

ABERDEEN CITY COUNCIL

COMMITTEE	City Growth and Resources
DATE	6 February 2020
EXEMPT	Report - No Exempt Appendix: Estimated expenditure on contracts; Paragraph 8
CONFIDENTIAL	No
REPORT TITLE	Aberdeen City Council – Housing Programme
REPORT NUMBER	RES/20/049
DIRECTOR	Steven Whyte, Director of Resources
CHIEF OFFICER	John Wilson, Chief Officer, Capital
REPORT AUTHOR	John Wilson, Chief Officer, Capital
TERMS OF REFERENCE	Purpose 5, Remit 3.1

1. PURPOSE OF REPORT

- 1.1 To update the Committee on the development works that have been undertaken in relation to the Council house new build programme including some works to refine and update the vision for the programme but also to develop the future building specification requirements. The report highlights options available to improve the specification to meet increasing sustainability, environmental and living standards and makes a recommendation thereon.

2. RECOMMENDATIONS

That the Committee:

- 2.1 agree to adopt the Gold technical standards detailed at paragraph 3.13 for the new house build programme to meet the vision of the programme and to instruct the Chief Officer – Capital to incorporate this into the Council's High Level Employers Requirements with immediate effect; and
- 2.2 where on review of the tender returns the Gold technical standard cannot be achieved within a specific development site, agree to delegate authority to the Chief Officer – Capital to agree in consultation with the Chief Officer Corporate Landlord and the Convener of the City Growth & Resources Committee, on an exception basis, variations to the standards.

3. BACKGROUND

- 3.1 At its budget meeting on 6 March 2018 the Council resolved, “to instruct the Director of Resources to report back to the City Growth and Resources Committee on 19 June 2018 with business cases for the delivery of 2,000 Council houses in conjunction with private developers, as appropriate, working within an affordable capital net investment sum of £250 million and that each business case must demonstrate the long term affordability and sustainability of the Council’s Housing Revenue Account.”
- 3.2 At its meeting on 23 May 2018, this Committee agreed to proceed with various sites as a Council house Programme to increase the number of new build social housing units across the city based on the current design proposals and that this be added to the capital Programme.

Establishing the Housing Standard

- 3.3 In delivering new Council housing for Aberdeen there has been a regular review to determine the changing legislative and building standard landscape within Scotland and the United Kingdom to ensure that future housing continues to deliver against emerging standards.
- 3.4 To achieve this a review of the “standard” of housing was undertaken and the full review report is contained at Appendix A. The review report recommends the Council adopt gold technical standards to enable the expected standard to be made explicit to the market place. An agreed standard would help to ensure that the Council receives qualitative bids from developers and builders that meet the vision statement below and provide a consistency of build to the Council as it takes ownership of the new stock:

Vision Statement:

“To create sustainable integrated communities and places, delivering affordable homes designed for life, which meets citizens current and changing needs, supporting the wellbeing and resilience of our tenants”

- 3.5 In determining a “standard” the review started from the key principles outlined with the Council’s Target Operating Model and the Local Outcome Improvement Plan. The cornerstone of these are embedded in early intervention and prevention – thus providing a better outcome for our citizens and reducing demand within the wider public sector forum in the future. Consideration has been given to how our future housing stock can best address these aspirations by considering environmental and sustainability issues, housing for varying needs and whole life living issues, fuel poverty, space standards and connectivity.
- 3.6 The foundation for this new operating and governance model is our collective vision for the future of Aberdeen and our understanding of the outcomes we need to address as articulated in the LOIP.
- 3.7 The process of setting outcomes and objectives must drive the subsequent budgeting and planning activities, and not the other way around. We will align

our budget setting process with the commissioning cycle so we can demonstrate how our resources are aligned to outcomes. Scrutiny and challenge will be applied against defined specifications and standards and in the context of the contribution to improved outcomes.

