

The Highland Council

Scottish Housing Quality Standard Delivery Plan 2009

1. BACKGROUND

1.1 Introduction

This document sets out the investment that is required by the Highland Council to ensure that its housing stock meets the Scottish Housing Quality Standard and is maintained at the standard in future. In assessing the investment required the plan takes account of the demand for housing in the Highland Council area, the current condition of the housing stock and the resources likely to be available to the Council in the future to manage and invest in its housing.

1.2 Scottish Housing Quality Standard

The Scottish Executive defined the quality criteria for meeting the Scottish Housing Quality Standard in 2004. This sets a minimum standard for all Council and Housing Association housing. To meet the standard all houses should be:

- Compliant with the tolerable standard
- Free from serious disrepair
- Energy efficient
- Provided with modern facilities and services
- Healthy, safe and secure

A more detailed description of the Scottish Housing Quality Standard is provided in **Annex 1**.

1.3 Development of the Standard Delivery Plan

Most councils were required to submit a Standard Delivery Plan by April 2005 setting out how they would meet the Scottish Housing Quality Standard by 2015. As the Highland Council was part of the Community Ownership Programme it was not required to submit a Standard Delivery Plan at that time. A Plan was submitted in 2007 and updated in 2008. These plans have been subject to discussions with Communities Scotland/Scottish Government on the financial assumptions and the particular issues involved in relation to energy efficiency investment. The Plan has been developed using information obtained through a stock condition survey undertaken in 2006. Stock condition information and financial assumptions and projections have been updated and are reflected in the plan and appendices.

1.4 Tenant consultation

There was an extensive programme of consultation with tenants during 2006 as part of the Community Ownership Programme. This involved visits by a roadshow to over 50 locations, meetings with sheltered housing tenants and tenants' groups as well as postal questionnaires. Better heating and lower fuel bills, new bathrooms and kitchens were the main improvements that tenants would like to see in their homes according to these consultations. The Council has recognised tenants' priorities and SHQS investment requirements in their programme "Strengthening the Highlands". In this, we have made a commitment to invest £20m to improve energy efficiency in 3,000 houses and £7m to replace 1000 kitchens and 500 bathrooms over 3 years from 2008/2009. The Council has continued to consult with tenants on its HRA capital programme, rent levels and housing investment choices.

2. STRATEGIC CONTEXT

2.1 The Local Housing Strategy

The Council's Local Housing Strategy for 2003 –2009 sets out the actions that Highland Council and its partners aim to take to meet people's housing needs and deal with housing issues. It has the following six goals:

- Increase housing opportunities
- Help to develop sustainable communities and address social inclusion
- Improve the quality and condition of housing
- Reduce homelessness
- Ensure housing and support is available for people with community care needs
- Ensure delivery of high quality services across all tenures

Key points identified in the Local Housing Strategy are:

- There is a shortage of affordable housing in Highland. While the supply of housing has been increasing to meet growth arising from demographic changes, both private and affordable supply is not keeping up with demand.
- Highland's population is continuing to grow and there are high levels of housing need that are forecast to persist into the future. Older and retired people will make up a larger part of the population over the next few years and the housing aspirations of older people are changing. There are also high levels of homelessness in Highland and the number of households applying as homeless has more than doubled since 2000.
- The average income of people in the Highlands is lower than elsewhere in Scotland. This means that they have difficulty paying housing costs and it may affect their ability to pay for other goods and services including heating their homes. Fuel poverty is a major issue in Highland where the average number of people in fuel poverty is much greater than the Scottish average.
- While the 2006 Stock Condition Survey found that the Council housing stock is in fundamentally sound condition, at that time over half of the housing stock failed to meet the energy efficiency requirements of the Scottish Housing Quality Standard.

- The demand for housing support services and the adaptation of people's houses continues to grow and arises from increased homeless duties, the policy shift to providing care and support to people in the community and an ageing population.

2.2 The Council is currently developing a new Local Housing Strategy, covering the period 2010-2015. The key themes to be addressed are emerging as:

- Continuing to address the shortage of housing supply.
- Improving the quality and condition of existing housing
- Having fewer households living in fuel poverty
- Having better housing opportunities for people with special needs
- Preventing homelessness.

