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# Perth and Kinross Council

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## Housing and Community Care



## STANDARD DELIVERY PLAN

For

IMPROVING THE COUNCIL'S HOUSING STOCK

To Comply With

The Scottish Housing Quality Standard

And

The Perth & Kinross Housing Standard

**APRIL 2006**

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# 1. Background

## 1.1. The Perth & Kinross Local Housing Strategy

The Perth & Kinross Local Housing Strategy published in May 2004 provides an overview of the condition of the Council Housing Stock based on a sample condition survey carried out in 2001/2002 for the Housing Stock Option Appraisal Study. This survey concluded that:

- The stock is generally in a good state of repair
- Key issues such as the presence of damp had been addressed, with most houses having ventilation and central heating
- All non-traditional properties have been subject to major upgrade or repair, so that the anticipated level of contingent major repairs would be relatively low
- An average of £21,239 per property would have to be spent over the 30-year planning period on catch up repairs, major component renewals, estate works, major repairs and amenity improvements to achieve the “Perth & Kinross Standard”
- There was a need to invest in internal components such as kitchens and bathrooms and in the external environment (footpaths and fencing)

The Local Housing Strategy includes the objective that “All Council stock attains the Perth & Kinross Standard by 2015”. This objective is to be pursued through the Council’s Retention Plus strategy. The LHS gives targets for compliance with this standard at the end of the LHS period (2009).

## 1.2. Option Appraisal and Business Plan

In October 2001 the Council commissioned DTZ Pidea, with John Martin Partnership to undertake a Housing Stock Option Appraisal. The study included reviews of P&K housing issues and the Council’s housing finances, a survey of stock condition and investment requirements, modelling of financial scenarios (applying different assumptions about costs and rents), a stock valuation and an appraisal of options. The affordability of various rent policies was examined in detail.

The appraisal applied 27 criteria grouped into 7 factors to the options of Retention (the status quo), Retention Plus (changes in rent policy and recharges and cost reductions) and whole stock transfer. The partial transfer option was considered but was not formally appraised. There was extensive tenant consultation in the option appraisal process including the appointment of the Tenant Information Service as an Independent Tenants Advisor.

The consultants’ final report was received in October 2002.

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**The conclusions were:**

- “merits in both transfer and retention plus”
- “under the retention plus scenario many of the Council’s objectives could be achieved without the upheaval caused by transfer”
- “retention plus does rely on substantial additional income being negotiated internally between Council departments, with tenants on rent increases and with the Scottish Executive on Supporting People grant for sheltered housing”
- “successful pursuit of retention plus therefore requires:

in depth investigation into the HRA and General Fund to provide a clear distinction between these accounts

integration of the stock condition results and the P&K Standard to the Council’s current capital programme and planned maintenance programme

generation of a long term Housing Business Plan

approval of the Business Plan by the Council providing authority for implementation of the investment programme and rent increases required over the medium term

investigation of how the “prudential borrowing” approach could bridge the investment gap to deliver improvements immediately

The Council adopted the Retention Plus strategy in July 2003, remitting officers to produce a Housing Business Plan. A Business Plan was subsequently produced by a group of Housing & Finance officials with advice from DTZ Piedad and involvement of tenants’ representatives. The process involved in-depth assessment of housing stock projections, housing demand (using the Local Housing Needs Study carried out by DTZ Piedad for the LHS), management costs and recharges, R&M costs, and a number of scenarios for debt, rent and borrowing. The draft Business Plan was the subject of extensive consultation with staff, Council political groups and tenants (through a tenant conference in December 2003). In January and February 2004 the Council:

- Adopted the Housing Business Plan
- Approved a rent increase of RPI + 3% for 2004/05 in the context of the medium-term Business Plan rent policy.
- Agreed increased recharges from the HRA to the General Fund for homelessness, enabling and Area Offices over the following 3 years.

The Business Plan has been updated from the 2005/06 budget. Council decisions on rents and HRA recharges for 05/06 are consistent with the requirements of the Plan.

### 1.3. The Standard

The P&K Stock Option Appraisal pre-dated publication of the SHQS. However the stock survey consultant confirmed that the 2001/02 survey did cover most of the SHQS criteria and elements and therefore provided representative information on the condition of the stock relative to the SHQS and the cost of achieving the standard.

The Option Appraisal study (and sample survey) was based on a “Perth & Kinross Standard” which was negotiated with tenants representatives. A detailed comparison of the Scottish and Perth & Kinross Standards is given in Appendix 1.

**The main differences are:**

- double glazing of all windows and glazed external doors opening onto heated areas
- higher level of loft insulation
- higher standard of kitchen storage and layout
- higher standard of electrical outlets
- selective use of CCTV (e.g. multis)
- safe curtilage environment (e.g. paths, steps)

This enhanced standard is achievable under the Retention Plus Business Plan.

### 1.4. Tenant Involvement

Tenant involvement in the Option Appraisal and business planning was outlined in paragraph 1.2 above. Tenant involvement and consultation on investment planning and production of the Standard Delivery Plan has included:-

**Tenant Investment Conference (March 2003)**

The event was advertised in the local press and Tenant Federation Newsletter and was attended by 40 representatives of tenants associations, the Tenants Federation Executive and other tenants. The conference considered priorities and packaging and a range of policies associated with delivering the standard. The outcome was a 10 year investment plan, based on the requirements for catch-up/major repairs and component renewal identified in the Option Appraisal and tenant priorities for improvements. This plan was approved by the Council in June 2004

**Tenant Workshops – The “Getting Started Group”**

On-going series of workshops and focus groups to examine and obtain tenants' views on issues such as tenant consultation methods, technical standards (such as kitchen storage and decoration) and policies (such as disturbance allowances, refusal of access)

### **Tenant Involvement in Procurement**

Tenant representatives trained to participate in the selection of contractors/partners, with tenant panel members focusing on customer care and attending visits to reference sites

### **Standard Delivery Steering Group**

This group of senior housing, finance and technical services managers with two tenant representatives is the Programme Board for the 10 year investment plan, overseeing procurement, customer feedback, risk management and progress with the investment programmes

### **Business Plan Conference**

The Council holds an annual conference for tenants where service delivery performance, the Business Plan (assumptions against actuals and adjustments), progress on delivering the standard and the rent policy are reviewed.

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## 2. LOCAL STRATEGIC CONTEXT

### 2.1. The Local Housing Market

The population of Perth & Kinross has been growing over the last two decades. The most recent population projection figures were published by GROS in December 2005. These figures project an increase in Scotland's population of around 0.8% over the next 20 years. The population of Perth & Kinross is projected to increase by 6% during this period. These figures are based on 2004 mid year estimates and are projections to 2024. Significantly, the number of households, particularly smaller households, is expected to grow, resulting in the need for continued new housing.

Perth and Kinross has a strong economy, with high levels of economic activity and employment. Perhaps not surprisingly, owner occupation is the dominant tenure in Perth and Kinross, with a high level of outright ownership of dwellings. The social rented sector is also an important sector and, likely linked to the low wage structure of the local economy, a relatively large proportion of tenants are in employment. High and increasing levels of homelessness have been placing pressure on the social rented sector.

In-migration to the area is significant, both in the owner occupied sector (where around 44% of sales are to people from outside Perth and Kinross) and in the social rented sector (where around a quarter of council waiting list lets are to people from outside the area).

The outlook for the local economy is for continued growth in employment, with the greatest growth in higher wage sectors. This suggests that the growth in owner occupation will continue. However, given the already high levels of owning, growth is not likely to be dramatic.

### 2.2. Need for Social Rented Housing

#### 2.2.1. Key Issues

The Housing Needs Assessment completed in August 2003 concluded that there is a total backlog of need for social rented housing in Perth & Kinross of around 950 households. Further households in need of social rented housing are likely to emerge in future years, comprising newly forming households, households that become homeless, in-moving households and existing households that fall into need. In the Housing Needs Assessment it is estimated that there will be around 900 such households each year. Assuming that it is reasonable to expect social landlords to house a fifth of the backlog of need each year, the annual level of need for social rented housing for the next five years is estimated at 1,086 (with confident interval of  $\pm 460$ ).

This needs to be compared to the available supply of housing. In 2004/05 there were a total of 491 lettings to new tenants (i.e. excluding transfers), some 595 less than the level

of need. Thus new build of around 595 per annum is required to enable housing needs to be met.

As well as identifying the backlog and emerging need for additional social rented housing, the survey on which the Housing Needs Assessment is based found a number of other issues impacting on housing need, where intervention may be required to enable households to remain in their current dwelling. In some cases, where households cannot afford to make housing improvements or adaptations to their current property, there will be a need for additional social rented housing. It is possible that estimates of housing need could rise by 500 -1,000 properties if in situ needs cannot be adequately met.

Key issues for the Council, in terms of 'in situ' housing needs are: -

- neighbour problems
- the affordable heating of dwellings
- the physical condition of dwellings
- the need for adaptations.

These issues affect households in the private as well as public sector housing. Surveys of council housing will identify the most problematic areas and these houses will be improved through the subsequent investment plan. The Council has carried out a house condition survey of private sector housing and a strategy to address the problems highlighted will be developed through the PSHG programme, Fuel Poverty Strategy, Care and Repair and the use of minimum discounts for long term void/second homes to encourage letting.

### 2.2.2. Long-term Projections

A number of scenarios were considered for the long-term in the Local Housing Needs Assessment. The projection considered most likely suggests continued shift in the tenure profile of Perth and Kinross, with social rent declining to around 16% of households and owner-occupation increasing to around 73% of households over the next 20 years. This would suggest a loss of around 1,000 social rented dwellings, which would be achieved by RTB sales. However, given that RSL new-build is likely to continue in response to changing needs for social rented housing, and particularly for particular needs housing, consideration of small scale demolition/stock disposal may be required.

Within the Local Housing Needs Assessment a sensitivity analysis was run, to consider the impact on the long-term projections of meeting the five year housing needs requirements. This would require social rented sector new build/acquisition in the order of 595 units per year, which is ahead of the levels achieved in recent years. Assuming that that RTB sales decline to an average of around 200 each year (see also section 3.11), the net effect on the social housing stock would be an increase, if the build rate required to meet this need is achieved.

### 2.2.3. Letting Demand

With the following exceptions, demand for Council housing is healthy. Comprehensive redevelopment of the Muirton estate is underway with two local RSLs replacing the

existing hard to let flats with a mixture of houses for rent, shared ownership and sale, reducing the social rented sector by more than half. Long term vacancies are present in only two areas: 10 units in Old Mill Road, Rattray which is the subject of an option appraisal and 15 bedsits at Meal Vennel, Perth which are scheduled for integration and access / security improvements. The Supporting People review of PKC sheltered housing has identified only one development (at James Court, Pitlochry) with letting difficulties.

#### 2.2.4. Conclusions

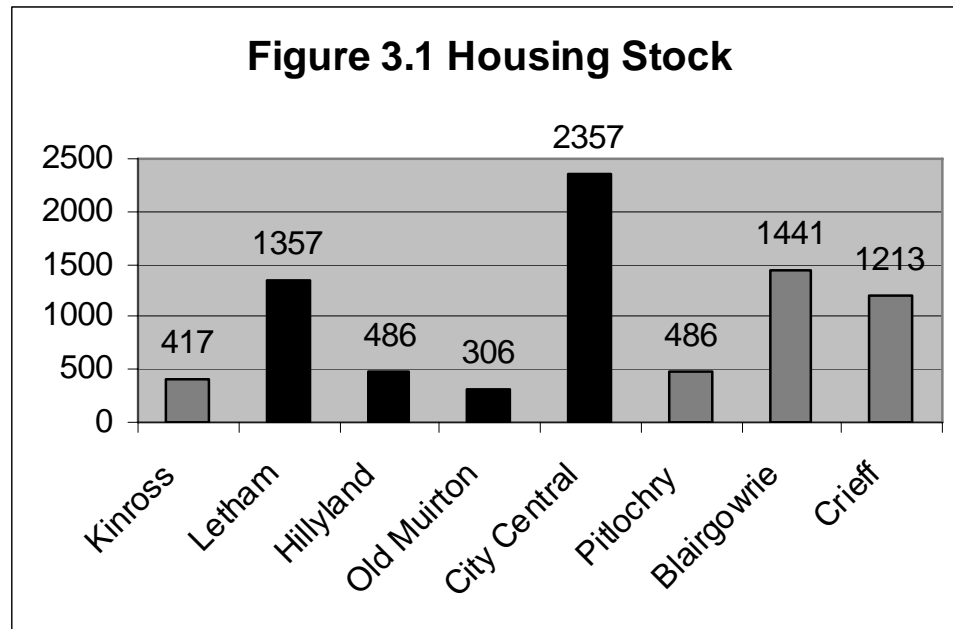
It is concluded that the projected need for affordable housing is likely to exceed supply, at least over the next 10-15 years. The Council has taken action to address emerging problems of low demand in Council housing through the Muirton Redevelopment Strategy and Area Based Initiatives / Community Regeneration Strategies in the areas exhibiting housing stress (Fairfield, Rattray, and Letham / Hillyland). If other "in-situ" housing needs (dwelling condition and amenity, affordable heating, adaptations and anti-social behaviour) can be met through the Standard Delivery Plan and other local strategies there is no reason to believe further significant demolitions / stock disposals will be required on the grounds of low demand. Therefore, the proposed investment plan can proceed with confidence.

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### 3. STOCK PROFILES and CONDITION

#### 3.1. Geographically Dispersed Stock

The Council's housing stock is dispersed over a geographical area of over 2,000 square miles and this raises some difficulties in terms of the economic and efficient management of the stock. The lighter coloured areas of the bar chart in figure 3.1 represent areas of the housing stock that are mainly rural in character and it can be seen that these account for 44% of the total stock. Although a proportion of that stock is located in towns and villages such as Blairgowrie or Crieff, a significant number of houses are located in very small communities comprising only a handful of homes. The dispersed nature of this stock results in logistical difficulties for maintaining and modernising the houses and also results in relatively higher unit costs for the work because of the need for contractors to travel to small work packages.