- 3.8 Customer standards and the customer journey will be transparent and measured regardless of who provides the service on our behalf. The future model must focus on early resolution and problem solving to help customers to become more self-sufficient and resilient.
- 3.9 The Council of the future will use the improved data that comes from consolidation and professionalisation of the customer function to learn continuously and adapt its services based on the information obtained. This means having the capability to collect, analyse and act on the customer information provided.
- 3.10 To achieve this a series of technical workshops were held during 2019 to establish processes and protocols for the Housing Programme Phase 2. These are now concluded following extensive stakeholder engagement ranging from NHS, Scottish Fire and Rescue, University of Aberdeen and Microsoft to name but a few.
- 3.11 This culminated in developing a Programme Vision which is person-centered and views the system from a citizen's perspective and reflects the diversity of people, homes, communities and more importantly designing homes for life.
- 3.12 One of the key findings of the review was that living space should allow flexibility and the ability to be adaptive to a particular families requirements. For example, a family with young children may want study space, or an individual may wish to have space for working from home. The full review of the outcomes are shown under section 7 of this report. While it is appreciated that providing a Gold standard of housing would have a marginal increase in the upfront capital investment the long term revenue maintenance expenditure is lower. Clearly, the benefit of enhanced living and achieving better health and well being will have a significant impact on our citizen's lives long term.
- 3.13 In examining a "standard" the construction industry primarily breaks down to a number of technical standards these being Bronze, Silver 1, Silver 2, Gold and Passivhaus. A review of the different standard is attached as Appendix 1. The current standards adopted are similar to the silver standard part 1. A table highlighting the key differentials in moving to Gold Standard is noted in the table below.

Silver to Gold

Issue	Difference	Comments
1)	The Gold level Dwelling Emission Rate (DER) is 27% lower than the Target Emission Rate (TER) required for Silver;	Based on SAP 2012 and 2015 Technical Standards.
2)	Meets an annual demand for space heating as 20kWh/m ² /yr compared to 30kWh/m ² /yr for Silver;	Figures relate to apartment performance.
3)	Meets 50% of energy for water heating (compared to 5% for Silver) from recovered heat or renewable sources AND provides a display showing the performance of the recovered/renewable heat source;	No metering requirement for Silver Standard if renewables included in house design.
4)	Three out of five of the following features: i. Water meter; ii. WCs of average flush volume not more than 3.5 litres; iii. WHB taps with a flow rate of not more than 4l/min and kitchen/utility taps to be not more than 6l/min; iv. Shower heads with a flow rate of not more than 6l/min; and, v. Rainwater harvesting or greywater recycling system designed to provide water for toilet flushing;	Silver Standard requires lesser performance but is more prescriptive: there is no ability to select options.
5)	Direct 'easy release' adhesive labels on all key heating and ventilation equipment including (where fitted): trickle ventilators, extract fans, mechanical ventilation with heat recovery (MVHR), heating controls (programmers, Thermostatic Radiator Valves (TRVs))	Consistent naming convention and colour coding to be applied matching the content of the Quick Start Guide.
6)	Accessible storage of 1m ³ in volume per apartment. The storage space should be capable of being closed off with a door but does not need to be off each apartment.	General storage is in addition to a wardrobe space or built-in wardrobe, or storage that is designated for the future provision of a shower.
7)	Design performance levels for separating walls and separating floors associated with attached dwellings should be: Minimum airborne sound insulation: 60 dB DnT,w Maximum impact sound transmission: 52 dB L'nT,w Design performance level for a minimum airborne sound insulation should be 45 dB Rw.	Higher performance requirement than Silver Standard: 58 dB DnT,w, 54 dB L'nT,w and 44 dB Rw.
7) contd.	The average daylight factor (average DF) for kitchens and living room/dining/study should be 1.5% and 2% respectively.	In addition to window area requirements in Silver Standard.

