

# **HOUSING ASSET MANAGEMENT STRATEGY 2019 to 2024**

## Housing asset management strategy 2019-2023

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# Housing Asset Management Strategy 2019-2024

## 1.0 Introduction

The housing stock represents the council's most valuable asset and its largest liability in investment terms. The condition of the council's properties is also of central importance to tenants and they consistently select the improvement of their homes and a good repairs service as their top priorities.

In the context of self-financing, ensuring finite resources are used in the most cost effective manner is key to the council's asset management and business planning approach. It is essential to have a sound understanding of the asset base and future investment requirements and options in order to achieve this.

The Housing Asset Management Strategy (AMS) seeks to set out the underlying principles which sit behind excellent asset management for SBC and the key strategic projects and programmes which will ensure that SBC derives maximum value from its assets.

SBC has had significant success in implementing the plan outlined in the previous asset management strategy 2014, with the key objectives;

- to continue to maintain homes to the decent homes standard
- to undertake a programme of re-investment in poorly performing properties to ensure a positive return from all our assets
- to ensure that the existing sheltered stock is fit-for-purpose, through investment and re-modelling
- to ensure that procurement activities are robustly planned and delivered and achieve value for money

Projects including but not limited to;

- delivery of a significant decent homes and external works programme
- conversion of hard to let sheltered bedsit accommodation to self-contained 1 bedroom flats.
- creating additional units in existing assets to increase their viability and provide additional accommodation for example Silkin Court and Wellfield Court.
- disposal and redevelopment of some sheltered accommodation identified as not being sustainable in the long term for example Walpole & Asquith Court.
- works carried out and further works planned to improve our retained sheltered accommodation including communal works and remodelling.
- further schemes identified where additional accommodation can be created and in doing this make asset groups sustainable in the long term.

This success demonstrates the benefits of an active asset management strategy, flowing from the Council's leadership and vision, aimed at delivering 'excellent council homes for life'.

This new asset management strategy for 2019-2024 builds on the success of the previous plan and responds to the changes and influences that are likely to affect Stevenage over the next five years.

## Housing Asset Management Strategy 2019-2024

It is a challenging environment with on-going budgetary pressures across the public sector together with major changes and developments in the town centre, the delivery of the council's housing development and communities and neighbourhood programmes, and critically major changes to government policy and standards within housing.

Delivery of a successful asset management strategy is a key component in enabling Stevenage to grow and prosper.

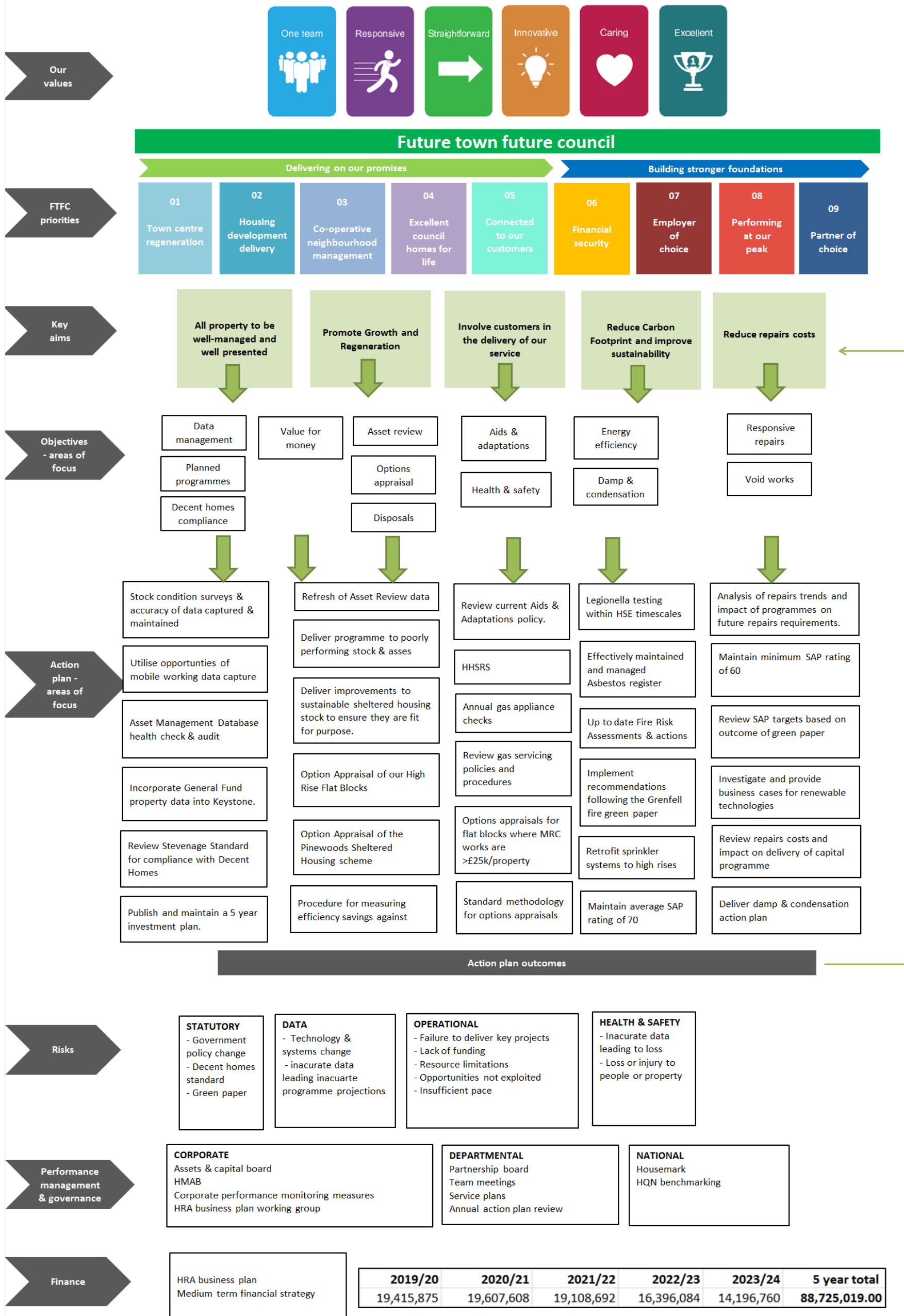
In recent years the AMS has focused on the delivery of the Decent Homes Standard and long term investment in the existing stock based on stock condition and life cycle projections, without building in rationalisation and regeneration plans. The AMS now has a wider scope than was previously the case and explores options for undertaking rationalisation and redevelopment of the councils housing stock and land assets, where this has the potential to support the council's wider financial, regeneration and affordable housing objectives.

Although the AMS sets out the strategy for the housing assets, it is important that they are managed in the context of SBC's General Fund assets, as any major investment project will almost inevitably require some 'trade off' between the HRA and General Fund. This situation will particularly arise where either set of assets are experiencing significant investments or redevelopment such as:

- maisonettes situated above commercial/retail units
- garages adjacent to housing
- local neighbourhood centres, comprising a mixture of shops, community buildings and housing.

The 2019 asset management strategy has been summarised in a one page graphic 'Plan on a page'.

# HRA ASSET MANAGEMENT STRATEGY - PLAN ON A PAGE



Asset management approach - Continuous process of 'Plan', 'Do', 'Review'; taking input from the Councils Corporate Plan Priorities and changing and updating to meet service needs, variations to the changing property environment, and requirements for management of risk. This enables clarity of direction, flexibility and speed of action to deliver a first class service and an effective and efficiently managed portfolio.

## 2.0 Strategic aims

Throughout this document there are a series of key strategic aims and subsequent objectives, key actions and outputs for each objective are highlighted with a series of green boxes. The action tasks are subsequently summarised in the **action plan at section 9.0**, which will become the principal method for reporting and monitoring the delivery of the strategy.

The strategy focuses on the following key strategic aims;

- **All property to be well managed and well presented**
- **To promote growth and regeneration**
- **To involve customers in the delivery of our service**
- **To reduce carbon footprint and improve sustainability**
- **To reduce repairs costs**

The ambition with these core aims is to provide Stevenage customers' homes that are fit for purpose, sustainable, and in thriving and desirable neighbourhoods.

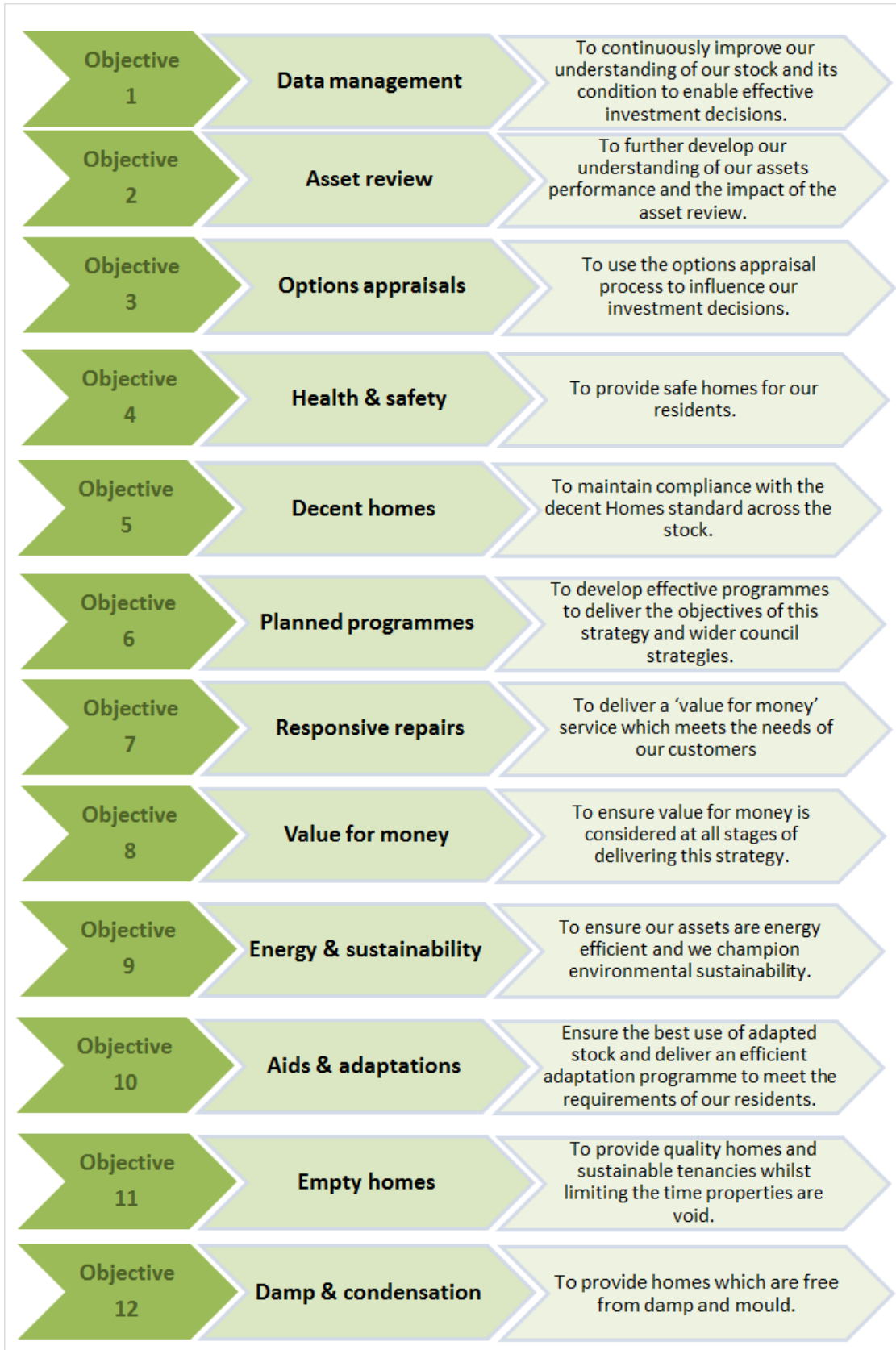
## 2.1 Involving our customers

One of the strategy's key aims is to involve residents in the delivery of our service. This key aim links directly to the councils Future Town Future Council priority 05 Connected to our customers.

We are committed to deliver social value through all of our investment programmes, and this is scored element of all our major procurement exercises. This ensures that we can leave a lasting legacy for all residents of Stevenage not just our tenants.

We are committed to include residents in shaping the delivery of the strategy and over the life of this strategy we will develop suitable approaches to enable us to this. We will engage with customers to seek their opinions on all reviews we carry out.

2.2 Strategic objectives



# Housing Asset Management Strategy 2019-2024

## 3. Context

This strategy is part of a framework of local and national policies and the aims of this strategy is to explain some of the key policies that will impact on our approach to Asset Management.

### 3.1 National Context

A number of national policies impact on asset management, principal among these are:

- Compliance with the Decent Homes Standard
- Reducing carbon emissions and improving energy efficiency
- Meeting all legislative compliance regarding Health & Safety

During the lifetime of this strategy there are other potential changes to legislation and regulations which is likely to impact on the way we manage and maintain our assets including:

- Changes to Fire Safety Legislation
- Carbon Reduction Targets
- Welfare Reform
- High Value Voids
- Changes to rent setting regulations

### 3.2 Local Context

#### Links to other Corporate Strategies including context

The AMS is one of the main components of the wider HRA business plan. The three core elements of the HRA business plan are as follows;





## Housing Asset Management Strategy 2019-2024

The HRA business plan is SBC's strategic plan for managing, maintaining and developing its housing stock. It sets out the council's short-to-medium term plans and priorities for its housing management services and provides a long term (30 year) perspective on stock investment and financial planning.

The plan focuses on the core business of managing and investing in the council's residential properties and associated HRA-owned land.