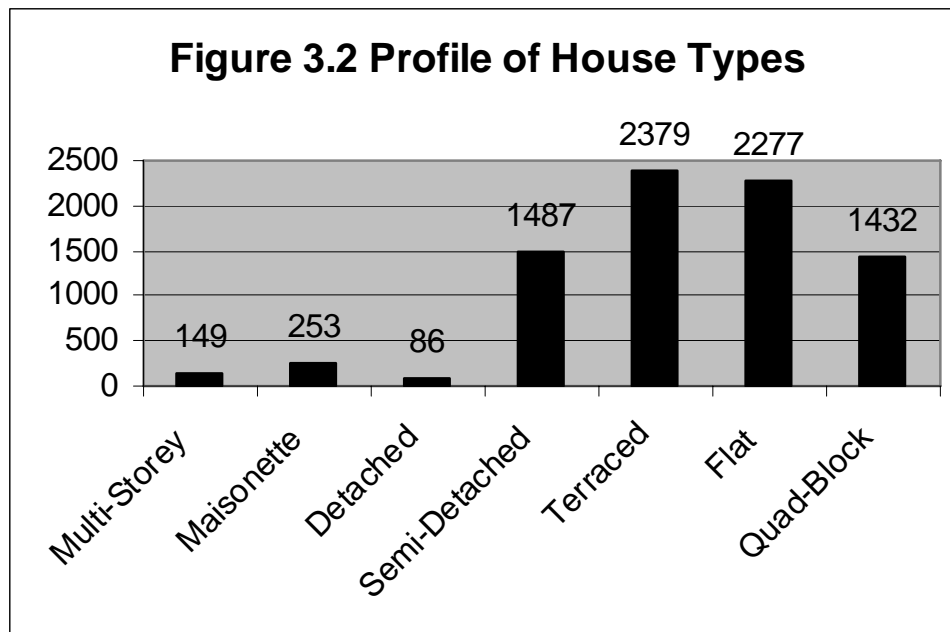
### Profile of House Sizes by Area

	Letham	Hillyland	Old Muirton	City / Central	Pitlochry	Blairgowrie	Crieff	Kinross	Total
1 Apartment	0	0	0	143	8	25	3	10	189
2 Apartment	248	180	7	908	189	395	434	121	2482
3 Apartment	697	200	148	918	189	735	584	193	3664
4 Apartment	405	97	128	365	99	270	175	85	1624
5 Apartment	7	8	23	22	1	16	17	8	102
6 Apartment	0	1	0	0	0	0	0	0	1
7 Apartment	0	0	0	1	0	0	0	0	1
Total	1357	486	306	2357	486	1441	1213	417	8063

## 3.2. Profile of House Types

The profile of main house types is not untypical of a mixed urban / rural housing stock, but it is worth noting that 52% of the stock is composed of flatted properties of one sort or another.

Unlike many Scottish Councils, Perth and Kinross has a very small number of multi-storey flats – 149 individual flats (see figure 3.2). These flats are contained in a total of only six blocks, all within Perth town centre and all have received at least some modernisation works over the last 10 – 15 years. All of these multi-storey blocks are in high demand and many of the flats have been sold through the Right to Buy.



The main point here is that the Council's multi-storey blocks do not require expensive refurbishment works within the foreseeable future (although some internal modernisation such as new kitchens and bathrooms is needed) and this aids the financial viability of the proposed Standard Delivery Plan.

#### Profile of house types by area

	Letham	Hillyland	Old Muirton	City / Central	Pitlochry	Blairgowrie	Crieff	Kinross	Total
<b>Detached</b>	11	11	0	9	8	29	16	2	86
<b>Semi Detached</b>	149	38	0	339	175	286	388	112	1487
<b>Terraced</b>	352	135	0	558	170	571	429	164	2379
<b>Flat</b>	449	103	273	899	95	248	143	67	2277
<b>Quad Block</b>	315	90	33	396	37	254	236	71	1432
<b>Multi Storey</b>	0	0	0	149	0	0	0	0	149
<b>Maisonette</b>	81	109	0	7	1	53	1	1	253
<b>Total</b>	1357	486	306	2357	486	1437	1213	417	8063

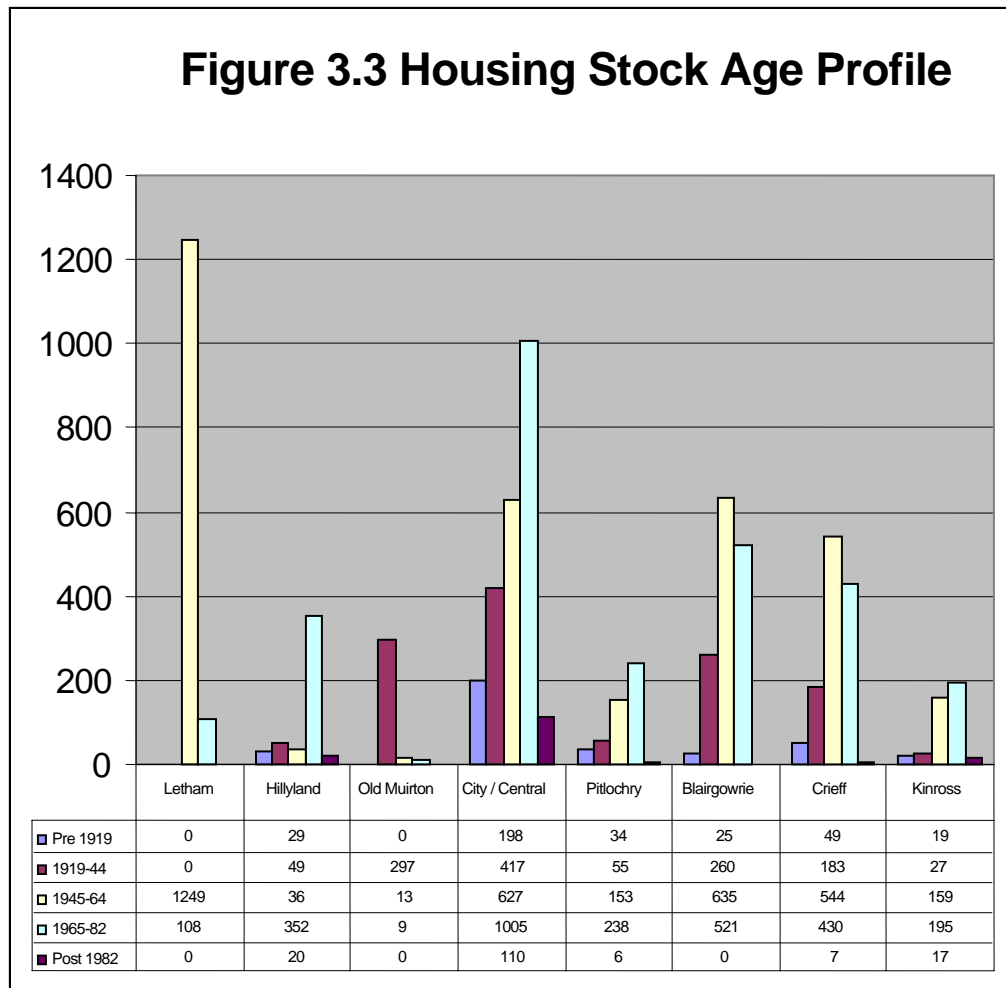
### 3.3. Stock Age Profile

The age profile of the Council's stock is fairly typical of a Scottish local authority with the major proportion of the stock having been built in the period from 1945 until the early 1980s as shown in figure 3.3.

Two housing management areas stand out as being different from the rest in terms of the age of their stock. One of these is the Letham area of Perth, the Council's largest estate, which was built entirely in the post-war period and completed by the end of the 1960s.

The other "unusual" area shown in figure 3.3 is in the City/Central housing management area, which includes "North Muirton". This estate contains a mix of various house types built during the 1960s and early 1970s.

"Old Muirton" is the subject of the Muirton Regeneration Initiative noted elsewhere in the plan and the estate is currently being redeveloped with modern low-rise semi-detached and terraced housing.



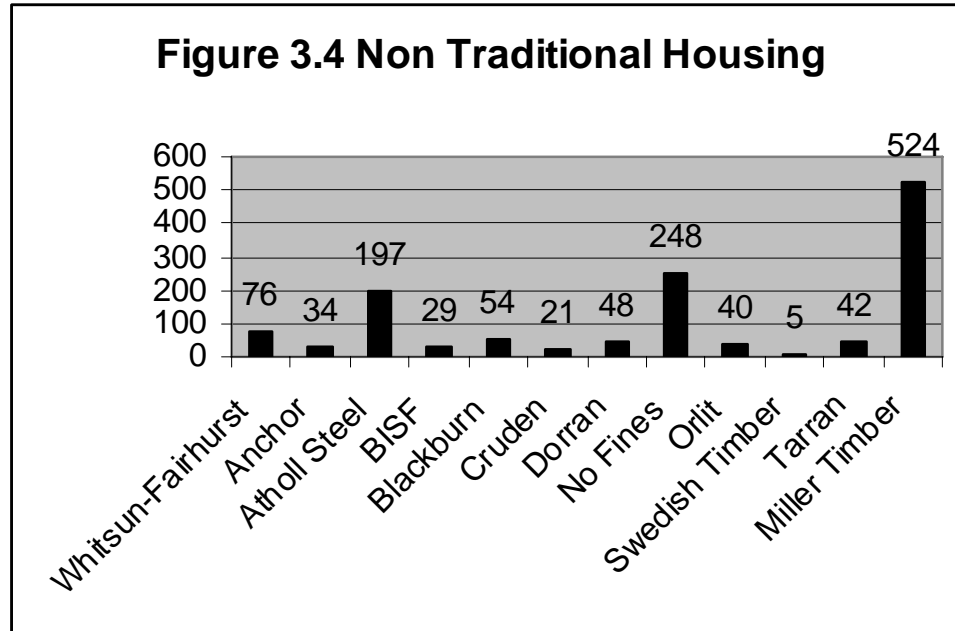
The North Muirton estate was extensively flooded in January 1993 and at that time more than 400 of the Council's houses required extensive reinstatement works of which over

300 effectively had to be re-built from the foundations up to first floor level. As a result, although these houses normally would be due now for refurbishment on the grounds of their age, there is in fact relatively little expenditure required in this estate within the plan period.

### 3.4. Non-traditional Housing Stock

The Council's stock contains a total of 1318 non-traditional houses (see figure 3.4).

The largest single grouping of non-traditional stock is the 524 timber-framed houses, most of which are located in the North Muirton estate in Perth. These houses are between 30 and 40 years old, but are generally in good condition having received new central heating systems, new windows and external doors in recent years. The main concern about enabling these houses to meet the SHQS relates to the difficulty of improving their energy efficiency and to date no technically satisfactory method of insulating the Miller System timber-framed external walls has been found.



In the late 1980s and early 1990s extensive modernisation and improvement was undertaken to the majority of the non-traditional stock. Further improvement works have recently been carried out on many of the Whitsun-Fairhurst, Dorran, Tarran, Cruden, BISF and No-fines houses and the majority of these properties have now been refurbished externally with the addition of insulated rendering and re-roofing in many cases.

Practical difficulties have been encountered in carrying out similar works to some of the other non-traditional house types and these are detailed further in section 3.8 below.

For the purposes of enabling them to meet the SHQS, however, it is reasonable for the non-traditional housing stock to be considered in the same way as the council's traditional stock of similar age.

## 3.5. Information Resources

During the development of the interim Standard Delivery Plan, which was produced in March 2005, it was recognised that the Council already had good information about the facilities provided in its houses from its property database, however, the information available on the condition of the stock was noticeably less well organised and considerably less accurate. A comparison of the available information at the time, with that needed to produce a definitive and practical Standard Delivery Plan, quickly led to the conclusion that the most effective way to fill the information gaps would be by undertaking a Condition Survey covering 100% of the housing stock.

### **Stock Condition Survey**

A 100% Stock Condition Survey was commissioned in March 2005 and this was undertaken by FPD Savills, Chartered Surveyors, London.

The primary objective of the survey was to assess the cost of the work required to bring all of the Council's houses up to the Scottish Housing Quality Standard by 2015 and to maintain them at that standard for 20 years thereafter.

Savills were also instructed to identify items of disrepair and amenity not covered by the SHQS to help plan other improvement works which relate specifically to Perth & Kinross Council's local house standard.

The results of the survey were received in December 2005 and these have been used as the basis for compiling the Council's Standard Delivery Plan.

### 3.5.1. SHQS Methodology / Assessment

#### **Methodology**

Prior to survey commencement, a pro-forma was devised which was used for data collection. The information was gathered using handheld computers and later transferred onto a computerised database so that it could be checked, collated and validated. The methodology and survey objectives were shared by the Savills survey team and Council staff during a one day pilot survey which was held prior to the start of the main survey.

All members of the survey team were Chartered Surveyors with extensive experience in mass survey projects.

Spot checks and extensive electronic validation checks were undertaken by Savills to verify that there were no errors or inconsistencies in the information. All recorded survey data was loaded into Savills Scottish Housing Quality Standard Asset Management computerised software.

In addition to Savills' own verification and quality control processes, it was agreed prior to the start of the survey that an independent validation check of the data would also be undertaken. This was carried out by John Martin Partnership who had previously assisted with development of the Council's Housing Business Plan.

A Schedule of Rates for repair and improvement works was prepared by Savills and the rates were calculated based upon their knowledge of similar works for other Local Authorities along with the Council's own experience of letting contracts locally.

### **Assessment**

The stock condition survey was carried out between April 2005 and August 2005.

Savills inspected a total of 7,923 houses and survey data was successfully collected for 100% of the stock externally and for 93% of the stock internally. Survey information for the remaining 7% of houses where internal access could not be obtained has been cloned from other records of similar house types.

The survey team were instructed not to undertake inspections of houses in the Council's Muirton housing estate which are scheduled for demolition as part of the ongoing Muirton Regeneration Initiative between 2006 and 2010.

Assessment of the levels of non-compliance with the SHQS was undertaken in accordance with the guidelines set out by Communities Scotland in communications dated February 2004 and July 2004.

As part of the stock condition survey, an assessment of the energy performance of the properties was also undertaken to NHER enhanced level 0. The data was processed by Powergen Energy Solutions and an analysis of the results was submitted as an appendix to Savills survey report. The report provides an NHER rating for each of the houses surveyed.

Details of those elements which fail or are projected to fail the SHQS in the period to 2015 have been recorded in a comprehensive computerised database which has been compiled by Savills. The estimated failure dates for each SHQS criteria are recorded for each house.

## **3.5.2. Survey Results**

Failures under the various housing quality criteria were recorded as follows:

### **Compliant With The Tolerable Standard**

All houses were found to comply with Tolerable Standard criteria and no houses are predicted to fail in the period to 2015.

### **Free From Serious Disrepair – Primary Building Elements**

All houses were found to have Wall Structures, Internal Floor Structures, Foundations and Roof Structures which comply with the criteria of requiring repair or replacement not exceeding 20%. No houses are predicted to fail on the grounds of Primary Building Elements in the period to 2015.

