

SCOTTISH HOUSING QUALITY STANDARD: DELIVERY PLAN GUIDANCE AND ASSESSMENT CRITERIA CONSULTATION REPORT

Purpose

This report provides an account of the issues raised during the public consultation on the draft guidance for the preparation of Scottish Housing Quality Standard Delivery Plans. It summarises the points made by respondents, presents the response from Communities Scotland and, where appropriate, explains how we have revised the guidance document.

The report attempts to respond to as many points as possible and present a balanced analysis of the views put forward. However, if respondents feel that their point has not been adequately addressed in this report, they may wish to contact:

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Background

The Scottish Executive's consultation paper [Modernising Scotland's Social Housing](#)¹, published in March 2003, set out proposals for a national standard based on a minimum set of quality measures for all houses in the social rented sector. In February 2004 the Minister for Communities launched the Scottish Housing Quality Standard (from now on referred to as 'the Standard'). The announcement set out a range of measures that local authority and Registered Social Landlord (RSL) stock had to reach by March 2015 and required all social landlords to draw up Standard Delivery Plans (SDPs) to show how they were going to reach that target. The Standard Delivery Plans are to be submitted for assessment to Communities Scotland by 29th April 2005.

In May and June 2004 Communities Scotland held a consultation on the draft guidance and assessment criteria for Standard Delivery Plans. Consultees were invited to respond to any aspect of the draft guidance or assessment criteria as they felt appropriate. The guidance included information on:

- the policy context of Standard Delivery Plans and their relationship to other planning processes
- the nature of the stock condition and investment information required
- the required content and structure of the Standard Delivery Plans
- the assessment criteria
- proposed proformas for providing numerical and financial information

¹ <http://www.scotland.gov.uk/consultations/housing/mssh-00.asp>

It also included contextual information on the Option Appraisals local authorities may need to prepare or update as part of preparing their Standard Delivery Plan.

The consultation ended on 22nd June 2004 and Communities Scotland published the [final guidance](#) for Standard Delivery Plans on 21st July 2004.

This report summarises the outcomes of the consultation on the draft guidance and the adjustments that were made to the guidance. We would like to thank everyone who responded to the consultation paper.

Consultation Methods

Communities Scotland wrote to around 300 organisations - including all Scottish local authorities, Registered Social Landlords and their representative bodies - to advise them of the consultation process and the fact that the consultation document was available on the [Communities Scotland](#)² and [Scottish Executive](#)³ websites. Please see [annex A](#) in this report for a full list of consultees and respondents.

Analysis of Responses

By the closing date of 22 June, Communities Scotland had received a total of 35 responses, as set out in Table 1 below:

Table 1

Source of Response	Total Received
Local Authorities	18
Registered Social Landlords	12
Representative Bodies	2
Other	3
Total	35

² <http://www.communitiesscotland.gov.uk>

³ <http://www.scotland.gov.uk/Home>

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EXECUTIVE SUMMARY

The objective of the Scottish Housing Quality Standard is to deliver good quality, sustainable and affordable housing for all, with a renewed commitment to have a national housing quality standard. Landlords will be required to submit Standard Delivery Plans to Communities Scotland by 29th April 2005 for assessment.

A draft version of the guidance document, including the proposed assessment criteria, was made available for public consultation by Communities Scotland over the period 8th May to 22nd June 2004. The consultation responses were evaluated in accordance with the Scottish Executive's guidance on consultation and the final guidance document was placed on the Communities Scotland website on 21st July 2004.

GENERAL COMMENTS

Whilst almost all respondents endorsed the introduction of the Scottish Housing Quality Standard, a number argued that the deadline for the submission of Standard Delivery Plans will not allow for sufficient time to develop effective delivery plans. In the absence of any evidence of a widespread concern, the Scottish Executive has decided not to extend the deadline of 29th April 2005, since any further delay would have a significant effect on landlords' ability to meet the Standard by 2015.

There were a number of questions about the definition of the Standard and the rules that will govern whether a property passes or fails. Housing policy colleagues in the Scottish Executive provided further advice on these comments in their letter of clarification dated 28th July 2004.

Some respondents asked for specific funding to help them develop Standard Delivery Plans and to support the work required to meet the Standard. The Scottish Executive has no plans to make any specific funding available for either of these tasks.

Respondents raised a number of questions about how they should implement the Standard, including points on tenant consultation, how to meet the Standard in blocks of housing that include social housing tenants and private tenants, decisions on low demand stock and what will happen after 2015. Where appropriate, the guidance document was revised to explain how these issues should be addressed in the Standard Delivery Plan.

Some local authority respondents asked that the guidance make it clear how the Standard Delivery Plan should relate to the Local Housing Strategy (LHS). The final guidance makes it clear that, for local authorities that intend to retain part or all of their stock, the Standard Delivery Plan will be part of an update to their overall LHS. It also makes clear that local authorities will not be expected to comment on the Standard Delivery Plans of RSLs in their area.

THE OPTION APPRAISAL

There were a number of questions and comments about the Option Appraisal process, as required for the Scottish Executive's Community Ownership Programme (COP). The consultation report and the revised guidance reiterates that only local authority landlords are required to undertake a full Option Appraisal as required under the COP. It also explains the

basic steps they need to take under that process and provides the necessary links to the executive's guidance on Option Appraisal.