The AMS inter-relates with a range of strategies that together form the council's corporate strategy framework. In developing the strategy, careful regard has been given to aligning housing objectives and plans with FTFC corporate objectives and priorities and other key strategy documents. A range of programmes, policies and plans enable the council to implement the improvements, activities and investment needed to meet its housing objectives.

Property assets cannot be managed in isolation to other over-arching Council policies and strategies, as they are closely linked to the achievement of our strategic priorities. These key priorities are summarised within the Council's Corporate Plan and Summary Action Plan. The diagram below shows the main strategy documents influencing property decisions.



## Housing Asset Management Strategy 2019-2024

Stevenage Council approved proposals for a new programme called Future Town Future Council in October 2015. It consists of nine key focused programmes that aim to deliver improved outcomes and real change for Stevenage residents over the five year period (up to 2020)(see Appendix A). This forms the basis of the new Corporate Plan. Further details can be obtained via the following link - (<http://www.stevenage.gov.uk/content/15953/33537/20596/Co-op-Future-Council-Corporate-Plan-2017.pdf>)

The **Corporate Plan 2016 – 2021** includes the following ambitions:

- Increase the number of social and affordable homes in Stevenage (FTFC 05)
- Create a vibrant town centre where people want to live, work and play (FTFC 06)
- Improve the accessibility of our services and the customer experience (FTFC 07)
- Work with our communities to improve our neighbourhoods (FTFC 08)
- Provide high quality homes to our tenants and leaseholders. (FTFC 09)

This plan is ambitious and to help deliver on these core values, the Council will need to be:

- A financially resilient Council with enough resource to deliver its priorities (FTFC 01)
- Have the right people, skills and knowledge (FTFC 03)
- Become a smart Council with improved performance (FTFC 02)
- Have stronger partnerships with key agencies to deliver our priorities (FTFC 04)

The Asset Management Plan will support the delivery of these core objectives. The Council will be using its valuable resources (people and property) to ensure effective and efficient management of the corporate estate.

### 3.3 Housing Development

Housing remains a key priority for Stevenage residents and for the Council as it is quite clear that Stevenage needs more affordable homes:

- The current Strategic Housing Market Assessment highlights that 575 new affordable homes are required per annum.
- More than 9000 social houses have been lost through Right to buy since 1981.
- There are 2500 people on the Council housing register.

The New Council Housebuilding programme is progressing well and is detailed in the table below:

## Housing Asset Management Strategy 2019-2024

**Table 6: Current Council Housebuilding programme**

	Estimated/Completed/Onsite	1 Bed Flat	2 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House	5 Bed House	Total
Archer Road	Completed	8	9		9	4			30
Vincent Court	Completed				4				4
Kilner Close	Completed	1	2			1	1		5
Twin foxes	Completed	6	8						14
Wedgewood Way	Completed					6			6
Ditchmore Lane	Onsite	4	6						10
Gresley Way	Onsite	6			8		1		15
Burwell Court	Onsite	9	6						15
Kenilworth Close	Onsite	113	92		8	19	2	2	236
29 Shephall	Estimated	3	6						9
Symonds Green	Estimated	16	10	3					29
North Road	Estimated	12	9						21
Buy Backs	Completed				2	2			4
Open Market Aq	Completed								63
Local plan site	Estimated	170	352	23		10	14		569
Local plan site	Estimated	50	50		18				118
Local plan site	Estimated	50	50						100
Local plan site	Estimated	26	14						40
<b>Total</b>		<b>474</b>	<b>614</b>	<b>26</b>	<b>49</b>	<b>42</b>	<b>18</b>	<b>2</b>	<b>1225</b>

### Key ambitions of the programme include:

- An improved offer for Older People as part of the new build programme.

As with all development programmes, they need to be reflective of the economic and environmental conditions that are in-force at any given time. The Council's ambition to develop housing in the HRA co-exists with a need to derive income and develop more tenures of affordable and sub-market housing that meets the needs of the Towns wider population. The housing crisis is something that affects many people including those on average or above average incomes whilst it is acknowledged that the need for a reduced level of public subsidy to help this group of people may be appropriate. As such the Council is investigating the set-up of a Development Company that will allow it to hold stock other than the tenures that exist within the HRA, such as private rented and sub market rented products.

### Design & Specification

Whilst site constraints and specific scheme needs will influence the precise property types used the general principles to apply to design will include:

- High levels of thermal comfort to promote low cost in use - controlled through Design Guide
- Standard Employer's Requirements to ensure robust and cost effective maintenance, prudent quality installations of kitchens, bathrooms and fittings.
- Aesthetically pleasing design with good useable floor spaces.
- Future technology friendly for ease of instalment for digital media and peripherals associated with entertainment to life style medical aids

## Housing Asset Management Strategy 2019-2024

### **Employers Requirements**

The Standard Employer's Requirements would be a detailed technical brief, informed by the design guide, but which could be utilised as a contractual specification, with suggested contract amendments. This will be the contractual starting point for all new developments. This would be produced with assistance from a suitable building surveyor / employer's agent, and would again require internal consultation with relevant departments. A base position will be the Employers Requirements used within the General Fund and Housing Revenue Account developments already completed.

The Standard Employer's Requirements will deal with the technical aspect of the build approach and would not be focussed on design. The document would detail for instance kitchen finishes, doorway widths, and heating requirements.

Some aspects of The Standard Employer's Requirements would be liable to change depending on particular project conditions and requirements. However, it is used as an agreed starting point, and any deviations from it would need to be clearly flagged by the Employer's Agent and agreed by the WOC.

### **Supply of New Schemes**

Stevenage Council has wide ranging housing ambitions that span the need to make commercial gains, provide affordable housing and achieve place shaping priorities such as neighbourhood regeneration. Therefore the supply of new homes into the HRA could emerge from a number of sources. Careful consideration will be to be given to achieving value for money and assessing the availability of both direct HRA funding and grants such as 1-4-1 funding. The deliverability of projects together with land assembly needs are also other important factor.

It general terms new schemes will emerge from the following land opportunities:

#### **Brownfield Developments – HRA and General Fund**

New homes built on disused or derelict sites. This type of project would cover demolition of existing buildings, such as unused and derelict office spaces. Larger schemes are often generated by brownfield opportunities.

#### **Garage Sites – General Fund**

There may be a number of under-utilised garage sites within the Borough. These spaces may have stopped functioning for their original intended purpose due to increasing car dimensions and are often used for general storage. The lack of a revenue stream can lead to dereliction.

#### **Hidden Homes – HRA**

This refers to less obvious small opportunities such as estate block parking or WC conversions and hard-standings. This could also cover small - medium sized "in-fill" sites on existing estates such as building onto blank flank walls, and disused parking areas.

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### **Non-standard stock (Airey Homes) and failing HRA assets**

Failing stock or prefabricated homes create longer term maintenance issues for the Council and often fall into considerable disrepair. Where a small terrace or group of such homes can be found, demolition and redevelopment could be explored by the HRA and General Fund.

### **Sheltered / Supported**

Some of the current accommodation could be in need of renewal and it may be beneficial to review in terms of being “fit for purpose”. Decommissioned sheltered or supported schemes could potentially create large development opportunities that also reduce the burden for programmed cyclical works.

All of these opportunity types could be explored via local officer knowledge and specific capacity studies over time.

### **Housing Development Company**

The creation of a Housing Development Company will allow the Council to utilise its general fund assets in a mature way and benefit from the uplift created by the development process, the additional new build premium, as well as increasing the scope for creative development and cross asset development. The traditional route of disposal on the open market by auction (followed by many local authorities) limits the time and creates arbitrary pressures that stifle consideration for alternative uses. It is believed that the Council’s current asset portfolio that includes a number of community centre sites and shopping parades could provide an opportunity for housing led regeneration that also creates better community and retail assets.

Clearly the size of the scheme together with its cost and time for delivery impacts heavily on the investment needs of the project. The Council will always need to balance its other commitments and statutory service provisions with any investment decision in development activity. Therefore project specific consideration will be given to schemes to determine their best route for delivery that balances the risk, reward and time frame of activity. There will be some schemes that the Council elects to deliver it self and others where it carefully seeks an appropriate Joint Venture partner from the private sector.

## **3.4 Communities and Neighbourhoods**

### **Community Engagement Framework**

The council’s Community Engagement Framework sets out how the council will engage with the town’s residents and communities in order to shape services and to ensure the council meets the diverse needs of the town’s residents.

This is a council-wide framework but recognises the unique function of the council's housing services and the need to give a voice to council tenants and leaseholders. This is facilitated through forums such as the Housing Management Advisory Group, Asset Management Group and Customer Scrutiny Panel. This might also be facilitated through special interest groups such as the Disability Panel or

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through youth engagement mechanisms such as the Youth Council. The framework also seeks to capture the council's ambitions in diversifying the profile of residents involved to accurately reflect the town's population and will be seeking to explore opportunities through technology and web-based platforms to extend community engagement in council services. A focus remains on facilitated place-based social action in neighbourhoods, where local communities come together to address a particular need or ambition. The council might enable this through mechanisms such as Local Community Budgets, Rent in Kind for council premises, or licences to occupy. The council provides community development support to all residents groups who want to get more involved and will facilitate consultation and engagement on the issues most pertinent to local communities.

### **Co-operative Neighbourhood Management Programme**

Co-operative Neighbourhood Management forms part of the Future Town, Future Council Programme and reflects a £multi-million investment programme in neighbourhood improvements from 2017-2023. These improvements include play area renewals, a litter bin replacement programme and public realm improvements as determined through local consultation. The programme focuses on 2 wards per year on an agreed schedule over the life-time of the programme. The programme is driven by the council's co-operative principles and therefore looks to co-design solutions to neighbourhood issues with local residents and empowering local communities wherever possible to lead projects and activities. The programme will seek to dovetail with other council programmes to ensure maximum impact within neighbourhoods and greatest social dividend for local residents.

### **Social Strategy and Partnerships**

The Communities and Neighbourhoods Business Unit take a strategic lead for town-wide strategies relating to health and wellbeing, community safety, and social inclusion. These strategies reflect council ambitions to improve the wellbeing of local residents and are overseen by the Stevenage Together Partnership. A number of work streams and activities flow from these programmes and place-shaping work across the town will need to consider how it positively impacts on a number of these agendas. The community development service also commissions the advice services contract, currently held by Citizens Advice Stevenage, providing advice and support to residents across the town.

### **Anti-Social Behaviour and ASB**

The Business Unit provides the council's ASB service, which includes ASB related issues around housing tenants and leaseholders. The service also provides the Stevenage Against Domestic Abuse Service and No More (drug and alcohol) Service, available for those whose council tenancies are impacted by either issue.

### **Social Value and Wealth Creation**

As part of the council's Co-operative Commitment the Communities and Neighbourhoods Business Unit is currently looking at opportunities to further embed social value within commissioning and procurement processes and support wealth creation within communities.

### **Housing older person's strategy**

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The council is currently developing an older persons strategy to ensure that we future proof our approach to housing for future generations. Residents in Stevenage of all tenures are being consulted to ensure that we shape our housing services to the future needs and demands of the town.

### 3.5 Defining Asset Management

The AMS planning process is a continuum, as described in the Asset Management Wheel:

Figure 6: The Asset Management Wheel



External consultants (Ark) were engaged to carry out a Financial Appraisal and Sustainability Assessment of the Housing Portfolio which completed stages 1 and 2 of the Asset Management Wheel.

The HRA Business Plan 2014 set out priorities and plans for the housing investment programme over the medium to long term. At that point, the strengths of many assets had been identified and the plan

## Housing Asset Management Strategy 2019-2024

clarified future investment requirements. But for others further question had been raised, where further survey work, consultation and option appraisals were required. Since 2014, different elements of the programme have moved into the latter stages (4-6) of the wheel.

The hub of the wheel is the HRA Business Plan. This will define the priorities along with financial and other resources available on an on-going basis. The evolving AMS will make different demands on the Business Plan and the council will need to progressively review and refine the priorities for investment, as options and strategies for individual assets are developed.

The council will work to an annual planning cycle, where the financial appraisal and sustainability assessment of the housing portfolio is updated and reviewed against available resources within the HRA Business Plan. As such, the Business Plan will determine the annual budget in relation to the HRA capital programme in the future and investment will be largely ring-fenced and feed into the annual service delivery plan.

As the emerging AMS will require commitments to long term investment programmes or projects, some of up to 10 years duration, there will only be limited scope to vary the budgets year to year. The strategic investment decisions being taken progressively year to year are therefore the council's business commitments to its housing assets (to invest, disinvest or redevelop).

### 4. Profile of the Housing Portfolio

#### 4.1 Property types

##### Overview

The council's housing stock includes a range of property types and ages (see table 1 below) and has some particular characteristics as a result of Stevenage's status as the first post-war new town. The property types include a mixture of houses (predominantly terraced), low rise flats and multi-storey flat blocks. Construction types are variable as a result of the trialling of non-traditional methods associated with the new town's development brief. A high proportion (76%) of the stock was built in the period 1945-1973 and 46% of the council's properties are either flats or non-traditionally constructed houses.

The housing stock is generally supported by HRA-owned land, including 480 communal areas in 145 locations around the borough and incorporating hard and soft landscape, car parks, footpaths, boundary walls, fences and retaining walls.