## **Free From Serious Disrepair – Secondary Building Elements**

The largest number of failures to be highlighted under the Secondary Building Elements section related to Rainwater Goods (38%), External Wall Finishes (26%) Common Access Pathways (15%) and Roof Coverings (12%).

Failures in respect of Flashings, Windows and Doors were recorded at levels of between 5 and 10%. Failures in respect of Chimney Stacks, Access Decks / Balustrades, Common Access Stairs / Landings, Common Windows & Rooflights and Attached Garages / Sheds were all recorded at levels of less than 2%.

No failures were identified under the criteria elements of Internal Stairs, Damp Proof Courses, Underground Drainage or Balconies / Verandas.

It should be noted that the survey results also identified properties where failure on only one secondary element occurred. Whilst these would not count as a failure under the terms of the SHQS (which requires failure by two or more elements), the expenditure required to rectify these items has been included in the Councils estimates for non SHQS works or revenue funded repair works, as appropriate.

## **Energy Efficient – Effective Insulation**

The survey initially indicated that 12% of the houses would fail the standard on the basis that their external walls had not been cavity filled. Subsequent analysis of the houses identified by Savills as requiring wall insulation improvements confirmed that most of these properties had already been insulated. It is acknowledged that in many cases this would have been particularly difficult for surveyors to verify without carrying out a bore-scope test and this was not part of their remit for the survey

Savills agreed that the use of actual records from previous completed insulation improvement projects would provide a more accurate assessment of houses that still required improvement under this criteria. The numbers of failures were subsequently adjusted by Savills and their revised survey report indicated that 2 % of houses would fail the standard on the basis that cavity insulation is required.

Failures in respect of Loft Insulation, Hot Water Tank / Pipe Insulation and Cold Water Tank Insulation (which could be accurately verified during the survey) were all recorded at levels of less than 5%.

## **Energy Efficient – Efficient Heating**

The survey indicated that 62% of the stock will fail the standard by 2015 due to their central heating system.

In common with the data provided for cavity wall insulation, assessment under this criteria element was particularly difficult for the surveyors to carry out.

Most of the failures were identified on the basis of assumptions about age and efficiency levels. It is acknowledged that this cannot always be conducted accurately by carrying out a visual inspection and Savills agreed that the use of actual records of heating system installation dates, performance data and servicing records would provide a more accurate assessment of anticipated failures. The numbers of houses that have been included in the plan, therefore, reflect this approach.

A total of 280 houses were identified as having only partial heating systems and 17 houses were identified as having no heating system at all.

### **Energy Efficient – Additional Energy Efficiency Measures**

The survey identified that the average National Home Energy Rating (NHER) for the Council's housing stock was 5.7 which exceeds the SHQS minimum rating of 5.0.

The average Standard Assessment Procedure (SAP) rating for the housing stock was calculated to be 61.2 which is higher than the national average of 51.

According to the survey, 34% of the housing stock has an NHER of less than 5.0.

As explained above, some of the assumptions about cavity wall insulation and central heating installations that have been factored into the NHER calculations are known to be incorrect and these should be reviewed and recalculated using actual data to refine the accuracy of the ratings.

It is almost certain that the numbers of NHER failures will reduce and the estimated level of current failures reported should, therefore, be regarded as the "worst case".

### **Modern Facilities and Services – Bathroom Condition**

The survey indicated that 52% of bathrooms will fail to meet the requirements of the standard in the period to 2015.

### **Modern Facilities and Services - Kitchen Condition and Facilities**

The survey indicated that 72% of kitchens will fail the standard due to the condition of their fittings, 2% will fail through lack of adequate storage, 25% will fail by having an unsafe working arrangement and 34% will fail by having insufficient power outlets.

## **Healthy, Safe & Secure**

### **Healthy**

Failures recorded for Lead Free Pipes, Mechanical Ventilation and Noise Insulation were all recorded at levels less than 2%.

### **Safe**

The largest number of failures to be highlighted under the Safe section related to Safe Electrical Systems (25%) and Common External Lighting (19%).

Failures in respect of Safe Oil and Gas Systems were recorded at 7%. Failures in respect of Common Stairwells, Lobbies / Courts, Laundry / Drying Areas, Refuse Chutes and Bin Stores were all recorded at levels of less than 2%.

No failures were identified under the criteria elements of Lifts or Common Internal Lighting.

## **Secure**

Failures in respect of Secure Common Access were recorded at 16%.

Failures in respect of Secure Front and Rear Access Doors and Front Door Entry Systems were each recorded at less than 1%.

It should, however, be explained that the failures recorded by Savills for Door Entry Systems only applied to systems that already existed. A further 933 properties with communal entrances were found to have no door entry system at all and provision for the installation of an appropriate system to these houses has been included in the Standard Delivery Plan.

**Compliance with The Scottish Housing Quality Standard in Perth and Kinross**

**Table 1**

**Stock Condition Survey Results – August 2005**

Housing Quality Criteria	Number of Dwellings Failing by 2015	% Total Stock	Ranking
<b>Compliant with the Tolerable Standard</b>	0	0	
<b>Free from Serious Disrepair: - Primary Building Elements</b>			
Wall Structures	0	0	
Internal Floor Structures	0	0	
Foundations	0	0	
Roof Structure	0	0	
<b>- Secondary Building Elements</b>			
Roof Covering	994 (+ 91 additional single element failures)	12%	13
Chimney Stacks	190 (+ 4 additional single element failures)	2%	21
Flashings	622 (+ 34 additional single element failures)	8%	14
Rainwater Goods	3094 (+ 2022 additional single element failures)	38%	5
External Wall Finishes	2106 (+ 364 additional single element failures)	26%	8
Access Decks / Balustrades	37	0.5%	32
Common Access Stairs / Landings	37 (+ 28 additional single element failures)	0.5%	33
Common Access Pathways	1227 (+ 85 additional single element failures)	15%	12
Balconies / Verandas	0	0	
Attached Garages (Sheds)	76 (+ 10 additional single element failures)	1%	26
Internal Stairs	0	0	
Damp Proof Course	0	0	
Windows	513 (+ 88 additional single element failures)	6%	16
Doors	436 (+ 53 single element failures)	5%	17
Common Windows & Rooflights	71	1%	27
Underground Drainage	0	0	
<b>Total Failures</b>	<b>9403 (+ 2779 additional single element failures not qualifying under SHQS)</b>		
<b>Energy Efficient: Effective Insulation</b>			
Cavity Insulation	166	2%	22
100mm Loft Insulation	203	3%	20
Insulation to HW tanks / pipes	114	1%	28
Insulation to CW tanks	395	5%	18

Housing Quality Criteria	Number of Dwellings Failing by 2015	% Total Stock	Rank
<b>Efficient Heating:</b>			
Full Central Heating	5038	62%	2
<b>Additional Energy Efficiency Measures (NHER Failures)</b>	2728	34%	6
<b>Total Failures</b>	<b>8,644</b>		
<b>Modern Facilities and Services:</b>			
<b>Bathroom Condition</b>			
Bathroom Amenities	4175	52%	3
<b>Kitchen Condition / Facilities</b>			
Kitchen Fittings	5839	72%	1
Kitchen Storage	233	3%	19
Safe Working Arrangement	2465	31%	7
Sufficient Power Outlets	3369	42%	4
<b>Total Failures</b>	<b>16,081</b>		
<b>Healthy, Safe &amp; Secure</b>			
<b>Healthy</b>			
Lead Free Pipes	23	0.3%	35
Mechanical Ventilation	124	2%	23
Noise Insulation	7	0.1%	37
<b>Safe</b>			
Smoke Detection	61	0.8%	30
Safe Electrical System	2036	25%	9
Safe Gas / Oil Systems	545	7%	15
Common Stairwells	125	2%	24
Lifts	0		
Lobbies / Courts	43	0.5%	34
Laundry / Drying Areas	79	1%	29
Refuse Chutes	8	0.1%	38
Bin Stores	129	2%	25
Common Lighting Internal	0		
Common Lighting External	1525	19%	10
<b>Secure</b>			
Secure Front / Rear Access Door	15 / 56	0.2% / 0.7%	36 / 31
Front Door Entry Systems	3	0.1%	39
Secure Rear Common Access	1255	16%	11
<b>Total Failures</b>	<b>16,241</b>		

The results of the survey indicated that in August 2005 a total of 7156 properties (89% of the stock) failed to meet the requirements of the Scottish Housing Quality Standard. 2141 of these houses failed on a single criteria and the remaining 5015 failed on two or more criteria.

The survey furthermore predicted that by 2015 a total of 7840 properties (97% of the stock) would fail the standard, unless sufficient investment is made to improve and maintain the stock.

An analysis of selected SHQS failures by area is detailed in Appendix 6.

### 3.6. Position at 31 March 2006

In the period since the survey was completed in August 2005, updates to the data have been made to reflect completed improvement works, such as kitchen replacements, insulation upgrades and re-roofing projects along with reductions in stock numbers due to Council house sales etc..

The updated figures show that the most significant reductions in SHQS failures between August 2005 and 31 March 2006, have occurred in the following categories:-

- Kitchen Fittings (reduced by 647)
- Sufficient Kitchen Power Outlets (reduced by 504)
- Safe Kitchen Working Arrangement (reduced by 371)
- Safe Electrical Systems (reduced by 338)
- Rainwater Goods (reduced by 176)
- Efficient Central Heating (reduced by 103)
- External Wall Finishes (reduced by 82)
- Additional Energy Efficiency Measures – External Insulation - (reduced by 49)
- Roof Coverings (reduced by 44)

Other, less significant, reductions have taken place in the failures recorded for several of the other SHQS criteria and these, along with the adjustments detailed above, have been accounted for in the information contained in Appendices 2 to 5.

The current estimate of houses failing to comply with the requirements of the SHQS is 85.46%.

### 3.7. Investment Needs

Savills have estimated that the cost of upgrading the Council's stock to comply with the requirements of the Scottish Housing Quality Standard by 2015 are as follows:-

	£m
• Below Tolerable Standard	0
• Serious Disrepair (Primary)	0
• Serious Disrepair (Secondary)	11
• Energy Efficiency	11
• Modern Facilities and Services	30
• Healthy Safe and Secure	2
• Total	54

In addition to meeting the requirements of the SHQS, the extra cost of meeting the Perth & Kinross Standard has been estimated at a further £39M

This gives a total estimated investment projection (to achieve compliance with both standards) of £93M

A further allowance of £24M has been made for other capital investment which is not related to complying with either standard.

### 3.8. Problem Stock

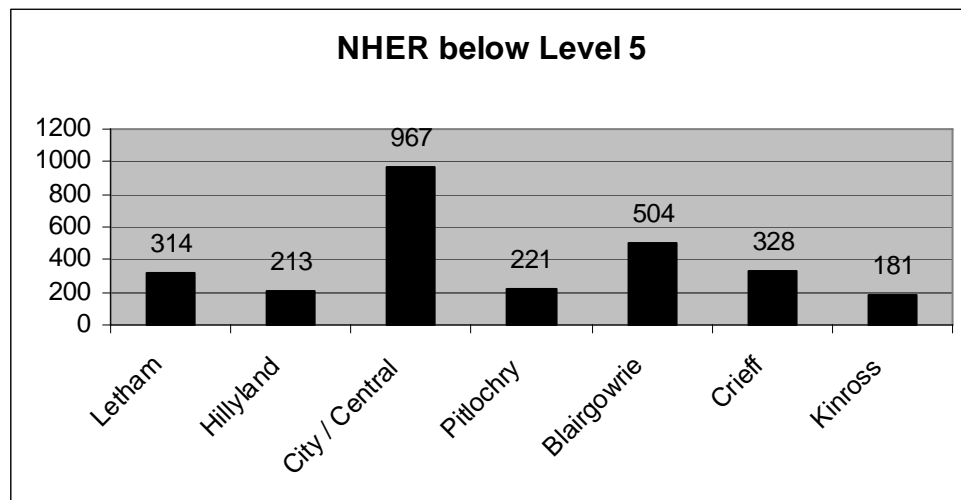
Council Housing in Perth and Kinross that should be considered as "Problem Stock" falls generally into three main groups: -

- Flatted properties where mixed tenure makes it unlikely that the more expensive types of improvements, such as externally applied insulation or even the installation of controlled door entry systems, will be acceptable to all owners (see sections 3.2 and 3.11).
- Certain types of non-traditional housing in which the fundamental design of the houses makes it uneconomic to introduce all the improvements necessary to achieve compliance with all of the SHQS criteria (see section 3.4).
- Houses where it will not be possible to achieve the SHQS Energy Efficiency criterion (NHER 5) due to their basic design and / or the fact that they are situated in rural areas where mains gas is unlikely ever to be available (see section 3.9)

### 3.9. Energy Efficiency and Fuel Poverty issues

There are two main issues to be considered in planning for energy efficient housing and these are (a) the number of houses that may be defined as “Hard to Heat” (HTH) and (b) the subset of HTH that may be defined as “Hard to Treat” (HTT). In general terms HTH is taken to consist of houses whose energy efficiency rating (NHER) is less than 5.

The assessment of Energy Efficiency levels that has been undertaken as part of the Stock Condition Survey provides an NHER rating for each property. The distribution of the 2728 houses which, according to the survey, fail to achieve an NHER rating of more than 5 and which will require additional energy saving measures, is detailed below.



The subset of HTH that is HTT is more difficult to define since in theory it would be possible to improve the energy efficiency of almost any property, provided that the Council was prepared to expend any amount of money on the improvements. Clearly the question of value for money must be factored into the appraisal and it will have to be accepted that there are some houses in the stock for which it will never be feasible their energy efficiency at reasonable cost. This is recognised in the delivery plan guidance published by Communities Scotland, which states in the notes on page 33 that “It is recognised that it will not always be technically feasible, without disproportionate costs, to bring certain houses up to the minimum thermal efficiency standard.”

However, for the practical purpose of constructing the Housing Improvement Plan, it is necessary to have a working definition of what constitutes HTT houses and it is proposed that the Council will adopt the definition provided by the Energy Saving Trust (EST) in their “Hard to Treat Homes Guide” published in June 2003. This states that “HTTH are defined as homes that for a variety of reasons cannot accommodate ‘staple’ energy efficiency measures offered under schemes such as England’s Warm front programme (and the equivalent government funded programmes in the devolved nations.”

