock. As such the Council has offered its assistance in identifying the condition of this stock by providing AHP with a copy of the database relating to their stock.

AHP have also invested in a copy of the Database module that Aberdeenshire Council developed in Partnership with Concept Informatics for directly reporting and monitoring progress towards full compliance with the SHQS.

- 5.10 Through new methods of procurement the Council will investigate with RSL's the extent to which the Council can link its stock improvement programme with RSL's, thereby offering economies of scale and other improved outcomes.

5.11 Fuel Poverty Map

The Council will be undertaking a significant programme of insulation works in its properties over the first 5 years of the Plan. To identify areas in most need the first approach was to look at the 100% energy audit that the Council holds on its own stock and identify the settlements with stock that has the lowest energy efficiency. However, the Council also has a responsibility, as outlined in the LHS and the SHQS, to improve the standard of the Private Sector stock and to reduce Fuel Poverty.

The proposal is to use the 'Fuel Poverty Map' available in April 2005 which will breakdown Aberdeenshire Council ward by ward indicating the level of fuel poverty. The plan would be to target the wards in most need and to use the Council's Insulation Programme to raise profile in each ward and to combine this programme with Energy Efficiency Commitment (EEC) funding to target the private housing in the area. This will have the advantage of piggy backing on the high profile Council programme to raise the profile and bring many more properties out of Fuel Poverty.

## **SHQS Consultation**

5.12 Tenant Participation Strategy

In partnership with Tenants, the Council has developed a 'Tenant Participation Strategy 2002-2006'. The Strategy guides all future consultation and will be used to guide the future SHQS guidance.

The TP Strategy mission is to ensure that all Aberdeenshire Council Tenants have the opportunity to take an active part in the development of high quality housing services across Aberdeenshire.

The aim of the Strategy is to ensure that all Aberdeenshire Council Tenants have the opportunity to input to decision-making processes and to influence decisions that affect their homes. This includes:

- Housing policies;
- Housing conditions; and
- Standards of housing and related services.

5.13 The SDP is concerned with the future of the entire housing service. It is important that the SDP is not regarded as a purely technical document, aimed only at setting plans for expenditure on the housing stock but is viewed as an interactive document meeting Tenants needs and aspirations. Ongoing consultations with Tenants, Staff, Councillors and other key Partners are key to the formation and evolution of the SDP.

5.14 The timetable for producing the SDP has mitigated against the ability to adequately involve Tenants in the development of the SDP. In Aberdeenshire Tenants are presently consulted through various Tenant Function Groups. The Strategic Development Function Group was involved in the monitoring of the Aberdeenshire Standard and the subsequent development of an Enhanced Aberdeenshire Standard. Tenants on this group were advised directly about the SHQS in February 2004 when preliminary findings were discussed.

Tenants will be involved in the monitoring and further development of the SDP throughout the SHQS period (2005 – 2015). These consultations will take place in accord with Aberdeenshire Council's Tenant Participation Strategy.

This will include consultation and liaison through:

- The Tenant Participation Promotion Team (TPPT)
- Registered Tenant Groups
- Constituted Tenant and Resident Groups
- 5 Tenant Function Groups
- Tenants Newsletters
- The Bi-annual Tenant Event

5.15 Copies of the Tenant's newsletter and the presentation at the Tenant event are available in the SDP Supporting Information. The core Aberdeenshire Tenant group (the TPPT) approved the draft SDP on 11 April 2005 which was subsequently approved by the Council's Social Work and Housing Committee on 14 April 2005. This SDP reflects the key elements provided in the drafts agreed by those 2 key groups.

### **Summary of Operational Objectives**

- i. Ensure that the SHQS prioritises expenditure on the stock and that the SHQS is fully achieved by 2015.
- ii. Ensure that the Stock Condition Database leads the Capital Works Programme and Business Plan.

- iii. Ensure that all improvements to the stock when complete are recorded in the Stock Condition Database.
- iv. Ensure that all the components, that have reached the end of their 'Industry Standard' life, as generated by the Database, are inspected annually and fed back to the Database.
- v. Ensure that the economic viability (including future demand and life, particularly of the non –trads) of proposed improvement works have been fully investigated prior to being commissioned.
- vi. Undertake research into best practice and innovative approaches to construction principles and energy efficiency, particularly for the hard to treat, hard to heat properties.
- vii. Develop Best Practice Guide for purchasing of construction and maintenance services, including policy guidance on sustainable development and innovative methods of procurement by milestone 1.
- viii. Develop relevant performance indicators to measure the performance of construction procurement, including meeting sustainable development targets by milestone 2.
- ix. Devise a programme for adopting appropriate methods of integrating the Government's Rethinking Construction initiative by milestone 3.
- x. Identify opportunities for Contractors to add value and develop more strategic relationships with them for long-term benefits to all by milestone 2.
- xi. Recognise whole life costs and that the lowest tender is not often the best value proposal, and that certain risks naturally inherent in construction projects are best managed jointly with the industry by milestone 1.

## **Section 6 – The Council’s Housing Business Plan**

### **Background**

- 6.1 In line with the requirement to demonstrate that the achievement of the SHQS is affordable and to update the earlier option appraisal carried out in 2000, the Council re-commissioned DTZ Piedad to review the Council’s Housing Business Plan in light of the changing context with the introduction of the SHQS. The original Option Appraisal carried out in 2000 resulted in the Council’s Housing Business Plan (the Retention Plus Business Plan) being developed. Commentary in this Section (paragraphs 6.7 to 6.36) has been provided by DTZ Piedad as a summary of the original Option Appraisal, an independent review of the Council’s Business Planning practice and as an independent assessment of the current status of the Business Plan taking into account the SHQS and recent updates to the content and assumptions included in the Business Plan. A copy of the current Business Plan, taking the SHQS into account, is included with the Supporting Information.

### **Review**

- 6.2 Since 2000, the Council, in November 2003, carried out a comprehensive review of the Business Plan to produce a revised version commencing in 2004/05. This review confirmed that the overall objective of creating surpluses had been achieved and that the actual surplus at that time was in accordance with the Plan. A review of assumptions made within the Plan was undertaken and the affordability of the Plan under the agreed rental policy, was re-affirmed.

The necessity of preparing the Standard Delivery Plan for the SHQS required a further comprehensive review of the Business Plan, recognising the impact of the Prudential Regime. This review was completed to demonstrate whether the Standard could be delivered and if it was affordable. The outcome of this Review is to roll the Business Plan forward 1 year; the revised Business Plan now covers the 30 year period commencing from 2005/06 (copy attached in Supporting Information).

### **General**

- 6.3 In conducting the Review, assumptions contained within the Plan have been reconsidered. Rental income has been recalculated to confirm future income streams in consideration of current average rent levels; agreed rental policy, planned demolitions and projected future Right to Buy sales. Void losses have been provided for, based on current performance and future estimates.

Other sources of income arising from service charges including Sheltered Housing income, other rents and charges including garages and shops have all been recalculated based on current information. Further sources of income including Supporting People contract and other miscellaneous income have also been reconsidered.

Management and supervision costs have been revised to reflect the impact of the Housing Service structure, as revised in April 2004, including recharges to and from the General Fund. This revision includes the impact arising from the modification of terms and conditions for Sheltered Housing Officers and the development of Out of Hours Service coverage for Sheltered Housing Tenants.

Premises costs, Administrative costs, Supplies and Services and Payments to Agencies have again been reaffirmed.

## **Revenue**

- 6.4 Repairs and Maintenance costs including reactive/response repairs and cyclical repairs have been reconsidered, based on revised trends, and provision has been included for additional annual expenditure including CO detection, smoke detector renewal, asbestos surveying and removal works and electrical testing.

Loan charges have been revised to reflect current expenditure and estimated future loan pool rates and interest on revenue balances rates have been reconsidered.

## **Capital**

- 6.5 Capital expenditure plans, including environmental works, has been reconfigured in pursuance of the SHQS objectives and is derived from information held within the Aberdeenshire Stock Condition Database. The major component of this environmental work is for improvement of roads and footpaths including those within mixed tenure areas to be brought to an adoptable standard within the SHQS period. Revision has also been made to the enabling component within the Capital Plan.

## **Prudential Regime**

- 6.6 The introduction of the Prudential Borrowing Framework and the resultant Prudential Code for Capital Finance in Local Authorities has had an impact on financing capital expenditure within the Business Plan. Requirements for capital from current revenue have been recalculated in recognition of the cessation of previous annual (Section 94) borrowing consent, impact of the Prudential Code and the use of existing balances within the HRA. Local Authorities are required by regulation to have regard to the Prudential Code when carrying out their duties and to use the indicators within the code to demonstrate, support and record local decision-making. Aberdeenshire Council has set Prudential Indicators for the period 2005/06 to 2007/08.

## **Option Appraisal 2000**

6.7 The Government's New Housing Partnerships (NHP) Initiative provided the Council with an opportunity to undertake a detailed review of the condition of the stock and of the management, investment and ownership options available. The study which reported in the latter part of 2000 included a Stock Condition Survey, Environmental Impact Assessment, a Survey of Tenant views and satisfaction and a Housing Stock Option Appraisal. Paragraphs 6.8 to 6.35 provide a detailed summary of the Option Appraisal carried out in 2000.

## **Study Objectives**

6.8 The aim of the study was to undertake an objective and thorough appraisal of the alternative options open to it for the future management and ownership of its housing stock. The fundamental objective of the work was to identify a way forward for the Council that will shape the future direction of its Housing Strategy as a means of:

- continuing investment in the housing stock while maintaining affordable rents;
- achieving long term sustainable investment in the stock and creating new build for rent opportunities;
- recognising and maintaining a strong tenant/community focus and involvement;
- maximising the receipt to the Council to help alleviate residual loan debt and potentially provide a surplus with which to procure future Council investment.

## **Findings**

6.9 The study found that the projected increases in both overall population and household numbers suggested that the need for affordable rented housing would continue to grow. This increase would exacerbate a situation in which housing needs were already not being met with the Housing Needs Survey estimating that 6,333 households were in need at that time.

This level of need extended across the Aberdeenshire area and although a small proportion of housing need was expected to be met by other Social Housing Providers through new build and re-lets there was still felt to be a significant deficit between the supply and demand of affordable rented housing in Aberdeenshire.

The importance of Tenant Participation was emphasised throughout the course of the study, in particular through the consultation process (including the Tenant Survey) and also the separately commissioned work undertaken by the Independent Tenant Adviser. Tenant input into the study has focused on various issues including the desire of Tenants to become involved in decisions regarding their housing.

As regards the condition of the housing stock, most of the required investment resulted from the need to replace components that had reached the end of their design life

In some areas these requirements became evident within the first 5 years, but over much of the stock investment needs became significant after the first 10 years of the study period. In the longer-term, investment needs were projected to exceed current spending levels, particularly in years 19-20 and 29-30 across the housing stock.

Generally, the housing stock was considered to be in good condition.

### **The Aberdeenshire Standard**

- 6.10 The Council also wishes to consider the implications of raising the standard and specification of the housing stock. This higher standard was referred to as the 'Aberdeenshire Standard'.

The Council's aim in developing an 'Aberdeenshire Standard' was to define the standard of housing that should be aspired to within Aberdeenshire. The definition was developed in consultation with key Officers from the Housing Service and with some input from Tenants and Tenant Representatives.

The Standard was defined as follows:

- secondary glazing for sash and case windows in Conservation areas only;
- mechanical extractor fans for kitchens and bathrooms;
- Carbon Monoxide detectors;
- automatic entrance doors in sheltered accommodation;
- conversion of bed-sits to flatted accommodation in sheltered housing complexes;
- installation of separate bath/shower within sheltered accommodation;
- installation of full central heating where only partial heating exists;
- energy saving related matters (SAP) such as loft insulation, draft proofing, hot water cylinder insulation, condensing boilers and improvements to other heating systems.

It was estimated that the introduction of the Standard would involve c. £55 million investment, excluding add-ons.

### **Environmental Impact Assessment**

- 6.11 This study was carried out in accordance with laid down guidelines and sought to identify hazards and their consequences. Through a recognised process of identifying probability and validation, the study was able to place a liability in monetary terms upon the statistics that were gathered.

In short, the findings were that there are no major concerns of an environmental nature across Aberdeenshire. The categories of risk identified and analysed produced a liability of £2 million or £125 per property over the 30 year period and this sum has been taken into the valuation and subsequent analysis of the options open to the Council for the future of its housing stock.

## **Financial Position**

### 6.12 Section 94 Consent

Section 94 Consent had been under pressure for some time and this was projected at £4.5 million for the 30 year projected period.