**Table 1: Property Type Details**

Dwelling type	Total	% of stock
Houses	4752	60.16%
Flats & maisonettes	2710	34.31%
Bungalows	437	5.53%
<b>Total</b>	<b>7899</b>	<b>100.00%</b>



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**Table 2: Council Housing by No. Bedrooms at 1 April 2018**

Beds	Maisonette	Flat	House	Bungalow	Total	% of Total
Bedsit(s)		320			320	4.05%
1		1594		316	1910	24.18%
2	15	684	1297	100	2096	26.54%
3	87	10	3058	21	3176	40.21%
4			350		350	4.43%
5			44		44	0.56%
6			3		3	0.04%
<b>Total</b>	102	2608	4752	437	<b>7899</b>	<b>100.00%</b>

Source: Keystone Asset Management System - April 2018

### 4.2 Age of Stock

The age distribution of the stock in the table below shows that the majority of the stock (3903 – 49%) were constructed in 1945-1963.

**Table 3: Council Housing by Age of property at 1 April 2018**

Age Band	No of Properties	%
Pre 1945	150	1.90%
1945-1963	3903	49.41%
1964-1973	2066	26.16%
1974-1989	1516	19.19%
1990 onward	264	3.34%
<b>Total</b>	<b>7899</b>	<b>100.00%</b>

**Table 4: Council owned housing stock including leasehold properties**

Tenure	No of Properties	%
Social rented	7,899	84.81%
Leasehold	1,415	15.19%
<b>Total</b>	<b>9,314</b>	<b>100.00%</b>

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**Table 5: Number of dwellings that are non-decent at 1 April 2018**

	<b>Number of dwellings</b>
No. non decent dwellings	<b>1,936</b>
Dwellings with category 1 hazards (HHSRS)	<b>30</b>
Dwellings not in a reasonable state of repair	<b>1,911</b>
Dwellings without reasonably modern amenities and services	<b>66</b>
Dwellings without a reasonable degree of thermal comfort	<b>12</b>

### **4.3 Non-Traditional Stock**

Within SBC's housing stock there are a number of different non-traditional constructions which use Pre-cast Reinforced Concrete (PRC) as a significant element of the construction. A number are classified as 'defective' under part XVI of the Housing Act 1985. However the majority have already been over clad with External Wall Insulation (EWI) to help protect the external fabric, prolong the life of and improve the energy efficiency of these properties. The remainder form part of programmes of work currently being delivered to provide EWI where required.

### **4.4 Sheltered Housing**

SBC currently has 18 sheltered housing schemes, including two flexi care schemes and one supported housing scheme at Symonds Green that also provides community support to residents in the area. Two of these schemes Walpole & Asquith Court are currently being de-commissioned, ahead of these sites being developed. The new development includes the provision for sheltered units.

### **4.5 Right to Buy**

The number of dwellings owned by SBC, has declined through right to buy sales, whilst at the same time, demand for social housing has increased steadily. New legislation forcing the sale of higher value void properties will potentially reduce property numbers further. SBC has plans to replace properties through building new housing.

### **4.6 Stock Valuation**

There are two housing stock valuations; one is for the stock used as council houses, called Economic Use – Social Housing Value (EU-SHV) and this is £607,235m. The other is the vacant possession value (effectively market value) and this over £1.6 billion.

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The approach used by the council is to undertake a full re-evaluation of 20% of the stock every year, with a desktop review of the remainder, informed by the results of re-evaluation.

### 4.7 Leasehold Properties

There are 1415 leasehold properties currently and these are distributed throughout the stock, there are 26 blocks where all properties are leasehold.

The majority of works in the past has been focused on the Decent Homes Standard and internal works, the change of focus to external and communal area works will require substantial consultation with leaseholders to allow works to progress. Where appropriate, leaseholders will be recharged for their share of the costs for any works carried out.

### 4.8 Governance

Within the past 12 months, a new Asset and Capital Board (ACB) has been set up under the direction of the Strategic Director.

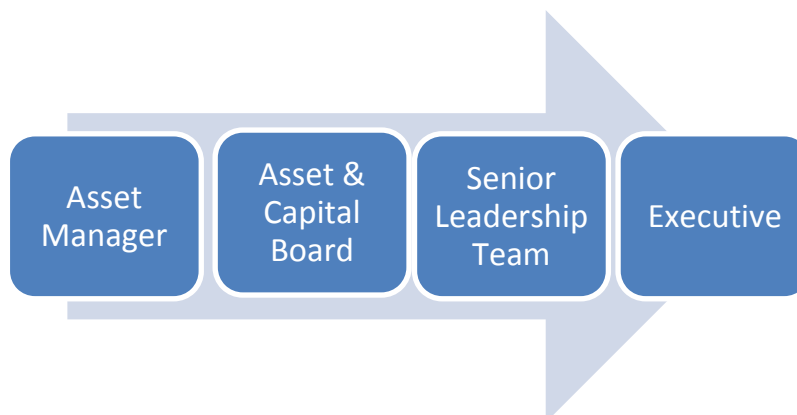
#### Asset and Capital Board

It is the intention of this Board that ACB play a key role in preparing and implementing the corporate objectives within the new emerging Asset Management Plan for both GF and HRA assets. The Board is chaired by a Strategic Director and supported by the Assistant Director (Finance & Estates). This will provide a forum for a high level discussion and decision forum on recommendations coming forward from the Locality review work, one Public Estate and other property initiative (Housing Development and Regeneration). Membership of this group includes Senior Officers from across the Council including Property and Housing Investment, Estates, and Housing Development.

#### Senior Leadership Team

The outcomes from the ACB are escalated to the Senior Leadership Team (SLT) as appropriate.

Having the correct organisational framework in place is an essential step in being able to develop and deliver effective corporate asset management. Aligning the new FTFC structure with other relevant parts and activities of the Organisation is critical in ensuring that asset management is properly connected and integrated with the Council's overall management and planning of its resources and services.



## 5. OBJECTIVES

### 5.1.0



A series of stock condition surveys were undertaken by independent surveyors, Savills and King Sturge, during the period 2005-2008 and the data was externally validated by Tribal consultants in 2010. As a result, 88% of the council's stock has been surveyed and the information will be continually improved and updated through an on-going rolling programme of surveys. In addition, independent engineers, Curtins Consulting, carried out a risk assessment and structural survey of high rise and non-traditional housing stock in 2006 and this survey was updated and validated in 2010, enabling anticipated structural repair costs to be identified.

All stock data is held on the Keystone asset management database, which is administrated by the asset management team. This provides a comprehensive single data source for condition information, works programmes, renewal and cyclical maintenance history. The database is used to carry out planned maintenance modelling scenarios and provides information for business plan forecasts as well as detailed work programmes, proposed contract works and assessments of progress in meeting the Decent Homes standard. The intention is to expand the information held in Keystone to include stock condition data for our General Fund properties.

In addition to survey information details of all completed works are captured and updated in the data base to maintain the accuracy of the data.

#### 5.1.1 Approach to Stock Condition Surveys

Following the initial surveys carried out by consultants we have introduced a programme of stock condition surveys carried out by the internal team.

We have set a target to survey a minimum 20% of the stock each year to maintain the accuracy of our stock condition data and ensure each property is surveyed once every 5 years.

Stock condition data is key in ensuring our future investment costs are robust and provide a sound base for future planning. The condition data is also used to generate planned programmes of work to maintain and improve the condition of the stock, prolonging the life of the assets and their continued contribution to the HRA.

## **ACTIONS FOR OBJECTIVE 1 – Data Management**

Action 1: Establish a programme of stock condition surveys to ensure the accuracy of property data is maintained.

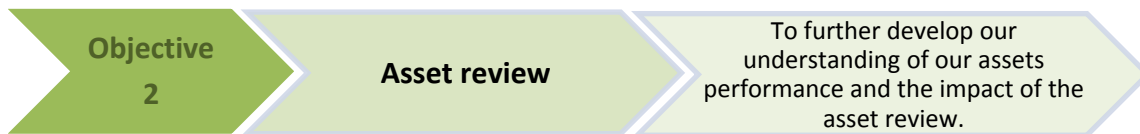
Action 2: Ensure all data is captured through responsive repairs and voids.

Action 3: Make further use of mobile working to capture data.

Action 4: Carry out an audit and health check of the Asset Management Database.

Action 5: Incorporate General Fund property data into Keystone.

## **5.2.0**



### **5.2.1 Background**

The council carried out a review of its Asset Management Strategy in 2014, which included a detailed analysis of the housing assets and their investment requirements over the 30 year business plan period. This section details the outcomes of the 2014 review, progress since the review, the latest position and recommended actions during the life of this strategy. The asset review included a comprehensive review of the financial performance of individual and groups of assets.

The review focused on two main areas:

- Defining the true financial performance and investment requirements of the housing stock, relating to this the HRA capacity and the financial demands of development.
- Addressing sustainability in its fullest sense, recognising the importance of neighbourhoods and economic factors, as well as dwellings themselves, in influencing demand and then addressing assets or asset categories with fundamental sustainability problems.

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### 5.2.2 Stage 1 of the Review

Consultants analysed the council's stock by applying an asset grading model, which scored properties on the basis of cost and qualitative factors, and by examining the financial impact of properties on the 30-year HRA. As a result, a series of asset groupings were identified, as described in table 7 below.

Table 7: Asset Management Groupings

Short Description	Full Description
<b>Sustainable Sheltered</b>	Sheltered schemes where capital investment has been/is being made. These are therefore expected to be sustainable for 10 - 15 years before further review is required.
<b>Medium Term Sustainable Sheltered</b>	Sheltered schemes where capital investment should be contained to minimum necessary to sustain 5 - 10 year productive use of sheltered housing. Demand likely to tail off progressively or potential to intensify service.
<b>High Investment Sheltered</b>	Sheltered Schemes where capital costs are extremely high and it is difficult to justify continued investment in the longer term and more strategic intervention is required.
<b>Tower Blocks</b>	Tower Blocks which require full reinvestment and upgrading. Fully sustainable for lettings in the longer term (larger accommodation/few bedsits), subject to investment and robust housing management once block upgrades are completed.
<b>Flats for Upgrade</b>	Generally smaller blocks of flats which are 'tired'. Expected to be sustainable from a lettings perspective, subject to full investment and upgrading, which in most blocks will involve the de-conversion of bedsit accommodation.
<b>Archway Flats</b>	Small flats and maisonettes which are built over communal access roads and paths. They suffer from cold bridging and noise nuisance. Units are mainly bedsits.
<b>Maisonettes Over Shops</b>	Maisonettes and flats constructed over shops / small commercial units. Remodelling, reinvestment or replacement likely to be required.
<b>Special Needs Use</b>	Stock which is currently used for supported housing to meet specific needs.
<b>Redevelopment Schemes</b>	Blocks of flats / groups of properties where ongoing investment is not considered advisable
<b>Bungalows for Review</b>	These bungalows have been highlighted through the asset grouping review as having a negative impact on the HRA, but are expected to be sustainable.
<b>Data review</b>	These assets have been highlighted as having a negative impact on the HRA, but the reasons for this are not immediately clear to the staff who know the stock well.
<b>Sustainable but Potentially Challenging</b>	For these assets some individual indicators highlight some low scores. This may be due to one off data sets on small samples. The staff who know the stock well grade this stock as reasonable
<b>Disposals</b>	Stock considered appropriate for private sector disposal.
<b>Held for Road Widening</b>	Property mothballed pending decision on Stevenage Western expansion
<b>All Other Stock (Long Term Sustainable)</b>	Assets where planned investment is at benchmark levels and are considered sustainable.

The outcome of the initial review was that 5,496 units (i.e. 66% of the total housing stock), was deemed to be sustainable in the long term and fell within the 'all other stock' category in the above table. This meant that no particular housing or asset issues were identified and, provided SBC continues to make planned investment at sustainable levels (as provided for in the HRA Business

## Housing Asset Management Strategy 2019-2024

Plan), these assets should continue to meet housing need and make a positive contribution to the HRA.

The remaining 34% of the assets fell within the other categories. These properties were identified as being potentially 'challenging' as they performed relatively poorly, based on their score in the asset grading model and their financial impact on the HRA. The outcomes for each grouping are detailed in table 8.