STOCK CONDITION INFORMATION

Respondents asked a number of questions about what is required for the Standard in terms of stock surveys and stock databases. The final guidance explains what landlords need to do to develop a 100% database using 'cloning' techniques or conducting sample surveys. It also makes clear that landlords should be prepared to conduct further comprehensive surveys in order to make an accurate assessment of the condition of individual properties.

Four respondents queried the use of the Continuous Scottish House Condition Survey (CSHCS) as a tracker of progress towards the Standard. The guidance clarifies that the continuous survey is intended as a broad indicator of trends at both the national and local authority level, not as a detailed check on the stock condition information included within individual delivery plans.

THE STANDARD DELIVERY PLAN

A number of respondents asked for Communities Scotland to provide 'standard assumptions' for inflation, replacement costs for elements and schedules of rates.

Communities Scotland does not wish to be overly prescriptive about assumptions and so will not provide these for landlords. However, the final guidance and the full consultation report provides links to guidance on deterioration rates and inflation, which should help landlords estimate their own costs and develop their own plans.

ASSESSMENT AND MONITORING

A number of respondents asked who will undertake the assessment of Standard Delivery Plans, how long it will take and who will give feedback. The final guidance makes it clear that Communities Scotland will assess and monitor all Standard Delivery Plans on behalf of Scottish Ministers. We will write to all landlords in due course to advise on the arrangements for the submission of plans.

Some respondents objected to the level and detail of information required for annual monitoring returns. Communities Scotland recognises their concern and will seek to request only the information that enables it to meaningfully assess the work being undertaken to reach the Standard.

NEXT STEPS

Communities Scotland published the [final guidance](#)⁴ on Standard Delivery Plans on 21st July 2004. Landlords are required to submit their plans to Communities Scotland by 29th April 2005.

⁴ <http://www.communitiesscotland.gov.uk/Web/Site/Whatwedo/ScottishHousingQualityStandard.asp>

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GENERAL COMMENTS

The principle of the Scottish Housing Quality Standard

A proportion of respondents endorsed the principle of a Scottish Housing Quality Standard and pledged to work to meet the Standard by 2015.

Timescales for submitting Standard Delivery Plans

A large number of respondents stated that the deadline for the submission of Standard Delivery Plans will not allow landlords to conduct all of the work necessary for a robust and effective plan.

Response

We do not propose to extend the timescale of April 2005, since any further delay in decision-making would have a significant impact on landlords' ability to meet the Standard by 2015 and deliver the improvements needed by tenants.

Definition of the Standard

A number of respondents asked for clarification on the definition of items within the Standard. Others asked for the Scottish Executive to clarify the rules which explain if a property passes or fails the Standard.

Response

Questions on interpretation have been passed to housing policy colleagues in the Scottish Executive who are issuing a separate clarification letter.

Funding for the Standard Delivery Plan

A number of respondents asked if the Scottish Executive will provide additional funding to develop Standard Delivery Plans.

Response

No additional funding will be made available for this process. It is the Scottish Executive's view that landlords should be developing their information systems as part of their core activities. As they will be working towards the Standard over ten years, landlords should be able to factor in the cost of developing databases over this period.

Funding for work to meet the Standard

A number of respondents asked if the Scottish Executive will provide additional funding to implement the Standard.

Response

The Scottish Executive has no plans to make any specific funding available to landlords to help them meet the Standard. The Executive has already relaxed financial restrictions on local authority capital receipts and encourages local authorities to consider prudential borrowing where appropriate. As part of the Option Appraisal process local authorities should be considering the transfer of stock if there is any projected shortfall in their ability to fund the

works required to meet the Standard by 2015. RSLs will also need to consider how best to meet the Standard and may have to consider retargeting their investment or exploring the flexibility within their Sale and Purchase Agreements.

Training Programme on Standard Delivery Plans

One respondent said there is a need for subsidised technical training in the preparation of Standard Delivery Plans.

Response

Communities Scotland does not currently intend to support a formal training programme for the preparation of Standard Delivery Plans. Staff in both RSLs and local authorities are already likely to be familiar with the type of analytical procedures required to draft a Standard Delivery Plan, whether it be considering options for future development, developing stock databases or considering future development needs.

Tenant consultation

Some respondents pointed out that the [Housing \(Scotland\) Act 2001](#)⁵ requires landlords to consult with tenants, and asked for additional guidance on how they should consult with tenants about the Standard.

Response

Communities Scotland fully endorses the principle of tenant involvement. The final guidance has been updated to include a section that recommends how and when landlords should consult with tenants about the Standard. The assessment of Standard Delivery Plans will also now include an evaluation of this aspect. Given the time restrictions on submission, Communities Scotland recognises that landlords will need to take a pragmatic view on tenant consultation in the early stages. However, landlords must consult as fully as possible before the April 2005 deadline and must also outline in their submission how they intend to involve tenants more closely as their Standard Delivery Plans are implemented and further developed.

Meeting the Standard in multi-tenure blocks

A number of respondents were concerned about how to deal with properties in multi-tenure blocks, particularly where owner-occupiers were unable or unwilling to contribute to the cost of the works required to bring common elements up to the Standard. One respondent asked that the final guidance should take account of the new [Tenements Bill](#)⁶ which comes into force in 2005.