#### Hard to Heat Homes

Analysis of the 2728 houses that have been identified as having a low energy efficiency rating has highlighted the following:-

- Most of these houses are currently fitted with electric storage heating systems and many of these are older systems which are relatively inefficient and expensive to run.
- Approximately 28% of the houses are located in areas which are known to be off the mains gas network
- Many of the houses listed have solid walls of stone, brickwork or no-fines concrete

### **Hard to Treat Homes**

It is suggested that all homes that are located in areas where mains gas is not available must be considered as HTT since despite the provision of 'staple' energy efficiency measures the residents' only choice for heating is either a solid fuel system or an electric heating system. In the absence of a more efficient central heating system some of these homes could not be improved to meet the required energy efficiency standard without disproportionate expense. It should also be noted that Perth & Kinross Council operate a policy of offering tenants a choice of fuel for their central heating and some tenants will still prefer to select electric heating even where gas is an available option.

Various technical solutions to this problem have been attempted, ranging from advanced electric systems to solar systems including both ground and air source heat pumps. The Council is presently evaluating a number of pilot installations and further development of renewable energy solutions are being pursued. Allowances are contained in the Council's delivery plan for carrying out a programme of such measures which will be targeted on the HTT stock.

Properties such as the timber-framed houses referred to in sections 3.4 and 3.8 that are poorly insulated and at present have no technically satisfactory solution to improve their thermal performance to the required standard, also fall into the category of being HTT.

The other main group that is considered to be HTT is where mixed tenure plays a part and reference to figure 2 will reveal that more than half of the Council's stock (4290) is comprised of flats of one form or another. The effect of the "Tenants' Right to Buy" is that most of the flatted properties now contain at least one privately owned home and even though the Council might be willing to provide energy efficiency improvements at high unit cost, experience suggests that private owners are rarely willing to participate in improvement schemes like that without a subsidy from public funds.

It is believed that a figure of approximately 2,000 should be used as a measure of the number of "Hard to Treat Homes" in the Council's housing stock.

Due to the unresolved technical issues surrounding HTT homes and also due to the lack of financial resources (e.g. Private Sector Housing Grant) to assist private owners in blocks of flats or tenements, the Council proposes to deal with the issue through the Standard Delivery Plan in the following way: -

- A demonstration project aimed at assessing the range of practical options available to deal with various forms of HTT homes will be undertaken during financial year 2008/9. It is expected that this project will focus particularly on the improvement of tenements or other flats and will attempt to find ways of securing the participation of mutual private owners.
- Once the findings of the demonstration project have been fully evaluated a programme to improve the remainder of the HTT homes, where feasible, will commence in 2011/2012 and will be completed by March 2015.

It is possible that the energy efficiency improvement programme could be undertaken earlier in the plan period, but only if sufficient funds were to be made available to finance the necessary level of private sector improvement grants.

### 3.10. Developing the Property Database

As discussed in section 3.5 above, the Council currently maintains a property database that contains information on the built form and the facilities available in all of its houses.

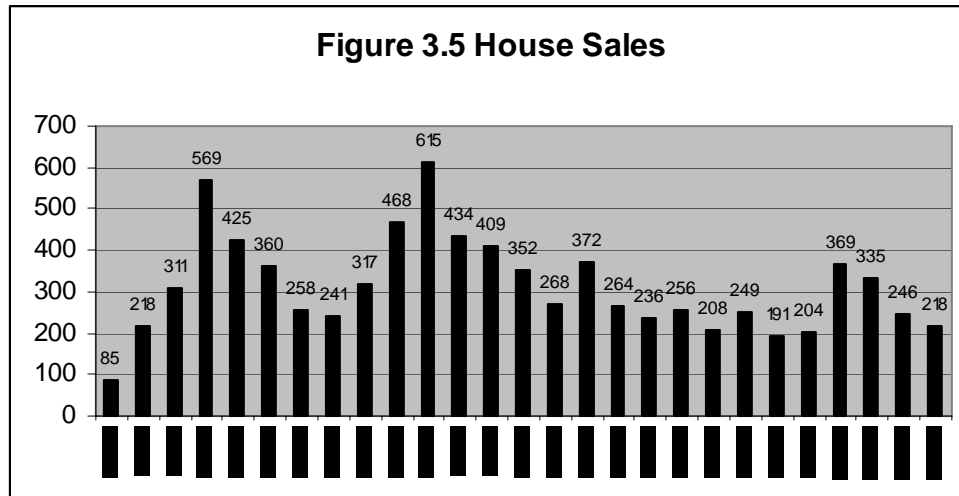
The stock condition survey details are now being compared with the property database and the addition of the information about condition will now provide comprehensive and reliable details about each property. Importantly, the database (once fully integrated) will act as a valuable planning and monitoring tool to ensure compliance with the standard. The Council are currently working with Savills to develop a further enhancement to the database which will enable it to be used more effectively for this purpose.

Operational procedures are in place to ensure that the data recorded during the survey is kept up to date with completed stock improvement and maintenance works.

### 3.11. Mixed Tenure

In the period since the “Tenants’ Right to Buy” was introduced in 1980 Perth and Kinross Council has sold a total of 8269 of its homes, which represents 51% of the original stock.

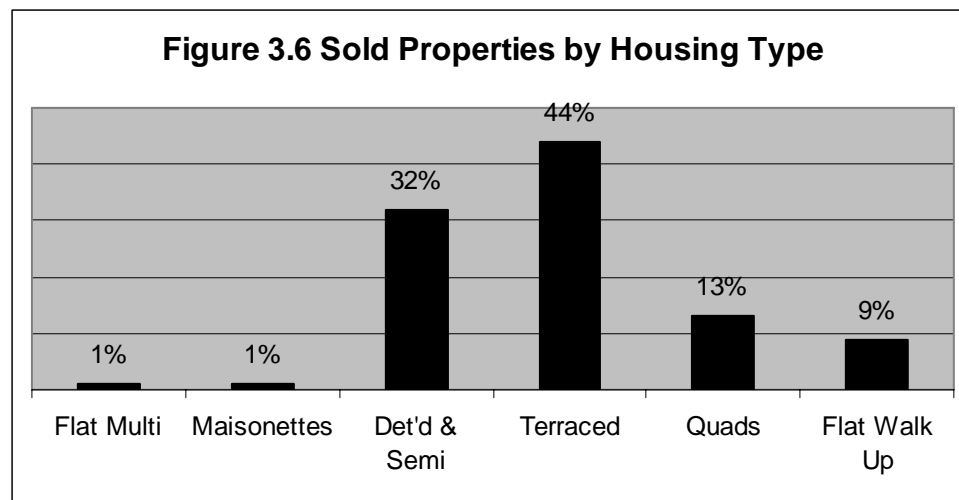
Since the early 1990s sales have averaged between 200 and 300 units per annum and whilst figure 3.5 below suggests a gradual downwards trend through the 1990s, it is worrying, both for the supply of affordable housing and for the Council’s ability to maintain the stock, that the trend in sales since 2001 increased sharply to more than 300 units per annum before reducing again to a level of approximately 200 units in 2005.



In addition to the above, the distribution of house sales by type of property also creates difficulties for the Council in improving its homes to meet the SHQS since the disproportionate number of terraced and semi-detached houses being sold increases the

proportion of flatted properties in the residual stock, which in turn means that effects of mixed tenure continue to grow. The distribution of total house sales by property type is shown in Figure 3.6 below.

It will be necessary to monitor the effect of business and investment plan decisions, particularly in relation to rent increases and the kitchen and bathroom replacement projects, on the level of Right to Buy applications. The Business Plan allows for detailed sensitivity analysis in this area.



### 3.12.Support for Private Sector Housing

The Housing (Scotland) Act 2006 offers new opportunities for the Council to implement new policies for how owners are supported and encouraged to carry out repairs and improvements to properties.

In addition to implementing the new legislation, Perth & Kinross Council will also be actively considering other new approaches to supporting owners to carry out repairs and, in particular, common repairs including those in mixed tenure situations where the Council is also a Landlord.

The Council has received an allocation of Private Sector Housing Grant (PSHG) specifically to develop and implement new policies for the private sector and has appointed a Private sector Housing Policy Officer to take this forward. The role of this officer will include:

- Investigating and appraising options and models for funding and promoting common repair and improvement schemes, including Owners Associations;
- Developing new procedures and good practice for working with owners in common repair and improvement schemes, including achieving the Scottish Housing Quality Standard for mixed tenure schemes;

- Investigating the options for offering advice to owners on the need for and methods of funding and carrying out repairs and improvements; and
- Piloting and implementing the outcome of the above, including advising and supporting owners in pursuing these common repair and improvement schemes.

It is anticipated that the outcome of this will be procedures and a range of options that will ensure that everything possible is done to encourage owners to take part in and contribute to common repairs and improvements. This will also include the production of any information that is required and identifying sources of funding including the use of PSHG, where appropriate.

The timescales for implementing the changes in the Housing (Scotland) Act 2006 have yet to be announced but Perth and Kinross Council is currently working towards having new procedures for offering advice and support for owners in mixed tenure schemes in place no later than April 2007.

The results of the condition survey of the Council stock will be overlaid against the information held on privately owned homes so as to identify where specific barriers to the improvement of mutual property may exist. From that the Council will examine ways through which available financial resources may be aligned so as to encourage all parties in mixed tenure situations to participate in beneficial improvement and modernisation schemes.

### 3.13. Exemptions

As highlighted in section 3.8 above, there is a likelihood that compliance with all aspects of the SHQS will not be possible in every case.

The two criteria which raise specific concerns are the installation of controlled door entry systems and the improvement of home energy ratings to meet the minimum NHER of 5.

Whilst this could be said to apply to most mixed tenure flats and houses located in areas outwith the gas distribution network, there are some specific groups of properties from which at least some requests for exemption could be expected to arise. These properties include the following:-

- Timber framed housing – 419 Houses (North Muirton, Perth)
- Timber framed housing – 59 Houses (Various locations)
- No-fines concrete maisonettes – 84 Houses (Hillyland, Perth)
- Atholl Steel quad blocks – 51 houses (Various locations)
- Stone built tenement blocks / flats – 280 houses (Various locations)
- Solid Brick or block tenements, flats and quad blocks – 380 houses (Various locations)

## 4. FINANCIAL ANALYSIS

### 4.1. Assumptions

The key assumptions for the adjusted Business Plan are detailed in Appendix 5. The most significant factors are: -

#### 4.1.1. Stock Numbers

Stock projections take account of Right to Buy activity and demolitions due to the Muirton Area Regeneration plan.

The full range of Right to Buy drivers have been considered including interest rates, investment opportunity, rent increases, the impact of delivering the Quality Standard, the modernised Right to Buy and homelessness legislation.

It is projected that Right to Buy sales will reduce marginally between 2006/07 and 2010/11 with more significant reductions in subsequent years.

Demolition of 276 units will occur in the 5 year period from 2005/06 and 2009/10. It is anticipated that the costs of the Muirton demolition will be more than offset by land sale receipts.

No further demolitions have been approved at this time but there are ongoing issues relating to 24 units at Meal Vennel and Old Mill Road which are likely to result in these being deemed 'surplus to requirements' and therefore subject to future demolition or disposal.

The number of dwellings in use as at 31st March 2006 is 8063. It is projected that the stock will reduce to 6303 units by 31st March 2010.

#### 4.1.2. Rent

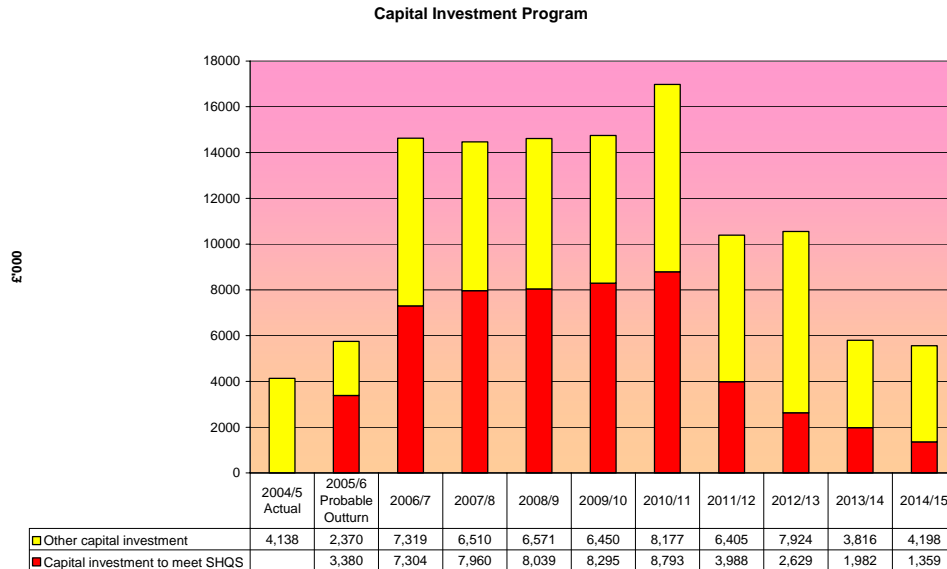
Net rental income is adjusted for increases in line with the rent policy detailed in 4.2 below, taking account of the projected stock reductions.

#### 4.1.3. Investment Profile

The Business Plan assumes a major investment program in capital works as well as the ongoing program of responsive, void and cyclical repairs.

Capital works investment is estimated at £14 million in 2006/07. This level of expenditure is assumed to remain relatively standard until 2010/11. During this period the bulk of the major capital works will be carried out. From 2011/12 to 2014/15 the level of investment reduces as the final capital programmes are carried out to ensure that all stock meets both the SHQS and the Perth Standard.

Annual expenditure on routine maintenance and disabled adaptations is estimated at around £4 - £5 million per annum.



#### 4.1.4 Building Costs

The Standard Delivery Plan has assumed that building cost inflation will be 5.17% which is 2.67% above RPI year on year. This was based on the construction indices prevalent at the time.

#### 4.2. Rent Policy

The Business Plan assumes a long term rent setting strategy which sets rent increases of inflation (Govt Target = 2.5%) plus 3% in years 1-5 (up to 2008/09) and inflation plus 1% in years 6-30. Under this policy the average weekly council rent would rise, in real terms, from £39.67 in 2006/07 to £46.01 in 2014/15.

#### 4.3. HRA Summary

##### 4.3.1. Voids / bad debts

Void rent loss is targeted at 1.5% of council rent receivable and 0.25% of shop rents. Irrecoverable rent loss is 1.0% of rent receivable.

#### 4.3.2. Staff costs

Management and support costs have been adjusted to incorporate planned changes in the staffing structures, following the service development review and redesign, and inflationary increases of 0.5% per annum.