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**Table 8: Asset Review (Stage 1): Potentially Challenging Asset Groupings**

	No. of asset groups	% of Asset groups	Number of dwellings	% of total stock	30 year average planned programme	Annual planned programme spend	30 Year Planned Spend	% of total spend	Average rent collected	Average repairs/ voids/ cyclical	Rent less repairs/ void/ cyclical	Balance per unit per annum	30 Year HRA Impact	Group1	Group 2	Group 3	
<b>A</b>	<b>Sustainable Sheltered</b>	11	4.00%	359	4.34%	£1,416	£508,442.97	£15,253,289	9.12%	£3,867	£961	£2,905	£1,489.19	£16,038,583	1	10	0
<b>B1</b>	<b>Medium Term sustainable Sheltered</b>	7	2.55%	275	3.32%	£1,487	£409,030	£12,270,913	9.63%	£3,787	£1,021	£2,766	£1,279	£10,548,032	1	6	0
<b>B2</b>	<b>High Investment Sheltered</b>	4	1.45%	117	1.41%	£1,680	£196,603	£5,898,094	4.02%	£3,704	£1,056	£2,647	£967	£3,394,206	2	2	0
<b>C</b>	<b>Tower Blocks</b>	5	1.82%	269	3.25%	£1,769	£475,886	£14,276,584	9.51%	£3,949	£910	£3,039	£1,270	£10,250,026	0	5	0
<b>D</b>	<b>Flats for Upgrade</b>	35	12.73%	594	7.17%	£1,685	£1,001,017	£30,030,523	11.27%	£3,247	£840	£2,407	£722	£12,864,193	1	31	3
<b>E</b>	<b>Archway Flats</b>	20	7.27%	25	0.30%	£1,248	£31,199	£935,981	0.26%	£2,753	£1,018	£1,735	£487	£365,552	5	9	6
<b>F</b>	<b>Maisonettes Over Shops</b>	6	2.18%	52	0.63%	£1,922	£99,935	£2,998,060	1.12%	£3,608	£1,006	£2,628	£706	£1,102,015	3	3	0
<b>G</b>	<b>Special Needs Use</b>	1	0.36%	30	0.36%	£1,726	£51,791	£1,553,722	0.74%	£3,581	£2,735	£846	£-880	£-792,329	1	0	0
<b>H</b>	<b>Redevelopment Schemes</b>	1	0.36%	21	0.25%	£1,913	£40,175	£1,205,257	0.45%	£4,463	£1,807	£2,655	£742	£467,632	0	1	0
<b>I</b>	<b>Bungalows for Review</b>	2	0.73%	2	0.02%	£1,813	£3,626	£108,788	0.02%	£0	£50	£-50	£-1,863	£-111,788	1	1	0
<b>J</b>	<b>Data review</b>	9	3.27%	49	0.59%	£2,454	£120,225	£3,606,750	1.22%	£3,883	£989	£2,894	£440	£647,010	0	5	4
<b>K</b>	<b>Sustainable Assets</b>	60	21.82%	985	11.89%	£1,618	£1,593,855	£47,815,637	12.62%	£3,366	£789	£2,577	£959	£28,323,949	0	52	8
<b>L</b>	<b>Disposals</b>	2	0.73%	6	0.07%	£2,228	£13,367	£401,013	0.13%	£3,299	£967	£2,332	£104	£18,777	0	0	2
<b>M</b>	<b>Held for Road Widening</b>	1	0.36%	1	0.01%	£780	£780	£23,401	0.01%	£0	£1,389	£-1,389	£-2,169	£-65,058	1	0	0
<b>SUB TOTALS</b>		164	60%	2785	34%	£1,632	£4,545,934	£136,378,011	60%				£994	£83,050,800	16	125	23
<b>ALL OTHER STOCK</b>		111	40%	5496	66%	£1,431	£7,867,506	£236,025,184	40%	£5,182	£714	£4,468	£3,036	£500,624,885	0	21	90
<b>TOTALS OVER ENTIRE STOCK</b>		275	100%	8281	100%	£1,499	£12,413,440	£372,403,196	100%	£4,627			£2,349	£583,675,684	16	146	113



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### 5.2.3 Stage 2 of the Asset review

The next stage of asset review was to consider the options for the challenging assets and to scope specific recommendations for each group, in order to assist the council in developing its asset management plan.

As part of this assessment, a further 617 units of the stock were re-classified as being sustainable in the long term. In addition, the 30 properties for special needs use, whilst demonstrating seemingly poor financial performance, were assessed as having considerable social value and were considered to be sustainable on that basis. This resulted in the number of long term sustainable assets increasing to 6143 units, representing 72.2% of the housing stock.

The following asset groups were separated for specific assessment or recommended action.

**Table 9: Asset Groups Assessed**

Description	Asset Groups	Units	% of Total	Action
Long Term Sustainable Assets (including Special Needs)	159	6,143	72.2%	Retain and continue to invest in line with planned programme requirements.
Poorly Performing Assets - Reinvestment Option Appraisals	85	1,090	13.1%	Actions detailed below
Sheltered Housing	22	751	9.1%	Actions detailed below
Tower Blocks	5	269	3.2%	Actions detailed below
Other Groups	4	28	0.3%	Schemes being held for redevelopment, disposal and road widening.
<b>TOTALS</b>	<b>275</b>	<b>8,281</b>	<b>100%</b>	

The asset review identified three key challenges facing the future investment needs of the existing housing stock.

The key challenges and the actions identified to address them are set out below. The resultant investment requirements have been built into the HRA Capital Programme.

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### a.) Poorly Performing Challenging Assets

#### *The Challenge*

The group of 1090 assets identified as poorly performing and where the financial impact on the HRA is potentially low or negative consist of the following stock groups.

**Table 10: Classification of Poorly Performing Assets**

Groups	Type	Asset Groups	No. of Dwellings
D	Flats for Upgrade	35	594
E	Archway Flats	20	25
F	Maisonettes over Shops	6	52
I	Bungalows for Review	2	2
J	Data Review (Anomalies)	9	49
K	'Sustainable' but potentially challenging	13	368
<b>TOTALS</b>		<b>85</b>	<b>1,090</b>

#### *Response*

Site surveys were carried out to provide an understanding of the strengths and weakness of each asset grouping. This was followed by a comprehensive desktop review for each of these asset groups.

For each group, the type and level of investment was determined along with the relative urgency. The objective was to improve the stock so as to make tenancies sustainable, reduce turnover and so underwrite the strength of the long term revenue contribution to the HRA.

The range of typical scheme recommendations includes the following:

- Keep as is (and potentially review data)
- Upgrade public realm
- Upgrade and remodel (this mainly involves bedsit and archway flat remodelling)
- Sell balance of units (change tenure)
- Demolish and redevelop
- Open market disposal
- Area/sub area master plan

For each of these, some standard capital cost assumptions were generated, which can be summarised as follows:

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**Table 11: Investment Cost Assumptions for the Poorly Performing Assets**

Option	Standard Capital Cost
Keep as is	No capital cost
Upgrade public realm	£9,000 per rented unit plus £4,800 per leased unit
Upgrade and remodel	£35,000 for flats; £20,000 for archway; £50,000 to convert archway to house
Sell balance of units	Capital receipt invested in works
Open market disposal	Capital receipt invested in works
Demolish and redevelop	Not part of this costing exercise
Area/sub area master plan	Not part of this costing exercise

For all schemes, once investment has been made, it is anticipated that this will have one or more of the following effects:

- That the annual investment per unit per annum remains as that contained in Keystone.
- Responsive and void costs return to normal levels – assumed at £350 and £150 per unit per annum respectively.
- Rental income is achieved at 97% of potential rent (rather than the historically low ‘actual rent collected’ at these schemes).
- Where bedsits are to be remodelled, the rental income on ‘lost’ units is removed but the income on retained and remodelled units (which will have increased in size) have been enhanced by £20 per unit per week.
- Where individual units are recommended for sale the assumed sales income has been introduced, at 90% of the open market value, assuming sale with vacant possession.

For each scheme, there is an assumption as to when the work would be undertaken, prioritising the most (financially) challenged schemes first. They smoothed the major investment over years 2 – 10 of the current business plan (assuming year 1 is the current year), so as to allow lead in time for the first schemes and then a steady programme both of work and capital spend.

The outcome was a comprehensive financial model for each of the 85 schemes, which compared the current 30 year Investment and Expenditure profile and Net Present Value, with a revised profile. The outcomes were considered at scheme level and overall, to adjust the prioritisation and conclusions for each scheme and to propose a 9 year programme of investment and forms part of the basis of the financial assumptions in the business plan.

Based on these proposals, a provision has been made in the Business Plan to deliver the programme of works to the poorly performing assets. The proposed programme has been amended to reflect pressures on the Business Plan and now consists of a longer term programme commencing in 2017/18 and finishing in 2028/29.

## 2018 Updated Position

Works have been carried out to re-model some poorly performing stock including hard to let bedsit accommodation. All of the converted accommodation are now fully let and have an increased rental value as a result of their conversion.

Other works have been scoped for delivery during the asset review programme including creating additional accommodation in under crofts and other underutilised spaces. Re-modelling of areas within some poorly performing flat blocks will also be incorporated in the MRC programme.

Work is underway to refresh the Asset Review and introduce an enhanced Strategic Asset Performance Model, please refer to **table 14** at the end of this section. The refresh will allow us update our assets performance and what the impact has been from changes since the original review including improvement works and the introduction of the 4 year rent reduction.

## b.) Sheltered Schemes

### *The Challenge*

The council has previously commissioned an independent review of its sheltered assets, which identified 10 schemes that were considered to have sustainability problems and to be at risk of experiencing longer term demand and/or physical problems. As part of the asset review, consultants focused on these schemes, and categorised them as follows:

- Red**

 - A scheme is categorised as red where there are issues relating to the physical nature of the scheme, its repair or condition, the degree of local demand/competition or a combination of these factors such that SBC needs to take significant action within the short term. The action might be major investment and remodelling, or assessing potential for decommissioning as sheltered housing and re-use, redevelopment or disposal.
  
- Amber**

 - A scheme is categorised as amber where there is a probable requirement that major investment, development or re-utilisation of a scheme will be required within 10 years. The view is that amber schemes are unlikely to sustain good long-term demand without the identified actions or investment. In some instances a sustainable scheme may have development potential, perhaps as extra care housing. If, in the consultants opinion, this should be realised in the coming 10 years then the scheme would also be categorised as amber.

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**Green**

A scheme is categorised as green where it is essentially sustainable in the long term (up to 30 years) in its present form. Nonetheless there are likely to be some improvement and upgrading works required to meet minimum quality standards and to maintain a healthy demand profile.

The distribution across the sustainability categories of the Stevenage sheltered stock which was subject to the consultants assessment process is shown in the table below:

**Table 12: Sheltered Stock Sustainability Categorisation**

Category	No. Schemes	No. Dwellings
Red	4	132
Amber	5	208
Green	1	110
<b>Total</b>	<b>10</b>	<b>450</b>

Based on their assessment of these schemes, which represent the more problematic half of the portfolio, the consultants judged the overall sustainability challenge in SBC's sheltered to be manageable. Overall the quality of the stock and the extent of likely future demand compared favourably with the situation faced by many other social landlords.

### **Response**

#### *Preferred Options by Scheme*

When considering the appropriate response for the council to the findings of the consultant's assessment of the 10 schemes, a number of options which could apply were identified. These were:

- A – Improvement and retention as older people's housing
- B – Significant remodelling for continuing older people's housing use
- C – Remodel or redeployment for alternative use
- D – Redevelopment by SBC
- E – Disposal

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The following breakdown emerged of preferred options across the various schemes:

**Table 13: Breakdown of Options for the Assessed Sheltered Schemes**

Option	Units
Option A Improvement and retention as older people's housing	237
Option B Remodelling for continuing older people's housing use	81
Option C Remodel or redeployment for alternative use	0
Option D Redevelopment by SBC	132
Option E Disposal	0

### *Medium Term Sustainable - Green and Amber Schemes*

The consultants provided costed proposals for modernising the amber and green schemes they assessed, through a programme of improvements and re-modelling and a provision has been included in the HRA Business Plan.

### *Unsustainable Sheltered - Red Schemes*

Of the schemes that have been assessed as being unsustainable three schemes form part of the future housing development programme. The fourth scheme has been released from the development programme but will be part of a further option appraisal prior to any significant investment on the scheme.

### **2018 Updated Position**

Works have been completed in a number of our sustainable sheltered schemes to ensure these are fit for purpose in the future. Schemes have been delivered to re-model communal areas including garden spaces, re-modelling of bedsit accommodation which has historically been hard to let using communal facilities no longer required.

Plans are progressing for the three red schemes and some have already been decommissioned. An option appraisal for the fourth red scheme will be carried out as part of this strategy.

Plans have been developed and are being procured to provide additional accommodation in some schemes to further enhance the schemes and their viability.

Additional schemes are being developed providing further improvements which will be delivered during the life of this strategy.

## **c.) Tower Blocks**

### ***The Challenge***

The council has five high rise tower blocks which have a relatively low Net Present Value (NPV). Although the flats are relatively energy efficient they suffer from poor internal communal areas and unattractive public realm areas outside the blocks.

The tower blocks are, however, relatively popular, with good Parker Morris space standards and a low number of bedsits. The four town centre tower blocks are also in central locations and as such as represent significant assets which should be utilised to support the Council's wider priority to regenerate the town centre.

The Council also has significant land holdings in the areas around the tower blocks which may offer opportunities for new build at higher densities.

### ***Response***

An Options Appraisal will be commissioned to look at potential opportunities for regeneration of the tower blocks and surrounding areas whilst at the same time improving the financial position of the HRA, enhancing income earning potential and reducing exposure to high planned maintenance costs for some existing assets.