2.3 The Council has undertaken an updated Housing Need and Affordability Study which confirms a continuing trend of high demand for affordable rented housing.

2.4 Highland Council Housing Stock

At the end of March 2009, the Council housing stock comprised 13,708 properties. This equates to approximately 13% of the total housing stock in Highland. The stock is managed by the Housing and Property Service in three operational areas with some housing services delivered from the Highland Council Service Centre and the network of 37 Service Points.

2.5 Low Demand Housing

There are small numbers of low demand housing in Highland with only 13 properties deemed to be in this category in 2008/2009. The issue in Highland is at the other end of the spectrum with substantial pressures on the supply of housing. At the 31 March 2009 there were 9,965 applications for housing on the Highland Housing Register. The common housing register started in April 2008 and based on an assessment of the first eleven months of operation there is an average of 7.6 applicants to each vacancy across all common housing register partners. We continue to see month on month increases in the number of people on the register.

2.6 Income and Affordable Rents

Highland Council rents are the second highest in Scotland and public sector housing debt per house is overall the fourth highest in Scotland. This needs to be considered within the general context that Highland has lower than average household incomes with only ten other local authorities in Scotland having lower average earnings. In June 2009 63.2% of Council tenants were in receipt of housing benefit

2.7 Service Provision and Consultation Processes

There are a number of Registered Tenants Organisations in Highland who work collectively to influence services. Through a number of participation processes, they have contributed to a Tenant Participation Strategy for 2009-2012. There is a revised structure to support participation which includes Registered Tenants Organisations and Tenant Area Panels. In addition focus and working groups of representatives from these groups will be established.

The new structure is aligned with the Council's operational areas to enhance links with emerging community planning arrangements.

3. STOCK CONDITION ANALYSIS

3.1 Stock Condition Survey

The Council commissioned David Adamson and Partners Ltd to undertake a Stock Condition survey in 2006. The study involved a comprehensive house condition survey with a completed sample of houses representing approximately 30% of the housing stock at that time. For sampling purposes the housing stock was stratified across 247 identifiable locations and 29 housing "archetypes". The survey questionnaire was specifically designed to collect information on performance against the Scottish Housing Quality Standard and to assess the need for future major component replacement over a 30 year period.

3.2 Housing Stock Database

Using the survey programme as a foundation together with the full address and attribute data for all council stock, David Adamson and Partners Ltd undertook a "data cloning" exercise to provide the Council with a 100% housing stock database. This provides details of stock condition, with estimated costs based on stock numbers in mid 2005 and with unit costs agreed with Communities Scotland for the purpose of the Community Ownership Programme standard pricing model. In developing this Standard Delivery Plan the stock condition data has been updated to take account of:

- Changes in housing stock numbers which are exclusively though right to buy sales
- Specific investment undertaken since the survey was undertaken
- Rolling forward the database to ensure that all work identified in 2006 and future years in the stock condition survey report is included in future plans
- Updating National Home Energy Rating (NHER) data based on re-profiling using the Council's NHER modelling tool taking into account energy efficiency measures e.g. heating systems which have been installed since 2006.
- Local data verification

3.3 The Council has also reviewed the investment costs to take account of the most up to date contract prices in the Highland Council Area.

3.4 Environmental and Structural Risk Assessments

In addition to the detailed stock condition undertaken by David Adamson and Partners Ltd the Council has also undertaken Stage 1 and Stage 2 environmental and structural risk assessments on its housing stock.

3.5 No major programmes of work were identified from these risk assessments. Some structural works have been identified since the survey and these have been taken into account in financial planning .