### 6.13 Right To Buy Sales (RTB)

Receipts from RTB provide an important source of capital and it was assumed at the time that set-aside where 75% of the receipt was to be used to repay housing debt. RTB sales were projected at 300 per annum reducing over the 30 year period reflecting anticipated changes in the tenant profile over time.

### 6.14 Loan Repayment Programme

An agreed programme of repayment of the housing debt was in place over the next 60 years which took account of additional projected borrowing and RTB sales as described above.

### 6.15 Capital from Current Revenue (CFCR)

CFCR had been a feature over the last few years for the Council and it was expected that this source capital funding would continue.

### 6.16 HRA Balances

It was assumed that the Council's policy of using HRA balances to help support the capital programme would continue whenever possible.

## **Revenue**

### 6.17 Rents

The Council's average rent per property at the time was £31.80 (52 rent weeks). Aberdeenshire's rents were comparatively low - 23rd in Scotland (20th in 1997/98 and 26th in 1998/99). The Council's rents were also low relative to other Social Landlords operating in Aberdeenshire.

Because rents were relatively low in Aberdeenshire, the analysis included a range of sensitivities to explore different rent scenarios on the investment programme.



## 6.18 Payments for Central Services

The HRA was charged for its use of central services and these charges were an important source of income to central areas. These were included in the analysis at c. £1.3 million, based on past charges made to the HRA. It was also felt that funding of the Council's strategic and enabling roles would require further detailed consideration.

## Conclusions

- 6.19 The HRA faced continued financial stringency with little, if any, potential to increase resources for housing. Balances at that time were not substantial and not inexhaustible, and CFCR would continue to be used. At that time the Council was also facing pressures on the General Fund which may have had an adverse impact on the HRA in future years.
- 6.20 The Stock Condition Survey findings on a like-for-like basis coupled with the financial summary above showed a cumulative level of surplus available resources at £4.4 million in year 1 to c. £25.7 million by year 15 with the position projected to deteriorate thereafter as investment requirements were projected to exceed available resources.
- 6.21 Problems were projected to arrive at an earlier stage if the Aberdeenshire Standard was to be pursued. If the Standard is taken as the benchmark, the cumulative level of under-investment is £18 m in years 11-15 reaching £157 m by year 30.
- 6.22 The position may be summarised as follows. The Stock Condition Survey indicates a required spend on the stock (excluding inflation and VAT) of £772 m over the next 30 years. The current level of Council spending, projected forward, amounts to around £671 m – a shortfall of £97 m net. The cost of achieving the Aberdeenshire Standard is estimated at an additional £55 m (excluding fees), resulting in a gross shortfall of £157 m.

Thereafter, the Option Appraisal considered, among other issues, how the above investment shortfalls could be met.

## The Option Appraisal Process

- 6.23 The options were identified and assessed in the light of the information set out in the preceding sections and it sought to set out for the Council the consequences and implications of alternative decisions, so as to assist the Council in making the relevant decisions.
- 6.24 The development of the options and the criteria against which the options have to be assessed was open and transparent with the Stakeholder Consultation Programme informing the process. Alongside the Stakeholder consultation, 4 other distinct pieces of work have been utilised to develop the key criteria:

- A review of the Council's Policies and Strategies to ascertain objectives;
- Outputs from the Stock Condition Survey and valuation;
- Review of the Council's Housing Needs Survey;
- A review of the Council's financial position.

The specific options to be assessed were agreed through the Project Steering Group.

### **The Options**

- 6.25 The Option Appraisal involved careful consideration of all the possible courses of action open to the Council. Three main alternative possible courses of action were identified and were subject to the detailed analysis. These options were:
- retention of the stock by the Council within the current framework of public sector funding and current rent policy;
  - partial transfer of stock to another Social Landlord on a geographic basis - the option appraisal would examine this on the basis of the 6 Committee areas;
  - transfer of all stock to an alternative Social Landlord.

### **Appraisal Criteria**

- 6.26 Any appraisal process requires criteria against which alternatives are compared. The criteria which were used in the appraisal fell into the following broad categories:
- the impact on the Council's housing objectives;
  - the impact on other Council objectives;
  - financial implications;
  - impacts on staff/employment;
  - wider impacts;
  - risk factors.

The appraisal criteria and the weighting/scoring matrix are summarised in the following table.

Table 4 - **Aberdeenshire Council Scoring & Weighting System**

Criteria Heading	Detailed Criteria	Maximum Score (grouped criteria)	Maximum Score (section)
<u>Housing Objectives</u>			
Housing Provision			
	<i>Number of houses available</i>	1	10
	<i>Repairs &amp; improvements</i>	2 – 4	10
	<i>Rent levels &amp; affordability</i>	5 – 6	0
			30
<u>Strategic / Enabling Role</u>			
	<i>Homelessness</i>	7	15
	<i>Compatibility with enabling role</i>	8 – 9	15
			30
<u>Accountability</u>			
	<i>Council representation &amp; influence</i>	10 – 11	10
	<i>Tenant involvement &amp; control</i>	12 – 13	10
	<i>Tenant rights</i>	14	10
	<i>Tenant preferences</i>	15	10
			40
<u>Performance Standards</u>			
	<i>Acceptable management standards</i>	16	10
			10
Maximum Score			110
<u>Other Council Objectives</u>			
	Effect on other Council Policies	17	20
	Effect on other Council Services	18	20
			40
Maximum Score			40
<u>Financial Appraisal</u>			
	Financial outcomes - ability of Council to sustain spending/fundability	19 – 22	100
			100
Maximum Score			100
<u>Impact on Staff &amp; Employment</u>			
	Impact on employment and terms and conditions	23 – 26	20
			20
Maximum Score			20
<u>Other Impacts</u>			
	Other housing bodies	27	10
	Other bodies	28	10
	Other impacts	29	10
			30
Maximum Score			30
TOTAL SCORE			300
NB - Criteria 30 & 31 dealing with <i>risk factors</i> will be assessed separately through textual commentary and will not have a score attached to them.			

## **Context and Issues**

6.27 The fundamental problem facing the housing stock was that, in the longer-term, the resources likely to be available to the Council would be insufficient to undertake the work needed to maintain the stock in good condition far less improve it. The income which the Council received from rents, house sales and other housing sources had, along with the permitted level of capital spending, to be applied to the management and maintenance of the stock, to improvements and to servicing the housing debt of c. £152 million. In the short term and at that time, the Council's resources for housing was sufficient to pay for the necessary maintenance work on the stock. However a gap between the Council's resources and the demand on those resources was set to emerge around year 15 and grow sharply thereafter.

The Option Appraisal work indicated that the gap between what the Council would be able to spend under policies in 2000 and what was needed over the next 30 years amounts to £97m. If the Council wanted the housing stock to be improved to the Aberdeenshire Standard, the resource gap raised to around £157m.

The basic problem underlying the option appraisal was therefore, how to bridge the resource gap. Bridging the gap required that income be increased, that the demands on housing income be reduced, or some combination of the two. All of the options considered involve increased income, reduced outlays or both.

The choice between the alternative courses of action is not solely a financial matter. Actions to increase income or reduce outlays have critical implications for the Council's ability to meet its housing objectives – particularly the key objective of maintaining and increasing the availability of affordable rented housing of a high standard. The options appraised were considered against a set of criteria which reflect the Council's housing, and other, objectives.

## **Appraisal Conclusions**

### 6.28 Retention

The option of retaining the stock and restricting rent increases to RPI+1% was considered feasible for the next 15 years or so under the like-for-like repairs approach. Thereafter, the cost of work required increasingly exceeds the level of resources available. The consequence of failure to spend the required resources would be a growing and serious deterioration in stock condition. The Council would almost certainly fail to meet its housing objectives, and could result in falling occupancy and a high level of tenant dissatisfaction. Therefore, under current circumstances and assumptions, this option was not sustainable in the long term.

The situation, were the Council to pursue the improvement programme set out under the Aberdeenshire Standard, is less promising. Under the RPI+1% rent increases, the Council would only be able to finance the investment programme for 10 years. Thereafter, a substantial deficit would emerge and increase.

Mechanisms to increase the level of resources available and/or to reduce the level of spend required were considered in looking to the retention option being viable in the longer-term. Sensitivities indicated that it would be possible to increase rents sufficiently to meet the like-for-like investment programme within a potentially acceptable rent structure. Increasing rents by RPI+2% for the full 30 year period would generate sufficient income to meet the investment requirements. Alternatively, a higher increase could be introduced for a short period, so that surpluses would accrue ahead of investment. If rents were to rise by RPI+5% for the first 5 years, an RPI+1% increase could apply thereafter. After year 20, rents would actually be lower than in the same year under RPI+2%, but investment requirements would still have been met. Aberdeenshire rents are relatively low and these rents could have a detrimental impact on affordability and on levels of Housing Benefit. Detailed analysis of such impacts would form a key part of future feasibility analysis.

It was recognised that this approach could only succeed if:

- Section 94 Consents assumptions are, at least, met (that is, that Section 94 Consents remain at the same monetary value as at April 2000);
- that the resources generated through rent increases are retained within HRA housing services;
- that the repairs programme is prioritised over other improvement programmes;
- that some smoothing of the repairs profile is managed, to minimise the investment peaks that emerge in years 19-20 and 29-30.

It was also possible that the burden on rent levels could be reduced somewhat if HRA contributions to the General Fund better reflected the services received. The financial analysis could not fully distinguish the amounts of HRA supplementing the General Fund nor fully specify and cost central services recharged from the HRA. It was considered that a detailed analysis of recharges based on actual services used and value for money achieved would clarify the real value of central charges and permit the development of more accurate financial projections.

As might be expected, the outlook for the Aberdeenshire Standard is less optimistic. Rent increases of RPI+8% would be required to year 5 and RPI+1% to year 30 to generate sufficient resources. Retention was therefore, not a viable option if the Council wishes to implement the Aberdeenshire Standard as currently specified. However, a reduced but still politically acceptable improvement programme may be feasible. This would require revision of the Standard and further analysis at the feasibility/ pre-feasibility stage.

## 6.29 Partial Retention

The Partial Retention Option performed well in terms of enabling investment in the stock and sustaining affordability levels in the transferred stock. It was a viable option and has been pursued by other Councils.

The option had 3 drawbacks:

1. There was uncertainty over the issue of debt relief. The Scottish Executive has only committed itself to providing 5 years of debt relief under this option and there would be a corresponding reduction in Housing Revenue Account funding during the period. It is stressed that this need not mean that debt relief would cease after 5 years, just that the situation is not clear;
2. By remaining a landlord, the Council would not automatically qualify to administer Social Housing Grant in Aberdeenshire - a function that would greatly enhance the Council's enabling role;
3. There was no clear reason why the Council should wish to transfer part of its stock while retaining other parts.

## 6.30 Full Transfer

The transfer of all of the Council's stock was considered a radical measure which would greatly reduce the Council's direct control over social housing provision. The Council's role in social housing would shift from direct provision to influencing and enabling. That said, the Council's enabling role would be greatly enhanced under transfer, as it would obtain control over social housing resources for the area.

The option performed well in term of improving housing quality and maintaining affordability at current levels. The burden of existing debt would be removed from the new landlord(s) and the landlord(s) would be able to borrow to invest in the stock without being subject to public expenditure constraints. Hence, both the like-for-like and the Aberdeenshire Standard could be delivered within the RPI+1% rent framework.

The main disadvantages of the option were identified as:

- loss of Council control;
- poorer performance against some Council objectives, and particularly around the authority's flexibility in meeting its statutory and policy related homelessness responsibilities;
- uncertainty about the capacity of local landlords to absorb the additional stock;
- uncertainty concerning the performance of (unknown) new landlord(s).

## **Summary**

6.31 The table below sets out the scores for each option using the scoring system detailed earlier.

Table 5 – Option Appraisal Scores

Option Scores			
Element of appraisal	Retention	Partial transfer	Full transfer
Housing provision			
Projected stock numbers	5	5	5
Repairs spend	8	10	10
Rent levels	5	6	8
Strategic role			
Homelessness	12	9	9
Enabling activities	10	9	12
Accountability			
Council influence	9	3	6
Tenant involvement/control	4	6	6
Tenant rights	10	6	7
Tenant priorities	7	7	8
Performance standards	9	9	9
Other Council policies and services			
Policies	12	10	13
Services	20	18	14
Option Scores			
Financial Appraisal	60	40	80
Impact on staff	17	15	12
Impact on other organisations	18	17	12
Other impacts	0	0	0
<b>Total</b>	<b>206</b>	<b>170</b>	<b>211</b>

The scoring indicated that that a clear course of action did not follow inevitably from the analysis.