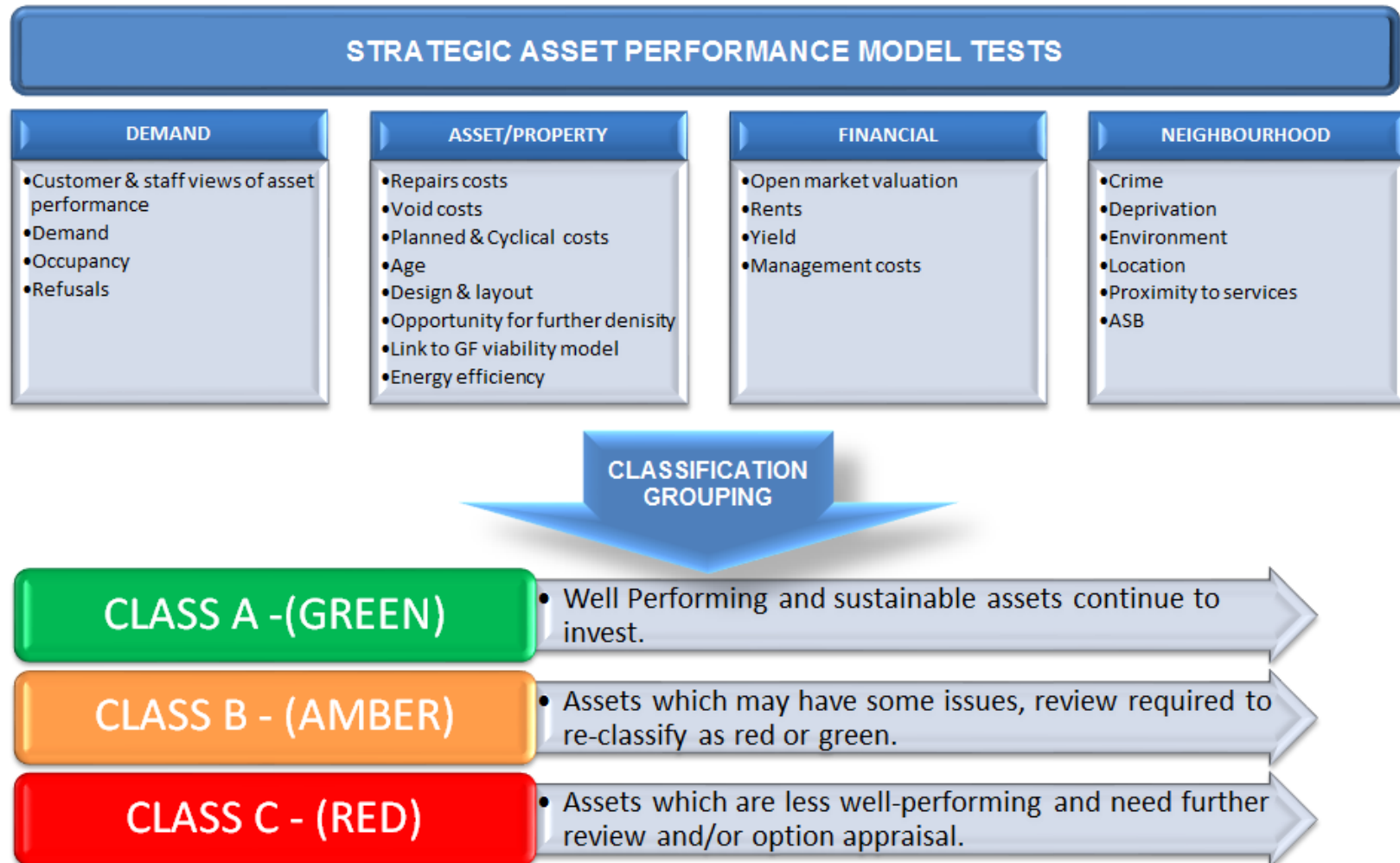
### **2018 Updated Position**

The viability assessment and options appraisal for our tower blocks is planned for 2019/20 and this will inform the future strategy for these assets.

The process will include detailed surveys and assessment of the viability from both a financial and social perspective.

Table 14: Strategic asset performance model

**STRATEGIC ASSET PERFORMANCE MODEL**





## **ACTIONS FOR OBJECTIVE 2: Asset Review**

Action 1: Carry out a refresh of the Asset Review data to ensure asset classifications remain unchanged and assess the impact of the rent reduction.

Action 2: Deliver the programme of improvements to the poorly performing stock and measure the impact.

Action 3: Deliver the programme of improvements to the sustainable sheltered housing stock to ensure they are fit for purpose.

Action 4: Undertake an Option Appraisal of our High Rise Flat Blocks prior to any non-essential major investment.

Action 5: Undertake an Option Appraisal of the Pinewoods Sheltered Housing scheme prior to any non-essential major investment.

### **5.3.0**



### **5.3.1**

Through the Asset Review a number of asset groups will require further detailed analysis before any future investment is approved. The Options Appraisal process will be followed for these groups of assets to determine the best solution. The outcome and recommendations from Options Appraisal will be considered by the Asset & Capital Board.

There may be a number of outcomes from including:

- Retain and continue to invest
- Change of tenure
- Remodelling
- Demolition & redevelopment
- Demolition & disposal
- Disposal

The requirement for Options Appraisals has been identified for some stock which either did not form part of the Asset Review or where circumstances have changed since the review. Those areas identified include the following:

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- High Rise Flat Blocks
- Flat Blocks where investment in individual flats exceed £25k
- Sheltered Housing Schemes (Pinewoods can we include the name?)

We will develop standard Options Appraisal templates in line with those used through the Asset Review. This will include scoring the solution against a number of criteria including Social, Financial and Environmental.

## ACTIONS FOR OBJECTIVE 3: Options Appraisal

Action 1: Establish a standard methodology for carrying out options appraisals.

Action 2: Carry out options appraisals for flat blocks where works exceeding £25k/property are required through the Major Refurbishment Contract.

### 5.4.0



SBC has a legal duty to ensure all residents live in a safe environment and a number of the key areas of compliance are covered in this section. All areas of compliance are covered by separate individual policies and procedures for each area, each of these are being reviewed during the life of the strategy.

The compliance team are responsible for all areas of compliance and a series of planned programmes which ensure we meet our obligations.

#### 5.4.1 Housing Health and Safety Rating System (HHSRS)

The HHSRS assesses the health and safety risks within a property. If a property fails the HHSRS it automatically fails the Decent Homes Standard. All HHSRS failures are treated as urgent and addressed at the earliest opportunity. The identification of HHSRS failures are being carried out as part of the ongoing stock condition survey.

Refresher training for front line staff will be delivered as part of this strategy to ensure failures are identified.

#### 5.4.2 Gas Servicing

We have a legal obligation under the Gas Regulations 1998 to annually check the safety of all gas appliances, pipework and associated fittings within our stock.

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The current arrangements for gas servicing is through an external contractor and the contract for this work is due to be re-tendered during the life of this strategy. SBC will also ensure compliance with gas safety regulations across all the work streams delivered through this strategy.

### **5.4.3 Fire Safety**

We have an obligation under the Regulatory Reform (Fire Safety) Order 2005 to carry out Fire Risk Assessments (FRA) in all our Homes of Multiple Occupation (HMO).

The fire risk assessment process is managed internally on an ongoing basis by surveyors within the compliance team. The fire risk assessment process drives both any remedial works and a planned programme of works to ensure fire safety integrity within our properties. We work closely with Herts Fire & Rescue to both ensure compliance and test fire safety procedures.

Effective day to day management of fire safety will involve support and assistance from teams across the council including caretakers, repairs and our customers to ensure we achieve the most effective outcome.

Alongside the FRA process there is an inspection and servicing programme for all our fire safety related equipment this includes emergency lighting, fire alarms, fire extinguishers and blankets.

A full review of our fire safety compliance has been carried out following the Grenfell tragedy in June 2017 and SBC will act on any recommendations coming from the subsequent inquiry.

As a result of the review we have established a fire safety action plan to ensure our continued compliance with regards fire safety, this will include any emerging best practice including any changes to building regulations.

We have also completed a feasibility study on the suitability of our high rise blocks for the retrofitting of sprinkler systems, which will be delivered as part of this strategy.

### **5.4.4 Asbestos Management**

We have a duty to comply with the Asbestos Management Regulations 2012 and follow best practice relating to domestic properties. Our asbestos register is contained within our asset management system keystone and managed by the compliance team.

All communal areas have been surveyed and details of these surveys are held within our asbestos register. All asbestos is managed in situ until it is appropriate to remove. We have an annual programme of re-inspection for all communal areas where asbestos has been identified.

Asbestos surveying and management are monitored through the compliance team and appropriate surveys are carried out prior to any works being carried out.

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### 5.4.5 Legionella

Our policy for the control of legionella is designed in accordance with the Approved Code of Practice L8. The code recommends that we carry out routine testing of communal water systems.

Risk assessments of individual sites are used to identify the testing and inspection regime including the frequency. The compliance team are responsible for management of Legionella risk across the stock.

### 5.4.6 Electrical Safety

We are currently delivering a programme of electrical inspection through our voids and internal works programme. As part of our review of compliance a programme of electrical inspections is being introduced and will be delivered through this strategy. An annual programme of periodic testing to residential properties and communal areas will be delivered to ensure electrical safety.

### 5.4.7 Social housing green paper

The tragic fire at Grenfell shone a spotlight on social housing and its residents and has led to the need for greater recognition that social housing residents' voices need to be heard.

The Hackitt Review also addresses the need to review decent homes standards with a focus on building safety and an overhaul of building regulations in relation to this.

Although at this time we do not know the full extent of the impact of these changes it is imperative to consider these as part of the strategy and the associated risks these changes may bring.

Following the Grenfell fire tragedy the Government issued a green paper to consult on its safety management proposals. The paper outlined the desire to rebalance the relationship between residents and landlords, to tackle stigma and ensure social housing can be both a safety net and a springboard to home ownership.

The social housing paper sets out five principles, which it says will underpin a 'new, fairer deal for social housing residents'. These principles are;

- Ensuring homes are decent and safe
- Effective resolution of complaints
- Empowering residents and strengthening the regulator
- Tackling stigma and celebrating thriving communities
- Finally, but also crucially expanding the supply of new homes.

We have captured these principles in our 4 broad areas that are detailed in our property aims. When it comes to expanding supply, the Council's emerging development strategy recognises the importance of promoting all tenures of housing so that the acute housing needs are met.

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The Green Paper proposals are likely to have a financial impact on the HRA business plan that is currently unknown. They will also affect the way we approach building safety, resident engagement regarding safety issues, and the requirement for more safety focussed roles in the delivery of our planned programmes of work.

The Government wants to use the Green Paper to consider a review of the decent homes standard - areas to be considered are:

- whether the decent homes standard is demanding enough and reflects Government priorities
- whether safety measures that now apply to the private rented sector, covering smoke and carbon monoxide alarms, should also be applied to social housing
- whether the energy performance of social homes should be upgraded to Energy Performance Certificate Band C by 2030 wherever practical/affordable

A corporate health and safety Hackitt report action plan has been specifically designed to address the key recommendations outlined in the Hackitt review and is included as an appendix to the AMS action plan in **AMS APPENDIX A – HACKITT REPORT ACTION PLAN**

### **ACTIONS FOR OBJECTIVE 4: Health & Safety**

Action 1: Gas Servicing – Ensure all gas appliances are checked on an annual basis

Action 2: Gas Servicing – Modify policies and procedures to reflect upcoming changes to legislation regarding the frequency of safety checks.

Action 3: Fire Safety – Implement the recommendations following the feasibility studies into retrofitting sprinkler systems to high rise flat blocks.

Action 4: Fire Safety – Implement any recommendations from government reviews following the Grenfell fire.

Action 5: Fire Safety - Ensure all Fire Risk Assessments and the resulting actions are up to date.

Action 6: Asbestos - Ensure the Asbestos register is effectively maintained and managed.

Action 7: Legionella: Check all water systems that could be susceptible to Legionella within the timescales laid down by the Health & Safety Executive.

Action 8: Deliver corporate H&S Hackitt report action plan appendix A.

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## 5.5.0



## 5.5.1

The Stevenage decent homes programme has been in place since 2007/08. Part of the council's promise to tenants at the time that the ALMO was established was the implementation of the Stevenage Decent Homes Standard. This means that all key internal decent homes elements (kitchens, bathrooms, rewires, heating) in a property that fail the standard on age or condition are replaced in annual planned work programme, in order to minimise inconvenience for tenants and to maximise operational efficiencies, wherever possible works will be carried out at the same time. In November 2011, the council re-affirmed its commitment to achieve the Stevenage Decent Homes standard for its council housing stock.

Significant progress has been made in reducing the level of non-decency from a position of 54% in April 2008. A level of only 8% non-decency was achieved in December 2015, although the level has increased again since then as more properties have become non decent. At March 2017, 19.5% of homes were non decent. Stevenage, being a 'New Town', has the complication that many of the building components fail, in bulk, at the same time. This is a consequence of having stock that was built within a much smaller time period than may be the case with other Authorities who possess a more diverse stock portfolio. This creates sudden shifts in the ratio of decent homes and manifests as substantial peaks of non-decency on our Business Plan. The Council's housing stock is currently in one of these peaks. The programme of major works that are funded through our Business Plan will start to address this over the next 5 years.

**Table 5: Non decent homes by failure criteria** \* some dwellings fail on more than one criterion

Stock number at 1 <sup>st</sup> April 2018	7899	% of stock
Non decent dwellings at 1 <sup>st</sup> April 2018	1936	24.50
Dwellings with category 1 hazard under HHSRS	30	0.38
Dwellings not in a reasonable state of repair	1911	24.19
Dwellings without reasonably modern amenities and services	66	0.84
Dwellings without a reasonable degree of thermal comfort	12	0.15