7) contd.	<p>Security:</p> <ul style="list-style-type: none"> - provide doorsets and windows which are tested and certified by a notified body as meeting a recognised standard for security; OR - install a full intruder alarm system that complies with BS EN 50131 and PD6662 (wired system) or a Class VI alarm to BS 6799 (wire free system) that conforms to Association of Chief Police Officers (ACPO) guidelines. 	<p>In addition to 13 amp fused spur for the installation of an intruder alarm located within 2m of entrance door.</p>
7) contd.	<p>Provide private or communal outdoor space with room for occupants to sit outside. The outdoor space should be accessible only to occupants of designated houses or flats and not be occupied by car or cycle parking space, waste storage area, electricity substations or other ancillary features. It must comprise of at least one of the following:</p> <ul style="list-style-type: none"> a private garden, patio, roof terrace or balcony (with the front open to air) of an area no less than 1.5m²/apartment (minimum 3m²/home) with a minimum short dimension of 1.2m; OR a communal shared garden or courtyard that is: <ul style="list-style-type: none"> of an area no less than 1.5m²/apartment (minimum 3m²/home) with a minimum short dimension of 2m secure by, for example, resident only key access secluded and fully enclosed with buildings themselves, walls, fencing or planting are all permitted possibilities to define the space. 	
8)	<p>By consideration of waste minimisation arising from the built-form, one of the following should be adopted:</p> <p>Demonstrate that key principles of demountable construction detailing have been followed. This could be demonstrated by submitted drawings containing reference to guidance such as the Scottish Ecological Design Association's (SEDA) document on: 'Design and Detailing for Deconstruction'. A minimum of three of the high or medium priority items from the example constructions in the detailed section of this document should be demonstrated clearly; OR</p>	
8) contd.	<p>Provide a detailed plan for deconstruction of the building that follows a template such as that on page 21 of the SEDA document. This option provides opportunities to meet this level in this aspect for prefabricated, modularised or flexible internally partitioned constructions that use techniques that involve off-site manufacturing where the described assembly could be reversed for disassembly; OR</p> <p>An option only where a site is occupied and the warrant application is for demolition and construction. Provide a pre-demolition audit of existing buildings/structures on site. In this option for brownfield developments only, the audit should follow an established methodology such as the ICE Demolition Protocol, referred to by the Waste and Resources Action Programme (WRAP) that:</p> <ul style="list-style-type: none"> produces a Bill of Quantities of the different materials in the building to be demolished identifies the tonnages of material that can be recovered and determines the percentage of materials recoverable. 	

- 3.14 Further, the Council would aim to work with developers and to give consideration within our own sites to alternative energy sources (such as Hydrogen fuelled cells, combined heat and power) as well as providing electric charging points and quality external living environments for each development. It will also be proposed that there will be a requirement that all developments should have the current fastest internet access capabilities to future proof the developments and allow the deployment of technology where appropriate for tenants to access the whole range of public sector support including those who require support in living through social care.
- 3.15 Aberdeen City Council is committed to securing meaningful environmental, social and economic value in procurements within their Housing Programme. The Housing Programme will demonstrate benefits which align with those identified in the Local Development Plan and the stretch outcomes 11 & 14 detailed in the Local Outcome Improvement Plan (where possible) as referenced below.
- 3.16 Revised High-Level Employers Requirements have been developed, aligned to the Vision/benefits for the Programme to ensure consistent quality across the Programme.
- 3.17 The Employers Requirements are the document where these needs are set out. They need to be in place from the outset of a project so that the appointed project team know the levels of service to provide. They will also address challenges around fuel poverty, contribute to achieving a carbon neutral footprint and achieve a higher quality of living for tenants. Regardless of standard all homes in the Programme will comply with Housing for Varying Needs standards.

4. FINANCIAL IMPLICATIONS

- 4.1 The approval of Gold technical standards would increase capital costs in order to fulfil ACC High Level Requirements, however this would also reduce future maintenance costs, commit investment in properties which promote a better mental and physical health, and future-proof properties by facilitating adaption to suit tenants' current and future requirements.
- 4.2 The accompanying report in Appendix 1 highlights the anticipated costs differential between the Silver and Gold standards both in original construction and in a whole life cost basis over 40 years based purely on a financial basis. Consideration therefor has been given to the non-financial benefits, which will clearly provide a strong basis for early intervention and prevention while maintaining a housing stock which has been future proofed (eg digital connectivity).
- 4.3 By creating more energy efficient homes which meet future standards such as Energy Efficiency Standard for Social Housing (ESSH) and ESSH2 the carbon footprint of the property improves, and monthly fuel consumption for tenants is reduced, again enhancing their lives.

	effect on the environment		
Technology	Limited Contractor experience delivering Gold Standard may impact tender returns/quality.	H	Ensure thorough tender review process is implemented during the procurement process.
Reputational	High demand on Contracting market may impact costs and cause delays to delivery of the Programme/projects.	M	Programme allowance should be considered for additional periods for procurement of materials/services.