- the transfer option scored highest, but by a small margin. However, its score would have been improved were the Council to argue for retention of stock to assist with its homelessness responsibilities, but without losing the debt servicing benefits of full stock transfer;
- the retention option scored lower than the transfer option. However, had the appraisal been conducted on a shorter time period, say 15 years, its score would have exceeded transfer by a clear margin. The main disadvantage of the retention option is insufficient resources to meet the like-for-like repairs after year 15 or to deliver the Aberdeenshire Standard by year 10. Rent strategies to increase available resources could have affordability impacts for low-income Tenants.

## **Recommendations**

- 6.32 Because no single option performs substantially better than the others, this study could not make recommendations on the option to pursue. The Council, and its selected consultees, were advised to carefully review the arguments for and against each of the options, before reaching a decision on where the advantages lay for Aberdeenshire.
- 6.33 However, during the course of the study, strong support for Aberdeenshire Council as a landlord and/or recognition of the high standards of housing service was expressed from the range of consultees. The study indicated that the retention option had the potential to deliver the investment programme, and possibly some elements of the improvement programme for the next 15 years or so. Therefore, there was broad recommendation that the retention option be examined in more detail, before further detailed work on transfer was undertaken. The following recommendations were made.
1. The partial transfer option, based on geographical areas of stock be rejected;
  2. The retention option, as status quo was not a viable option and be rejected;
  3. The 'Retention Plus' option be explored in greater detail via
    - consideration of a clear distinction of HRA/non HRA services and costs involved leading to a truly ring-fenced HRA;
    - further revision of the Aberdeenshire Standard, to consider reduced costs while retaining key improvements;
    - securing Scottish Executive support for guaranteeing future levels of Section 94 Borrowing Consent;
    - evaluating the likely impact on the Council in the proposed changes in RTB and taking the necessary action thereafter to minimise risk to the Council of further changes that may emerge in the future;
    - determine the impact of differing rent structures contained within the report on Tenants, Housing Benefit etc;
    - determine the extent of Scottish Executive support for retention based on RPI+>1% rent increases;
    - explore with the Scottish Executive the possibility of securing control of the proposed Social Housing Grant budget in Aberdeenshire and ensuring that it is maximised notwithstanding no stock transfer;
    - consider a framework for increasing tenant involvement in housing matters;
    - develop a robust plan for the funding of the 'Retention Plus' option for the full 30 year period.
  4. Consultation with key stakeholders, based on this report, seeking to estimate support for retention, before more detailed analysis of the transfer option was undertaken.
- 6.34 The Option Appraisal concluded that if the foregoing could not be secured then stock transfer should be pursued.



- 6.35 As a postscript to the Option Appraisal study the Council developed the Retention Plus option in consultation with key stakeholders and it developed a business planning approach to deliver the desired level of service within a rent policy of RPI+2% for 30 years.

### **The Emerging Position in 2005**

- 6.36 DTZ Pieda Consulting has worked with the Council to review the performance of the HRA since the original Option Appraisal and has assisted in the consideration of the assumptions to be used in the development of the Standard Delivery Plan and the Business Plan over the next 30 years.

Attached is a summary of the main assumptions emerging from the HRA analysis undertaken by DTZ Pieda Consulting compared with the HRA analysis at the time of the Option Appraisal.

It can be seen that the performance of the HRA in terms of these major assumptions has changed over time reflecting in the main that costs have increased in the key areas of management and administration, the repairs service and in major component replacement.

It is not the purpose of this study to reflect fully on the reasons behind these changes but to focus on the present position and project forward to assess the robustness of the key assumptions

The following table summarises the financial modelling carried out by the Council and DTZ Pieda Consulting and it is the consultants' view that the Council has striven to hold onto the basic business planning principles that were adopted as it progressed the Retention Plus option flowing from the earlier option appraisal process.

\*Table 6 - **Aberdeenshire Council – Financial Analysis**

	Year				
	1	5	10	20	30
Base Case Model RPI+2% for 30 years	+£15m	+£6m	+£16m	+£63m	+£247m
Sensitivity 1 RPI+1% for 30 years	+£15m	+£3m	-£2m	-£53m	-£190m
Sensitivity 2 RPI+2% to Year 7, RPI+1% thereafter	+£15m	+£6m	+£14m	+£13m	+£19m
Sensitivity 3 Management Costs not reducing in line with stock numbers	+£15m	+£2m	+£2m	+£5m	+£86m
Sensitivity 4 Repairs & Maintenance costs not reducing in line with stock numbers	+£15m	+£2m	-£1m	-£22m	+£1m
Sensitivity 5 Interest rates 1% higher	+£13m	+£1m	+£5m	+£36m	+£192m

\*All models include a basic assumption for Prudential Borrowing of £62.9m drawn down over Years 4-18.

\*Housing debt outstanding of £133m at Year 1. Reduces over time (including Prudential Borrowing above) to emerge at £81m at Year 30.

\* All models assume no additional debt servicing costs when negative balances emerge – the figures have been used for illustrative comparison purposes only to highlight the Business Plan's sensitivity to changes in major assumptions. The Base Case model flows from the major assumptions determined by the HRA analysis based on the HRA Budget for 2005/06. It can be seen that this model performs very well in terms of delivering the SHQS to the Council's properties by 2015 and maintaining them at this level thereafter. It produces substantial cash reserves over time and requires only a relatively modest amount of Prudential Borrowing to ensure liquidity.

With Base Case performing at such levels, a sensitivity was carried out to consider the position where rents were set at RPI+1%. Sensitivity 1 shows that the HRA would not remain positive approaching the middle years of the modelling period and substantial negative balances would prevail at the latter part of the planning period. In effect the Council would need to look at additional Prudential Borrowing to cover such shortfalls but this has not been modelled at this stage. All we have served to do therefore is to determine that the Base Case model is particularly sensitive to a major change in the proposed rent profile.

In Sensitivity 2 we have sought to find the breaking point in rent terms for a given assumption on Prudential Borrowing as stated above. As can be seen from the table, a rent profile of RPI+2% to Year 7 and RPI+1% thereafter is expected to yield positive balances throughout the planning period and given the relationship that the Council has with its customers it is our view that such a rent profile is sustainable and reflects favourably on the aforementioned Retention Plus option.

In Sensitivity 3 we have sought to consider the position where management costs would not reduce in line with stock numbers (one of the basis assumptions within Base Case is that such costs do reduce in line with stock numbers). It is accepted that controlling management costs is a key issue for all RSLs and for Councils in particular given their generally wider role. The Council's costs have increased on a per unit basis since the Option Appraisal and while a detailed analysis has not been carried out to examine the reasons, we feel that it is prudent to draw this matter to the Council's attention as it progresses its Business Plan. As can be seen from the table this sensitivity does not drag the balances profile negative but it runs very close in the middle years of the planning period and indeed by the end of the 30 year period balances are expected to reduce by c. £160m from the Base Case position.

In Sensitivity 4 we have looked at Repairs & Maintenance costs in the same light as management costs as detailed above. The emerging picture is somewhat bleaker than that for management costs not reducing in line with stock numbers and while manageable, the poorer financial projections serve to underline the need for close control of this major item of expenditure.

In Sensitivity 5 we have considered the possibility of interest rates moving up by 1% and while the cashflow forecast is less favourable than in Base Case the overall picture remains sound.

## **Summary and Conclusions**

The Council conducted a robust Option Appraisal a number of years ago and in determining that stock retention was the preferred option it has brought sound business planning principles to the conduct of its HRA.

While costs have increased since the Option Appraisal, the Council continues to be cognisant of the fact that these need to be controlled in line with reducing stock numbers. In most cases our experience has shown this can prove problematic and as the sensitivity analysis shows these aspects will upset sound business planning if they are not addressed.

The rent profile required to deliver the SHQS is in line with that which emerged from the Option Appraisal and as Sensitivity 3 shows the Council does have some leeway to come away from a basic profile of RPI+2% per annum and still provide the required service levels in terms of stock condition and general service to its customers.

Were a number of the sensitivity scenarios on the cost side of things to come to the fore in future years the Council currently has substantial cash reserves, a prudent approach to RTB receipts and the modelling has also sought to use Prudential Borrowing on a restricted basis – off of a rent policy of RPI+2% for 30 years the Council can continue with its sound business planning principles and is therefore likely to monitor the situation to good effect.

With an eye to controlling costs in line with reducing stock numbers we have confidence that the Retention Plus option continues to have merit.

## Section 7 – Monitoring and Evaluation Framework

- 7.1 The following Action Plan sets out the key priorities for the Council to take forward to ensure that the SHQS is achieved. The Action Plan is a summary of the key actions identified in the body of the SDP and will act as the key tool to allow the Council to monitor progress towards meeting the SHQS.
- 7.2 The SHQS Steering Group (comprising of key Officers from within the Council) will continue to meet on a quarterly basis to review progress against the Action Plan. Briefings will continue to be provided to staff involved in implementing the SDP, and in particular those involved in implementing the Housing Capital Programme (a copy of the recent 3 year Housing Capital Programme Committee Report is included in the Supporting Information).
- 7.3 Annual Reviews will be provided to the Social Work and Housing Committee of the Council to ensure members are kept informed of progress.
- 7.4 The Council's Housing Business Plan is scheduled for another detailed review commencing in 2006. The TPPT has agreed that the SDP will be incorporated into that review and at that time there will be opportunity for Tenants to contribute to, and influence the SDP in a more effective and systematic way than has been possible to date. Any issues emerging will be included in the SDP as and when necessary. The Business Plan has built into it a commitment to fully involving Tenants in a detailed review every 3 years. A basic update is lead by Officers in the years in between.



Table 7 – SHQS Action Plan

The tables below detail Aberdeenshire Council's, Scottish Housing Quality Standard (SHQS) – Delivery Plan's Strategic Objectives and actions associated with each to ensure all the Council's housing stock meets the SHQS by 2015. For ease of reference, the tables are split into sections, mirroring those in the SHQS (Tolerable Standard / Free from Serious Disrepair / Energy Efficient / Modern Facilities and Services / Healthy, Safe and Secure). The final section (Standard Delivery Plan) relates to items that are not specific to one section but relate to overall delivery of the Plan.

**Tolerable Standard:**

Strategic Objective 1

**To ensure that all Council Housing is above the tolerable standard by milestone one**

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
1	By Milestone 1, 2007/08, Severe and Moderate, rising and/or penetrating, dampness will be all council properties..	<ol style="list-style-type: none"> <li>1. All properties identified in the 2000 survey as having Severe or Moderate dampness to be re-surveyed to determine if targeted improvement works since that time have eradicated dampness.</li> <li>2. Establish a strategy for eliminating any dampness identified, from completed surveys.</li> <li>3. Create a targeted capital works programme to eradicate any remaining dampness identified from survey.</li> <li>4. Complete works programme above.</li> </ol>	<p>Technical Officer</p> <p>Principal Officer (SHQS)</p> <p>Policy Officer (technical)</p> <p>Local Housing Managers</p>	<p>August 2005</p> <p>November 2005</p> <p>December 2005</p> <p>Milestone One April 2007</p>	<p>Surveyor</p> <p>Time</p> <p>Finance</p>	<p>Quantity Surveyed</p> <p>Policy produced</p> <p>Programme developed</p> <p>Completed works</p>

## Free from Serious Disrepair:

Strategic Objective 2

To ensure that all Council Housing is free from serious disrepair by 2015

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
2.1	To ensure that all primary building elements remain in good condition.	5. Establish a procedure for inspecting, reporting and recording the condition of primary building elements, as inspected or reported.	Principal Officer (SHQS)	Milestone 1 April 2007	Staff / time	Procedure in place
2.2	Identify from all overdue rainwater goods, which require to be replaced.	6. Survey all overdue rainwater goods and establish actual condition and date for replacement.	Technical Officer	Milestone 1 April 2007	Surveyor	Number of properties surveyed
		7. Create a targeted capital works programme to upgrade any rainwater goods identified as overdue from survey above.	Technical Officer	Milestone 1 April 2007	Staff / time	Number of properties surveyed
		8. Complete works programme above	Housing Managers	Milestone 2 April 2010	HRA Capital Budget	Number completed
2.3	All overdue windows and doors to be replaced by the end of year 3, March 2008.	9. Survey all overdue Windows and doors to establish actual condition and date for replacement.	Technical Officer	Milestone 1 April 2007	Surveyor	Number of properties surveyed
		10. Create a targeted capital works programme to upgrade any windows and doors identified as overdue from survey above.	Technical Officer	Milestone 1 April 2007		Number of properties surveyed
		11. Complete works programme above	Housing Managers	Milestone 2 April 2010	HRA Capital Budget	Number completed

## ENERGY EFFICIENT:

Strategic Objective 3

**All properties will attain a SAP of 50, and any that aren't heated with gas will reach a SAP of 60 by 2015.**

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
3.1	Every council property to have a minimum of 300mm loft insulation fitted, 10% by milestone 1 year April 2007 leading to 100% by Milestone 2, April 2010.	<p>12. Extended partnership agreement with SCARF and Buchan Insulation to install</p> <p>13. All major capital contracts to adopt a whole house approach to energy efficiency. (Installing insulation measures when major works take place).</p>	<p>Strategic Development Officer</p> <p>Strategic Development Manager / Property Services</p>	<p>Year 1 – 2005/06</p> <p>Year 1 – 2005/06</p>	<p>HRA Budget £330k / annum</p> <p>Time</p>	<p>Number of properties insulated</p> <p>Number of properties insulated</p>
3.2	Every council house to have hot water tanks with <50mm insulation and all pipework to be insulated by Milestone 2, April 2010.	14 Linked to item 12 & 13 above.	Strategic Development Manager / Property Services	Year 1 – 2005/06	HRA Budget from £330k / annum above.	Number of properties insulated
3.3	All replacement heating systems are to be replaced with 'Best Heating' option, all to be condensing boiler with SEDBUK 'A' rating.	15. All technical staff to be informed of change to policy.	Principal Officer (SHQS) / Property Services	Year 1 – 2005/06	Time	Properties with efficient heating installed.



Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
3.4	Properties identified as 'hard to treat' are to be investigated to determine if innovative technology can bring them above SHQS SAP targets by Milestone 2, pilots to be completed by Milestone 3 and all to be above SHQS SAP targets by 2015 where economically feasible .	a. Properties to be identified.	Principal Officer (SHQS)	Milestone 1 April 2007	Time	Properties identified
		b. Circumstances relating to each property to be confirmed, and NHER ratings at Level 3 for each house type of those confirmed as 'Hard to Treat' above.	Technical Officer	Milestone 2 April 2010	Time and NHER site assessor.	Report of current situation
		c. Strategy for improving SAP ratings to be developed	Principal Officer (SHQS) / Technical Officer	Year 6 – April 2011	Time	Strategy developed
		d. Innovative technology pilot projects to be undertaken.	Principal Officer (SHQS)	Milestone 3 April 2013	HRA Capital	Pilots undertaken
		e. All to be improved to SHQS SAP targets where economically feasible.	Local Housing Managers	2015	HRA Capital	Properties achieving HSQS targets
3.5	All properties to be Energy Rated at NHER Level 1, by Milestone 3. 15% to be completed by Milestone 1 and 60% by Milestone 2.	f. Database to be enhanced to accommodate all NHER Level 1, data.	Principal Officer (SHQS)	Milestone 1 April 2007	Finance / Time / IT consultant	Database enhanced
		g. NHER, Level 1, Surveys to be undertaken in all council properties.	Technical Officer	Milestone 3 April 2010	NHER Site Assessor / Surveyor	Properties measured at NHER Level 1

## MODERN FACILITIES & SERVICES:

Strategic Objective 4

All council houses will have Modern Facilities and Services by 2015 .

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
4.1	Any items showing as overdue are to be replaced by year 3 April 2008.	<p>h. Identify all components that are overdue.</p> <p>i. Survey all overdue components identified above.</p> <p>j. Replace all components at time due, as identified above.</p>	<p>Policy Officer Technical</p> <p>Local Housing Managers</p> <p>Local Housing Managers</p>	<p>Year 1 – 2005/06</p> <p>Year 2 – 2006/07</p> <p>Year 3 – 2007/08</p>	<p>Time</p> <p>Time</p> <p>HRA Capital</p>	<p>Number of components identified.</p> <p>Number of properties surveyed</p> <p>Number of components replaced</p>

# HEALTHY, SAFE & SECURE:

## Strategic Objective 5

### All council houses to be Healthy, Safe & Secure by 2015 .

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
5.1	Strategy to be developed by Milestone One into alternatives to installation of extractor fans.	k. Undertake research into the benefits of heat recovery, positive and passive ventilation.	Policy Officer Technical	Milestone 1. April 2007	Time	Strategy developed.
5.2	All council properties are to be fitted with hardwired smoke detectors by Milestone 3.	<p>l. Partnership to be developed for the installation of smoke detectors.</p> <p>m. All Council properties have hardwired smoke detectors fitted 25% to be replaced through partnership arrangement discussed above.</p> <p>n. All properties to have smoke detectors replaced.</p> <p>o. Rolling programme to be established with partner to replace every smoke detector on a five yearly cycle.</p>	<p>Principal Officer (SHQS)</p> <p>Local Housing Managers</p> <p>Local Housing Managers</p> <p>Principal Officer (SHQS)</p>	<p>Year 1</p> <p>Milestone 2 April 2010</p> <p>Milestone 3 April 2013</p> <p>Milestone 3 April 2013</p>	<p>Time</p> <p>HRA Capital</p> <p>HRA Capital</p> <p>Time / Finance</p>	<p>Strategy developed.</p> <p>Number of properties complete</p> <p>Number of properties complete</p> <p>Partnership agreement in place</p>

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
5.3	All council properties to have had an 'Electrical Safety Check' undertaken by Milestone 2.	p. Partnership to be developed to undertake 'Electrical Safety Checks' as agreed in consultation with the NICEIC.	Principal Officer (SHQS)	Year 1	Time	Partnership agreement in place.
		q. 25% of Council properties to have 'Electrical Safety Checks' undertaken through partnership arrangement discussed above.	Local Housing Managers	Milestone 2 April 2010	HRA Capital	Number of properties complete
		r. All properties to have had an 'Electrical Safety Check'.	Local Housing Managers	Milestone 3 April 2013	HRA Capital	Number of properties complete
		s. Rolling programme to be established with partner to undertake an 'Electrical Safety Check' in each property every 10yrs.	Principal Officer (SHQS)	Milestone 3 April 2013	Time / Finance	Partnership agreement in place
5.4	All council properties with fossil fuel as a main heating fuel are serviced annually. Ensure that the servicing database remains linked Omega, even with moves to SX3.	t. Ensure SX3 implementation team are aware of requirements.	Principal Officer (SHQS)	Year 1	Time	Included in SX3 implementation plan
		u. Link to be established between SX3 and Omega.	SX3 team / Omega	Milestone 2 April 2010	HRA Capital	Link created.

**STANDARD DELIVERY PLAN:**

Strategic Objective 6

**100% stock condition database to remain robust, to inform the Business Plan, and lead the capital programme.**

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
6.1	Capital Expenditure is to be prioritised to meet the SHQS.	v. SHQS priorities identified each year and Housing Managers to be informed.	Principal Officer (SHQS)	Ongoing	Time	Capital programmes meet SHQS priorities
6.2	Stock Condition Database is to lead the Capital Programme.	w. Capital programme to be generated using the components identified as overdue by the Stock Condition Database.	Principal Officer (SHQS)	Ongoing	Time	Capital programmes meet SHQS priorities
6.3	All improvements are to be recorded in the stock condition database.	x. Property Services to inform technical team when every capital contract is complete, and improvements are to be entered in the database	Principal Officer (SHQS) / Property Services	Ongoing	Time	All contracts entered when complete.
6.4	All components identified by the database as overdue are to be surveyed and re-profiled in database or included in capital programme.	y. Re-profiling policy to be developed.	Policy Officer (Technical)	Milestone 1 April 2007	Time	Policy developed.

Ref	Operational Objective	Action	Lead Partner/ Officer	Target Timescale	Resource required	Measure of Success
6.5	Develop alternative procurement policy and practice.	z. Develop a draft best practice guide for procurement.	Principal Officer (SHQS)/ Property Services	Milestone 1 April 2007	Staff / Time	Draft Policy developed.
		aa. Recognise whole life costs in preparing specifications for improvements.	Principal Officer (SHQS)/ Property Services	Milestone 1 April 2007	Staff / Time	Policy Developed
		bb. Identify opportunities with contractors to add value for the long-term benefit of all.	Principal Officer (SHQS)/ Property Services	Milestone 2 April 2007 / Ongoing	Staff / Time	Opportunity identified
		cc. Develop policy guidance on Sustainable development and innovative methods of procurement.	Principal Officer (SHQS)/ Property Services	Milestone 2 April 2007	Staff / Time	Policy Developed
		dd. Develop relevant performance indicators to measure the performance of construction procurement, including procurement.	Policy Officer Technical / Property Services	Milestone 2 April 2007	Staff / Time	Performance indicators developed
		ee. Develop a programme for adopting principles of integrating Rethinking Construction.	Principal Officer (SHQS)	Milestone 3 April 2010	Staff / Time	Programme developed

<b>Ref</b>	<b>Operational Objective</b>	<b>Action</b>	<b>Lead Partner/ Officer</b>	<b>Target Timescale</b>	<b>Resource required</b>	<b>Measure of Success</b>
6.6	By Milestone 2, Owner Occupiers of ex-council properties are to be offered the opportunity to benefit from the economies of scale associated with the Capital Programme, should work be planned in their vicinity.	ff. Develop Owner Occupier policy	Principal Officer (SHQS)	Milestone 2 April 2007	Staff / Time	Policy developed.
6.7	Review of business plan to be undertaken when SDP is evaluated and review at each milestone.	gg. Agree with Housing Management and Principal Accountant (Housing)	Strategic development Manager	Milestone 1 April 2007	Staff / Time	Timescale adopted.
6.8	Tenants to be consulted on priorities arising from the SHQS and their wishes for the short, medium and longer term.	hh. Consult on SHQS, within existing Tenant Participation Strategy.	Strategic development Manager	Ongoing	Time	Tenants priorities identified.

<b>Ref</b>	<b>Operational Objective</b>	<b>Action</b>	<b>Lead Partner/ Officer</b>	<b>Target Timescale</b>	<b>Resource required</b>	<b>Measure of Success</b>
6.9	House type surveys to be undertaken each year.	ii. House type stratification to be agreed with Housing Managers.	Principal Officer (SHQS)	Year 1	Time	Stratification Agreed
		jj. Stock to be divided into house types, in accordance with agreed stratification and incorporated into database.	Technical Officer	Year 1	Time	House types created and stored.
		kk. 35 completed stock condition and full measured house types surveys to be completed every year.	Data Collection Officer	Ongoing	Time	Fully completed surveys/
6.10	Full understanding of the predicted future life of all non-traditional properties.	ll. 40 Full structural surveys to be undertaken.	Principal Officer (SHQS)	Annually	Time	Surveys completed
		mm. Report on overall condition, repairs and future predicted life of all non-traditional house types to be produced on knowledge accumulated through surveys.	Principal Officer (SHQS)	Annually	Time	Summary report



<b>Ref</b>	<b>Operational Objective</b>	<b>Action</b>	<b>Lead Partner/ Officer</b>	<b>Target Timescale</b>	<b>Resource required</b>	<b>Measure of Success</b>
6.11	100% Survey of all sheltered housing common areas to inform Stock Condition Database.	nn. Survey brief to be developed for tendering.	Strategic development Manager	Year 1	Time	Surveys completed
		oo. Consultant to be appointed to undertake surveys to agreed format.	Strategic development Manager	Year 1	Housing revenue account	Consultant appointed
		pp. Completed survey data, entered into Stock Condition Database.	Policy Officer (Technical)	Milestone 1 April 2007	Time	Survey in Database
		qq. Results to influence capital programme, business plan and SDP.	Principal Officer (SHQS)	Milestone 1 April 2007	Time	Results reflected in Business Plan.
6.12	Stock Condition Data validation routines to be enhanced.	rr. Enhanced flexible computerised interrogation software to be enhanced.	Policy Officer (SHQS)	Milestone 1 April 2007	HRA / Staff time	Validation routines in place.
6.13	SHQS surveys to be undertaken at each void.	ss. New change of tenancy forms to be developed, combining all existing and incorporating SHQS data.	Policy Officer (Technical)	Year 1	Time	Form Produced
		tt. Surveys undertaken at each void by technical housing staff all data entered on database.	Housing Managers	Ongoing	Staff time	Survey completed

# APPENDICES

## APPENDIX 1

### 8.1 SELF CERTIFICATION PROFORMA

SCOTTISH HOUSING QUALITY STANDARD: SELF - CERTIFICATION ANNEX 1 DATA SHEET 1 (ALL LANDLORDS TO COMPLETE)