## 5.5.2 Decent Homes & Stevenage Standard

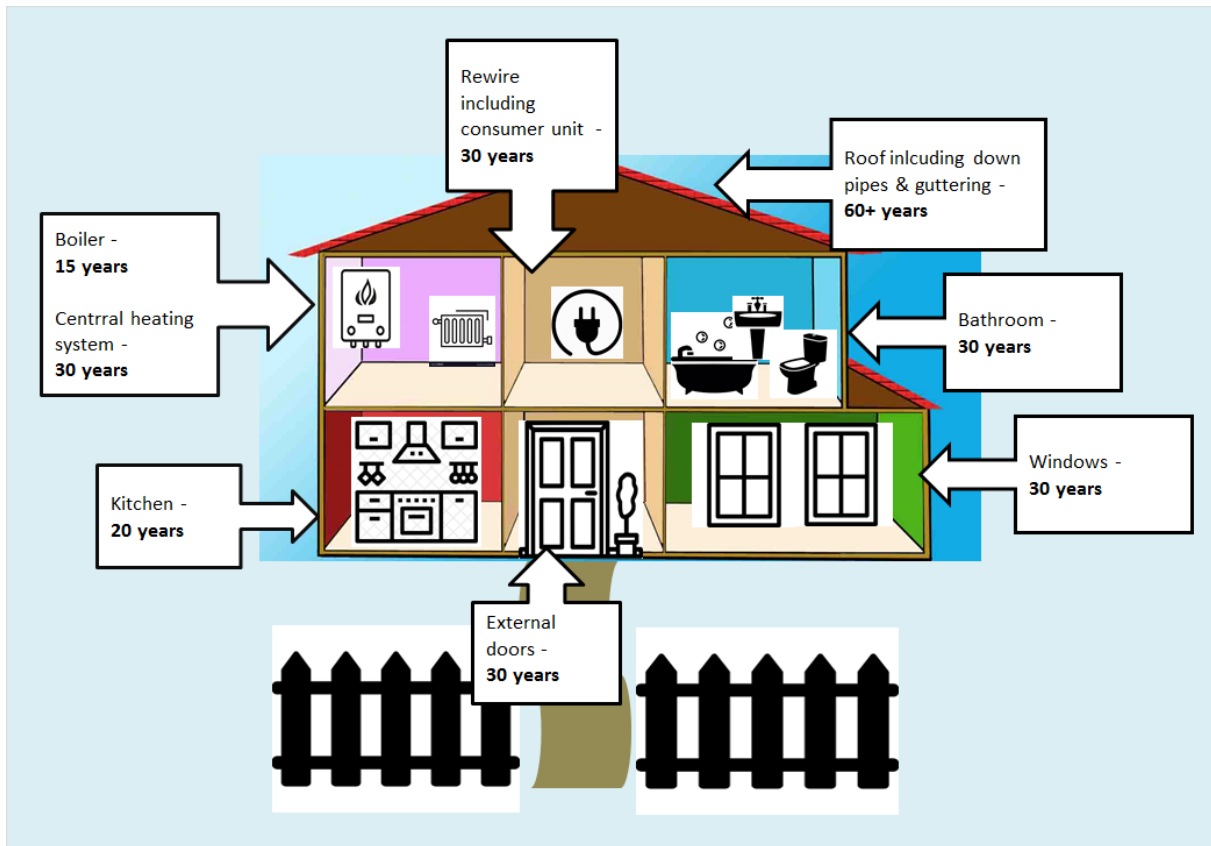
Decent Homes is only a minimum baseline. Under the Stevenage Standard all assets must

- Meet HHSRS Standards
- Meet Decent Homes Standards
- Be situated within a block (for flats) and wider neighbourhood, where residents feel safe and secure
- Have well designed and maintained communal areas and external communal space.

## Housing Asset Management Strategy 2019-2024

The Stevenage Standard will be reviewed during the life of this strategy to ensure it provides a suitable standard going forward. The image below demonstrates the current asset management standard that based on decent homes lifecycles, meaning the timeframe in which a property element meets the end of its maintainable life.

The AMS action plan looks at reviewing asset management lifecycles with consideration being given to the fact that planned maintenance programmes are to be cyclically budgeted for and delivered, keeping the housing stock maintained and well presented for longer. The review will be completed with full consultation with customers and key stakeholders.



### 5.5.3 Social housing green paper

Following the tragic fire at Grenfell, The Hackitt Review addresses the need to review decent homes standards with a focus on building safety and an overhaul of building regulations in relation to this. Full implications of the green paper are outlined in section 5.4 however those related to decent homes are summarised below.

The Government wants to use the Green Paper to consider a review of the decent homes standard; areas to be considered are:

## Housing Asset Management Strategy 2019-2024

- whether the decent homes standard is demanding enough and reflects Government priorities
- whether safety measures that now apply to the private rented sector, covering smoke and carbon monoxide alarms, should also be applied to social housing
- whether the energy performance of social homes should be upgraded to Energy Performance Certificate Band C by 2030 wherever practical/affordable

Although the full implications of these changes are not yet known we must be prepared for a radical overhaul of our decent homes approach and the financial implications of this. Any enhancement to the decent home standard could have significant financial implications for our housing business plan. If realised, these potential costs would need to be accommodated within the HRA business plan, but the recent lifting of the HRA borrowing cap should enable the flexibility to meet these demands.

### **ACTIONS FOR OBJECTIVE 6 - Decent Homes Compliance**

Action 1: Carry out a review of the Stevenage Standard for compliance with Decent Homes.

Action 2: Review decent homes replacement timescales

Action 3: Make necessary amendments to decent homes standard following final recommendations from social housing green paper and Hackitt review.

### **5.6.0**



### **5.6.1 Stock Investment Principals**

- (i) All investment decisions must seek to contribute to affordable warmth for the residents (by reducing running costs for a warm and comfortable home) and to SBC's commitment to reduce carbon usage.
- (ii) Residents must be consulted on investment decisions, both in any review of options or priorities and in programme and project implementation planning. This will include full Section 20 Consultation with leaseholders, where necessary.



## Housing Asset Management Strategy 2019-2024

- (iii) All investment programmes should be grouped in sensible geographical and stock phases, so as to minimise disruption to any group of residents at any time and to ensure a distribution of investment across the town.
- (iv) Delivering the AMS will involve substantial capital investment year to year. As well as upgrading and maintaining housing assets, investment should contribute to localised regeneration – creating a noticeable improvement in and around each project.
- (v) The investment programmes should seek to develop added value through developing training, apprenticeships and local employment opportunities.

### 5.6.2 Investment Priorities

All future investment decisions will be based on the principals within the investment priorities outlined below:

**Table 15: Investment Priorities**

Priority	Description	Examples
Health & Safety	To comply with all Health & Safety regulation/legislation.	Gas Regulations, Asbestos Management, Water Safety, Fire safety etc.
Legal Requirements	To comply with all legal requirement as a social housing landlord.	Housing and landlord acts, DDA, Right to Repair etc.
Government Policy	To comply with government standards.	Decent Homes Standard, Energy Targets etc...
SBC Policy	To meet the objectives of wider council policy & strategy. e.g. Future town future council.  Responsive repairs and voids policies.	Stevenage Standard, Repairs Standard, Voids standard.
Local Requests	Requests which fall outside of the categories above	Requests from Councillors, Community, MP, Residents, Staff etc.

### 5.6.3 Programme Development

In the development of programmes of work SBC will work within the priorities set with section 7.2. Programmes will be developed to deliver the aims of this strategy within the financing identified through the HRA Business Plan. This strategy will also need to be reviewed if there are any significant changes impacting on the HRA Business Plan and the available funding.

## Housing Asset Management Strategy 2019-2024

The Asset Management Team will develop all programmes using the stock intelligence gathered and in conjunction with others including:

Residents  
Finance, Procurement and Legal  
Housing Management

The analysis of repairs trends will also inform future programmes to ensure these have the maximum impact on reducing our ongoing maintenance costs.

Information from estate inspections carried out by other teams such as tenancy and caretaking will also inform future programmes.

The Asset Management Team will develop and maintain a 5 year investment plan which will include details of properties due to receive work under the plan.

Using the intelligence we gather through stock condition surveys and other information sources we will produce planned and preventative maintenance programmes of work. These programmes will help to reduce demand for responsive repairs and prolong the life of the stock whilst increasing customer satisfaction.

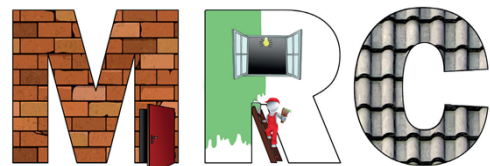
### 5.6.4 Major Refurbishment Contract (MRC)

In previous versions of this strategy investment has focused on internal works to dwellings and external works to houses. This was a requirement in order for us to meet our obligations under Decent Homes, as these were responsible for the majority of Decent Homes failures.

As our focus and priorities move away from internal works, our MRC programme will deliver major works to 550 low and medium rise blocks across Stevenage over 5 years.

During the life of this strategy there will be a significant investment in our flat blocks. The works which will form part of this programme include:

- Structural Repairs and Alterations
- Internal and external wall coverings
- Communal area flooring
- Communal decoration
- Landlords' Electrical Systems and Door Entry Systems
- Communal Doors
- Signage
- Roofing
- Windows
- Footways and Hardstanding



## Housing Asset Management Strategy 2019-2024

### 5.6.4 Internal Works

Our internal planned works programme will continue to be delivered to ensure our stock remains decent. A new contract will be re-procured at the end of 2018, to ensure a contractor is in place to deliver the full programme of works.

This programme includes upgraded kitchens, bathrooms, electrics and heating. Works will be included in the programme if they require replacement before 2022. They will be assessed based on two different criteria; if they are old or if they are in poor condition.

**Old:** This means that the element is older than its expected lifecycle. These are defined as follows; kitchens over 20 years, bathrooms over 30 years, Boilers over 15 years, heating systems including radiators over 30 years and electrics over 30 years.

**Poor condition:** This means that the element is in disrepair and only has a remaining life of 4 years or less before a full upgrade would be required.

The criteria will be reviewed as part of the final recommendations of the social housing green paper and the decent homes lifecycles review detailed in the decent homes section of this document 5.5.0.

### 5.6.5 External Works

A programme of windows, doors and external wall insulation is being delivered across the town to improve thermal comfort of tenants homes. This work is being undertaken to street properties outside of the MRC contract.

### 5.6.6 Communal Heating Programme

Our 2015-2018 HRA Asset Management plan identified the need to replace existing communal heating systems in 15 sheltered housing blocks. The current communal heating stock is nearing the end of its useful working life. Spare parts for boilers and controls will eventually become obsolete and the systems are inefficient. Work is necessary to ensure SBC have modern and efficient stock that remains well maintained and compliant with regards to statutory obligations.

Works required under this contract include the replacement of gas fired boilers with more efficient condensing boilers, replacement of distribution pipework serving individual dwellings, installation of heat meters and where feasible the inclusion of renewable technology such as gas absorption heat pumps and combined heat and power systems (CHP).

### 5.6.7 Lift Refurbishment Programme

Lift refurbishment is planned to 24 lifts across the Council's housing stock as well as some corporate buildings.

Work within these properties will be carried out with occupants and residents remaining in occupation throughout the duration of the works and will be planned to ensure disturbance is minimised and safe access and egress to each individual building is maintained at all times. Works will be planned and sequenced in a way that minimises the impact on occupants.

## 5.6.8 High Rise Sprinkler Retrofit

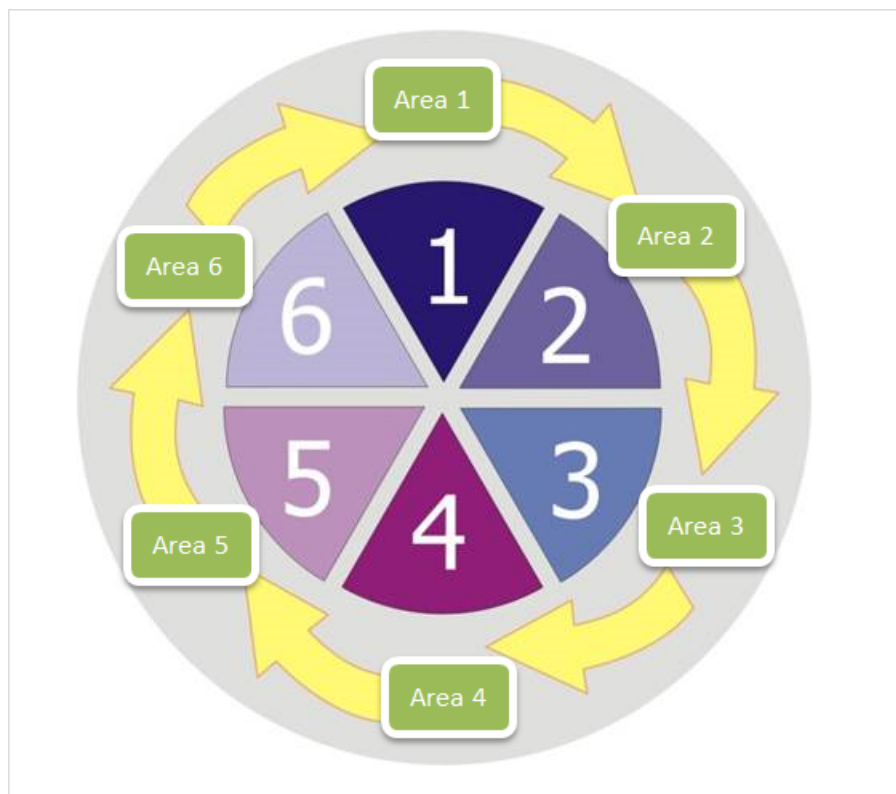
£2m has been secured in order to deliver a programme of sprinkler installations at our 7 high rise blocks. This decision was made in the wake of the Grenfell Tower fire, and a recommendation was made to the Councils executive following industry guidance as a result of the London tragedy. Further details are given in section 5.4.0 of this document.

## 5.6.9 Planned maintenance

The lack of a robust planned maintenance programme in the past has contributed to poor condition of some of our properties and placed additional pressure on our responsive repairs costs. With the continued delivery of significant capital investment in our stock through programmes such as MRC it is vital that we put in place a planned programme of maintenance to prevent avoidable degradation of the stock and help control responsive repairs costs.

The requirement for a budget to support a planned programme of maintenance has been identified in the HRA business plan. Works delivered through a planned maintenance programme would include painting, gutter clearance, flooring, fencing, hardstanding's and other works to maintain the condition of our stock.

The intention is to deliver this as a 6 year cyclical programme as details below:



## ACTIONS FOR OBJECTIVE 5: Planned Programmes

Action 1: Publish and maintain a 5 year investment plan.

Action 2: Carry out an analysis of repairs trends to inform works programmes and the impact of these programmes on future repairs requirements.

### 5.7.0



#### 5.7.1 Responsive Repairs

The council's repair service is delivered by an in-house Direct Labour Organisation (DLO), which is responsible for responsive repairs and works to void properties. It carries out approximately 22,000 repairs a year.