3.6 Highland Council Housing Stock

The Council's 13,708 properties are managed in three operational areas:

- Caithness, Sutherland and Easter Ross: 5,125 properties
- Inverness, Nairn and Badenoch and Strathspey: 5,228 properties
- Ross, Skye and Lochaber: 3,355 properties

Property characteristics	Number of properties	%
House type		
House	7585	55
Bungalow	2987	22
Flat	2580	19
Maisonette	350	3
Bedsit	206	1
Age		
Pre - 1900	40	0
1900-1929	472	3
1930-1949	2023	15
1950-1965	3706	27
1966-1981	6003	44
1982-1990	950	7
Post 1990	514	4
Type		
Traditional	11664	85
Non traditional	2044	15
Number of bedrooms		
One	3567	26
Two	5533	40
Three	4214	31
Four or more	394	3

3.7 The Council's housing stock is predominantly traditional post war stock but with significant pre-war and non traditional components which are acknowledged nationally to be problematic in construction and condition terms.

3.8 The stock comprises a full spectrum of house types. Houses and bungalows are predominantly terraced or semi-detached and include both standard 2 storey and 1.5 storey types. Houses comprise 55% of the stock with bungalows accounting for an additional 22%. Flats and maisonettes comprise 22% of the housing stock with flats mainly being low rise and four in a block.

3.9 Non traditional construction is significant within the housing stock at 15%. Primary non traditional types include 712 no-fines and 397 Block Watney properties.

3.10 Scottish House Condition Survey

The results of the Scottish House Condition Survey published for the period 2003-6 confirmed the position that is reflected in this delivery plan about the energy efficiency of the stock. Highland has a median NHER value of 5 for all social rented stock with only two other local authorities having a lower value

3.11 Current Performance against SHQS

The following table gives a detailed breakdown of the failure rate against the five criteria of the SHQS according to the Stock Condition Survey carried out by David Adamson and Partners Ltd. The first column shows properties that were reported as failing in 2007 which is the baseline. The second column shows the current number of failures taking into account the updating described at 3.2 above and including properties which were predicted to fail in 2008.

Criterion	Number of failures 2007	Number of failures 2009
Tolerable standard	0	
	0	
Serious disrepair – primary elements	0	
Wall structure	0	
Internal floor structures	0	
Foundations	27	26
Roof structure	0	
Serious disrepair – secondary elements	0	
Roof covering	3	2
Chimney disrepair	15	15
Flashings	1	1
Gutters disrepair	27	18
External wall finishes	34	25
Access decks/balustrades	0	0
Common access stairs/landings, pathways within the curtilage of the dwelling	32	21
Individual dwelling balconies/verandas	0	0
Individual dwelling attached garages, internal stairs	0	0
Damp proof course	0	0
Windows	3	0
Doors	0	0
Common windows/roof lights	0	0
Underground drainage	0	0
Total serious disrepair failures	142	108
Total dwellings	56	47
Energy Efficiency		
Cavity insulation	4170	2611
Loft insulation	1133	700
Hot water pipes and tank insulation	0	0
Efficient heating (central heating system/boiler etc)	2257	1841
NHER failures	9029	7791
Total energy efficiency failures	16589	12943
Total dwellings	11841	10947
Modern facilities and services		
Bathroom condition	128	858
Kitchen condition	441	994
Kitchen storage	451	157
Safe working arrangements	155	46
Power outlets	3927	1544
Total modern facilities and services failures	5102	3599
Total dwellings	4411	3250
Healthy, safe and secure		
Internal pipe work lead free	82	27
Mechanical ventilation	0	0
Noise insulation (via windows)	236	3
Smoke detector	30	0

Safe electrical systems		476
Safe gas and oil systems		0
Common areas – good and safe order	0	0
Common external and internal lights	6417	4489
Front and rear door locks	5091	2884
Front door entry system	406	275
Total healthy safe and secure failures	12262	8154
Total dwellings	9369	7813

3.12 Currently 4120 properties fail the standard against one criterion with a further 8418 failing on two or more criteria

3.13 Tolerable standard

All the housing stock in Highland was assessed as being above the tolerable standard.