<b>A. GENERAL INFORMATION</b>	
1. Name of landlord:	ABERDEENSHIRE COUNCIL
2. Type of landlord (Local Authority, Housing Association, Abbeyfield, Other):	LA
3. Location of stock (Local authority area):	Aberdeenshire
4. Location of stock (Communities Scotland Area Office):	Aberdeen
5. Date of stock condition survey (month and year):	1999/2000
6. Date of stock condition survey update (if no recent survey carried out) month and year:	2004/2005
7. Stock condition contractor:	In - House / 5% independent Validation 1999
8. Percentage of stock surveyed:	100%
9. Date of option appraisal (local authorities only) month and year:	1999/2000
10. Date of option appraisal update (local authorities only) month and year:	2004/2005
11. Option appraisal contractor (local authorities only):	DTZ PIEDA
12. Contact name:	Robert McDowall
13. Contact position in organisation:	Director
14. Contact email:	<a href="mailto:Robert.McDowall@dtz.com">Robert.McDowall@dtz.com</a>
15. Contact phone:	0131 527 8439
16. Date this form completed:	Apr-05
<b>17. Reference number (for Communities Scotland use only)</b>	

LANDLORD TO INPUT DATA INTO ROSE  
COLOURED CELLS ONLY

## 8.1 SELF CERTIFICATION PROFORMA (continued)

B. PROJECTED STOCK NUMBERS	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average
1. Stock number at 1 April <sup>1</sup>	14,313	14,026	13,715	13,475	13,175	12,975	12,775	12,575	12,375	12,225	12,075	13,064
2. Loss of stock due to Right to Buy (1 April -31 March) <sup>2</sup>	287	250	240	200	200	200	200	200	150	150	150	2,227
3. Loss of stock due to demolitions (1 April - 31 March)		61		100								161
4. Loss of stock due to transfer (1 April-31 March)												0
5. Acquisition of stock due to transfer (1 April - 31 March)												0
6. Acquisition of stock due to new build or conversions (1 April - 31 March)												0
7. Stock number at 31 March <sup>3</sup>	14,026	13,715	13,475	13,175	12,975	12,775	12,575	12,375	12,225	12,075	11,925	12,847
8. Stock numbers at mid-year (30 September) <sup>4</sup>	14,170	13,871	13,595	13,325	13,075	12,875	12,675	12,475	12,300	12,150	12,000	12,955

<sup>1</sup>The financial year is assumed to begin 1 April unless the landlord states otherwise

<sup>2</sup>Right to Buy is the legal right held by some tenants to buy their home at a price lower than the full market value. For more information, see the Scottish Executive website at: [www.scotland.gov.uk](http://www.scotland.gov.uk)

<sup>3</sup>The total stock numbers at the end of the year after losses due to Right to Buy, demolitions and transfers and acquisitions due to transfers and new build

<sup>4</sup>Average stock number = (number of units at the start of the year + number of units at the end of the year) / 2

C. PROJECTED CAPITAL INVESTMENT (CONSTANT 2005-6 PRICES)	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total or average
<b>Amount of investment required (incl. prelims but excl VAT and fees) (£000)</b>												
1. Refurbishment specific to meeting SHQS												
(a) To bring currently failing stock up to SHQS	4,308.000	9,373.000	10,589.000	9,642.000	9,178.000	9,229.000	11,794.000	10,215.000	13,513.000	12,730.000	14,513.000	115,084.000
(b) To prevent stock that currently passes SHQS from failing in future												0.000
<b>(c) Total refurbishment specific to meeting SHQS (excl VAT and fees)</b>	<b>4,308.000</b>	<b>9,373.000</b>	<b>10,589.000</b>	<b>9,642.000</b>	<b>9,178.000</b>	<b>9,229.000</b>	<b>11,794.000</b>	<b>10,215.000</b>	<b>13,513.000</b>	<b>12,730.000</b>	<b>14,513.000</b>	<b>115,084.000</b>
2. Refurbishment not specific to meeting SHQS e.g. to meet local house standards												0.000
<b>3. Total capital investment in the existing housing stock (SHQS plus non-SHQS)</b>	<b>4,308.000</b>	<b>9,373.000</b>	<b>10,589.000</b>	<b>9,642.000</b>	<b>9,178.000</b>	<b>9,229.000</b>	<b>11,794.000</b>	<b>10,215.000</b>	<b>13,513.000</b>	<b>12,730.000</b>	<b>14,513.000</b>	<b>115,084.000</b>

## 8.1 SELF CERTIFICATION PROFORMA (continued)

C. PROJECTED CAPITAL INVESTMENT (CONSTANT 2005-6 PRICES)	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total or average
4. Non-housing expenditure e.g. estate and environmental works	1,854.000	3,373.000	2,311.000	2,339.000	2,368.000	2,398.000	907.000	861.000	883.000	905.000	929.000	19,128.000
5. Demolition of surplus and/or poor condition stock												0.000
<b>6. Total capital investment (housing plus estate works etc) excl VAT and fees (£000)</b>	<b>6,162.000</b>	<b>12,746.000</b>	<b>12,900.000</b>	<b>11,981.000</b>	<b>11,546.000</b>	<b>11,627.000</b>	<b>12,701.000</b>	<b>11,076.000</b>	<b>14,396.000</b>	<b>13,635.000</b>	<b>15,442.000</b>	<b>134,212.000</b>
7. Fees relating to capital programme (excl VAT)	250.000	250.000	256.000	263.000	269.000	276.000	283.000	290.000	297.000	305.000	312.000	3,051.000
8. VAT on both capital programme and fees												0.000
<b>9. Total capital investment (housing plus estate works) incl VAT and fees (£000)</b>	<b>6,412.000</b>	<b>12,996.000</b>	<b>13,156.000</b>	<b>12,244.000</b>	<b>11,815.000</b>	<b>11,903.000</b>	<b>12,984.000</b>	<b>11,366.000</b>	<b>14,693.000</b>	<b>13,940.000</b>	<b>15,754.000</b>	<b>137,263.000</b>
<b>Amount of investment per unit excl VAT and fees (£)</b>												
10. Average SHQS investment per unit (applying mid-year units)	304	676	779	724	702	717	930	819	1,099	1,048	1,209	9,006
11. Average non-SHQS investment per unit (applying mid-year units)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Proportion of housing investment (excl VAT and fees) specific and not specific to SHQS (%)</b>												
12. % of total investment relating to achievement of SHQS	70%	74%	82%	80%	79%	79%	93%	92%	94%	93%	94%	86%
13. % of total investment not relating to achievement of SHQS (i.e. to meet local standards)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14. % of total investment relating to non-housing expenditure	30%	26%	18%	20%	21%	21%	7%	8%	6%	7%	6%	14%
15. % of total investment expenditure relating to demolitions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## 8.1 SELF CERTIFICATION PROFORMA (continued)

D. STOCK NUMBERS FAILING SHQS BY CATEGORY (31 MARCH) <sup>1</sup>	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average
1. Tolerable Standard	391	409	0	0	0	0	0	0	0	0	0	73
2. Free from Serious Disrepair	4,617	3,232	2,262	1,584	1,109	776	153	53	0	0	0	1,253
3. Energy Efficiency	11,297	10,790	10,090	6,727	2,242	0	0	0	0	0	0	3,741
4. Modern Facilities and Services	779	710	650	600	400	200	100	50	0	0	0	317
5. Healthy, Safe & Secure	13,187	450	425	400	300	175	75	25	0	0	0	1,367
<b>6. Total number of failures (i.e. sum of rows D1 to D5)</b>	<b>30,271</b>	<b>15,591</b>	<b>13,427</b>	<b>9,311</b>	<b>4,051</b>	<b>1,151</b>	<b>328</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,751</b>
<b>7. Total properties failing to meet the standard (any criteria)</b>	<b>13,770</b>	<b>11,998</b>	<b>11,033</b>	<b>8,054</b>	<b>3,018</b>	<b>1,008</b>	<b>165</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,464</b>
<b>8. Average failures per failing property</b>	<b>2.20</b>	<b>1.30</b>	<b>1.22</b>	<b>1.16</b>	<b>1.34</b>	<b>1.14</b>	<b>1.99</b>	<b>2.13</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.13</b>

## Notes

1. The Standard criteria (Tolerable Standard, Free from Serious Disrepair, Energy Efficient, Modern Facilities and Services and Healthy, Safe & Secure)

Landlords should record the number of properties under each of these categories for each year. If a property fails on more than one category (e.g. Tolerable Standard and Energy Efficient), please record that property under **every** category on which it fails the Standard. Please also note that the **Free from Serious Disrepair** category is subject to pass/fail rules that are different from the pass/fail rules for the other categories of the Standard. Landlords should refer to the Scottish Executive's letter of definition on the Standard, issued in February 2004, for guidance to help them determine whether a property passes or fails the Standard. They might also wish to refer to a clarification letter on the Standard, issued in July 2004.

E. PERCENTAGE OF DWELLINGS PROJECTED TO FAIL UNDER EACH STANDARD CRITERIA (31 MARCH)	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Average
1. % Failing Tolerable Standard	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
2. % Not Free from Serious Disrepair	33%	24%	17%	12%	9%	6%	1%	0%	0%	0%	0%	9%
3. % Not Energy Efficient	81%	79%	75%	51%	17%	0%	0%	0%	0%	0%	0%	27%
4. % Without Modern Facilities and Services	6%	5%	5%	5%	3%	2%	1%	0%	0%	0%	0%	2%
5. % Not Healthy, Safe & Secure	94%	3%	3%	3%	2%	1%	1%	0%	0%	0%	0%	10%
<b>6. % of properties failing to meet SHQS (any criteria)</b>	<b>98%</b>	<b>87%</b>	<b>82%</b>	<b>61%</b>	<b>23%</b>	<b>8%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>33%</b>

## 8.1 SELF CERTIFICATION PROFORMA (continued)

<b>F. PROJECTED REAL CHANGE IN AVERAGE RENT PER UNIT (AS AT 1 APRIL)</b>	<b>Actual 2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Average</b>
1. Average weekly rent per property (£ per week, accommodation element only, based on 48 weeks)	40.31	41.52	42.35	43.20	44.06	44.94	45.84	46.76	47.69	48.65	49.62	<b>44.99</b>
2. Projected change in rents (express as %point increase over and above/below RPI e.g. RPI + 1% is expressed as +1.00%)	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	<b>2.09%</b>

<b>G. SHQS MILESTONES (LANDLORD TO SELECT PARTICULAR YEARS)</b>	<b>Actual 2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Average</b>
1. % of stock failing SHQS	98.2%	87.5%	81.9%	61.1%	23.3%	7.9%	1.3%	0.5%	0.0%	0.0%	0.0%	<b>32.87%</b>
2. % of stock passing SHQS	1.8%	12.5%	18.1%	38.9%	76.7%	92.1%	98.7%	99.5%	100.0%	100.0%	100.0%	<b>67.13%</b>

## 8.1 SELF CERTIFICATION PROFORMA (continued)

**SCOTTISH HOUSING QUALITY STANDARD: SELF - CERTIFICATION ANNEX 1  
DATA SHEET 2 (LOCAL AUTHORITIES ONLY)**LANDLORD TO INPUT DATA INTO PALE  
BLUE CELLS ONLY

A. PROJECTED CAPITAL INVESTMENT (CONSTANT 2005-6 PRICES) FROM DATA SHEET 1	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total or average
<b>Amount of investment required (incl. prelims but excl VAT and fees) (£000)</b>												
1. Refurbishment specific to meeting SHQS												
(a) To bring currently failing stock up to SHQS	4,308.000	9,373.000	10,589.000	9,642.000	9,178.000	9,229.000	11,794.000	10,215.000	13,513.000	12,730.000	14,513.000	<b>115,084.000</b>
(b) To prevent stock that currently passes SHQS from failing in future	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>(c) Total refurbishment specific to meeting SHQS (excl VAT and fees)</b>	<b>4,308.000</b>	<b>9,373.000</b>	<b>10,589.000</b>	<b>9,642.000</b>	<b>9,178.000</b>	<b>9,229.000</b>	<b>11,794.000</b>	<b>10,215.000</b>	<b>13,513.000</b>	<b>12,730.000</b>	<b>14,513.000</b>	<b>115,084.000</b>
2. Refurbishment not specific to meeting SHQS e.g. to meet local house standards	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>3. Total capital investment in the existing housing stock (SHQS plus non-SHQS)</b>	<b>4,308.000</b>	<b>9,373.000</b>	<b>10,589.000</b>	<b>9,642.000</b>	<b>9,178.000</b>	<b>9,229.000</b>	<b>11,794.000</b>	<b>10,215.000</b>	<b>13,513.000</b>	<b>12,730.000</b>	<b>14,513.000</b>	<b>115,084.000</b>
4. Non-housing expenditure e.g. estate and environmental works	1,854.000	3,373.000	2,311.000	2,339.000	2,368.000	2,398.000	907.000	861.000	883.000	905.000	929.000	<b>19,128.000</b>
5. Demolition of surplus and/or poor condition stock	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>6. Total capital investment (housing plus estate works etc) excl VAT and fees (£000)</b>	<b>6,162.000</b>	<b>12,746.000</b>	<b>12,900.000</b>	<b>11,981.000</b>	<b>11,546.000</b>	<b>11,627.000</b>	<b>12,701.000</b>	<b>11,076.000</b>	<b>14,396.000</b>	<b>13,635.000</b>	<b>15,442.000</b>	<b>134,212.000</b>
7. Fees relating to capital programme (excl VAT)	250.000	250.000	256.000	263.000	269.000	276.000	283.000	290.000	297.000	305.000	312.000	<b>3,051.000</b>
8. VAT on capital programme and fees	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>0.000</b>