7. OUTCOMES

Local Outcome Improvement Plan Themes	
	Impact of Report
Prosperous Place	<p>The proposals within this report support the delivery of LOIP Stretch Outcome 11 in relation to Prosperous People as it will deliver properties in accordance with Gold Level Technical Standards.</p> <p>ACC shall deliver inclusive built environments that adapt and accommodate all stages of life of all citizens – for the Gold standard this includes for each dwelling to have accessible storage.</p> <p>ACC shall deliver homes that reduce the contributing factors to physical and mental ill health – for the Gold standard this includes for each dwelling to have a private or communal outdoor space for tenants to sit outside. In addition to outdoor space better living environments will be created within the dwellings with acoustic performance levels for separating walls and separating floors associated with attached dwellings. Improved lighting levels will also be provided with the average daylight factor (average DF) for kitchens and living room/dining/study improved to be 1.5% and 2% respectively. Homes will also be designed with improved security for tenants.</p> <p>The introduction of Gold Standards supports the delivery of LOIP Stretch Outcome 14 in relation to Prosperous Place.</p> <p>ACC shall deliver homes affordable to run, that improve the chances for families to move out of fuel</p>

	<p>poverty – for the Gold standard this includes a higher standard of passive design which will directly reduce energy costs for space heating. The dwelling should also include for a 27% reduction in carbon dioxide emissions, partly provided through the use of renewable heat to provide 50% of hot water demand, which is likely to further reduce energy bills. The Gold level Dwelling Emission Rate (DER) is 27% lower than the Target Emission Rate (TER) required for Silver.</p> <p>The introduction of Gold Standards supports the delivery of LOIP Stretch Outcome 14 in relation to Prosperous Place.</p> <p>ACC shall deliver integrated and connected communities and the infrastructure that supports this connectivity – for the Gold standard this includes for each dwelling to have a mobility space suitable for an electric wheelchair, pram or bicycle. The Gold Standard will provide an office/study space.</p> <p>ACC shall deliver homes that minimise ongoing demands and costs for repair – for the Gold standard this includes for the use of water saving technology within the dwellings. Tenants will also be better informed about their homes with direct ‘easy release’ adhesive labels being provided on all key heating and ventilation equipment. A further feature that will minimise the cost for repair and the retention of value within the dwellings is through consideration of waste minimisation arising from the built-form.</p>
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Design Principles of Target Operating Model	
	Impact of Report
Customer Service Design	Tenant consultation does align to networking, communication and learning opportunities that support customer service design e.g. early intervention and prevention, data management and are aligned to good customer service.
Organisational Design	This promotes quality relationships between tenants and the Council - a landlord. This is a core aspect of the interim structure of the Early Intervention and Community Empowerment structure and culture.
Governance	This continues robust management of the HRA account.
Workforce	Housing Revenue Account should align with workforce principles e.g. flexibility and empowerment.

Process Design	Housing Revenue Account should be effective in enabling the most efficient method to provide housing to the 22,000 tenancies.
Technology	Housing Revenue Account priorities should maximise effective use of technology.
Partnerships and Alliances	Housing Revenue Account priorities should maximise the opportunity benefit of partnering e.g. rapid rehousing.

8. IMPACT ASSESSMENTS

Assessment	Outcome
Equality & Human Rights Impact Assessment	An Equality and Human Rights Impact Assessment (EHRIA) in connection with the Council housing building programme has been carried out on 11.4.2018 based on report no RES/18/006
Data Protection Impact Assessment	Privacy impact assessment (PIA) screening has been undertaken and a PIA is not necessary.
Duty of Due Regard / Fairer Scotland Duty	The new Council House Building Programme will improve and increase choices for households in meeting their housing needs in this sector of the housing market.

9. BACKGROUND PAPERS

- 9.1 Council 6 March 2018: Draft Housing Revenue Account Budget and Housing Capital Budget 2018/19 to 2022/23: report no CG/18/030.
- 9.2 Capital Programme 23 May 2018: Shaping Aberdeen Housing LLP – Referral from City Growth and Resources: report no RES/18/006.
- 9.3 Council 5 March 2019: Housing Revenue Account Budget 2019/20: report no RES/19/202.

10. APPENDICES

Exempt Appendix 01: 'ACCHP Establishing the Housing Standard Report'

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