Response

The revised guidance makes it clear that landlords can identify in their Standard Delivery Plan or milestone reports the estates or individual properties that pose them a challenge in meeting the Standard. If landlords can also provide evidence that they have taken reasonable action to try to resolve the problems associated with multi tenure blocks and that these dwellings meet the Standard in every other way, Communities Scotland will look at the case for these properties being considered as passing the Standard. These comments have also

⁵ <http://www.scotland-legislation.hms.gov.uk/legislation/scotland/acts2001/20010010.htm>

⁶ <http://www.scottish.parliament.uk/bills/pdfs/b19s2.pdf>

been passed on to Scottish Executive policy colleagues responsible for the Tenements Bill for their consideration.

Grant funding for multi-tenure blocks

One respondent commented that the draft guidance did not fully explain the process by which owner-occupiers can apply for discretionary grant funding for multi-tenure blocks. They also stated that the guidance did not set out the implications for local authorities in terms of time, staff and resources. One respondent said that the landlord would have to pursue grants for owner occupiers and would need to subsidise that administrative work from tenant rents. Another made the point that it is unfair that owner occupiers can apply for grants when tenants need to meet the cost through their rents.

Response

Information on the process of applying for repair and improvement grant funding is outwith the scope of this guidance. The final guidance states that if landlords do not get support from owner occupiers then they can make a case to Communities Scotland in their milestone report outlining what actions they have taken. Providing the properties in question meet the Standard in all other respects, these properties may be deemed to meet the Standard. For more information, please refer to paragraphs 2.9-2.12 in the final guidance.

Decisions on low demand stock

One respondent rejected the suggestion in the guidance that local authorities should avoid investing in low demand stock. The respondent made the case that there may be instances where low demand stock might still have some use, for instance homelessness applications.

One respondent stated that it would be a waste of investment to improve property that has been declared surplus to requirements and is marked for demolition after 2015. They asked for such properties to be exempt from the Standard. Another respondent asked for additional guidance on how to treat properties that may be occupied in 2014 but are in low demand and are likely to become surplus in later years. They pointed out that it would be a waste of resources to spend funds on those properties.

One respondent stated that some of its stock does not have a long term future and will not receive the level of investment necessary to meet the Standard. They asked if they will be able to identify core stock against the Standard and then identify 'limited life' stock in which the landlord could invest to ensure a reasonable quality, but one which may not meet the requirements of the Standard.

Response

It is recognised that landlords will sometimes hold void properties, some ready for demolitions, and others that are currently occupied and whose future may still be subject to a strategic decision in the future. However, the main priority for landlords should be to make the appropriate investment decisions necessary to ensure that by April 2015 their stock will comply with the Standard. The guidance has been amended to make this clear.

Large Scale Voluntary Transfer RSLs

Four respondents expressed concern that, given the limited funds available for RSLs created through large scale transfers, and the fact that they are subject to covenant and funding agreements, those RSLs will find it difficult to afford the work required to meet the Standard. One respondent made specific reference to the 'non-traditional' stock it managed which was of low inherent value.

Response

RSLs created through Large Scale Voluntary Transfer can look at retargeting their investment plans without compromising their viability. It is also open to them to look at the funding options available, including the flexibility they may have in their Sale and Purchase Agreement.

Investment set out in RSL business plans

One respondent asked what will happen if the RSL's business plan cannot support all the investment required to reach the Standard.

Response

Where the business plan cannot support all the investment required to reach the Standard, landlords will need to consider other options such as re-directing funds, opting for the greater flexibility offered under a Large Scale Voluntary Stock transfer, or exercising the flexibility in their Sale & Purchase agreement. Landlords will also be able to set out their position in their milestone progress reports.

Rents and Disruption

One respondent stated that the draft guidance did not address what landlords should do when tenants are happy with the condition of their property and object to landlords increasing rents to pay for improvement work. Another respondent asked for guidance on what to do if elderly tenants refuse to allow improvement works because they want to avoid the disruption involved.

Response

Communities Scotland believes that most tenants want to occupy a property that is healthy, safe and secure but acknowledges that some tenants might wish to avoid the disruption of having work carried out in their home. Landlords have a responsibility to achieve the Standard by 2015 and they will need to monitor such properties, as they have in the past, to carry out improvement works either when there is a change in the individual's circumstances or when the property may become vacant. If tenants refuse to allow improvement work the landlord should highlight this in their milestone report.

What will happen after 2015?

Some respondents were concerned that the guidance made no reference to the period after 2015 and how the Standard will be assessed and recorded after that date.

Response

The revised guidance includes a statement that highlights the need for good practice to continue after 2015. Once the Standard is achieved the onus is on the landlord to maintain that quality in the future. Landlords will need to acknowledge this in their Standard Delivery Plan.

THE OPTION APPRAISAL

Responsibility for Option Appraisal

A number of respondents asked why only local authorities - and not all Registered Social Landlords - are required to conduct an Option Appraisal.

Response

The final guidance clearly states the difference between the 'Option Appraisal' for landlords who intend to apply for the [Community Ownership Programme](#)⁷ and the more generic 'appraisal of options' that all organisations have to conduct in order to make decisions about how and where they invest. The Option Appraisal required for community ownership applies only to **local authorities** that currently own stock. Respondents were, however, right to point out that a 'review of options' is an essential part of business planning for all social landlords, regardless of whether they are a housing association or a local authority. The revised guidance also includes a new section on the relationship between Standard Delivery Plans and the Community Ownership Programme.