## 8.1 SELF CERTIFICATION PROFORMA (continued)

A. PROJECTED CAPITAL INVESTMENT (CONSTANT 2005-6 PRICES) FROM DATA SHEET 1	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total or average
9. Total capital investment (housing plus estate works) incl VAT and fees (£000)	6,412.000	12,996.000	13,156.000	12,244.000	11,815.000	11,903.000	12,984.000	11,366.000	14,693.000	13,940.000	15,754.000	137,263.000
Amount of investment per unit excl VAT and fees (£)												
10. Average SHQS investment per unit (applying mid-year units)	304	676	779	724	702	717	930	819	1,099	1,048	1,209	9,006
11. Average non-SHQS investment per unit (applying mid-year units)	0	0	0	0	0	0	0	0	0	0	0	0
Proportion of housing investment (excl VAT and fees) specific and not specific to SHQS (%)												
12. % of total investment relating to achievement of SHQS	70%	74%	82%	80%	79%	79%	93%	92%	94%	93%	94%	86%
13. % of total investment not relating to achievement of SHQS (i.e. to meet local standards)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14. % of total investment relating to non-housing expenditure	30%	26%	18%	20%	21%	21%	7%	8%	6%	7%	6%	14%
15. % of total investment expenditure relating to demolitions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



## 8.1 SELF CERTIFICATION PROFORMA (continued)

<b>B. PROJECTED FUNDING SOURCES OF CAPITAL INVESTMENT (CONSTANT 2005-6 PRICES)</b>	<b>Actual 2004/05</b>	<b>2005/06</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>Total</b>
1. Right-to-Buy receipts (£000)	1,450.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	<b>1,450.000</b>
1.1 Proportion of receipts set aside for debt redemption (%)	75%	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	<b>90.977</b>
2. Capital from Current Revenue (CFCR) (£000)	379.000	12,901.000	13,055.000	11,994.000	7,375.000	8,235.000	9,284.000	10,526.000	11,360.000	12,507.000	13,572.000	<b>111,188.000</b>
3. Prudential borrowing (£000)	4,495.000	0.000	0.000	150.000	4,350.000	3,600.000	3,650.000	800.000	3,300.000	1,400.000	2,150.000	<b>23,895.000</b>
4. Other (£000)	88.000	95.000	101.000	100.000	89.000	66.000	49.000	40.000	33.000	33.000	32.000	<b>726.000</b>
<b>5. Total investment funding (i.e. the sum of B1, B2, B3 and B4)</b>	<b>6,412.000</b>	<b>12,996.000</b>	<b>13,156.000</b>	<b>12,244.000</b>	<b>11,814.000</b>	<b>11,901.000</b>	<b>12,983.000</b>	<b>11,366.000</b>	<b>14,693.000</b>	<b>13,940.000</b>	<b>15,754.000</b>	<b>137,259.000</b>

<b>C. DEBT AND DEBT SERVICING COSTS (£000)</b>												<b>Total or average</b>
1. HRA debt outstanding (1 April)	139.000	133,000.00 0	126,000.00 0	121,000.00 0	120,000.00 0	117,000.000	115,000.000	110,000.00 0	108,000.00 0	105,000.000	102,000.00 0	<b>105,194.455</b>
2. Debt servicing payments (Interest)												<b>0.000</b>
3. Debt servicing payments (Capital)	9,322.000	8,660.000	8,008.000	7,467.000	7,331.000	7,107.000	6,872.000	6,338.000	6,195.000	5,852.000	5,570.000	<b>78,722.000</b>
<b>4. HRA debt servicing payments (Total)</b>	<b>9,322.000</b>	<b>8,660.000</b>	<b>8,008.000</b>	<b>7,467.000</b>	<b>7,331.000</b>	<b>7,107.000</b>	<b>6,872.000</b>	<b>6,338.000</b>	<b>6,195.000</b>	<b>5,852.000</b>	<b>5,570.000</b>	<b>78,722.000</b>
5. Total net rental income (i.e. after projected voids and bad debts)	28,955.000	29,818.000	30,540.000	31,282.000	32,076.000	33,006.000	33,956.000	34,924.000	35,983.000	37,144.000	38,336.000	<b>366,020.000</b>
<b>6. Total debt servicing as proportion of rental income</b>	<b>32%</b>	<b>29%</b>	<b>26%</b>	<b>24%</b>	<b>23%</b>	<b>22%</b>	<b>20%</b>	<b>18%</b>	<b>17%</b>	<b>16%</b>	<b>15%</b>	<b>0.220</b>

## 8.1 SELF CERTIFICATION PROFORMA (continued)

D. PROJECTED CAPITAL INVESTMENT SHORTFALL (IF ANY)	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
1. Total shortfall (£000)	0.000	0.000	0.000	0.000	1.000	2.000	1.000	0.000	0.000	0.000	0.000	4.000
2. Annual shortfall as a % of projected capital investment	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

E. PROPORTION OF INVESTMENT FUNDED FROM EACH SOURCE (%)	Actual 2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	Total
1. Right-to-Buy receipts	23%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%
2. Capital from Current Revenue (CFCR)	6%	99%	99%	98%	62%	69%	72%	93%	77%	90%	86%	81%
3. Prudential borrowing	70%	0%	0%	1%	37%	30%	28%	7%	22%	10%	14%	17%
4. Other	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	1%
5. Total investment funding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

## 8.2 Baseline Position

Name of organisation:	Aberdeenshire Council	Name of contact:	David Thomson	Phone:	01467 628292
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### SCOTTISH HOUSING QUALITY STANDARD BASELINE PROFORMA

This proforma should capture the number of dwellings you project will fail the Scottish Housing Quality Standard in the absence of your capital works investment, which you should set out in appendix 3.

<b>NUMBER OF DWELLINGS PROJECTED TO FAIL UNDER EACH CRITERION<sup>1</sup></b>											
Criteria	<b>Financial Year Ending</b> (input figures for March 31st of each year)										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tolerable Standard	391	409	410	410	410	410	410	410	410	410	410
Free from Serious Disrepair	4617	4617	4617	4617	4617	4617	4617	4617	4617	4617	4617
Energy Efficient failures	11297	11350	11396	11419	11438	11482	11509	11609	11791	11906	12015
Modern Facilities and Services	779	1355	1711	2329	2818	3230	4561	4693	8056	10918	11550
Healthy, Safe & Secure	13187	13362	13940	13946	14011	14040	14040	14040	14040	14040	14040
<b>NUMBER OF DWELLINGS PROJECTED TO FAIL THE STANDARD</b>											
	<b>Financial Year Ending</b> (input figures for March 31st of each year)										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dwellings failing on single criterion	1812	1758	1587	1528	1469	1394	1280	1206	889	372	288
Dwellings failing on two or more criteria	11958	12094	12447	12507	12569	12650	12764	12838	13155	13672	13756
<b>Number of dwellings failing the Standard</b>	<b>13770</b>	<b>13852</b>	<b>14034</b>	<b>14035</b>	<b>14038</b>	<b>14044</b>	<b>14044</b>	<b>14044</b>	<b>14044</b>	<b>14044</b>	<b>14044</b>
Total stock number <sup>2</sup>	14044	14044	14044	14044	14044	14044	14044	14044	14044	14044	14044
% of stock failing the Standard	98.0%	98.6%	99.9%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

#### Technical notes

##### 1. The Standard criteria (Tolerable Standard, Free from Serious Disrepair, Energy Efficient, Modern Facilities and Services and Healthy, Safe & Secure)

Landlords should record the number of properties under each of these categories for each year. If a property fails on more than one category (e.g. Tolerable Standard and Energy Efficient), please record that property under **every** category on which it fails the Standard. Please also note that the **Free from Serious Disrepair** category is subject to pass/fail rules that are different from the pass/fail rules for the other categories of the Standard. Landlords should refer to the Scottish Executive's letter of definition on the Standard, issued in February 2004, for guidance to help them determine whether a property passes or fails the Standard. They might also wish to refer to a clarification letter on the Standard, issued in July 2004.

##### 2. Total stock number

The total number of stock is taken as the total number of stock at the time of writing the SDP. Aberdeenshire Council operate a 100% database and although it is possible to estimate the number of properties that will be sold through the Right to Buy it isn't possible to determine which will be sold. Therefore this table maintain the status quo in relation to stock numbers. Actual reductions in stock numbers are taken into account in the Business Plan.

##### 3. Healthy, Safe & Secure number

Please note that although this shows a considerable number of failures it is due to Aberdeenshire Council adopting the higher pass criteria in the SHQS guidance. (ie Electrical Safety can be determined via a visual inspection or via an electrical safety check undertaken to the standards agreed with the NICEIC by a trained electrician in every property every 10years, Aberdeenshire have adopted the later if the former visual inspection had been adopted a 100% compliance rate would have been achieved.

## 8.3 Elemental Capital Works Programme 2005 – 2015 (SHQS Appendix 3)

Name of organisation:	Aberdeenshire Council	Name of contact:	David Thomson	Phone:	01467 628292
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**SCOTTISH HOUSING QUALITY STANDARD**

## CAPITAL INVESTMENT PROPOSED TO MEET THE STANDARD

This proforma sets out the capital investment that landlords propose in order to meet and maintain the Scottish Housing Quality Standard.

Landlords may find that remedial works might cover more than one category. For instance repairs to ensure the property meets the Tolerable Standard might also improve the bathroom. Where this is the case, landlords should take care to record the cost only once. For more information on this part of the Standard delivery plan, please see paragraph 4.22 in the delivery plan guidance. For more information on the categories that make up the Standard, please see appendix 1 in the delivery plan guidance, or consult the Scottish Executive's letter of clarification from July 2004.

Note: All figures must **include** fees<sup>1</sup> and preliminaries<sup>2</sup>, but must **exclude** contingencies<sup>3</sup>.

		YEAR										
		2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
<b>Tolerable Standard</b>		<b>1,594,600</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Free from Serious Disrepair	Wall structures	0	0	0	0	0	0	0	0	0	0	0
	Internal floor structures	0	0	0	0	0	0	0	0	0	0	0
	Foundations	0	0	0	0	0	0	0	0	0	0	0
	Roof structure	0	0	0	0	0	0	0	0	0	0	0
	<b>Primary Elements</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
	Roof covering	626,587	64,098	8,370	18,000	10,160	93,416	265,801	28,781	58,833	55,425	34,751
	Chimney stacks	0	0	0	0	0	0	0	0	0	0	0
	Flashings	0	0	0	0	0	0	0	0	0	0	0
	Rainwater goods	1,396,413	44,835	6,734	62,630	71,607	36,901	396,279	29,660	207,002	63,156	70,887
	External wall finishes	892,417	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
	Access decks/balustrades	126	0	0	0	0	0	0	126	0	0	0
	Common access stairs/landings, pathways within the curtilage of the dwelling	54,722	10,944	10,944	10,944	10,944	10,944	0	0	0	0	0
	Individual dwelling balconies/verandas	4,800	0	0	0	0	0	0	2,304	0	0	0
	Individual dwelling attached garages, internal stairs	22,408	86	0	0	969	0	7,144	0	500	3,627	23
	Damp proof course	12,600	0	0	0	0	0	0	0	0	0	0
	Windows/doors	5,232,998	929,098	917,856	919,259	921,836	919,483	693,664	503,513	662,386	446,372	474,734
	Common windows/roof lights	0	650	0	3,900	1,300	650	11,650	10,400	650	1,300	2,300
Underground drainage	0	0	0	0	0	0	0	0	0	0	0	
<b>Secondary Elements</b>	<b>£8,243,070</b>	<b>£1,349,712</b>	<b>£1,243,905</b>	<b>£1,314,734</b>	<b>£1,316,817</b>	<b>£1,361,395</b>	<b>£1,674,538</b>	<b>£874,784</b>	<b>£1,229,371</b>	<b>£869,880</b>	<b>£882,695</b>	
Energy Efficient	Cavity insulation	0	0	0	0	0	0	0	0	0	0	
	Loft insulation	1,638,580	329,896	329,896	329,896	329,896	329,896	0	0	0	0	
	Hot water pipes & tanks	10,886	2,177	2,177	2,177	2,177	2,177	0	0	0	0	
	<b>Effective Insulation</b>	<b>£1,649,466</b>	<b>£332,073</b>	<b>£332,073</b>	<b>£332,073</b>	<b>£332,073</b>	<b>£332,073</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	
	Efficient heating (central heating system/boiler etc...)	5,427,600	2,894,100	2,894,100	2,894,100	2,894,100	2,894,100	4,256,860	4,256,860	4,256,860	4,256,860	
	Additional energy efficiency measures	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC	TBC
<b>Heating</b>	<b>£5,427,600</b>	<b>£2,894,100</b>	<b>£2,894,100</b>	<b>£2,894,100</b>	<b>£2,894,100</b>	<b>£2,894,100</b>	<b>£4,256,860</b>	<b>£4,256,860</b>	<b>£4,256,860</b>	<b>£4,256,860</b>	<b>£4,256,860</b>	