#### 4.3.3. Re-charges

Support Service and all other recharges are adjusted to incorporate the implementation of the provisions of CIPFA's BVACOP guidelines.

#### 4.3.4. Revenue / CFCR / Loan Charges

It is anticipated that surplus income from capital receipts will significantly reduce the level of old debt in years 2006-2015. New borrowing is anticipated to begin in 2007/08. The detail of the anticipated debt profile is shown in Appendix 5

## 5. OPERATIONAL PLAN

### 5.1. Investment Plan

The design of the operational improvement plan has to take account of a number of key factors. The main factors to be considered are: -

- The effects of previous and ongoing investment strategies
- The remaining life of main elements and components
- The views of tenants and their associations
- The dispersed location of around 50% of the stock
- The age of the stock
- The existing standards of energy efficiency
- The effect of mixed tenure
- Deprivation, letting demand and regeneration

#### 5.1.1. The Effects of Investment Strategies

During the 1980s and early 1990s the Council followed a policy of comprehensive modernisations including all internal and external building elements and whilst that was probably a sound strategy with respect to certain house types such as non-traditional housing, it had the effect that only a relatively small proportion of tenants received the benefit of modernised homes.

In 1993 a new strategy was developed which aimed to refurbish the houses on an element by element basis giving priority to the external fabric, the provision of central heating along with improved thermal insulation where feasible and the replacement of defective types of windows.

The result of that strategy is that now all of the Council's houses (except those where tenants have refused access) are equipped with some form of whole-house heating system, all have double glazing and almost all have received at least some level of thermal insulation improvements. However there are still approximately 2,500 houses that are more than 30 years old that have not yet received refurbishment of some elements of the external fabric such as roofs and / or external rendering.

The obvious disadvantage of the above strategy is that relatively little attention has been given to internal elements of the houses. This has led to increasing ad-hoc expenditure on items such as kitchen cupboards and sanitary fittings and unsurprisingly the survey of tenants' opinions undertaken in 2002 as part of the Stock Options Appraisal Study (see

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section 1.2) found that the renewal of kitchens and bathrooms was the tenants' highest priority for improvement of their homes.

The levels of failure and expected failures for kitchens and bathrooms were recorded in the survey at 71% and 51% respectively. This places these elements as the first and third most common failures amongst the stock which further justifies the high priority that has been given toward their replacement in the improvement plan.

### **Kitchens and Bathrooms**

A five year partnering project to renew the kitchens in all of the Council's houses commenced in August 2005 and this is expected to be completed by August 2010.

A further project to renew bathrooms in all of the Council's houses is currently going through the final stages of partner selection and this is expected to start in October 2006 and be complete by October 2010.

Provision has been made within these projects to address not only the "Modern Facilities and Services" items which relate specifically to kitchen and bathroom condition, storage space, safe working arrangements and kitchen power outlets but also "Healthy Safe and Secure" items such as lead free pipes, mechanical ventilation, safe electrical systems and smoke detectors.

In addition to the work required to meet the requirements of the SHQS, these projects also include enhanced specifications and additional items of work which include:-

- Provision of extract fans in all Kitchens and Bathrooms (these are being fitted in all houses as a preventative measure rather than being restricted only to cases where condensation problems exist).
- Full redecoration and tiling in kitchen and bathroom areas
- Installation of new non-slip floorcoverings in kitchens and bathrooms
- Provision of enhanced kitchen storage, power outlets and kitchen worktop space.
- Provision of over-bath showers
- Checking and upgrading of electric systems (including partial rewiring in some cases) and renewal of obsolete electric consumer units.

Completion of these two projects will ensure that all current and projected failures for kitchen facilities, bathroom facilities and safe electrical systems (along with the above mentioned supplementary works) will be SHQS compliant in all houses by 2010

### **Electrical Works**

It is anticipated that completion of these works will highlight the need for some additional electrical upgrading works to be carried out in certain houses. The plan includes provision for carrying out these electrical works from 2011 to 2015

## 5.1.2. The Remaining Life of Main Elements and Components

### Central Heating

As a result of fitting central heating systems and double glazing to houses during the period since the mid 1980s, there are properties where some of the earliest examples of these installations now contain components for which it has become difficult to source replacement parts or which are uneconomic to maintain.

Savills survey indicates that 5038 houses will fail the standard by 2015 on the basis of their central heating systems.

As explained previously in 3.5, Savills have agreed that information about actual installation date and maintenance records for heating systems will provide a more accurate basis for planning the replacement of these systems.

Based upon a replacement frequency of 15 years, the Council should plan to renew 5144 heating systems by 2015. This figure slightly exceeds the number of systems that Savills predict will fail the standard during the same period. A replacement frequency of 15 years for some types of heating system (particularly the more modern types of electric systems) may be unnecessarily premature and the figures allowed for replacements are likely to be reviewed and extended in later years, if the operational condition and performance of these systems is found to be satisfactory.

A consequential benefit of the Central Heating Replacement programme will be the effect on many of the houses which currently have low NHER ratings. The installation of modern efficient heating systems comprising components such as Condensing Boilers should help to improve the Energy Efficiency rating of these houses.

As discussed in Sections 3.8 and 3.9 above, however, is the fact that 28% of these houses do not have access to mains gas, which obviously limits the options for heating renewals. Unfortunately it appears unlikely that many of these locations will ever be provided with mains gas because of the high costs involved in laying pipelines over long distances.

It should also be noted that a comprehensive annual servicing and maintenance contract is in place and this will address any other failures that have been identified under the "Safe Gas, Oil & Solid Fuel Systems" criteria, ensuring compliance with SHQS.

### Windows and Doors

An issue for the programme (already being addressed) is that the double-glazed windows in a number of houses have required to be renewed before expiry of the nominal 25 year lifespan because the actual life of some of the earlier forms of UPVC double glazing has not achieved expectations. Known examples of that problem are being dealt with through a project which is currently being undertaken to replace double glazed windows and doors in 1283 houses at various locations throughout Perth & Kinross.

Further double glazing renewals will be required to approximately 950 more houses with windows of this type along with 735 houses containing composite aluminium / timber windows which have been identified as being particularly costly to maintain.

All double glazing replacements include the specification of low emissivity glass which also qualifies as an additional energy saving measure under the SHQS.

The numbers of windows and doors contained in the replacement programme to 2015 exceeds the number of failures identified by Savills.

### 5.1.3. The Views of Tenants and Their Associations

An extensive consultation with tenants was undertaken in 2002 as part of the Stock Options Appraisal Study and tenants were asked to express their priorities for the improvement of their homes. Interestingly, there was a close correlation between the tenants' priorities and the improvements recommended by surveyors carrying out the Stock Condition Survey.

By the time the consultation was undertaken all the Council's houses had been equipped with whole-house heating and double-glazing so it is hardly surprising that these items were not a priority for tenants and equally it is not surprising that tenants' highest priorities were for the renewal of kitchens and bathrooms.

### 5.1.4. The Dispersed Location of around 50% of the Stock

Reference to section 3.1 and figure 1 reveals that 44% of the Council's stock is located in areas that may be defined as "rural", which creates logistical issues in carrying out improvement works to the houses and this in turn leads to relatively higher unit costs.

The bulk of the stock was built before the local government reorganisation of 1975 by the various County, Town and Burgh Councils that existed before that date and many of these had their own Architects and "standard" designs with the effect that the combined housing stock now owned by Perth and Kinross Council contains approximately 800 different house types. This factor can make it difficult to achieve the economies of scale that might be possible otherwise through bulk procurement.

These factors can influence the operational planning of some improvement projects, however, larger projects like the kitchen and bathroom renewals, have been programmed on the basis of geographically defined work packages and review stages. This has proved to be the most effective approach in terms of logistics, management and economics for bulk projects of this type, although separate installation teams have been deployed to carry out the works in urban and rural areas simultaneously to maintain a balanced spread of the work. This approach also met a favourable reaction from tenants representatives during the consultation process.

### 5.1.5. The Age of the Stock

The age profile of the stock is discussed in Section 3.3 above. The significant factor in terms of constructing the Operational Plan is that over 80% of the stock was built before 1970, meaning that it is now at least 35 years old.

## **External Fabric Repairs**

The distribution of failures occurring on external works to roofs and wall finishes are noted in Appendix 6. The survey details highlight significant numbers of external fabric related SHQS failures appear in the Letham and Blairgowrie housing areas.

As a result of these findings and its own local knowledge the Council plans to undertake a programme of external fabric refurbishment works to around 3750 houses that were built before 1970 in the period between 2007 and 2015.

The programming of these works will be planned to ensure that work packages are combined and scheduled to ensure that multiple visits are avoided and

## **5.1.6. The Existing Standards of Energy Efficiency**

### **Insulation and Other Energy Efficiency Improvements**

The issues surrounding energy efficiency are discussed in Section 3.9 above and, for the reasons mentioned there; the Council initially intends to carry out 'Staple' energy efficiency measures.

A programme containing these more conventional types of energy efficiency / insulation works, such as hot water tank insulation and loft insulation etc., is planned to be carried out between 2006 and 2010.

As outlined in 3.9, a demonstration project focusing on HTT houses will be undertaken during financial year 2008/9.

Once the findings of the demonstration project have been fully evaluated a programme to improve the remainder of the HTT homes, where feasible, will commence in 2011/2012 with completion in 2015.

## **5.1.7. The Effect of Mixed Tenure**

The issues surrounding the continuing level of house sales and the implications of mixed tenure are discussed in detail in Section 3.11 above.

Programmes of improvements to Install Door Entry Systems, Upgrade Common Internal Areas and the External Environment are planned to commence in 2010 with completion by 2015. These programmes have been planned to include a longer than usual lead in period, to take account of any necessary pre-start liaison and negotiations with neighbouring owner-occupiers.

## 5.1.8. Deprivation, Letting Demand and Regeneration

The concentrations of failures under various elements of the SHQS along with a significant requirement for “catch up” repairs in the Letham and Blairgowrie / Rattray areas are highlighted in Appendix 6.

It is considered likely that investment to carry out these identified repair works could have a beneficial effect on the sustainability of each area.

Both areas are the subject of an application to the Housing Estates Regeneration Fund and consideration will be given to bringing forward the commencement dates of planned External / Environmental works in these areas.

The kitchen replacement programme is currently ongoing in the Letham and Blairgowrie areas.

## 5.2. The 10-Year Plan

Notwithstanding the submission of this Standard Delivery Plan it is important that the Council should continue with its work to improve the condition and facilities of its housing stock, not least because the tenants rightly expect to see benefits for the rents that they pay to the Council.

Since the tenants had agreed to an increasing rental profile as part of the Stock Options Appraisal it was essential that the Council should demonstrate its commitment to the process and a ten-year plan for improving the houses to meet the Perth and Kinross Housing Standard was approved by the Council's Housing and Health Committee on 23rd June 2004.

Table 2 below summarises the main features of the Council's approved 10-year plan.

The main features of the plan are as follows:-

- The Kitchen Refurbishment Programme (7705 houses) started in August 2005 and is currently in progress. The project is being carried out under a 5 year Partnering Arrangement with completion in August 2010. Provision has been made within this programme to carry out other SHQS related services works (such as smoke detectors and mechanical ventilation) along with kitchen re-decoration and flooring works, which are required as part of the Perth & Kinross Standard.
- The Bathroom Refurbishment Programme (7000 houses) is going through the final stages of Partner Selection and it is anticipated that works will start on site during the autumn of 2006. This project will also include any applicable SHQS related works (such as mechanical ventilation) as well as the installation of showers, tiling, redecoration and provision of floorcoverings which are part of the Perth & Kinross Standard.
- The first phase of the planned Window and Door Replacement Programme (1283 houses) is starting on site in April 2006 and will finish in March 2007. A second phase of renewals is planned to start in 2008 and a third phase of renewals is programmed for 2012. These projects will also address SHQS failures relating to secure access etc..

- The Central Heating replacement programme for 2006 / 2007 (257 houses) is scheduled to start in September 2006 and be completed by April 2007. Further phases of the heating programme which comprise system replacements to approximately 600 houses per year are scheduled up to 2015.
- The first phase of the Energy Efficiency Programme is planned to start in autumn 2006 and this will focus on completing loft insulation and tank insulation measures. The second phase of the programme will concentrate on external wall insulation works and will run through to 2007. A further programme comprising 'Other Energy Efficiency Measures' for approximately 950 houses is planned to start in 2009 following the evaluation of a pilot project in 2007.
- The main External Refurbishment Programme (3750 houses) will commence in 2009 and will continue through to 2015. These projects will include any repairs and renewals to the external building fabric which are not otherwise covered by the cyclical maintenance programme.
- The Controlled Door Entry / Communal Lighting Programme (2,000 houses) will start in 2010 and be completed 2012.
- The External Works Programme (1,500 houses) will also commence in 2010 and these projects will include any repairs or renewals to items such as paving etc., which have not otherwise been addressed by the Estates Works Programme or Ad-hoc Repair programmes.
- An Electrical Upgrading Programme (600 houses) is planned to start in 2011 and this will comprise wiring upgrades to 150 houses each year to 2014.
- The Internal Modernisation - with decanting - Programme (46 houses) is planned to start in 2008 and be completed during 2010. This project will deal with groups of houses where internal alterations and major refurbishment works are necessary to improve them to an acceptable standard.
- The General Estate Works Programme provides ongoing maintenance and improvement for items such as footpaths and fences etc..
- The Lock Up Garages Programme (which is not covered by the SHQS) is scheduled to start in 2009. This programme will address major items of disrepair which are not otherwise covered by ad-hoc repairs and improve the councils stock of 1165 lock up garages.
- Allowances for Property Conversions and Integrations have been made in the plan to improve the lettable of houses at Meal Vennel, Perth and to reintroduce two flats to the Council's stock at Scott Street in Perth.
- A number of "Other" housing improvement projects, comprising individual repair and maintenance works for specific properties, such as Cumberland Barracks has also been included in the programme.