Requirements under the Option Appraisal

Two respondents objected to the recommendation that local authorities should revisit their Option Appraisals, with one commenting that a constant round of Option Appraisals might hinder the delivery of the local authority's housing policy. One respondent commented that the Option Appraisal requires too much detail and suggested that the landlord should present detailed information for the first five years only.

Response

The requirements for the Option Appraisal set out in the guidance for the Standard are consistent with those set out for the Community Ownership Programme. Comments on that process are not a matter for the consultation on Standard Delivery Plans.

⁷ http://www.communitiesscotland.gov.uk/Web/Site/Whatwedo/ownership_initiative.asp

STOCK CONDITION INFORMATION

100% Stock Database and 100% Stock Surveys

A number of respondents asked if we require landlords to undertake full 100% stock surveys for their delivery plans, and asked how much detail Communities Scotland expects landlords to hold on each property.

Response

We have revised the guidance to clarify that landlords need not conduct a 100% stock survey at the outset in order to obtain a 100% stock database. It is envisaged that such a database would initially be compiled from existing information on the stock drawn from records of previous capital programmes, sample surveys such as the [Local House Condition Survey](#)⁸ and Large Scale Voluntary Transfer stock condition survey, repair records and any other relevant sources. These would then be developed and updated over time to produce a 100% database, which might include a rolling programme of stock condition surveys. The final guidance recommends that landlords should identify and address gaps in information so that they hold reliable data that they can use to assess their progress against their milestones over the period of the plan.

Elemental Database

One local authority asked if it would be adequate for councils to maintain a 100% elemental database but carry out periodic stock condition surveys to assess the condition of a sample of the stock.

Response

Landlords may feel that it is appropriate for them to maintain a 100% elemental database alongside periodic stock condition surveys. This would be acceptable, as long as whatever method chosen provides sufficiently robust information which enables the landlord to deliver against the commitments set out in the Standard Delivery Plan.

Landlords who inherit stock with little or no stock information

There was concern that the draft guidance did not clarify what a landlord should do when it has taken over responsibility for properties for which there is little or no information or no records of earlier works.

Response

As it is intended to include general advice on identifying and meeting shortfalls in data, the guidance does not address this specific type of information gap. We do not expect the problem outlined above to occur, since the transfer of property in this instance will involve the collection of detailed information on the units involved. Landlords who do find themselves in this position may wish to seek specific support with data collection, as suggested in the guidance.

⁸ <http://www.shcs.gov.uk/lhcs/default.htm>

Current systems and databases

Some respondents were concerned that the draft guidance failed to recognise that organisations already hold stock database information and that it would take time to translate those databases into a format that is suitable for the Standard. They asked that Communities Scotland be flexible and allow landlords to use established systems and databases. It was also suggested that Communities Scotland should consider giving local authorities the option to purchase ‘boost surveys’ to the Scottish House Condition Survey to provide the information they need to monitor and plan their investment programmes, or lead a project to develop software for a single model for the stock database.

Response

The final guidance makes it clear that landlords are free to use their own database to inform their Standard Delivery Plan, provided the final outputs are submitted in the format set out in appendices 2 to 5 of the guidance. Communities Scotland does not wish to prescribe a particular format for stock databases, but it does expect landlords to gather and maintain the information necessary to demonstrate whether their stock complies with the Standard.

Given the wide variety of systems currently in use, we do not consider it necessary or desirable to attempt to develop a single software model for all landlords.

Respondents to the recent consultation on the content of Year 2 of the Continuous Scottish House Condition Survey raised the question of boost surveys. These surveys were offered in the Scottish House Condition Survey 1996 as a means for local authorities to gather more information in their area. Whilst we had sound reasons for subsequently withdrawing this programme, the issue is now being reviewed internally and we will keep local authorities informed of any proposal to reintroduce the option.

Consistent information across RSLs

One local authority suggested that information should be captured by RSLs in a uniform way and on a consistent basis so that it can be easily pooled at the local authority level and incorporated into the local authority’s Local Housing Strategy.

Response

It is a matter for local authorities and RSLs working in their area to determine if they want to capture their data in a uniform way. Communities Scotland would encourage joint working between landlords in an area, but it would be inappropriate to impose a data collection format on RSLs.

Deterioration rates

Some respondents asked for additional guidance on deterioration rates, and one suggested that Communities Scotland should commission research to ensure a uniform approach across Scotland. One respondent suggested that the Standard Delivery Plan guidance should not refer to the Office of the Deputy Prime Minister’s guidance, and that Communities Scotland should produce its own guidance on deterioration which takes account of the Scottish environment.

Response

Different properties will deteriorate at different rates depending upon their age, condition, construction type, and geographic location. Therefore, it is better for landlords to determine and apply deterioration rates which best reflect the experience and patterns specific to the property types in their portfolios. Communities Scotland regards the [Office of the Deputy Prime Minister's research](#)⁹ as a good starting point to estimate deterioration rates. However, we recognise that landlords will need to take into account any knowledge of typical deterioration rates peculiar to their local area. The Scottish Executive and Communities Scotland are still considering if it is necessary or desirable to commission further work on deterioration rates so as to improve the knowledge base for landlords in Scotland. Landlords will be notified in due course when a decision is made.