The council aims to provide a customer-focused repairs service, which achieves high levels of performance, customer satisfaction and good value for money. In this respect, its objectives are closely aligned to the 'Home Standard' set out in the HCA's Regulatory Framework, which places expectations on registered providers to:

- Ensure a prudent, planned approach to repairs and maintenance of homes and communal areas which demonstrates an appropriate balance of planned and responsive repairs, and value for money.
- Provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants, and has the objective of completing repairs and improvements right first time.
- Meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes.

The DLO currently provides the core services including but not limited to carpentry, fencing, electrics, plumbing and roofing in house. The glazing, drainage and cleaning services as well as others are subcontracted out to a preferred and compliant list of contractors. It is the ambition of the DLO to take in house any of these services that are financially viable to keep costs to a minimum and ensure complete control over standards on its assets.

As part of the strategic redirection the DLO which was known as the Repairs and Voids team has been rebranded to the Repairs and Maintenance team. This still incorporates empty homes in the

## Housing Asset Management Strategy 2019-2024

department but moves the focus onto maintaining its assets. The caretaking services have been added to this section to fit into the maintenance focused approach which is part of the overall estate management strategy.

It is the intention of the DLO to add a new category of trade for employees called Repairs Maintenance Operative to do the basic maintenance tasks to reduce the repairs at a later date. The council's asset management strategy links in with the estate management strategy trying to reduce future investment challenges faced in relation to the existing housing stock. Key challenges facing the repairs service can be summarised as follows:

- Improve the customer journey by providing a more proactive approach to maintaining our properties
- Establish a cost effective way of working by reducing costs of future regeneration by maintaining the stock to a high standard
- To ensure roles and responsibilities are clear and understood by all to allow quicker fixes before a problem and cost of resolution escalates
- Mitigate health and safety risks such as slips, trips and falls with a proactive rather than reactive service
- Reduce call outs, costs and improve satisfaction by fixing right first time instead of temporary fixes. This includes replacing with new when its more commercially viable

### **ACTIONS FOR OBJECTIVE 7: Responsive Repairs**

Action 1: To carry out review of repairs costs and the impact on the delivery of the capital programme

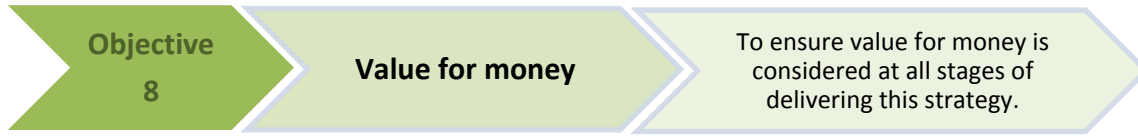
Action 2: Establish a mechanism for measuring reduction in repairs costs following delivery of the strategy

Action 3: Analyse the in-house teams ability and financial viability to take on subcontracted works in-house

Action 4: Review the structure, processes and systems used by the DLU as a whole to ensure the service being providing is the best possible

# Housing Asset Management Strategy 2019-2024

## 5.8.0



Key to delivery of the Asset management Strategy is ensuring we achieve value for money. We have set a target within the business plan of achieving a 1.5% efficiency saving through procurement, value engineering and other opportunities to achieve efficiencies.

The work undertaken through the Asset Review will seek to ensure that poorly performing properties are providing a positive Nett Present Value (NPV) to the HRA.

The asset management strategy is underpinned by the procurement of a number of long term contracts to deliver packages of work in the most cost effect way. This helps ensure we maximise the available funding and benefits to our residents.

Within the HRA business plan a 1.5% efficiency saving has been set which will be achieved through efficient procurement of works and measured through the annual business plan review process.

We will also ensure value for money through the use of the strategic asset review model to inform decision of where investment is appropriate or alternative options should be pursued.

Programmes of planned maintenance will deliver a cyclical planned maintenance approach and in turn should reduce day to day maintenance and repairs costs. One of the actions from the AMS will be to establish an effective way for measuring the impact on repairs costs following major programmes of work.

### **ACTIONS FOR OBJECTIVE 7: Value for money**

Action 1: Agree procedure for measuring efficiency savings against the published targets.

## 5.9.0



### 5.9.1

To address the issues of climate change the Government have set bold targets to reduce the national impact on the environment, which aim to cut carbon dioxide emissions by four fifths by 2050. To help

## Housing Asset Management Strategy 2019-2024

combat the significant environmental challenges faced, the Government intends to ensure Britain plays its part in reducing CO2 emissions; makes homes more energy efficient; reduces the costs of heating homes; helps combat fuel poverty and meets required energy needs.

Domestic homes alone account for a quarter of Britain’s carbon dioxide emissions, therefore the council is tackling these issues directly within our housing stock.

In recent years, the council has been successful in reducing energy usage and improving the efficiency of the housing stock through a major programme of installing highly efficient gas boilers and by taking advantage of grant funding available to social landlords to undertake loft and cavity insulation. These measures have not only contributed towards reducing CO2 emissions but also towards tackling fuel poverty amongst tenants.

In 2015 the council published its Warm Homes for Life Strategy. This strategy looked at a number of improvements to the councils housing stock alongside the 2014 asset management plan. The overall strategic aims for the warm homes for life strategy were;

1. To provide warm, well insulated, energy efficient and affordable homes.
2. Improve the wellbeing of our residents
3. Contribute to mitigating climate change by reducing CO2 emissions associated with the housing stock

Stevenage Borough Council, are committed to ensuring that our residents’ homes are warm, well insulated, energy efficient and environmentally sustainable. The 2019 AMS objectives still supports these goals. Our major works programmes that are detailed in the above sections help us work toward achieving this goal.

The below table demonstrates the work completed to reduce carbon emissions and improve thermal comfort in tenants homes over the last few years.

	Heating	EWI	Cavity Wall Insulation	Loft Insulation	Windows	Doors	Roofing including upgraded loft insulation
<b>Completed in 2015/16</b>	188	134	0	185	221	455	1341
<b>Completed in 2016/17</b>	26	297	168	14	131	177	191
<b>Completed in 2017/18</b>	30	350	150	0	300	300	350



## Housing Asset Management Strategy 2019-2024

As a result of these works SBC housing stock compares well to national averages in energy performance as detailed in the section below.

### **Standard Assessment Procedure (SAP) data**

SAP is the acronym for Standard Assessment Procedure and RDSAP is a reduced version of the procedure specifically for the energy assessment of existing dwellings where SAP would not be appropriate because of the difficulty in assessing such things as U-Values of insulation etc.

Resulting from an energy audit of the property, the SAP is a numerical indication of the energy efficiency of the property. It reflects the heating and insulation standards of the property, but not the householder's income. A target SAP rating of 60 will remove most households from fuel poverty, although this may be difficult and expensive to achieve in certain types of properties, such as those with solid walls.

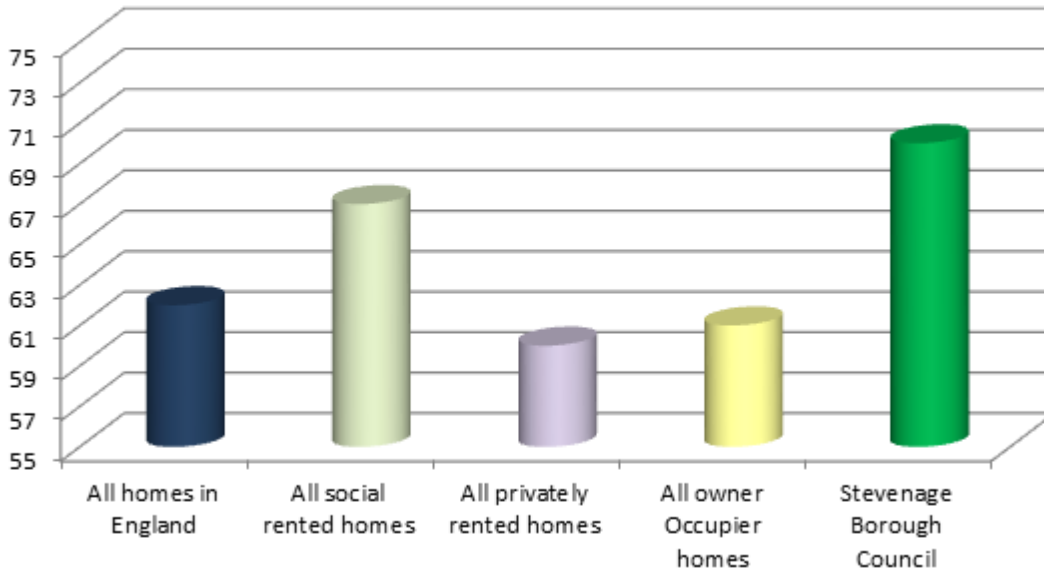
Stevenage housing stock has an average SAP rating of 70, this compares well to national averages and ensures that the majority of those living in council owned homes are not forced into fuel poverty because of a poorly performing home.

The councils SAP data is continually updated with information about works completed to our housing stock to improve the energy efficiency rating. As and when the RDSAP data requirements are updated small changes in the rating may be seen. We continually work to ensure our rating stays within the targets we have set for ourselves and above the national average.

The average SAP ratings from the 2016 English housing survey are as follows;

Housing tenure	Band	Rating
SBC housing stock	C	70
All social rented homes	D	67
All homes in England	D	62
Owner occupier homes	D	61
Private rented homes	D	60

**SAP comparison against national averages**  
 'English Housing Survey 2016'



Energy Efficiency Rating	
	Current
Very energy efficient - lower running costs	
(92 plus) <b>A</b>	
(81-91) <b>B</b>	
(69-80) <b>C</b>	<b>70</b>
(55-68) <b>D</b>	
(39-54) <b>E</b>	
(21-38) <b>F</b>	
(1-20) <b>G</b>	
Not energy efficient - higher running costs	
<b>England &amp; Wales</b>	EU Direct 2002/91/

In 2015-2018 we saved our tenants a total estimated £853,000 on their heating bills.

**That's an average of over £170 saved per household!**

*SBC housing stock average rating*

We will continue to maintain an average rating of 70 and minimum rating of 60 to ensure that the condition of properties are not forcing tenants into fuel poverty.

**5.9.2 Social housing green paper**

The social housing green paper summarised in section 5.4.0, seeks to address whether the energy performance of social homes should be upgraded to Energy Performance Certificate Band C by 2030

# Housing Asset Management Strategy 2019-2024

wherever practical/affordable. As our average rating already falls within this band we have significantly less work to achieve this than other local authorities, however those homes that currently fall below the average will need to be reviewed as part of the asset review to determine how much improvement work is financially and sustainably viable. The final recommendations from the green paper will allow us to assess the situation with more information.

### 5.9.3 Renewable technologies

We will continue to pilot new technologies and research potential new projects that can improve the efficiency of the housing stock further.

In 2018/19 we will investigate further the options for solar power. Solar power is the conversion of sunlight into electricity. Photovoltaics convert light into electric current using the photovoltaic effect.

Solar panel electricity systems, also known as solar photovoltaics (PV), capture the sun's energy using photovoltaic cells. These cells don't need direct sunlight to work, they can still generate some electricity on a cloudy day. The cells convert the sunlight into electricity, which can be used to run household appliances and lighting.

This project will investigate the cost effectiveness of installing solar power in homes and assess the benefits that are achievable by the Council and its residents.

Future year's projects will assess new technologies as and when they develop in the market and opportunity for SBC to take advantage of these arise.

**ACTIONS FOR OBJECTIVE 8: Energy and sustainability**

- Action 1: Maintain an average SAP rating of 70
- Action 2: Achieve a minimum SAP rating of 60
- Action 3: Review targets based on outcome of green paper
- Action 4: Continue to investigate and provide business cases for renewable technologies

### 5.10.0



## Housing Asset Management Strategy 2019-2024

### 5.10.1

Since the introduction of Care in the Community in 1990, the demand for aids and adaptations has been increasing. Demand is being driven by greater awareness of assistance available and an increasing incidence of disabled persons present in the community, not least because of an ageing population profile.

The incidence of disability and the need for support rises with age; however the need to provide adaptations to maintain independent living is an issue for people of all ages leading to complex household needs.

Stevenage Borough Council will, subject to availability of funding, provide aids and undertake adaptation work, to council owned properties occupied by disabled, chronically sick and frail people, where it is reasonable to do so.

Works are generated by referrals from the Occupational Therapist (OT) at Herts County Council (HCC) and other professionals involved from the NHS. The referral is sent to SBC following a visit to the resident to carry out an assessment of needs. Residents are required to contact Social Services directly to start the process.

The Council must have a referral from HCC before accepting any works. The OT will assess each circumstance on a case by case basis and make recommendations to the Council for works to be considered. Aids and adaptations can be referred for either adults or children living in the home.

The Council will review the case to assess the feasibility of the recommended works in the property. Our team work closely with HCC and the NHS, as well as own internal Lettings and Supported housing teams to assess each situation and review alternative options where appropriate, looking for the best solution, for example moving someone to more suitable accommodation.

There are two types of work, mandatory and discretionary.

**Mandatory work;** this includes work that is designed to help people to be as independent as possible and remain in their own home. This may include for example, adapted showers, grab rails, and external ramps. Other work may also include extensions to the home, to provide ground floor bathing and sleeping facilities.

Mandatory work is further categorized by the OT into urgent or standard. Urgent works must be completed within 76 working days (3 months) and standard works must be completed within 134 working days (6 months), budget permitting.

**Discretionary work;** this work is categorized as lifestyle adaptations, for example, scooter charging points and external hard standings etc.

This work is considered at end of the financial year if there is sufficient budget left.

# Housing Asset Management Strategy 2019-2024

A review of the Aids & Adaptations policy will be carried out during the life of this policy.