Main Plan Elements	Requirement Identified by Stock Condition Survey for SHQS Compliance and Perth & Kinross Standard	Number of Houses  Failing	Planned Improvements  Programme	Number of Houses in Programme	Period
Kitchen Facilities	Kitchen Fittings Adequate Kitchen Storage Safe Working Arrangement Sufficient Power Outlets <u>Also includes:-</u> Internal Pipework Lead Free Mechanical Extract Ventilation Smoke Detector Safe Electrical System	5839 182 2015 2775 23 124 61 2036	Kitchen Refurbishment Programme	7705	2005 - 2010
Bathroom Amenities	Full Bathroom Amenities	4175	Bathroom Refurbishment Programme	7000	2006 - 2010
Windows and Doors	Windows Doors <u>Also Includes:-</u> Secure Front Access Doors Secure Rear Access Doors Common Windows & Roof lights Adequate noise insulation	513 (+88) 436 (+53) 15 56 10 7	Window and Door Replacement Programme	1283 932 750	2006 – 2007 2008 – 2009 2012 - 2013
Efficient Heating	Central Heating <u>Also includes:-</u> Safe Gas & Oil Appliances	5038 545	Central Heating Renewal Programme	5144	2006 - 2015

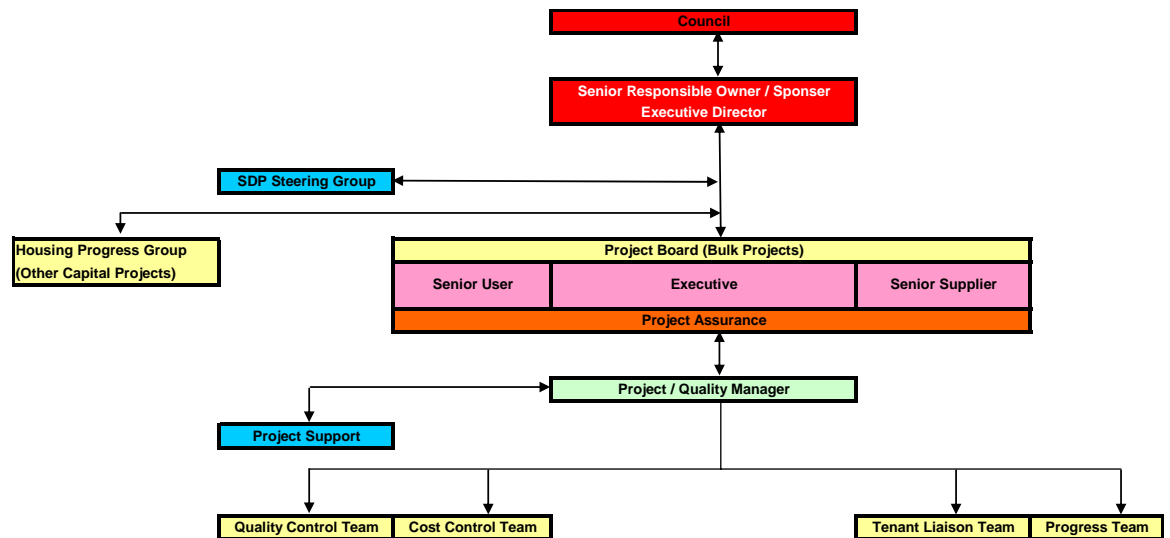
Main Plan Elements	Requirement Identified by Stock Condition Survey for SHQS Compliance and Perth & Kinross Standard	Number of Houses	Planned Improvements Programme	Number of Houses in Programme	Period
		Failing			
Energy Efficiency  Insulation	Loft Insulation	203	Energy Efficiency / Insulation Programme (inc cavity fill)	900	2006 – 2007
	Hot Water Tank / Pipe Insulation	114			
	Cold Water Tank Insulation	395	External Insulation Programme	145	2007 – 2009
	Cavity Wall Insulation	150	Renewables / Affordable Warmth Programme		
	Other Energy Efficiency Measures	950			
				950	2007 - 2012
External Refurbishment Works	Roof Coverings	994 (+91)	Re - Roofing / External Fabric Repairs Programme	3750	2007 - 2015
	Chimney Stacks	190 (+4)			
	Flashings	622 (+34)			
	Rainwater goods	3094 (+2022)			
	External Wall Finishes	2106			
	Access Decks / Balustrades	37			
Communal Door Entry / Lighting	Door Entry System	3 (+ 933)	Controlled Door Entry / Communal Internal Improvement Programme	2,500	2010 - 2012
	Secure Rear Common Access	1255			
	Lighting In Common Areas	1525			
	Lobbies & Courts	43			
	Refuse Chutes	8			
	Common Stairwells	125			
External Environment Works	Bin Stores	129	Environmental Works Programme	1,500	2010 - 2015
	Laundry / Drying Areas	79			
	Pathways	1227			
	Common Access Stairs	37			
	Attached Garages / Sheds	76			

Main Plan Elements	Requirement Identified by Stock Condition Survey for SHQS Compliance and Perth & Kinross Standard	Number of Houses  Failing	Planned Improvements  Programme	Number of Houses in Programme	Period
Electrical Upgrading	n/a	0	Electrical Upgrading Programme	600	2011 - 2015
Internal Modernisation	n/a	n/a	Internal Modernisation Programme	46	2008 - 2010
General Estate Works	n/a	n/a	Estates Works Programme	n/a	2006 - 2015
Repairs to Lock up Garages	n/a	n/a	Lock up garage Improvement Programme	n/a ( Lock ups)	2007 - 2009
Property Conversion / Integration	n/a	n/a	Examples:- Meal Vennel / Scott Street etc.	n/a	2007 - 2015
Other Projects	n/a	n/a	Examples:- Cumberland Barracks Lawers Place IST / Offices etc.	n/a	2006 - 2015

## 5.3. Programme Management

Perth and Kinross Council have instituted a corporate Project Management Procedure. The protocols contained within this procedure are broadly based on the PRINCE2 methodology. This methodology has been used to develop the programme management arrangements for the Standard Delivery Plan.

The program management structure is shown below;



Along with senior housing management officers, the SDP Steering Group also includes representatives of the Perth and Kinross Tenants and Residents Federation and senior management officers from the Council's in-house Architectural Services.

Some of the major issues for the group include: -

- **Governance**

Ensuring that contract arrangements take due account of the need to ensure probity in the expenditure of public money

- **Tenant Involvement**

Ensuring that the Council's aim of taking tenant involvement beyond simple consultation towards active engagement in the management of the programme and its individual projects are actively pursued.

- **Procurement**

Ensuring that project teams employ the principles of Best Value and select the most appropriate and cost-effective arrangements to procure the improvements.

- **Quality Assurance**

Ensuring that all parties involved in delivering the improvement projects adhere to their responsibilities to maintain the highest standards of quality.

- **Customer Care**

Over the past several years the Council has developed comprehensive standards for Customer Care and part of the SDP Steering Group's remit is to ensure that these standards are maintained and, if possible, continuously improved upon.

- **Partnering**

For several years now Perth and Kinross Council has actively pursued the principles advocated in Sir John Egan's report "Rethinking Construction" and there is now good experience within the Council in the use of "Partnering" as a more effective approach to the delivery of construction projects and housing improvements. A recent housing Partnering project achieved 98% tenant satisfaction, completion within the planned time and budget, zero defects and no health and safety incidents. It is therefore intended to use Project and / or Strategic Partnering for all major elements of the 10-year Plan.

## 6. RISK MANAGEMENT

### 6.1. Standard Delivery Plan Assumptions

The Corporate Governance arrangements within the Council incorporate a Risk Management methodology which will be applied to the SDP and the 30 year business plan.

Many of the assumptions in the SDP are, to varying degrees, speculative. Any number of or combination of factors may change to put the continuing viability of the plan at risk. In order to maintain a continuous review of the plan and the underlying assumptions, the council has employed a Business and Resources Manager. The specific remit of this post is to continuously review / monitor both the SDP and the business plan and the effect of any changes in those assumptions. In addition DTZ Piedad will be retained to act as a consultant during the course of the plan.

There will also be a scheduled reporting timetable to ensure that all levels of project management are predicated on the most up to date position.

A copy of the Risks Register/Profile for the SDP is contained in Appendix 7.

### 6.2. Building Costs

The cost assumptions contained in the 10-year Housing Improvement Plan are based on current building costs experienced in Perth and Kinross. However, there is growing concern that serious supply side capacity problems are beginning to develop in the Scottish construction industry and consequently there may be a fairly high probability that tender price escalation may be significant enough to affect the proposed programme of housing improvements or require a review of the programme timeline.

Serious tender price escalation has not yet materialised however and it is suggested that the early agreement of bulk purchasing arrangements will help to mitigate any effects that may begin to arise. It is also intended that tender price levels will be monitored and the operational plan may have to be adjusted accordingly in due course.

### 6.3. Contractor Performance

The possible over-heating of the construction industry and the consequential shortage of good quality skilled labour that may result presents a serious risk to delivery of the operational plan, however it is suggested that the Council's widespread use of Project Partnering arrangements along with the implementation of structured project management frameworks will help to control the risk of poor contractor performance developing into an issue that would seriously impact on the deliverability of the plan.

## 6.4. Demand Monitoring

The demand for Perth & Kinross Council housing (and the Council's performance in managing voids) will affect rental income and therefore the financial capacity to support the investment programme. The independent Housing Needs Study (see Section 2.2) suggests that demand should be sustained. Action has been taken to address low demand problems (see Section 2.2.3) and the stock losses in Muirton have been factored into the business plan and investment plan. Nevertheless it is important that demand for Council housing is closely monitored to inform the business plan and to avoid abortive investment.

The Local Housing Strategy states that the Council will "Improve information on issues where a gap in information has been identified" (Objective 20), and this will include introducing an information system to monitor demand (across all tenures) at small area level.

## 7. MONITORING & EVALUATION

### 7.1. Standard Delivery Plan Monitoring

The Business and Resources Manager will provide monitoring reports on the following basis;

Reviews of any notified changes in assumptions/timescales as they occur

Monthly report to project management on projections for specific programs

Quarterly reports to Senior Management on issues relating to the projections for the plan

Exception reporting on any issues which are likely to have a significant effect on the plan and do not fall within the normal reporting timetable

Annual reporting to the Tenants Federation Business Plan Conference, highlighting progress and the level of performance against key milestones, together with any adjustments to the previously agreed timetable

### 7.2. Monitoring Information to Communities Scotland

As required by The Scottish Housing Quality Standard: Delivery Plan Guidance, the Council understands that it will be required to provide annual monitoring returns to Communities Scotland.

In addition, Perth and Kinross Council would propose to provide Communities Scotland with progress reports against the Standard Delivery Plan proposals at the under-noted milestone dates, which, it is suggested represent significant points in the 10-year Housing Improvement Plan described in Table 2 above.

The Council's proposed reporting milestones are as follows: -

#### 7.2.1. Milestone One – 31st August 2010

by which time the Modern Facilities & Services items (Kitchens and Bathrooms) will have been completed, the first two phases of Window and Door renewals along with Insulation Works will also have been completed and the Controlled Door Entry and Communal Works Programmes will be underway.

#### 7.2.2. Milestone Two – 31st March 2012

by which time the majority of Healthy, Safe and Secure items such as Controlled Door Entry and other Communal Works will have been completed along with the Energy Efficiency Measures.

### 7.2.3. Milestone Three – 31st December 2015

by which time all of the Council's housing stock (other than any approved exemptions) will be compliant with the SHQS and the Perth and Kinross Housing Standard.

## 7.3. Performance Reporting

Delivering the Standard is a key objective of the PKC Local Housing Strategy and the Housing & Community Care Business Management and Investment Plan. Progress against the local milestones will be reported annually to the Tenants Business Plan Conference, Housing & Health Committee and Community Planning Partnership.

For each of the major investment programmes there will be continuous monitoring of key performance indicators and assessment of tenant satisfaction, and the outcomes from the programmes will be evaluated by the SDP Steering Group (Programme Board) at the end of each key stage.

## 8. APPENDICES

- Appendix 1 – Comparison of SHQS and PKC Standards
- Appendix 2 – Baseline Proforma
- Appendix 3 – Capital Investment Proposed to Meet the Standard
- Appendix 4 – Projected Position Statement
- Appendix 5 – Financial Summaries
- Appendix 6 – Distribution of SHQS Failures for Selected Elements
- Appendix 7 - Standard Delivery Plan – Risk Log

## Appendix 1 – Comparison of SHQS and PKC Standards

ELEMENT	SHQS	PERTH & KINROSS STANDARD
Foundations	80% Free of Disrepair (Single Element Failure)	To be 100% free of known Defects.
External Wall Structure	80% Free of Disrepair (Single Element Failure)	As SHQS.
Roof Structure	80% Free of Disrepair (Single Element Failure)	As SHQS.
Internal Floor Structures	80% Free of Disrepair (Single Element Failure)	As SHQS.
Chimneys	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
External Wall Finish	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Roof Covering	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Flashings and RW Goods	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Underground Drainage	80% Free of Disrepair (Failure by 2 or more elements)	To be 100% Free of Known Defects.

ELEMENT	SHQS (THE MINIMUM STANDARD)	PERTH & KINROSS STANDARD
Balconies and Verandas	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Internal Stairs	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Internal Finishes	No requirement	To be considered for refurbishment at start of new tenancies or where tenants are being decanted for other reasons.
External Doors	80% Free of Disrepair (Failure by 2 or more elements) Secure front and rear access doors (Single Element Failure)	As SHQS + Glazed external doors opening directly into heated areas of houses to be double glazed and fitted with perimeter draught seals.
Damp Proof Courses	80% Free of Disrepair (Failure by 2 or more elements)	To be 100% free of known defects.
Windows	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS + Windows to be double glazed.
Internal Doors	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Decks and Balustrades	Disrepair (Failure by 2 or more elements)	As SHQS.
Common Access Stairs, Landings and Pathways	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
Common Windows and Rooflights	80% Free of Disrepair (Failure by 2 or more elements)	As SHQS.
ELEMENT	SHQS (THE MINIMUM STANDARD)	PERTH & KINROSS STANDARD
Cavity Wall Insulation	Provided where technically feasible and appropriate (Single Element Failure)	As SHQS + Externally applied wall insulation to be installed to semi detached and terraced houses where Cavity Wall Insulation is not possible or practicable (NB Not flats or quad blocks).