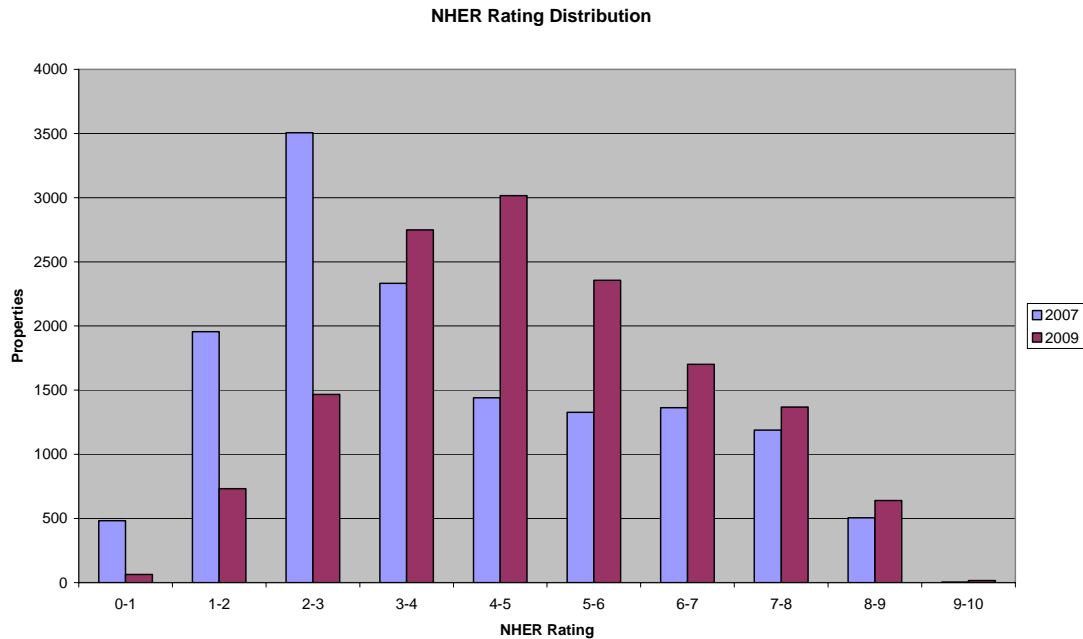
3.14 Serious disrepair

Current repair conditions within the housing stock are good with only 47 properties failing to meet the repair requirements of the SHQS. In the Stock Condition Survey it was reported that identified repairs were localised/minor in nature and more suited to action within ongoing revenue maintenance programmes. The failures have been cross referenced against the Stage 2 Structural Risk Assessment of the Council's housing stock undertaken by Curtins Consulting and this confirms that there are no immediate risks associated with the properties involved.

3.15 Energy Efficiency

To achieve compliance with the energy efficiency requirements of the SHQS, properties must be effectively insulated, efficiently heated and achieve a minimum NHER of 5. Work done by David Adamson and Partners in 2006 and again in 2007 to calculate NHER ratings indicated that in 2007, 5078 properties achieved NHER targets and 9029 failed to reach the target.

3.16 During 2008 Council staff were trained to undertake NHER surveys and calculate NHER values. They surveyed a sample of properties that were representative of all construction types, property sizes and heating types and the results were analysed. The exercise was directed at assessing the financial implications of achieving the SHQS target rating of NHER 5 but it also provided information to update NHER ratings across the whole stock. The result is that an estimated 7791 properties fail the NHER standard. The chart below indicates the change in NHER ratings since 2007 as a result of this exercise and taking into account investment undertaken to date.



3.17 In 2009 the Council started to produce Energy Performance Certificates for properties that were to be sold or rented to a new tenant. All Councils are obliged to do this in order to comply with a European Directive. As the energy efficiency assessment is made using the rdSAP 2005 methodology, a decision has been made to move towards calculating energy efficiency on the basis of SAP rather than NHER. Data is currently being transferred to new software and updated from EPC's, property improvements and the stock condition survey that is described in section 4.6 below. This will result in a more robust system for calculating the energy ratings of individual properties which will be reported using SAP in future years.

3.18 Facilities and Services

To meet the SHQS, all properties must have modern facilities and services. Bathroom and kitchen fittings must be in good and useable condition, while kitchens must additionally be provided with adequate storage, safe working arrangements and sufficient power outlets.