Combined LHCS/LSVT survey

Several respondents welcomed the prospect of a survey that combines the formats for the [Local House Condition Survey](#)¹⁰ (LHCS) and Large Scale Voluntary Transfer (LSVT) Survey.

Response

Communities Scotland is still considering the introduction of a combined LHCS/LSVT survey, but landlords should note that any such package will not be available in time to inform the April 2005 submissions. We hope that the combined survey will be available for future work to refresh databases and will keep landlords informed of progress. We also intend to reissue the LHCS to incorporate the Standard items.

Standard household types

A number of respondents asked the Scottish Executive and Communities Scotland to define house types, so that they can improve how they collect data.

Response

On balance, Communities Scotland and the Scottish Executive have decided not to prescribe house types, as this may cause as many problems as it would solve. The main aim is for each landlord to meet the Standard rather than for Communities Scotland to use the data to compare landlords.

Continuous Scottish House Condition Survey

Four respondents pointed out that the Continuous Scottish House Condition Survey is meant to provide a national picture and does not focus on individual RSLs. They concluded that it will not be possible for Communities Scotland to use the survey as a secondary check on progress toward the Standard.

Response

The Continuous Scottish House Condition Survey is intended as a broad indicator of trends at both the national and local authority level, not as a detailed check on the stock condition information included within individual delivery plans. While it is correct to state that we

⁹ http://www.odpm.gov.uk/stellent/groups/odpm_housing/documents/page/odpm_house_603903.hcsp

¹⁰ <http://www.shcs.gov.uk/lhcs/default.htm>

cannot use the survey to produce figures for individual RSLs, we *can* use it to produce estimates for the RSL sector nationally. Individual RSLs should be able to use these estimates to compare against their own progress. Communities Scotland regards the Continuous Scottish House Condition Survey as an important source of national and local benchmarking data but will ensure that its limitations are made clear in the final guidance.

THE STANDARD DELIVERY PLAN

Length of Standard Delivery Plans

One respondent asked that Communities Scotland not prescribe the length of the Standard Delivery Plan (suggested as 15 – 20 pages) and argued that it is more important for the plan to meet the assessment criteria.

Response

Our primary consideration remains whether or not the Standard Delivery Plan meets the assessment criteria. The suggestion that Standard Delivery Plans should be 15-20 pages long is intended as a guide to landlords. As these plans are a new requirement, Communities Scotland believes that it is important we give some indication of the size of document we are looking to receive. We encourage each landlord to submit enough detail in its Standard Delivery Plan to reflect its position without ‘overloading’ the process with less important detail.

Links between the Standard Delivery Plan and the Local Housing Strategy

One respondent asked that information from the RSL Standard Delivery Plans should feed into the wider Local Housing Strategy. Two respondents suggested that local authorities should use the housing demand statements in their Local Housing Strategy to inform their own Standard Delivery Plan. There was also a suggestion that RSLs should consult with the local authority on demand issues and that RSL projections should be agreed with the local authority.

Response

The final guidance explains the relationship between the Local Housing Strategy and the Standard Delivery Plan. Local authorities will not be expected to comment on the Standard Delivery Plans of RSLs in their area as these will be assessed by Communities Scotland. However in the interests of good strategic planning, local authorities and RSLs are encouraged to work together in the preparation of their Standard Delivery Plans. As time moves on, local authorities and RSLs may want to share their information to improve their Standard Delivery Plans or the updates to the Local Housing Strategy.

With regard to housing demand statements from the Local Housing Strategy, if the local authority thinks the demand study is still up to date, it is free to replicate information from the study in its Standard Delivery Plan. All assumptions must however be robust and clearly explained.

The final guidance also suggests there may be other opportunities for joint working, for instance joint procurement.

Assumptions on owner-occupied costs and mixed tenure owner-occupied costs

A number of respondents asked Communities Scotland to clarify whether landlords will be required to build in assumptions on owner-occupied costs and mixed tenure owner-occupied costs.

Response

It is for landlords to decide which assumptions are appropriate to include in their Standard Delivery plan, including assumptions on owner-occupied costs and mixed-tenure costs. If these assumptions have an impact on progress toward the Standard, landlords should include them in their plan.

Standard assumptions

Several respondents suggested that Communities Scotland provide standard assumptions for inflation, replacement costs for elements and schedule of rates.

Response

As with deterioration rates, Communities Scotland does not see it as appropriate to be overly prescriptive about assumptions. For instance, it was felt that to prescribe an inflation figure would fail to reflect the diversity of financial arrangements that organisations will have to consider. The Scottish Executive does not publish long term inflation forecasts for the Retail Price Index or any other inflation index but the UK Treasury does publish [short term forecasts](#) for the Retail Price Index and the newer consumer price index. Landlords might also wish to refer to research conducted for the Scottish Executive on [historical building cost inflation](#). The Executive would advise that building cost inflation fluctuates compared to the Retail Price Index in different years but, over the long term, the Retail Price Index is an accurate measure of building cost inflation. Local authorities and their advisers should therefore use the available evidence on future inflation rates to inform their judgement. In all cases, landlords will need to show that all assumptions made in their Standard Delivery Plan are reasonable, appropriate and justifiable.

Schedule of Rates

One respondent argued that Schedule of Rates does not reflect real costs and provides no incentive on those involved in a contract to generate cost savings, and recommended that Communities Scotland should not encourage it as a method of costing.