Loft Insulation	100mm provided where appropriate (Single Element Failure)	150mm thick insulation quilt to be provided as minimum standard (upgrade 100mm or less to 200mm)
Insulation to Pipework and Water Tank	Required but thickness not specified in the SHQS (Single Element Failure)	As SHQS + Insulation to any attic tanks and pipework to be provided to minimise risks of frost damage.
Heating System	A full house central heating system that has an acceptable efficiency rating (Single Element Failure)	As SHQS. Typical heating specifications to be as follows: Gas – System boiler with separate HW cylinder (combi in small houses only) Electric – Credanet or THTC Solid Fuel – Multi-fuel Stove Non Gas Areas – Attempt to maximise renewables
Additional Energy Efficiency Measures	Additional measures where technically feasible, necessary to achieving a minimum NHER of 5 (Single Element Failure – where a necessary practical measure has not been implemented)	As SHQS + External Insulation – where feasible and there are no owners, or owners request and agree to pay Internal insulation – where feasible and where tenants are being decanted for other reasons

## Appendix 2 – Baseline Proforma

<b>Name of organisation:</b>	<b>Perth &amp; Kinross Council</b>					<b>Name of contact:</b>	<b>Ian Gerono</b>				
						<b>Phone:</b>	<b>01738 476004</b>				
<b>SCOTTISH HOUSING QUALITY STANDARD</b>											
<b>BASELINE PROFORMA</b>											
which you should set out in appendix 3.											
<b>Criteria</b>	<b>NOW</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	
<b>Tolerable Standard</b>											
<b>Free From Serious Disrepair</b>	832	1431	1923	2316	2745	3023	3189	3308	3387	3451	
<b>Energy Efficient</b>	3369	3574	3768	3975	4296	4627	4922	5246	5550	6003	
<b>Modern Facilities</b>	4800	5147	5453	5703	5908	6089	6264	6438	6582	6728	
<b>Healthy Safe and Secure</b>	4205	4205	4205	4205	4205	4205	4205	4205	4205	4205	
<b>NUMBER OF DWELLINGS PROJECTED TO FAIL THE STANDARD</b>											
	<b>NOW</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	
<b>Dwellings failing on a single criteria</b>	2246	1282	1282	1282	1282	404	404	404	404	404	
<b>Dwellings failing on two or more criteria</b>	4570	6022	6022	6022	6022	7246	7246	7246	7246	7246	
<b>Number of dwellings failing the standard</b>	6,816	7,304	7,304	7,304	7,304	7,650	7,650	7,650	7,650	7,650	
<b>Total stock Number</b>	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	7,976	
<b>% of stock failing the Standard</b>	85.46%	91.57%	91.57%	91.57%	91.57%	95.91%	95.91%	95.91%	95.91%	95.91%	
<b>Technical Notes</b>											
<b>1. The Standard criteria (Tolerable Standard, Free from Serious Disrepair, Energy Efficient, Modern Facilities and Services and Healthy, Safe &amp; Secure)</b>											
the Standard. They might also wish to refer to a clarification letter on the Standard, issued in July 2004.											
<b>2. Total Stock Number</b>											
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.											

## Appendix 3 Capital Investment Proposed to Meet the Standard

	Criteria	NOW	2007	2008	2009	2010	2011	2012	2013	2014	2015
	<b>Tolerable Standard</b>	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
<b>Free From Serious Disrepair</b>	Primary Building Element - Wall Structure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Primary Building Element - Internal Floor Structure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Primary Building Element - Foundations	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Primary Building Element - Roof Structure	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	<b>Serious Disrepair - Primary</b>	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Roof Covering	£0	£52,846	£0	£132,115	£880,770	£563,692	£140,923	£44,041	£19,383	£0
	Secondary Building Element - Chimney Stacks	£0	£0	£0	£23,981	£83,921	£83,921	£18,000	£14,400	£6,000	£0
	Secondary Building Element - Flashings	£0	£9,091	£0	£30,910	£81,825	£81,821	£18,180	£4,000	£0	£0
	Secondary Building Element - Rainwater Goods	£0	£66,647	£59,508	£59,508	£285,636	£297,538	£178,520	£114,267	£114,267	£0
	Secondary Building Element - External Wall Finishes	£0	£144,800	£0	£362,000	£724,000	£868,800	£579,200	£579,200	£200,848	£0
	Secondary Building Element - Access Decks / Balustrade	£0	£0	£0	£0	£14,328	£0	£0	£0	£0	£0
	Secondary Building Element - Common Access Stairs	£0	£0	£0	£0	£13,361	£4,009	£0	£0	£0	£0
	Secondary Building Element - Pathways	£0	£0	£0	£0	£675,194	£337,597	£225,064	£207,062	£0	£0
	Secondary Building Element - Balconies / Verandas	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Attached Garages	£0	£0	£0	£0	£120,000	£48,077	£0	£0	£0	£0
	Secondary Building Element - Internal Stairs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Damp Proof Course	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Windows	£912,362	£0	£162,401	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Doors	£404,564	£0	£82,936	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Common Windows / Roof Lights	£36,170	£0	£9,865	£0	£0	£0	£0	£0	£0	£0
	Secondary Building Element - Underground Drainage	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	<b>Serious Disrepair - Secondary</b>	<b>£1,353,096</b>	<b>£273,384</b>	<b>£314,710</b>	<b>£608,514</b>	<b>£2,879,035</b>	<b>£2,285,455</b>	<b>£1,159,887</b>	<b>£962,970</b>	<b>£340,498</b>	<b>£0</b>
<b>Energy Efficient</b>											

	Effective Insulation - Cavity Insulation	£0	£56,200	£0	£0	£0	£0	£0	£0	£0	£0
	Effective Insulation - Loft Insulation	£19,000	£20,000	£0	£0	£0	£0	£0	£0	£0	£0
	Effective Insulation - Hot Water Tank & Pipes Insulation	£20,000	£25,200	£0	£0	£0	£0	£0	£0	£0	£0
	Effective Insulation - Cold Water Tank Insulation	£74,400	£80,000	£0	£0	£0	£0	£0	£0	£0	£0
	<b>Effective Insulation</b>	<b>£113,400</b>	<b>£181,400</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>
	Efficient Heating - Full Central Heating	£308,910	£702,861	£702,861	£702,861	£702,861	£702,861	£702,861	£702,862	£702,862	£0
	Additional Energy - Additional Energy Efficiency Measures	£75,000	£222,000	£439,500	£372,000	£822,000	£747,000	£747,000	£297,000	£297,000	£0
	<b>Heating</b>	<b>£383,910</b>	<b>£924,861</b>	<b>£1,142,361</b>	<b>£1,074,861</b>	<b>£1,524,861</b>	<b>£1,449,861</b>	<b>£1,449,861</b>	<b>£999,862</b>	<b>£999,862</b>	<b>£0</b>
<b>Modern Facilities &amp; Services</b>											
	Modern Bathroom - Full Bathroom Amenities	£1,124,436	£2,248,875	£2,248,875	£2,248,875	£1,124,439	£0	£0	£0	£0	£0
	Modern Kitchen - Kitchen Fittings	£3,838,189	£3,838,189	£3,838,189	£3,838,189	£1,599,244	£0	£0	£0	£0	£0
	Kitchen Facilities - Adequate Kitchen Storage	£17,951	£17,951	£17,951	£17,951	£8,196	£0	£0	£0	£0	£0
	Kitchen Facilities - Safe Working Arrangements	£193,358	£193,358	£193,358	£193,358	£80,568	£0	£0	£0	£0	£0
	Kitchen Facilities - Sufficient Power Outlets	£53,672	£53,672	£53,672	£53,672	£22,612	£0	£0	£0	£0	£0
	<b>Modern Facilities</b>	<b>£5,227,606</b>	<b>£6,352,045</b>	<b>£6,352,045</b>	<b>£6,352,045</b>	<b>£2,835,059</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>
<b>Healthy, Safe &amp; Secure</b>											
	Healthy - Internal Pipe Work Lead Free	£525	£875	£875	£875	£350	£0	£0	£0	£0	£0
	Healthy - Mechanical Ventilation	£14,000	£14,000	£13,500	£13,500	£6,000	£0	£0	£0	£0	£0
	Healthy - Adequate Noise Insulation	£7,000	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Safe - Smoke Detector	£1,800	£1,800	£1,800	£1,800	£750	£0	£0	£0	£0	£0
	Safe - Safe Electrical System	£192,226	£192,226	£192,226	£192,226	£80,096	£0	£0	£0	£0	£0
	Safe - Safe Gas & Oil Appliances	£5,600	£19,250	£19,250	£19,250	£19,250	£19,250	£19,250	£19,250	£19,250	£0
	Common Areas -Good and safe order	£0	£0	£0	£3,000	£486,750	£173,750	£0	£0	£0	£0
	Common Internal & External Lights	£0	£0	£0	£28,700	£60,000	£60,000	£0	£0	£0	£0
	Front & Rear Doors	£5,175	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Secure - Front Door Entry Systems	£0	£0	£0	£0	£900,900	£0	£0	£0	£0	£0
<b>Healthy Safe and Secure</b>	<b>£226,326</b>	<b>£228,151</b>	<b>£227,651</b>	<b>£259,351</b>	<b>£1,554,096</b>	<b>£253,000</b>	<b>£19,250</b>	<b>£19,250</b>	<b>£19,250</b>	<b>£0</b>	
<b>GRAND TOTAL</b>	<b>£7,304,338</b>	<b>£7,959,841</b>	<b>£8,036,767</b>	<b>£8,294,771</b>	<b>£8,793,051</b>	<b>£3,988,316</b>	<b>£2,628,998</b>	<b>£1,982,082</b>	<b>£1,359,610</b>	<b>£0</b>	

## Appendix 4 Projected Position Statement

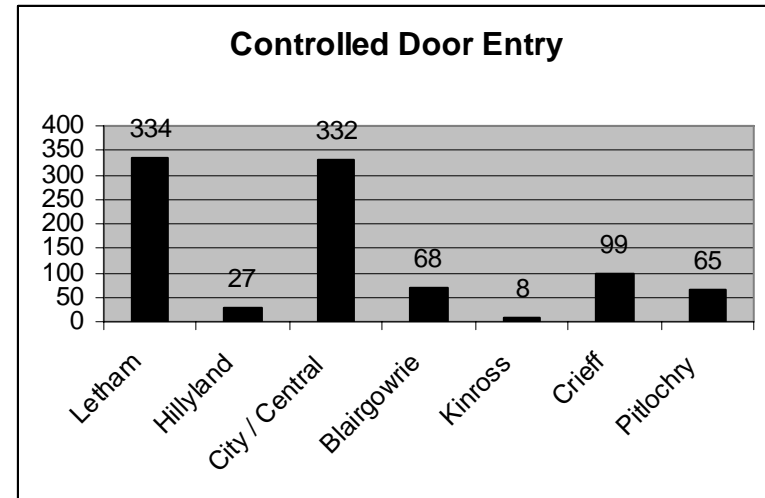
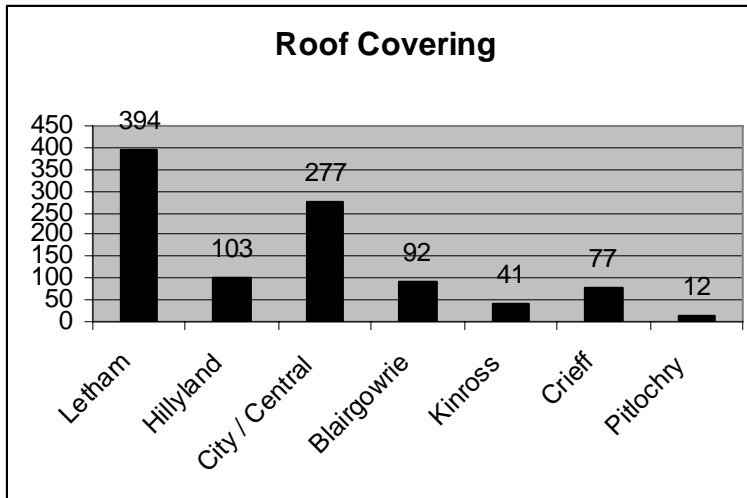
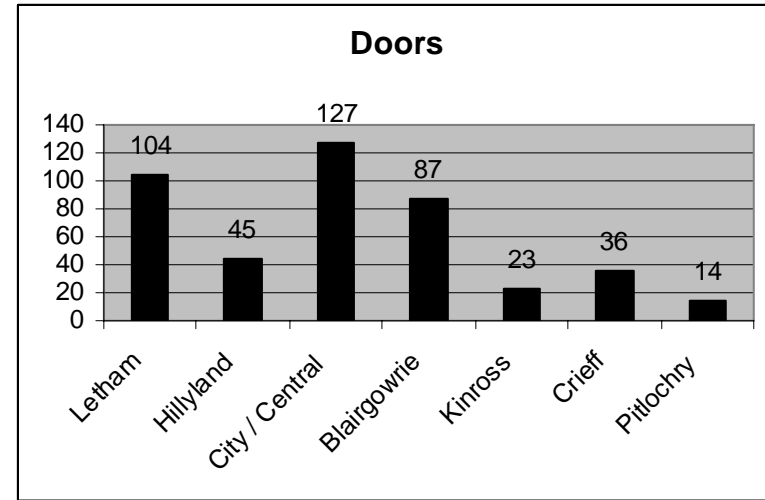
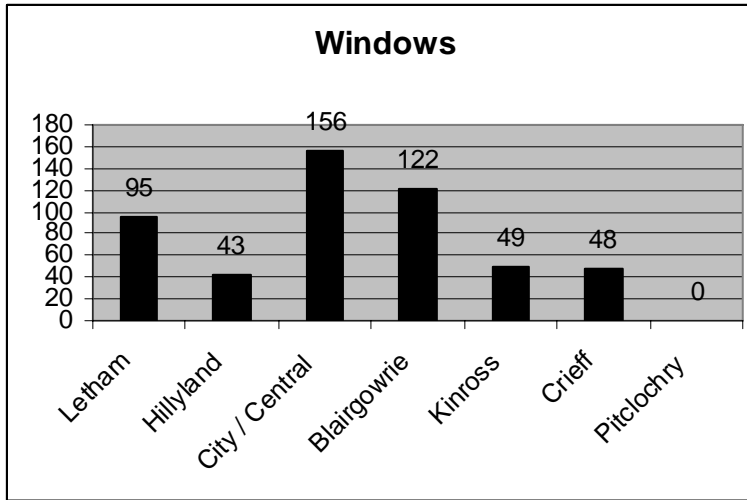
Name of organisation: Perth & Kinross Council					Name of contact: Ian Gerono						Phone: 01738 476004
<b>SCOTTISH HOUSING QUALITY STANDARD</b>											
<b>PROJECTED POSITION STATEMENT ON IMPLEMENTATION OF STANDARD DELIVERY PLAN</b>											
This form sets out a 10 year 'projected position statement' 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 31 <sup>st</sup> of each year)										
Criteria	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Tolerable Standard		0	0	0	0	0	0	0	0	0	0
Free from Serious Disrepair		832	1195	1700	2200	2530	1895	980	380	160	0
Energy Efficient failures		3369	3300	2500	2080	1980	1250	808	470	225	0
Modern Facilities and Services		4800	3750	2598	1932	1066	0	0	0	0	0
Healthy, Safe & Secure		4205	3950	3620	3300	2580	1080	192	128	64	0
<b>NUMBER OF DWELLINGS PROJECTED TO FAIL THE STANDARD</b>											
	<b>Financial Year Ending</b> (input figures for March 31 <sup>st</sup> of each year)										
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Dwellings failing on single criterion		2246	1979	2015	2130	2060	1510	895	565	360	0
Dwellings failing on two or more criteria		4570	4426	4005	3520	2840	1300	465	155	30	0
<b>Number of dwellings failing the Standard</b>		<b>6816</b>	<b>6405</b>	<b>6020</b>	<b>5650</b>	<b>4900</b>	<b>2810</b>	<b>1360</b>	<b>720</b>	<b>390</b>	<b>0</b>
Total stock number <sup>2</sup>		8063	7743	7488	7168	6883	6633	6408	6208	6033	5883
% of stock failing the Standard		85%	83%	80%	79%	71%	42%	21%	12%	6%	0%