3.19 In 2007 there were 4,411 properties which failed against this criteria. Further properties were predicted to fail the standard in 2008. As a result of updating the stock condition information and work carried out in the financial years 2007-2009 there has been an improvement on this figure. At 31 March 2009 3250 properties fail the standard. It should be noted that a high proportion of failures on this criteria relate to the adequate provision of power points in kitchens. These failures can be addressed most cost effectively by linking the installation of power points to future kitchen replacements or re-wiring programmes.

3.20 Healthy Safe and Secure

To comply with the SHQS, dwellings must be healthy, safe and secure. In 2007, 9369 properties failed the standard and the position in 2009 is that 7813 properties fail.

3.21 The majority of dwellings failed on the standard of locks on front and rear doors and adequate provision of external lighting. The stock condition information was updated with work undertaken and a more pragmatic approach has been taken to the definition of failure in external lighting in that some properties do not require individual external lighting where street lighting or communal lighting is good. Future programming should enable door lock and lighting deficiencies to be addressed either with future door replacement or re-wiring contracts.

3.22 While no electrical systems failed the standard in 2007, 671 properties were predicted to fail in 2008. These predictions were based on a visual inspection of a sample of properties in the 2006 stock condition survey. Currently there are 476 of these properties and they will be included in the cyclical electrical inspection programme and in future re-wiring programmes if necessary.

3.23 In relation to the safe gas and oil category the Council carries out annual servicing and safety checks on all its gas and oil installations. Remedial work or replacement of systems is undertaken immediately if any systems are unsafe.

3.24 Future Performance against SHQS

As well as meeting current SHQS requirements, the Council will have to address failures that are predicted to arise by 2015 in the absence of any investment. A further 2263 properties are expected to fail the modern facilities standard and 352 the healthy, safe and secure standard before 2015.

3.25 Major component replacement

In addition to the work required to achieve the standard, investment will be required to replace property elements that have come to the end of their recommended life cycle and prevent property deterioration below the standard in the period up to 2015.

3.26 Exceptional and contingent major repairs

These relate to specialist issues within the housing stock and to expenditure which is known to be required within the 30 year planning period. Contingent major repairs are those which are not necessarily required at this time but where there is a reasonable expectation that they will occur in the future.

4 INVESTMENT PROGRAMME: 2009-15

4.1 Investment to meet SHQS

Based on the pattern and types of failure identified as a result of the 2006 stock condition survey and subsequent data verification exercises the cost of achieving SHQS in the years 2009-15 is estimated at £71.897m.

SHQS standard		Properties failing SHQS 2009-15	Cost £m
1	Tolerable standard	0	0
2	Free from serious disrepair	47	0*
3	Energy Efficiency	10947	51.650
4	Modern facilities and services	3250	16.346
5	Healthy safe and secure	7813	3.901
Total investment			71.897

*to be funded from revenue maintenance

4.2 When work started on preparing the Standard Delivery Plan in 2007/8 it seemed likely that historic levels of investment at around £12m per annum would not cover the costs involved in ensuring that all properties in Highland meet the NHER standard. Based on this level of investment, it was estimated that there was a shortfall of approximately £16m which meant that it would not be possible to meet the NHER standard in approximately 2,000 properties. However further refinement of stock conditions information, a reassessment of investment in energy efficiency measures and increased investment agreed by the Council means that it is now anticipated that reaching the NHER standard in all properties will be achieved within available resources.

4.3 Other investment

In addition to work required to meet the standard, future major component improvement programmes are required to maintain the properties at the SHQS. Based on the stock condition survey information which identified properties that would require major component replacement, it is estimated that £16.346m is required between 2009 and 2015.

4.4 There are also exceptional repairs that arise from time to time largely relating to health and safety issues. The current estimated figure for works that have been identified in the period 2009-15 is £0.395m.

4.5 The need for equipment and adaptations to enable tenants to stay in their own homes will continue throughout the period of the plan and the Council has set targets for expenditure of £1.3m on equipment and adaptations for each year to 2011. Assuming that this figure will continue to be a target in the years after 2011, it is estimated that £8.096m will be spent during 2009-2015.