Response

The final guidance continues to refer to Schedule of Rates, but points out that it should be seen as a guide for landlords and is not intended to be prescriptive. Some landlords may have access to detailed contract information which they may be more comfortable using. Landlords need to make their own decisions about methods of costing, but the Scottish Executive expects all decisions taken to meet the requirements for Best Value.

The relationship between the Standard Delivery Plan and the RSL business plan

Three respondents stated that the guidance is unclear about the relationship between the Standard Delivery Plan and the RSL business plan.

Response

The revised guidance gives more detailed information on the relationship between the landlord's business plan, the Option Appraisal and the Standard Delivery Plan, and includes a revised flow chart to explain the process for both RSLs and local authorities. The guidance also points out that the appraisal of options is an essential element of business planning, whatever the business. Communities Scotland recognises that it is good practice for landlords

to develop their own 30 year business plans which should contain 30 year planned maintenance programmes underpinned by 30 year cash flows.

For most landlords, it will be appropriate to treat the Standard Delivery Plan as a component of a business plan, which the landlord would keep under continual review and, if appropriate, revise. In all cases, the desired outcome for social housing providers is delivery of the Standard by 2015 and each realistic option should be measured against that target.

ASSESSMENT AND MONITORING

Responsibilities and Timescales

A number of respondents asked who will undertake the assessment, how long it will take and who will give feedback.

Response

Communities Scotland will assess and monitor all Standard Delivery Plans on behalf of Scottish Ministers. We recognise that landlords need information about the submission arrangements and the turnaround time and we will write to all landlords in due course to advise on these arrangements. However, landlords should not wait for this information to be provided before beginning work.

Scoring

Some respondents suggested that the scoring criteria should address the extent to which the plan is being delivered and the quality of stock information about actual conditions 'in the field'.

Response

Communities Scotland believes that the scoring criteria for the initial submission should focus on the content of the Standard Delivery Plan and how each landlord plans to meet the Standard. Questions about delivery are more appropriately dealt with as part of the monitoring and evaluation of the plans, and we have added more detail on this in the final guidance. The assessment will include scrutiny of the stock condition information. If the stock condition data are not fit for purpose then the plan will fail the assessment.

Annual reporting

Some respondents stated that as their investment programmes are constructed on the basis of broad packages of similar work (e.g. external fabric renewal), regular monitoring through the Standard Delivery Plan and annual reporting would be onerous and counter-productive.

Response

Communities Scotland recognises this concern. We will seek to request only the information that enables us to assess the work being undertaken to reach the Standard. Our prime concern is that the data are suitable, robust and fit for purpose. To this end we have simplified the reporting mechanisms set out in the appendices to the guidance, particularly in relation to elemental cost reporting.

However, we will continue to request annual reports from landlords as well as progress reports against appropriate milestones set by each landlord. In order to avoid imposing a separate bureaucratic burden on landlords, we hope to collect annual information through the reporting formats currently required from RSLs and local authorities, such as the Annual Performance and Statistical Returns and capital returns. Landlords are still free to determine their own milestones and will need to report in detail against these at the appropriate time.

Comments on appendices

Appendix 2

One respondent said that the proforma in appendix 2 is ambiguous. The respondent felt that the form suggested that for properties to fail some require to fail on two or more criteria. They pointed out that this might be recorded on the form as a single failure and asked for the form to be revised to make it clear how landlords are meant to record properties which fail the Standard.

Response

We intend to refresh the excel tables on the Communities Scotland website to make them more user-friendly and to provide clear guidance on how to complete the forms. However, the basic format of the tables will remain the same as that set out in the draft guidance.

All criteria within the Standard other than Serious Disrepair to Secondary Building Elements are single item failures. However, properties can and will fail on multiple criteria so the potential for double counting is a real issue for landlords. It is for landlords to ensure that their data is stored and interrogated in such a way as to avoid this error. Landlords may wish to refer to the technical annex to Communities Scotland's publication on [21 July 2004 of SHQS estimates from the SHCS 2002](#), which provides some guidance on the interpretation of Standard elements in a stock condition analysis. Communities Scotland is considering whether a further technical practice note on the interpretation of House Condition Survey data is necessary or desirable.

Appendix 2 - baseline position

One respondent asked if appendix 2 needs to be broken down by type and location.

Response

Appendix 2 does not ask for a detailed breakdown of those properties failing the Standard by house type or location. This is because the form is intended to establish a baseline of failing properties under each of the criteria that make up the Standard.

Appendices 2 and 4

One respondent argued that it is not practical to ask landlords to complete the type of detail required for Appendix 2 and 4 of the guidance, which would require landlords to maintain a database of passes and failures for all 33 elements. Another respondent requested that appendices 2-4 be combined into one return which sets out the baseline alongside the progress made.

Response

Appendices 2 and 4 remain in the final guidance. The elements that appear in those appendices are those covered in the Standard, all of which we believe can be assessed using stock condition surveys. Communities Scotland does not think it is possible for a landlord to adequately assess the extent of compliance and remedial works required for a Standard Delivery Plan without knowing about its stock at this level of detail.