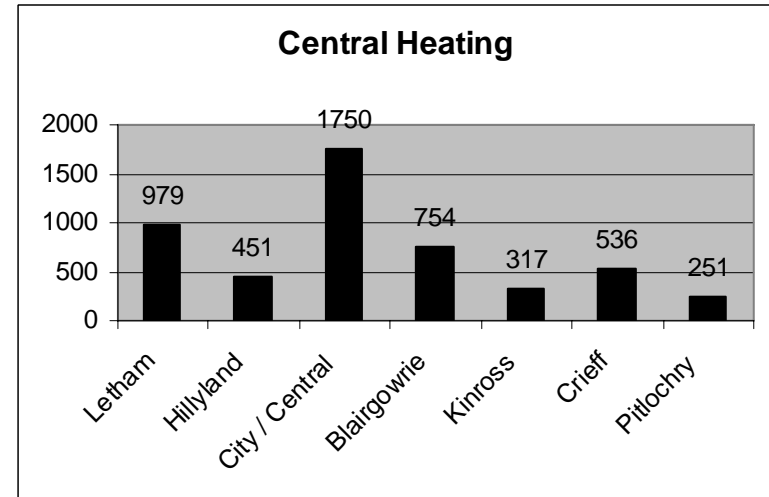
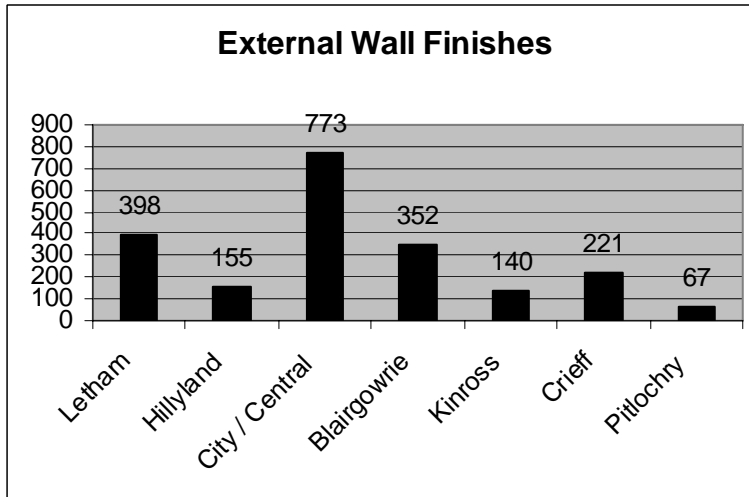
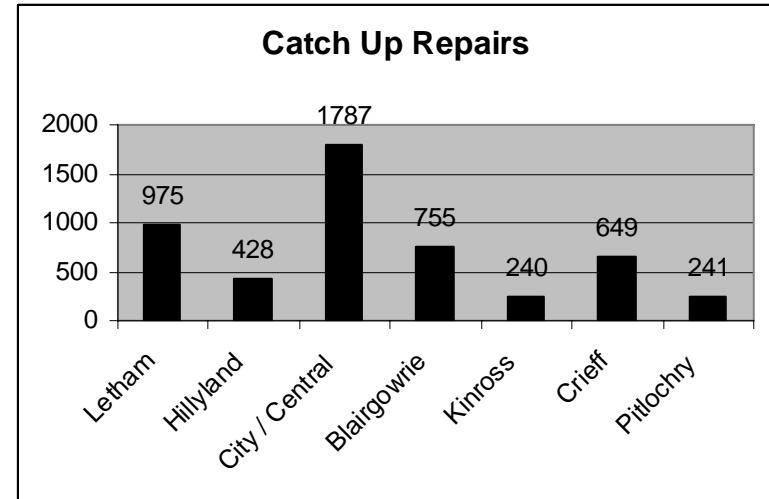
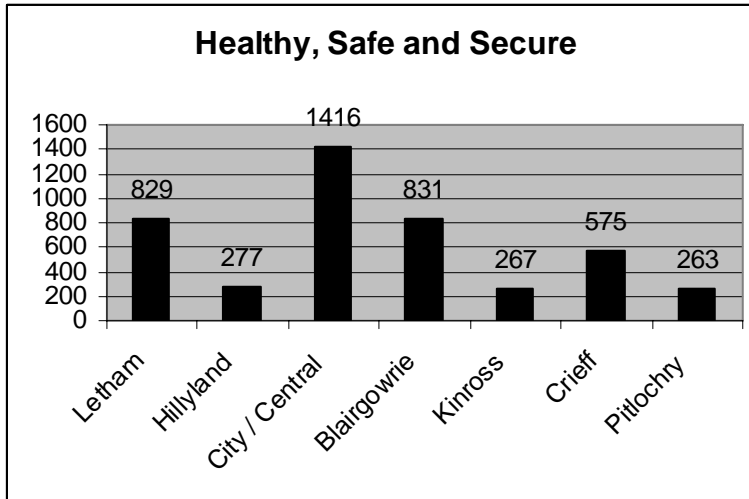
## Appendix 5 Financial Summaries

<b>Name of local authority:</b>	Perth & Kinross Council			<b>Name of contact:</b>	Ian Gerono					<b>Appendix 5</b>		
				<b>Phone:</b>		01738 476004						
<b>SCOTTISH HOUSING QUALITY STANDARD (SHQS)</b>												
Financial summary worksheet 3 of 3 - <b>CAPITAL EXPENDITURE</b>												
<i>Note: Table should be in nominal (cash terms)</i>												
<b>Year</b>	<b>2004/5 Actual</b>	<b>2005/6 Probable Outturn</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>	<b>2014/15</b>	<b>TOTAL</b>
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Capital investment to meet SHQS		3,380	7,304	7,960	8,039	8,295	8,793	3,988	2,629	1,982	1,359	<b>53,729</b>
Other capital investment	4,138	2,370	7,319	6,510	6,571	6,450	8,177	6,405	7,924	3,816	4,198	<b>63,877</b>
<b>Total Capital Investment</b>	<b>4,138</b>	<b>5,750</b>	<b>14,623</b>	<b>14,470</b>	<b>14,610</b>	<b>14,745</b>	<b>16,970</b>	<b>10,393</b>	<b>10,553</b>	<b>5,798</b>	<b>5,557</b>	<b>117,606</b>
FINANCED BY...												
<b>Year</b>	<b>2004/5 Actual</b>	<b>2005/6 Probable Outturn</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>	<b>2014/15</b>	<b>TOTAL</b>
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Capital funded from current revenue <sup>2</sup>	657	851	6,779	1,121	1,440	2,170	2,275	1,217	1,858	2,445	4,669	<b>25,482</b>
Capital Borrowing	0	0	0	4,900	6,200	5,600	6,700	4,400	2,300	0	0	<b>30,100</b>
Income from Right to Buy receipts	6,585	6,445	7,698	7,598	7,291	7,813	8,705	8,030	7,316	6,562	5,765	<b>79,808</b>
Other income (please specify)												<b>0</b>
<b>Total Funding</b>	<b>7,242</b>	<b>7,296</b>	<b>14,477</b>	<b>13,619</b>	<b>14,931</b>	<b>15,583</b>	<b>17,680</b>	<b>13,647</b>	<b>11,474</b>	<b>9,007</b>	<b>10,434</b>	<b>135,390</b>

MANAGEMENT OF DEBT											
Year	2004/5 Actual	2005/6 Probable Outturn	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	28,385	23,575	18,989	16,506	18,534	21,739	24,564	27,859	28,542	27,856	25,469
New borrowing	0	0	0	4,900	6,200	5,600	6,700	4,400	2,300	0	0
Debt repayment	4,810	4,586	2,483	2,872	2,995	2,775	3,405	3,717	2,986	2,387	161
<b>Debt carried forward<sup>3</sup></b>	<b>23,575</b>	<b>18,989</b>	<b>16,506</b>	<b>18,534</b>	<b>21,739</b>	<b>24,564</b>	<b>27,859</b>	<b>28,542</b>	<b>27,856</b>	<b>25,469</b>	<b>25,308</b>
<b>Debt per house</b>	<b>2,837</b>	<b>2,355</b>	<b>2,132</b>	<b>2,475</b>	<b>3,033</b>	<b>3,569</b>	<b>4,200</b>	<b>4,454</b>	<b>4,487</b>	<b>4,222</b>	<b>4,302</b>
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											

## Appendix 6 - Analysis of SHQS Failures by Area





## Appendix 7 - Standard Delivery Plan – Risk Log

Ref	Risk to Programme	Probability	Impact	Action Needed	Countermeasures	Status
1	Tendering of kitchens programmes may be delayed due to lack of staff resources in Architectural Services	High	Medium	Immediately	<ol style="list-style-type: none"> <li>1. Agree updated SLA between Housing and Architectural Services.</li> <li>2. Architectural Services to recruit additional staff specifically to handle Housing workload</li> <li>3. Outsource the overload</li> </ol>	Closed
2	Costs estimates arising from the Stock Condition Survey may suggest that the Business Plan balance cannot be maintained	Very Low	High	Immediate	<ol style="list-style-type: none"> <li>1. Analyse survey results immediately</li> <li>2. Maintain close monitoring of the relationship between the Business Plan and the SDP</li> </ol>	Future Risk (previously current)
3	Changes to Building Regulations may prevent electrical upgrading in kitchens without comprehensive re-wiring leading to need for more extensive decanting than anticipated	High	Severe	Immediately	Confirm effect of proposed changes to Building Regulations and report back to the Project Group before issuing tender documents	Closed
4	The cost of the Stock Condition Survey may turn out to be greater than the budget provision	Medium	Low	Autumn 2004	Minimise costs by undertaking sample surveys based on proportion of generic house types / localities wherever reasonable to do so	Closed
5	The Stock Condition Survey may not be completed by March 2005 leading to a need to resubmit the Standard Delivery Plan in 2006	Medium	Medium	2005/06	Start preparation of the SDP immediately based on using existing data sources and augment progressively as more condition data becomes available	Closed

Ref	Risk to Programme	Probability	Impact	Action Needed	Countermeasures	Status
6	Chosen principal Partners may not have the expected expertise in Partnering or may lack ability in tenant liaison / customer care	High	Low	Apply counter-measures to bathroom project selection	<ol style="list-style-type: none"> <li>1. Develop robust assessment protocol and clear assessment criteria</li> <li>2. Take up references and visit reference sites</li> <li>3. Insist on proposed senior site staff attending selection interview</li> <li>4. Hold training / team building day as soon as main Partner has been appointed, using experienced facilitator if possible</li> </ol>	Current
7	Price inflation in the construction industry may lead to pressure on the HRA Business Plan	Medium	Low	Review during 2006	Maintain close monitoring of the relationship between the Business Plan and the SDP	Future Risk
8	Principal partners may be unable to secure sufficient quantity or quality of labour	High (was medium)	Medium	Continued Monitoring	There may be little anyone can do – other than to offer financial incentives and accept the consequential effects on the Business Plan	Risk
9	Staff shortages in Improvement and Maintenance Section or in Architectural Services may delay implementation of programme elements	High	Medium	Immediate	<ol style="list-style-type: none"> <li>1. I&amp;M Manager to produce report on staffing issues for Senior Management Team</li> <li>2. Recruit for all approved vacancies in Jan 2006</li> </ol>	Recruitment underway but still a Continuing Problem
10	Lack of appropriate project management skills in I&M and stakeholder organisations may limit achievement of required performance standards in individual elements of programme	Medium (was high)	Medium	Early in 2006	<p>Carry out training needs assessment and arrange appropriate training programme including PRINCE2, Business Case Management, Options Appraisal, etc.</p> <p>Ensure new staff receive appropriate training</p>	Training programme being prepared

Ref	Risk to Programme	Probability	Impact	Action Needed	Countermeasures	Status
11	Extent of required policy and procedural revision may be beyond the capacity and / or ability of I&M personnel leading to delayed or incompletely planned implementation of programme elements	Low (was High)	Low	Early 2006	Identify full range of required policy work and deploy appropriate Council resources or alternatively commission external consultants	Immediate policy work less than anticipated
12	Lack of an agreed formal programme management regime may encourage ineffective management of the programme	Low	Low	Early 2006	Develop an appropriate Programme Management Framework that is compliant with Council guidelines and obtain formal approval by the SDP Steering Group (see agenda for 13/12/05 meeting)	Current
13	Deployment of I&M personnel to support integration of property and project information into SX3 may undermine delivery of the SDP programme elements as well as incurring large additional costs to the Housing Business Plan	Low (was Medium)	Low (was Medium)	Immediate	Carry out structured options appraisal of alternative approaches to managing property and project information and obtain SMT agreement of chosen approach  Develop suitable mechanisms for keeping stock condition information up to date	Practical plan prepared to only integrate certain critical data
14	Preparation of the final submission of the Standard Delivery Plan may distract attention from current programme and project issues	Low	Medium	Immediate	Manage the submission to Communities Scotland as a PRINCE2 project with an agreed Project Team	Current
15	Challenges under the "Public Contracts (Scotland) Regulations 2006" may delay future major project procurement	Low	High	During 2006	Review all stages of contractor selection procedures for projects where EU Procurement Rules apply to ensure compliance with the new legislation effective from 31/1/2006	Future Risk

**Risk Profile Summary**

**Probability**

<b>High</b>	6	8, 9	
<b>Medium</b>	7	10	
<b>Low</b>	11, 12, 13	14	2, 15
	<b>Low</b>	<b>Medium</b>	<b>High</b>

**Impact**