4.6 It has been agreed that further stock condition survey work is necessary to update and verify previous results further. Consequently a sum of £0.200m has been included for stock condition surveys in the two years 2009-11. Survey work has started in 2009 using trained in house surveyors and the results will start to be used in preparing the Standard Delivery Plan update in 2010.

4.7 Required investment

For the years 2009-15 the investment in the housing stock that is required is summarised below:

Category	Total £m
SHQS	
Energy efficiency	51.650
Modern facilities and services	16.346
Healthy safe and secure	3.901
Total SHQS	71.897
Other	
Major component replacement	7.493
Exceptional repairs	0.395
Equipment and Adaptations	8,096
Housing stock survey	0.200,
Total Other	16.184
Total expenditure	88.081

5. FUNDING THE INVESTMENT PROGRAMME

5.1 Highland Council rents are amongst the highest in Scotland because of high public sector housing debt. In the context that Highland also has lower than average household incomes the Council is aware of rent affordability issues. The proposals for investment in the plan are based on a number of assumptions, including the following:

- Calculations are based on the housing stock figure at 31st March 2009
- Income from sales is projected based on historic information and current trends, with no growth in house prices beyond 2010
- Inflation is assumed to be 2% per year
- Rents are assumed to increase by inflation +1% per year
- Supervision and Management are assumed to increase by 2% per year
- Repairs and maintenance are assumed to increase by 2% per year.

5.2 Sensitivity analysis has been undertaken on these assumptions, and a summary of this is included in section 7 – Operational Plan and Monitoring Arrangements

5.3 For the period 2009-2015 projected capital expenditure amounts to £88.081m. Revenue projections submitted to the Council for the financial year 2009-2010 indicate that it is possible to fund investment to 2015 through Capital from Current Revenue (CFCR) and new borrowing. This will enable a capital programme of £88.081 to be achieved within the following resource assumptions:

Year	Capital receipts £'000	CFCR £'000	New borrowing £'000	Total Capital programme £'000
2009/10	3,112	1,672	8,428	13,212
2010/11	2,148	2,612	8,980	13,739
2011/12	2,148	2,889	9,451	14,488
2012/13	2,148	3,337	9,422	14,907
2013/14	2,148	3,863	9,893	15,904
2014/15	2,148	3,821	9,863	15,831
Total	13,450	18,195	56,037	88,081

5.4 There are risks associated with making the financial assumptions detailed above and these are detailed with other risks in Section 7 below.

6 ENERGY EFFICIENCY STANDARD

6.1 There are currently 7,791 properties which do not meet the energy efficiency requirements of the SHQS in relation to achieving NHER 5. It is recognised that the Council faces some major challenges in achieving the standard by 2015.

6.2 The construction type of some of some of the properties makes it difficult to achieve the energy efficiency standard. Cavity wall insulation is one of the easiest and most cost effective methods of improving the NHER value of a property but there are an estimated 2,450 properties which do not achieve the standard and do not have cavities. Insulation alternatives are therefore likely to be more costly. For example cavity wall insulation costs on average £500 per property while external insulation is in the region of £10,000.

6.3 In order to meet the standard a programme of loft insulation is underway. This involves topping up loft insulation where possible to 250mm which is much higher than the SHQS standard of 100mm.

6.4 Similarly there is an ongoing programme of cavity wall insulation and the results of the stock condition survey are assisting in identifying properties which may have been missed from previous programmes. The Council is aiming to have every property cavity filled where the construction of the property allows in the early years of the period to 2015.

6.5 The installation of loft and cavity wall insulation has been part funded by fuel suppliers through the Energy Efficiency Commitment Scheme and now through Carbon Emissions Reduction Target (CERT) scheme. The Council has also received funding through the Scottish Government's Warm Deal scheme and in 2009 through the Energy Assistance Package.

6.6 There are programmes of external insulation taking place in the current year and this will continue for those construction types which cannot be cavity filled.