Appendix 3

One respondent commented that the level of detail required in appendix 3 is excessive and impractical. They claimed that many of the 33 elements noted in appendix 3 cannot be readily monitored through stock condition surveys and asked that the number of elements be reduced to those of particular significance such as roof coverings, chimneys, external drainage and rainwater collection

Response

The revised guidance makes it clear that landlords can decide whether or not they wish to submit appendix 3 as part of the Standard Delivery Plan. However, we do not think that landlords could prepare an adequate plan without holding information in the format set out in appendix 3 and landlords should be prepared to present the information in appendix 3 if requested to do so.

Appendix 6 – Criterion 18

One respondent noted that criterion 18 asks that the figures conform to the ‘norms’ assumed by the Executive and asked for further clarification on what those norms are.

Response

Communities Scotland has considered the points made and redrafted the assessment criterion accordingly.

NEXT STEPS

Communities Scotland published the [final guidance](#)¹¹ on Standard Delivery Plans on 21st July 2004. Landlords are required to submit their plans to Communities Scotland by 29th April 2005. If you have any questions, please contact:

Gordon Wilson
Corporate Planning Team
Communities Scotland
Thistle House, 91 Haymarket Terrace
EDINBURGH
EH12 5HE
Email: Gordon.Wilson@communitiesscotland.gsi.gov.uk
Web: www.communitiesscotland.gov.uk

¹¹ <http://www.communitiesscotland.gov.uk/Web/Site/Whatwedo/ScottishHousingQualityStandard.asp>

ANNEX A: CONSULTEES AND RESPONDENTS

Consultees

The following organisations received the draft guidance document:

All Scottish local authorities

Aberdeenshire Housing Partnership
Abertay Housing Association Ltd
Abronhill Housing Association Ltd
Albyn Housing Society Ltd
Almond Housing Association Ltd
Angus Housing Association Ltd
Antonine Housing Co-operative Ltd
Ardenglen Housing Association Ltd
Ark Housing Association Ltd
Atrium Homes
Ayrshire Housing
Ayrshire North Community Housing Organisation
BT Loch Aillse agus an Eilein
Sgitheanaich Ltd-Lochalsh & Skye
Balmore Housing Association
Barony Housing Association Ltd
Barra and Watersay Housing Association Ltd
Barrhead Housing Association Ltd
Bellsmyre Housing Association Ltd
Berwickshire Housing Association Ltd
Bield Housing Association Ltd
Blairtummock Housing Association Ltd
Blochairn Housing Co-operative Ltd
Blue Triangle (Glasgow) Housing Association Ltd
Blythswood Housing Association Ltd
Bridgewater Housing Association Ltd
Buidheann Taigheadais na Meadhanan (South Uist HA) Ltd
Cadder Housing Association Ltd
Cairn Housing Association Ltd
Calvay Housing Association Ltd
Canmore Housing Association Ltd
Capital City Homes Ltd
Cassiltoun Housing Association Ltd
Castle Rock Housing Association Ltd
Clydebank Housing Association
Castlehill Housing Association Ltd
Castlemilk Tenants Housing Association Ltd

Cathcart & District Housing Association Ltd
Cernach Housing Association Ltd
Charing Cross Housing Association Ltd
Cloch Housing Association Ltd
Clydesdale Housing Association Ltd
Clydeview Housing Partnership
Copperworks Housing Co-operative Ltd
Cordale Housing Association Ltd
Coylebank Tenants Co-operative Ltd
Craigdale Housing Association Ltd
Clyde Valley Housing Association Ltd
Cube Housing Association Ltd
Cumbernauld Housing Partnership Ltd
Cunninghame Housing Association Ltd
Dalmuir Park Housing Association Ltd
Drumchapel Housing Co-operative Ltd
Dumfries and Galloway Housing Partnership
Dunbritton Housing Association Ltd
Dunedin Housing Association Ltd
East Kilbride and District Housing Association Ltd
East Lothian Housing Association Ltd
Easthall Park Housing Cooperative Ltd
Edinvar Housing Association Ltd
Eildon Housing Association Ltd
Elderpark Housing Association Ltd
Faifley Housing Association Ltd
East End Community Homes
Fairfield Housing Co-operative Ltd
Ferguslie Park Housing Association Ltd
Fife Special Housing Association Ltd
For All Cranhill Tenants Ltd
Forgewood Housing Co-operative Ltd
Forth Housing Association Ltd
Fyne Homes
Gardeen Housing Association Ltd
Glasgow Housing Association Ltd,
Glasgow Jewish Housing Association Ltd
Glasgow West Housing Association Ltd
Glen Housing Association Ltd
Glen Oaks Housing Association Ltd
Govan Housing Association Ltd

Govanhill Housing Association Ltd
Garrion Peoples Housing Cooperative Ltd
Grampian Housing Association Ltd
Great Western Tenant Partnership Ltd
Hanover (Scotland) Housing Association
Ltd
Haven Housing Association Ltd
Hawthorn Housing Co-operative Ltd
Hillcrest Housing Association Ltd
Hillhead Housing Association 2000
Hjaltland Housing Association Ltd
Home in Scotland Ltd
Homes for Life Housing Partnership
Horizon Housing Association Ltd
Hunters Hall Housing Co-operative Ltd
Irvine Housing Association Ltd