## 8.3 Elemental Capital Works Programme 2005 – 2015 (SHQS Appendix 3 Continued.)

Modern Facilities & Services	<b>Bathroom Condition</b> (WC, bath or shower and wash hand basin in good and usable condition)	201,320	377,700	30,760	175,640	145,320	123,580	539,180	99,520	643,140	267,800	184,820
	<b>Kitchen Condition</b> (fittings in good and usable condition)	1,527,400	1,601,900	1,601,900	1,601,900	1,601,900	1,601,900	1,601,900	1,601,900	3,061,000	3,061,001	3,061,002
	Kitchen storage											
	Safe working arrangements											
	Power outlets											
<b>Kitchen Facilities</b>	<b>£1,527,400</b>	<b>£1,601,900</b>	<b>£1,601,900</b>	<b>£1,601,900</b>	<b>£1,601,900</b>	<b>£1,601,900</b>	<b>£1,601,900</b>	<b>£1,601,900</b>	<b>£3,061,000</b>	<b>£3,061,001</b>	<b>£3,061,002</b>	
Healthy, Safe & Secure	Internal pipe work lead-free	0	0	0	0	0	0	0	0	0	0	0
	Mechanical ventilation	140,350	Now included in the Kitchen/Bathroom/heating costs									
	Noise insulation	0	0	0	0	0	0	0	0	0	0	0
	Smoke detector	0	344,155	344,155	344,155	344,155	344,155	344,155	344,155	344,155	344,155	344,155
	Safe electrical systems	0	792,630	2,383,490	1,125,855	642,510	569,885	632,295	750,110	647,210	764,125	2,387,960
	Safe gas & oil systems	0	0	0	0	0	0	0	0	0	0	0
	Common areas - good and safe order	7,732	0	38,800	18,618	35,559	23,175	47,134	1,050	39,972	29,233	60,411
	Common internal & external lights	0	4,990	495	2,295	993	3,305	9,768	3,588	7,340	2,825	1,973
	Front & rear doors	0	0	0	0	0	0	0	0	0	0	0
	Front door entry system	26	1	0	2,475	900	4,800	15,750	1,800	10,802	1	4,951
<b>Healthy, Safe &amp; Secure Items</b>	<b>£148,108</b>	<b>£1,141,777</b>	<b>£2,766,940</b>	<b>£1,493,399</b>	<b>£1,024,117</b>	<b>£945,320</b>	<b>£1,049,101</b>	<b>£1,100,703</b>	<b>£1,049,479</b>	<b>£1,140,339</b>	<b>£2,799,450</b>	
<b>GRAND TOTAL<sup>4</sup></b>		<b>£20,318,964</b>	<b>£9,299,162</b>	<b>£10,471,578</b>	<b>£9,413,745</b>	<b>£8,916,227</b>	<b>£8,860,268</b>	<b>£10,723,479</b>	<b>£9,535,667</b>	<b>£13,300,850</b>	<b>£12,656,881</b>	<b>£14,245,829</b>
Additional Capital Expenditure												
	<b>DEMOLITIONS<sup>5</sup></b>											

## Technical Notes

1 Fees are the additional costs, such as surveyors fees, which are associated with the work.

2 Preliminaries - or prelims - are contained in the tender documents and are the means of providing the contractor with information about the project. Preliminaries might include the client's requirements for tendering, management, insurance, health & safety and other costs incurred to ensure site safety around the area in which the work is taking place.

3 Contingencies are safeguards against unexpected costs that might arise out of the work. **Do not include contingency costs in the figures in this sheet.**

4 Grand total = Tolerable Standard + Free from Serious Disrepair (Primary Elements + Secondary Elements) + Energy Efficient (Insulation + Heating) + Modern Facilities and Services (Bathroom Condition + Kitchen Condition + Kitchen Facilities) + Healthy, Safe and Secure Items.

5 Demolitions - Add any required additional capital expenditure for proposed future demolitions by year

## 8.4 10 year Standard Projected Position Statement

Name of organisation:	ABERDEENSHIRE COUNCIL	Name of contact:	Dave Thomson	Phone:	01467 628292
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**SCOTTISH HOUSING QUALITY STANDARD****PROJECTED POSITION STATEMENT ON IMPLEMENTATION OF STANDARD DELIVERY PLAN**

This form sets out a 10 year 'projected position statement' to show how the pattern predicted in the baseline pro forma is likely to change as a result of the capital programme that you propose in your Standard Delivery Plan. For more information, please see paragraph 4.22 in the delivery plan guidance.

<b>NUMBER OF DWELLINGS PROJECTED TO FAIL UNDER EACH CRITERION<sup>1</sup></b>											
<b>Financial Year Ending</b> (input figures for March 31st of each year)											
Criteria	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tolerable Standard	391	409									
Free from Serious Disrepair	4617	3232	2262	1584	1109	776	153	53			
Energy Efficient failures	11297	10790	10090	6727	2242						
Modern Facilities and Services	779	710	650	600	400	200	100	50			
Healthy, Safe & Secure	13187	450	425	400	300	175	75	25			
<b>NUMBER OF DWELLINGS PROJECTED TO FAIL THE STANDARD</b>											
<b>Financial Year Ending</b> (input figures for March 31st of each year)											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dwellings failing on single criterion	1812	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dwellings failing on two or more criteria	11958	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Number of dwellings failing the Standard</b>	<b>13770</b>	<b>11998</b>	<b>11033</b>	<b>8054</b>	<b>3018</b>	<b>1008</b>	<b>165</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total stock number <sup>2</sup>	14044	14044	14044	14044	14044	14044	14044	14044	14044	14044	14044
% of stock failing the Standard	98.0%	85.4%	78.6%	57.3%	21.5%	7.2%	1.2%	0.4%	0.0%	0.0%	0.0%

Technical notes

**1. The Standard criteria (Tolerable Standard, Free from Serious Disrepair, Energy Efficient, Modern Facilities and Services and Healthy, Safe & Secure)**

Landlords should record the number of properties under each of these categories for each year. If a property fails on more than one category (e.g. Tolerable Standard and Energy Efficient), please record that property under **every** category on which it fails the Standard. Please also note that the **Free from Serious Disrepair** category is subject to pass/fail rules that are different from the pass/fail rules for the other categories of the Standard. Landlords should refer to the Scottish Executive's letter of definition on the Standard, issued in February 2004, for guidance to help them determine whether a property passes or fails the Standard. They might also wish to refer to a clarification letter on the Standard, issued in July 2004.

**2. Total stock number**

The total stock number is taken as at the end of the financial year, which is assumed to be 31 March. If the year end is not 31 March, please make this clear on the form.

## 8.5 10 year Summary of Financial Position (SHQS Appendix 5)

Name of Organisation	Aberdeenshire Council
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Name of contact:	Dave Thomson
Phone:	01467 628292

**SCOTTISH HOUSING QUALITY STANDARD (SHQS)**Financial summary worksheet 1 of 3 - **ASSUMPTIONS**

Please set out the assumptions on which you base the accompanying revenue income and expenditure table. If there are additional assumptions not identified in this table, please insert a new row to account additional information. Unless otherwise stated, these should be in real terms figures - i.e. they should not be adjusted to take account of inflation.

<b>STOCK NUMBERS</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Stock numbers at start of financial year <sup>1</sup>	14313	14026	13715	13475	13175	12975	12775	12575	12375	12225
Loss of stock due to Right to Buy <sup>2</sup>	287	250	240	200	200	200	200	200	150	150
Demolitions & other changes to stock number <sup>3</sup>	0	61	0	100	0	0	0	0	0	0
Stock number at end of financial year <sup>4</sup>	<b>14026</b>	<b>13715</b>	<b>13475</b>	<b>13175</b>	<b>12975</b>	<b>12775</b>	<b>12575</b>	<b>12375</b>	<b>12225</b>	<b>12075</b>
Average stock number <sup>5</sup>	<b>14170</b>	<b>13871</b>	<b>13595</b>	<b>13325</b>	<b>13075</b>	<b>12875</b>	<b>12675</b>	<b>12475</b>	<b>12300</b>	<b>12150</b>
Void rate <sup>6</sup> (%)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

<b>RENT</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Average weekly rent per unit <sup>7</sup> (£)	£40	£43	£45	£47	£49	£51	£53	£56	£58	£61
Real terms year on year increase in rent <sup>8</sup> (%)	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<b>OTHER ASSUMPTIONS</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Retail Price Index <sup>10</sup> (%)	3.00%	2.60%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Pooled rate used to calculate interest <sup>11</sup> (%)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Service charges <sup>13</sup> per unit (£) (incl in man costs)	-	-	-	-	-	-	-	-	-	-
Management and supervision costs <sup>14</sup> per unit (£)	£565	£598	£625	£653	£681	£715	£742	£770	£797	£831
Responsive repairs & maintenance <sup>15</sup> per unit (£)	£741	£793	£816	£841	£864	£893	£907	£930	£959	£988
Cost of Cyclical repairs <sup>16</sup> (£) per unit (incl above)	-	-	-	-	-	-	-	-	-	-
Income from Right to Buy <sup>17</sup> (£) per unit	£102	£477	£479	£418	£436	£454	£473	£492	£384	£398
Supporting People <sup>18</sup> and other grants (£)	£1,300,000	£1,300,000	£1,400,000	£1,400,000	£1,500,000	£1,500,000	£1,600,000	£1,600,000	£1,700,000	£1,700,000
New borrowing requirement <sup>19</sup> (£)	£4,500,000	£0	£0	£0	£2,800,000	£3,400,000	£4,800,000	£800,000	£3,200,000	£1,300,000

<b>INVESTMENT FOR THE SCOTTISH HOUSING QUALITY STANDARD</b>	<b>2004/5</b>	<b>2005/6</b>	<b>2006/7</b>	<b>2007/8</b>	<b>2008/9</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
Planned investment to meet the SHQS <sup>20</sup> (£)	-	£12,996,000	£13,156,000	£12,244,000	£11,814,000	£11,902,000	£12,984,000	£11,366,000	£14,693,000	£13,940,000
Capital funded from current revenue <sup>21</sup> (£)	£837,000	£12,901,000	£13,055,000	£11,994,000	£7,376,000	£8,236,000	£9,285,000	£10,526,000	£11,360,000	£12,507,000
Loan charges (capital & int repayments) <sup>23</sup> (£)	£9,322,000	£8,660,000	£8,008,000	£7,467,000	£7,331,000	£7,107,000	£6,872,000	£6,338,000	£6,196,000	£5,852,000

## 8.5 10 year Summary of Financial Position (continued) (SHQS Appendix 5)

### Technical Notes

#### Stock Numbers

- 1 The financial year is assumed to begin 1 April unless the landlord states otherwise.
- 2 Right to Buy is the legal right held by some tenants to buy their home at a price lower than the full market value.
- 3 The number of houses the landlord expects to demolish.
- 4 This is the total stock numbers after losses due to Right to Buy, demolitions and other reasons.
- 5  $(\text{The number of units at the start of the year} + \text{the number of units at the end of the year}) / 2$ .
- 6 The percentage of the housing stock owned by the landlord but not occupied.

#### Rent

- 7 The rental income per unit per week. The weekly rate is based on a 52 week year.
- 8 A real terms forecast is in constant prices *ie there is no adjustment for inflation*

#### Other assumptions

- 10 Retail Price Index is an inflationary indicator that measures the change in the cost of a fixed 'basket' of retail goods. Please see the UK Treasury website ([www.hm-treasury.gov.uk](http://www.hm-treasury.gov.uk)) for short term forecasts for the Retail Price Index.
- 11 The pooled rate is the calculation of the average interest rate for a combination of different loans which might be at different rates of interest.
- 13 Service charges levied for additional services (e.g. stair cleaning, garden maintenance) averaged across all stock.
- 14 Management costs include staffing, office and general administrative costs, averaged across all stock.
- 15 Repairs that are carried out by a landlord in response to a tenant reporting a problem.
- 16 Repairs and maintenance carried out by a landlord that have been decided in advance.
- 17 Right to Buy is the legal right held by some tenants to buy their home at a price lower than the full market value.
- 18 Supporting People is a new integrated policy and funding framework for housing support services. For more information see the website: [www.scotland.gov.uk/housing/supportingpeople](http://www.scotland.gov.uk/housing/supportingpeople).
- 19 Please enter the new borrowing for the Housing Revenue Account achieved through the Prudential Regime.