6.7 In 2009 the Council approved a new framework of heating options as part of housing improvement standards. This is as follows:

- Loft and wall insulation and draughtproofing will be installed in advance of heating systems
- Solar water panels will be installed where they are technically feasible and provide significant energy savings
- Gas heating systems with condensing boilers will be installed where mains gas is available or where an extension can be funded economically
- Air or ground source heat pumps or wet electric systems will be installed where mains gas is not available
- Community heating will be considered as part of the appraisal of heating projects

- 6.8 While there have been some technical problems with air source heat pumps, they continue to be seen as an important means of achieving the energy efficiency standard particularly in areas that are off the gas network. This also applies to ground source heat pumps and while the cost of installing individual Ground Source Heat Pumps is at present very high (approximately £17,000) there may be potential in the future for installing pumps that can be shared between two or more houses which will reduce the cost.
- 6.9 The Council had some early successes in terms of fuel use and tenant satisfaction with electric boiler systems which provide a controllable wet central heating system in areas which are off the gas network. However the substantial increase in fuel costs from 2008 has caused some affordability issues for tenants. Any electric system is disadvantageous to achieving the energy efficiency standard. Recent modelling of NHER (SAP) values has indicated however that it may be possible to achieve NHER 5 (SAP 50) with an electric boiler system in a property with cavity wall insulation and loft insulation of at least 150mm. The Council is also continuing to install solar panels in houses in suitable locations for heating hot water to help in keeping fuel costs down for tenants.
- 6.10 Community heating can serve a group of houses or a mixture of domestic and non domestic properties and it presents an opportunity to utilise renewable resources including ground source heat pumps and biomass boilers. Community heating will also be considered in conjunction with the Council's choice of locations for waste to heat plants

7 OPERATIONAL PLAN AND MONITORING FRAMEWORK

7.1 Monitoring HRA Capital Programme

The Council already has a robust system in place to monitor progress and expenditure on the HRA capital programme. Day to day management of the capital programme is carried out by Area Housing and Property Managers and Housing and Property and Finance Service staff meet on a monthly basis to review the overall position. A report is submitted to each meeting of the Council's Housing and Social Work Committee. In recent years capital programme expenditure has come in very close to target each year. Monitoring progress against the Standard Delivery Plan is part of the capital programme monitoring arrangements. The Council produces an annual Standard Delivery Plan monitoring report to the Housing and Social Work Committee.

7.2 Approach to risk assessment

The table below sets out the main risks to the delivery of the improvement to the housing stock as set out in the Standard Delivery Plan and the action that is proposed by the Council:

Risk	Action
Variations in assumptions made for income and expenditure caused by national or local changes e.g. right to buy sales, management costs, void rates	Annual monitoring of progress on the Standard Delivery Plan by the Council's Housing and Social Work Committee may require adjustment to investment/income as part of the budget process. Decisions will require to be taken on investment that balances the improvement of the stock with rent affordability for tenants.
Increase in construction costs caused by limited construction capacity in the Highlands	Implementation of a framework agreement agreed in principle by the Council in 2007. This would enable the Council to retain a contractor procured through a tendering process to undertake larger projects at a pre-determined mutually agreed cost, quality standard and timescale.
Not achieving annual capital programme	Capital programme management procedure in place which provides progress reports on expenditure to every meeting of the Housing and Social Work Committee.
Stock data inaccuracies due to proportion of the properties having cloned data in the Stock Condition database	Harmonise collection of data from existing Housing and Property sources Undertake further stock condition survey work in 2009-11 and consider a future rolling programme of stock surveys to build a 100% stock database Ensure that the Stock Condition database is updated with all works carried out. Use in-house energy software to recalculate SAP value when energy efficiency related works are carried out.
Failure to obtain owner – occupier support and compliance for common works	Common works to achieve SHQS are minimal but the Council recognises that future major repairs on flatted blocks are likely to involve owner occupiers. A common repairs policy will be developed by the Council which takes account of recent legislation.
Not meeting energy efficiency requirements of the SHQS	Maximise the use of cavity, loft, external and internal insulation to improve NHER values Utilising additional funding from fuel suppliers and the Scottish Government for insulation works wherever possible Increase use of renewable technologies particularly in areas off the gas network