Kendoon Housing Association Ltd
Kennishead Avenue Local Management
(KALM)
Key Housing Association Ltd
Kingdom Housing Association Ltd
Kingsridge Cleddans Housing Association
Ltd
Knowes Housing Association Ltd
Lambhill Housing Association Ltd
Lanarkshire Housing Association Ltd
Langstane (SP) Housing Association Ltd
Langstane Housing Association Ltd
Larkfield Housing Association Ltd
Link Group Ltd
Linstone Housing Association Ltd
Linthouse Housing Association Ltd
Lister Housing Co-operative Ltd
Lochaber Housing Association Ltd
Lochfield Park Community Co-operative
Ltd
Lochside Housing Association
Loreburn Housing Association Ltd
Loretto Housing Association Ltd
Lorne Area Housing Association Ltd
Moray Housing Partnership Ltd,
Manor Estates Housing Association Ltd
Margaret Blackwood Housing Association
Ltd
Maryhill Housing Association Ltd
Melville Housing Association Ltd
Milnbank Housing Association Ltd
Molendinar Park Housing Association Ltd
Moriehall Housing Partnership Limited

Moray Housing Co-operative Ltd
Muirhouse Housing Association Ltd
Muirneag Housing Association Ltd
New Gorbals Housing Association Ltd
New Shaws Housing Organisation Ltd
North Glasgow Housing Association Ltd
North View Housing Association Ltd
Oak Tree Housing Association Ltd
Ochil View Housing Association Ltd
Old Town Housing Association Ltd
Orchard Grove Housing Association
Limited
Ore Valley Housing Association Ltd
Orkney Housing Association Ltd
Ormiston Peoples Housing Co-operative
Ltd
Paragon Housing Association Ltd
Parkhead Housing Association Ltd
Parkview Local Housing Organisation Ltd.
Partick Housing Association Ltd
Pentland Housing Association Ltd
Perthshire Housing Association Ltd
Pineview Housing Co-operative Ltd
Paisley South Housing Association Ltd
Pollok Tenants Choice Ltd
Port Glasgow Housing Association Ltd
Port of Leith Housing Association Ltd
Prospect Community Housing
Provanhall Housing Association Ltd
Queens Cross Housing Association Ltd
Red Road Balornock Local Housing
Organisation Limited
Reidvale Housing Association Ltd
Rosehill Housing Co-operative Ltd
Ruchazie Housing Association Ltd
Rural Stirling Housing Association Ltd
Rutherglen and Cambuslang Housing
Association Ltd
Sanctuary (Scotland) Housing Association
Ltd
Scottish Borders Housing Association Ltd
Scottish Federation of Housing
Associations
Servite Housing Association Ltd
Shettleston Housing Association Ltd
Shire Housing Association Ltd
Southside Housing Association Ltd
Spire View Housing Association Ltd
Summerston Acre Local Housing
Organisation Ltd

Taigean Ceann a Tuath na Hearadh (North Harris HA) Ltd
 Tenant Controlled Housing
 Tenant Managed Homes (Drumchapel) Limited
 Tenants First Housing Co-operative Ltd
 Thistle Housing Association Ltd
 Tollcross Housing Association Ltd
 Tower Homes LHO Ltd
 Trafalgar Housing Association Ltd
 Trust Housing Association Ltd (formerly Kirk Care)
 Thenew Housing Association Ltd
 Viewpoint Housing Association Ltd
 Waverley Housing
 Wellhouse Housing Association Ltd
 West Granton Housing Co-operative Ltd
 West Highland Housing Association Ltd
 West Lothian Housing Partnership Ltd
 West Whitlawburn Housing Co-operative Ltd
 West of Scotland Housing Association Ltd
 Whiteinch and Scotstoun Housing Association Ltd
 Williamsburgh Housing Association Ltd

Wishaw and District Housing Association Ltd
 Yoker Housing Association Ltd
 Yorkhill Housing Association (1988) Ltd
 Aberdeen Soroptimist Housing Society Ltd
 Beechwood Housing Co-operative Ltd
 Berneray Housing Association Ltd
 Bowerswell Memorial Homes (Perth) Ltd
 Broomhouse Housing Association (1986) Ltd
 Four Walls Co-operative HA Ltd
 Isaac S Mackie Housing Association Ltd
 Minerva Housing Association Ltd
 New Lanark Association Ltd
 Outlook Housing Ltd
 Scottish Veterans Housing Association Ltd
 Soroptimist Housing (Dundee) Ltd
 St John (Glasgow) Housing Association Ltd
 Thomas Chalmers Housing Association Ltd
 Kincardine Housing Cooperative Ltd

Respondents

The following organisations and individuals responded to the consultation.

Abertay Housing Association
 Abronhill Housing Association
 Angus Council
 Bridgewater Housing Association
 City Of Edinburgh Council
 Clackmannanshire Council
 Comhairle nan Eilean Siar
 Cube Housing Association
 Dundee City Council
 East Ayrshire Council
 East Dunbartonshire
 East Lothian Council
 Eildon Housing Association
 Energy Action Scotland
 Gardeen Housing Association
 Glasgow City Council
 Glasgow Housing Association
 Grampian Housing Association
 Hanover Housing Association
 Knowes Housing Association

Melville Housing Association
 Midlothian Council
 Moray Council
 Teresa McNally
 North Lanarkshire Council
 Orkney Islands Council
 Perth & Kinross Council
 Perth & Kinross Tenants & Residents Federation
 Royal Institution of Chartered Surveyors
 Scottish Federation of Housing Associations
 South Lanarkshire Council
 Southside Housing Association
 Stirling Council
 The Highland Council
 West Dunbartonshire Council