#### Scottish Housing Quality Standard

- 20 The total planned investment for the Standard can be calculated using appendix 3 - Capital Investment to Meet the Standard.
- 21 These are costs recharged from the housing revenue account
- 22 This is the interest **rate** a local authority pays on what it has borrowed.
- 23 This is the capital repayments on previous borrowings



## 8.5 10 year Summary of Financial Position (continued) (SHQS Appendix 5)

Name of local authority: Aberdeenshire Council

Name of contact: Dave Thomson  
Phone: 01467 628292**SCOTTISH HOUSING QUALITY STANDARD (SHQS)**Financial summary worksheet 2 of 3 - **OVERALL SUMMARY OF HOUSING REVENUE EXPENDITURE ACCOUNT**

Please record overall income and expenditure figures.

Note:

Table should be in nominal (cash terms)

	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>INCOME</b>												
Gross rental income <sup>1</sup>	29755	30740	31485	32249	33068	34027	35006	36004	37097	38293	39522	377246
Void losses <sup>2</sup> (inc bad debts)	800	922	945	967	992	1021	1050	1080	1113	1149	1186	11225
Bad debts												0
Net rental income <sup>3</sup>	28955	29818	30540	31282	32076	33006	33956	34924	35984	37144	38336	366021
Supporting People Income <sup>4</sup>												0
Other Income	3434	3874	3512	3185	2962	3041	3121	3205	3288	3376	3465	36463
<b>Total Income</b>	<b>32389</b>	<b>33692</b>	<b>34052</b>	<b>34467</b>	<b>35038</b>	<b>36047</b>	<b>37077</b>	<b>38129</b>	<b>39272</b>	<b>40520</b>	<b>41801</b>	<b>402484</b>

	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	TOTAL
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>EXPENDITURE</b>												
Staff Costs												0
Other direct management costs	8072	8333	8527	8740	8959	9183	9412	9647	9889	10136	10389	101287
Recharged central costs												0
Responsive maintenance <sup>5</sup>	10489	11036	11141	11247	11367	11529	11484	11641	11822	12029	12236	126021
Cyclical maintenance <sup>6</sup>												0
SHQS Revenue Costs												0
Capital Works funded by Current Revenue	837	12901	13055	11994	7376	8236	9285	10526	11360	12507	13572	111649
Loan Charges <sup>7</sup>	9322	8660	8008	7467	7331	7107	6872	6338	6196	5852	5571	78724
<b>Total Expenditure</b>	<b>28720</b>	<b>40930</b>	<b>40731</b>	<b>39448</b>	<b>35033</b>	<b>36055</b>	<b>37053</b>	<b>38152</b>	<b>39267</b>	<b>40524</b>	<b>41768</b>	<b>417681</b>

Surplus / (Deficit) for Year	3669	-7238	-6679	-4981	5	-8	24	-23	5	-4	33
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Reserves brought forward	17237	20906	13668	6989	2008	2013	2005	2029	2006	2011	2007
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<b>Reserves carried forward<sup>8</sup></b>	<b>20906</b>	<b>13668</b>	<b>6989</b>	<b>2008</b>	<b>2013</b>	<b>2005</b>	<b>2029</b>	<b>2006</b>	<b>2011</b>	<b>2007</b>	<b>2040</b>
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Technical notes:

- The total rental income before any losses due to void property, bad debts etc
- The amount of rental income that the landlord will lose because the property is not being let.
- The gross rental income minus the void losses
- Supporting People is a new integrated policy and funding framework for housing support services.  
- for more information, see the website: [www.scotland.gov.uk/housing/supportingpeople](http://www.scotland.gov.uk/housing/supportingpeople)
- Repairs carried out by a landlord in response to a tenant reporting day to day maintenance items
- Repairs and maintenance carried out by a landlord that are periodic and batched for small contract work
- The money a local authority pays back on what it has borrowed.
- The reserves carried forward can not show a deficit

## 8.5 10 year Summary of Financial Position (continued) (SHQS Appendix 5)

Aberdeenshire Council
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Name of contact:	Dave Thomson
Phone:	01467 628292

**SCOTTISH HOUSING QUALITY STANDARD (SHQS)**Financial summary worksheet 3 of 3 - **CAPITAL EXPENDITURE**

Note: Table should be in nominal (cash terms)

Year	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Capital investment to meet SHQS		12996	13156	12244	11814	11902	12984	11366	14693	13940	15754
Other capital investment											
<b>Total Capital Investment</b>	<b>0</b>	<b>12996</b>	<b>13156</b>	<b>12244</b>	<b>11814</b>	<b>11902</b>	<b>12984</b>	<b>11366</b>	<b>14693</b>	<b>13940</b>	<b>15754</b>

## FINANCED BY...

Year	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Capital funded from current revenue <sup>2</sup>		12901	13055	11994	7375	8235	9284	10526	11360	12507	13572
Capital Borrowing		0	0	150	4350	3600	3650	800	3300	1400	2150
Income from Right to Buy receipts		0	0	0	0	0	0	0	0	0	0
Other income (please specify)											
<b>Total Funding</b>	<b>0</b>	<b>12901</b>	<b>13055</b>	<b>12144</b>	<b>11725</b>	<b>11835</b>	<b>12934</b>	<b>11326</b>	<b>14660</b>	<b>13907</b>	<b>15722</b>

## MANAGEMENT OF DEBT

Year	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Opening debt	139503	139503	132882	126367	120952	119598	117351	115008	109665	108243	104803
New borrowing		0	0	150	4350	3600	3650	800	3300	1400	2150
Debt repayment		6621	6515	5565	5704	5847	5993	6143	4722	4840	4961
<b>Debt carried forward<sup>3</sup></b>	<b>139503</b>	<b>132882</b>	<b>126367</b>	<b>120952</b>	<b>119598</b>	<b>117351</b>	<b>115008</b>	<b>109665</b>	<b>108243</b>	<b>104803</b>	<b>101992</b>

## Debt per house

<b>9.946028804</b>	<b>9.688807875</b>	<b>9.377884972</b>	<b>9.180417457</b>	<b>9.217572254</b>	<b>9.185988258</b>	<b>9.145765408</b>	<b>8.861818182</b>	<b>8.854233129</b>	<b>8.679337474</b>	<b>8.55278826</b>
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## Technical notes

1 SHQS - Scottish Housing Quality Standard

2 This figure should match the figure provided on sheet 1 of 3.

3 Debt carried forward = Opening Debt + New borrowing - Debt repayment



## 8.6 Elemental Capital Works Programme 2005 – 2015

## PROPOSED STOCK IMPROVEMENTS PROGRAMME 2005 - 2015

The table below shows the number of houses that will be upgraded as part of the Stock Improvement Programme during the SHQS Period 2005-2015:

Component	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Access Decks	0	0	0	0	0	0	1	0	0	0
Access Path	1		1	4						
Balconies / Verandas	0	0	0	0	0	0	4	0	0	0
Bathroom	429	429	429	429	429	850	850	850	850	850
Common Stairs	29									6
Communal Door	8	4	19	21	8	14	3	7	6	10
Court	1			6	3	3		3	1	
Dampness	1,248	2				3				
Door Entry	69	4		2	6			2	1	1
Electrics Safety Checks	2,808	2,808	2,808	2,808	2,808	1,404	1,404	1,404	1,404	1,404
Ext Access Stair	0			14						
Ext. Bin Store	11	0	1	3	0	2	0	14	0	1
Ext. Doors	497	497	497	497	497	385	385	385	385	385
Ext. Wall Finish	91	1	4	3	4	35	1	10	6	10
Garages	14	0	0	40	0	101	0	64	52	2
Heating	585	585	585	585	585	938	938	938	938	938
Insulation Measures	500	900	3,100	4,500	5,044					
Kitchen	557	557	557	557	557	557	1,773	1,773	1,773	1,773
Laundry	0									1
Lifts	0	1		1	1	2		2	2	3
Lighting External	42	1	4	1	7	12	4	11	22	3
Lighting Internal	7	1	4	6	15	60	12	28	23	3
R/W Goods	0	55	291	196	107	1,376	96	1,393	400	258
Roof Finish	21	3	6	46	113	210	36	26	32	24
Rooflights	79	1	203	25	25	186	11	53	12	14
Smoke Detectors	2,808	2,808	2,808	2,808	2,808	1,404	1,404	1,404	1,404	1,404
Stairwells	39									6
Windows	153	78	125	48	77	121	46	125	30	35
<b>Grand Total</b>	<b>9,996</b>	<b>8,734</b>	<b>11,441</b>	<b>12,599</b>	<b>13,093</b>	<b>7,663</b>	<b>6,968</b>	<b>8,492</b>	<b>7,341</b>	<b>7,131</b>

Generated from Stock condition Database February 2004

see Supporting Information, Business Planning Section, item 602, HRA Capital Programme 2005-2006, report to Social Work and Housing Committee)

## 8.7 Risk Assessment

Name of organisation:		Aberdeenshire Council		Name of contact:		David Thomson		Phone:		01467 628292	
SCOTTISH HOUSING QUALITY STANDARD											
Ref No	Description of Risk	Risk Type Business / Project / Stage / Legislative	Likelihood Remote/ Unusual / Possible / Probable / Almost Certain	Score (1/ 3/ 5/ 7/ 10)	Severity (Negligible / minor / moderate / major / catastrophic)	Score (1/ 3/ 5/ 7/ 10)	Total (Likelihood x Severity)	Priority	Owner	Actions	
1	Omega stock condition database is currently supported by a small business. There is a risk here to the support of the stock condition database being unexpectedly terminated prematurely.	Business	Unusual	3	Major	7	21	3	SX3 implementation team	Could bring forward implementation of the SX3 Planned Maintenance Module. However, at this point in time it is unclear whether that Module will be a worthy replacement for the stock condition database.	
2	Loss of key members of staff with Stock condition database knowledge.	Business	Possible	5	Moderate	5	25	2	Housing Management Team	Develop more of a team to minimise risk	
3	Staff training not suitably addressed and an unrealistic timetable implemented	Business	Unusual	3	Minor	3	9	5	Housing Managers / Policy technical Team	Ensure proper training plan implemented with realistic timetable. Training Needs Analysis is being done. This will ensure resources and staffing numbers required for training are identified at an early stage.	
4	Too many key Aberdeenshire Council staff exposed to a new computer environment at the same time.	Business	Remote	1	Minor	3	3	7	Policy technical Team	Tied to risk 20, proper training essential	
5	Changes in Right to Buy legislation	Legislative	Unusual	3	Major	7	21	3	Business Plan accountants	Reduce Sensitivity of Business Plan to changes in RTB legislation	
6	Limited base of contractors unable to meet increased demand from Business Plan.	Business	Unusual	3	Major	7	21	3	Policy technical Team	Develop procurement policy linked to Partnering, in-house teams, and apprentices	
7	Insufficient resources to complete required surveys.	Business	Possible	5	Major	7	35	1	Housing Management Team	Monitor number of surveys being undertaken in all areas to ensure that targets are being achieved.	
8	Unabe to establish partnerships with Buchan Insulation and SCARF.	Project	Unusual	3	Major	7	21	3	Housing Management Team	Early negotiations with partners and Aberdeenshire Council Finance and Legal Services, and continual performance monitoring.	
9	Unable to identify economically viable innovative technology to improve SAP of 'hard to treat' properties.	Project	Remote	1	Minor	3	3	7	Housing Management Team	Develop and monitor an Aberdeenshire council Energy Strategy for Council Housing.	
10	Stock Condition Database doesn't lead Capital Programme.	Business	Remote	1	Major	7	7	6	Strategy	Continued good management and monitoring of capital programme.	
11	Tenant consultation insufficient to ensure ownership of SHQS Delivey Plan.	Business	Unusual	3	Moderate	5	15	4	Strategy	Extensive consultation to be undertaken in line with Tenant Participation Policy.	
12	Results from various surveys to be undertaken during lifetime of SHQS Delivery Plan contradict assumptions in the Business Plan.	Business	Possible	5	Major	7	35	1	Strategy	Ensure quality of all surveys undertaken and put in place adequate validation routines.	