7.3 Sensitivity Analysis

The Standard Delivery Plan is based on a number of financial and other assumptions. It is possible that any of these assumptions will not be borne out in reality. As well as producing annual updates, through which assumptions can be revised and rolled forward we have undertaken sensitivity analysis on a range of other scenarios. This is summarised below:

Budget Heading	Revised assumption	Impact 2009/2015 (£'000)
Council house sales	70 per year	3,313
	40 per year	-2,583
House price inflation	2.5% per year	942
	5% per year	1,224
Combined house sales	2.5% inflation + 70 sales p/year	4,580
	2.5% inflation+ 40 sales p/year	-1,859
Void rate	1.5%	-25
General inflation	1%	-6,863
	3%	7,046
Building Inflation	4%	-5,011
Rent increase	RPI only	-6,863

7.4 All assumptions, financial projections and risks are reviewed annually.

Annex 1

Housing Quality Criteria	Housing Quality Components	Measurement Checklist	Application Guidance
COMPLIANT WITH THE TOLERABLE STANDARD	The Tolerable Standard	Below Tolerable Standard	Single Primary Failure
FREE FROM SERIOUS DISREPAIR	Primary building elements	Wall Structure Internal Floor Structure Foundations Roof Structure	Single Primary Element Failure An element requires failure where it requires repair or replacement of more than 20%
	Secondary building elements	Roof Covering Chimney Stacks Flashings Rainwater goods External wall finishes Access Decks and Balustrades Common access stairs/landings, pathways within the curtilage of the dwelling Individual dwelling balconies and verandas Individual dwelling attached garages, internal stairs Damp proof course Windows and doors Common windows and roof lights Underground drainage	Failure by two or more elements An element fails where it requires repair or replacement of more than 20%
ENERGY EFFICIENT	Effective insulation	Cavity insulation where technically feasible and appropriate 100mm loft insulation where appropriate Insulation of hot water tanks and pipes (and cold water tanks as an ancillary measure)	Single Element Failure
	Efficient heating	A full house central heating system that has an acceptable energy rating Or similar heating system that is	Single Element Failure

		developed in the future	
	Additional Energy Efficiency Measures	Additional energy efficiency measures where technically feasible, necessary to achieve a minimum NHER rating of 5 or SAP rating of 50	Single Element Failure where a necessary practical measure has not been implemented
MODERN FACILITIES AND SERVICES	Bathroom Condition	Bathroom amenities include a WC, bath or shower and wash hand basin in good and usable condition	Single Element Failure An element fails where it requires repair or replacement of more than 25%
	Kitchen Condition	Kitchen fittings in good and usable condition	Single Element Failure An element fails where it requires repair or replacement of more than 25%
	Kitchen Facilities	Adequate kitchen storage to current building standards where practical (1m ³) within or adjacent to the kitchen; space for a cooker and related activity space in front of it to allow safe use) Safe kitchen working arrangements, including worktop space on at least one side of and at least the same width as, the cooker Sufficient power outlets (6 or more sockets)	Single Element Failure
HEALTHY SAFE AND SECURE	Healthy	Internal pipework lead free Mechanical ventilation in the kitchen and bathroom where this is required to tackle persistent problems of condensation, dampness and	Single Element Failure Persistent problem categorised by condensation or mould on more than 5% of the wall and ceiling area of bathroom or kitchen

		<p>mould growth</p> <p>Adequate noise insulation where there are problems with external noise e.g from traffic or factories</p>	
	Safe	<p>A smoke detector present in the home</p> <p>Safe electrical systems</p> <p>Safe gas and oil systems and appliances</p> <p>Common stairwells, lifts, lobbies, courts, laundry and drying areas, refuse chutes and bin stores where provided in good and safe order</p> <p>Adequate lighting in common internal and external areas within the curtilage of the house</p>	Single Element Failure
	Secure	<p>Secure front and rear access doors</p> <p>Front door entry systems and secure rear access to enclosed common areas</p>	Single Element Failure