## **ACTIONS FOR OBJECTIVE 9: Aids & Adaptations**

Action 1: Complete a review of the current Aids & Adaptations policy.

Action 2: Implement any recommendations from the review

### 5.11.0



Empty Homes is part of the repairs function. The main objective of the service is to take a void property and make it a liveable standard in the quickest time possible to minimise rent loss. At the time of the property being at void the assets are viewed to see what works need to be completed. These Voids are categorised as Standard, Major and Management.

It is the ambition of the DLU to complete as much of this work as possible in house where it makes sound financial sense and doesn't impact on the rent loss figures.

The systems used are going through a review to ensure the best practises are being followed and the most cost effective service is being provided. For example a better record being kept and easier access of our asset information will allow for recharges to former tenants to be completed on an increased regularity.

## **ACTIONS FOR OBJECTIVE 11: Empty homes**

Action 1: Complete a review of the current Empty Homes systems, procedures and policies

Action 2: Implement any recommendations from the review

## 5.12.0



Damp and condensation remedial work does not fall under the capital programme however it is delivered by the Housing & Investment team as this is a significant and often complex element of work requiring specific skills in correct diagnosis and recommending relevant improvement works.

The Damp and Condensation Strategy was reviewed by the Scrutiny and Select Committee on 29 November 2016. Executive Member responses were received on 10<sup>th</sup> March 2017 to the recommendations agreed by the Scrutiny select committee on 11<sup>th</sup> January 2017.

Previous approaches focussed on dealing with the symptoms and not the cause, and this new approach will reverse this with a proactive approach the investigating the root cause of such issues.

Following additional resource appointed to support the delivery of the strategy, the recommendations have been reviewed and an improvement and action plan has been developed that incorporates these recommendations and further actions identified to ensure continued improvements to the delivery of the service. This will ensure that the building assets and internal environment are maintained to a health and safety and habitable standard that will lead to enhanced customer satisfaction.

Ongoing discussions will be held with the council's internal Repairs and Void team to consider their capacity to deliver a greater volume of the damp and mould repairs and remedial works. Alternative procurement solutions for contractors will also be considered.

A policy is being drafted that will underpin the delivery of the damp and condensation service.

A majority of cases include requirements to remedy general disrepair which have contributed to the problems in houses and flats. Identified work is coordinated with the necessary teams, including teams undertaking major external and internal work, and the repairs and voids team.

Many homes have large family units and lifestyles which sometimes are not suited to either the house type and size and the building elements/services and finishes which are present. These factors often contribute to the conditions found to exist.

The action plan and its component parts will assist the council to inspect, identify and remedy damp and mould issues at the earliest opportunity where this is possible.

Please refer to **AMS APPENDIX B – DAMP & CONDENSATION ACTION PLAN**

# Housing Asset Management Strategy 2019-2024

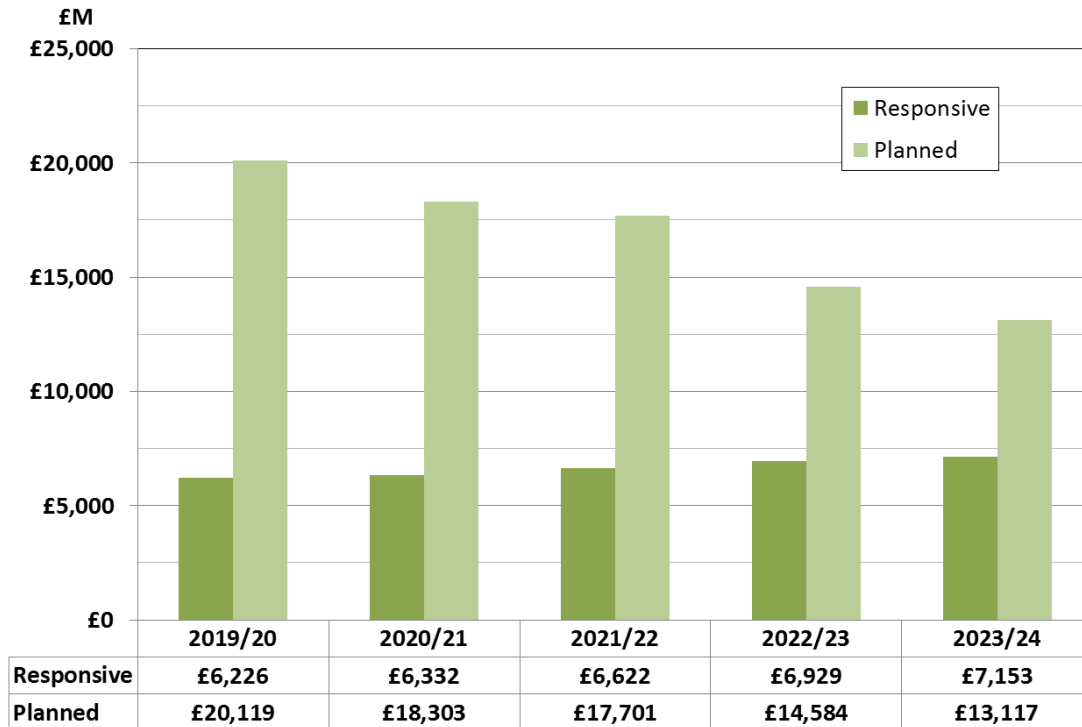
## ACTIONS FOR OBJECTIVE 12: Damp & condensation

Action 1: Deliver the damp and condensation action plan in Appendix B

### 6.0 Funding the strategy

Funding for the strategy will be found from within the ring fenced HRA account and, where appropriate, from other capital financing sources. As previously mentioned in this strategy, resources for asset management are allocated through the HRA Business Plan and the business planning process, which feeds into the setting of the Council’s annual budget. The graph below shows the 2019/20 Budget and the amounts currently in the HRA Business Plan, over the following four years, for responsive and planned maintenance.

**HRA Business Plan - 5 Year Maintenance Costs**



This graph shows that current plans allow for £33.3 million for responsive and cyclical works and £83.8 million for planned and major works.

## Housing Asset Management Strategy 2019-2024

There are no changes to the Council's current Medium Term Financial Strategy (MTFS) as a result of the AMS. However, there are a number of potential issues highlighted in the strategy that could have a financial impact in future years. If realised, these potential costs would need to be accommodated within the HRA Business Plan, as part of the normal annual planning process and would be prioritised against other emerging demands on the account. However, the recent lifting of the HRA borrowing cap will enable greater flexibility to meet these demands.

### **7.0 SUMMARY OF OUTCOMES**

The housing stock represents the council's most valuable asset and its largest liability in investment terms. The condition of the council's properties is also of central importance to our tenants and they consistently select the improvement of their homes and a good repairs service as their top priorities. The proposed strategic approach is to focus on the following core strategic aims;

- All property to be well maintained and well presented
- To promote growth and regeneration
- To reduce carbon footprint and improve sustainability
- To reduce repairs costs

The asset management strategy will allow us to meet our strategic goals of having fit for purpose, safe, well maintained and well-presented stock, with a view to optimising housing development opportunities where appropriate.

Below are some examples of the benefits to be seen over the lifetime of the strategy.



# Housing Asset Management Strategy 2019-2024



## 8.0 RISKS

The risks associated with delivering this strategy are outlined in the Housing & Investment operational risk register.

Please refer to **AMS APPENDIX C - INVESTMENT OPERATIONAL RISK REGISTER**

## 9.0 PERFORMANCE MANAGEMENT & GOVERNANACE

The outcomes of the strategy will be reviewed against the strategy action plan as detailed in section 9.0.

The below groups will also have annual reviews of the strategy;

- Assets & capital board
- Housing management advisory board
- HRA business plan working group

Performance will continually be monitored through corporate performance monitoring measures, partnership board, and service plans and teams meetings.

### Benchmarking

We are members of the Housing Quality Network Best practice in Asset Management Group. This covers a wide range of issues and enables us to learn from others in developing our strategy and ensuring continuous improvement.

## Housing Asset Management Strategy 2019-2024

We also carry out benchmarking against Housemark data on a quarterly basis in relation to major works and capital administration costs to benchmark our Asset Management service with similar organisations, as a way of improving value for money and drive up standards. This helps us to establish performance improvement targets.

## Housing Asset Management Strategy 2019-2024

### 10.0 5 Year HRA Capital Programme

	2019/20	2020/21	2021/22	2022/23	2023/24	Totals
<b>5 year capital programme</b>	19,415,875	19,607,608	19,108,692	16,396,084	14,196,760	<b>88,725,019.00</b>
Internal works total	1,751,290	1,725,670	1,822,910	1,799,870	4,600,000	11,699,740.00
MRC works total	12,635,135	12,828,698	12,852,782	11,841,421	4,291,760	54,449,796.00
External works total	800,000	760,000	650,000	550,000	3,100,000	5,860,000.00
M&E planned works total	1,640,650	1,616,370	1,582,210	0	0	4,839,230.00
Health & safety total	984,230	980,940	992,510	989,840	990,000	4,937,520.00
Asset review total	1,025,400	1,111,260	607,770	600,000	600,000	3,944,430.00
Other HRA schemes total	579,170	584,670	600,510	614,953	615,000	2,994,303.00

## Housing Asset Management Strategy 2019-2024

### 9.0 Action plan

HOUSING ASSET MANAGEMENT STRATEGY ACTION PLAN				
OBJECTIVE	DESCRIPTION	ACTION	OWNER	TARGET COMPLETION DATE/YEAR OF STRATEGY DELIVERY
1. Data Management	To continuously improve our understanding of our stock and its condition to enable effective investment decisions	Establish a programme of stock condition surveys to ensure the accuracy of property data is maintained.	Operations manager – investing in homes and properties (IHP)	2019/20
		Ensure all data is captured through responsive repairs and voids.	Operations manager – IHP	2019/20
		Make further use of mobile working to capture data.	Operations manager – IHP	2019/20
		Carry out an audit and health check of the Asset Management Database.	Operations manager – IHP	2019/20
		Incorporate General Fund property data into Keystone.	Operations manager – IHP	2019/20
2. Asset Review	To further develop our understanding of our assets performance and the impact of the asset review	Carry out a refresh of the Asset Review data to ensure asset classifications remain unchanged.	Asset management team (AMT)	2019/20
		Deliver the programme of improvements to the poorly performing stock and measure the impact.	AMT	2019-2024

## Housing Asset Management Strategy 2019-2024

HOUSING ASSET MANAGEMENT STRATEGY ACTION PLAN				
OBJECTIVE	DESCRIPTION	ACTION	OWNER	TARGET COMPLETION DATE/YEAR OF STRATEGY DELIVERY
		Deliver the programme of improvements to the sustainable sheltered housing stock to ensure they are fit for purpose.	AMT	2019-2024
		Undertake an Option Appraisal of our High Rise Flat Blocks prior to any non-essential major investment.	AMT	2019/20
		Undertake an Option Appraisal of the Pinewoods Sheltered Housing scheme prior to any non-essential major investment.	AMT	2019/20
3. Option Appraisals	To use the options appraisal process to influence our investment decisions	Establish a standard methodology for carrying out options appraisals.	AMT	2019/20
		Carry out options appraisals for flat blocks where works exceeding £25k/property are required through the Major Refurbishment Contract.	AMT	2019-2024
4. Health & Safety	To provide safe homes for our residents	Gas Servicing – Ensure all gas appliances are checked on an annual basis	Compliance manager	2019-2024
		Gas Servicing – Modify policies and procedures to reflect upcoming changes to legislation regarding the frequency of safety checks.	Compliance manager	2019-2024

## Housing Asset Management Strategy 2019-2024

HOUSING ASSET MANAGEMENT STRATEGY ACTION PLAN				
OBJECTIVE	DESCRIPTION	ACTION	OWNER	TARGET COMPLETION DATE/YEAR OF STRATEGY DELIVERY
		Fire Safety – Implement the recommendations following the feasibility studies into retrofitting sprinkler systems to high rise flat blocks.	Fire safety surveyor	2019/20
		Fire Safety – Implement any recommendations from government reviews following the Grenfell fire.	Compliance manager	TBC
		Fire Safety - Ensure all Fire Risk Assessments and the resulting actions are up to date.	Fire safety surveyor	2019-2024
		Asbestos - Ensure the Asbestos register is effectively maintained and managed.	Compliance manager	2019-2024
		Legionella: Check all water systems that could be susceptible to Legionella within the timescales laid down by the Health & Safety Executive.	Compliance manager	2019-2024
		Deliver corporate Hackitt report action plan appendix A	Compliance manager	TBC
5. Decent homes compliance	To maintain compliance with the decent Homes standard across the stock	Carry out a review of the Stevenage Standard for compliance with Decent Homes.	Operations manager – IHP	TBC

## Housing Asset Management Strategy 2019-2024

HOUSING ASSET MANAGEMENT STRATEGY ACTION PLAN				
OBJECTIVE	DESCRIPTION	ACTION	OWNER	TARGET COMPLETION DATE/YEAR OF STRATEGY DELIVERY
		Review DH replacement timescales	Operations manager – IHP	TBC
		Implement any changes to DH standard following Green paper consultation outcome	Operations manager – IHP	TBC
6. Planned Programmes	To develop effective programmes to deliver the objectives of this strategy and wider council strategies	Publish and maintain a 5 year investment plan.	AMT	2019/20
		Carry out an analysis of repairs trends to inform works programmes and the impact of these programmes on future repairs requirements.	Operations manager – IHP / Service manager R&V	2019/20
7. Responsive repairs	To deliver a ‘value for money’ service which meets the needs of our customers	To carry out review of repairs costs and the impact on the delivery of the capital programme	Operations manager – IHP / Service manager R&V	2019/20
		Establish a mechanism for measuring reduction in repairs costs following delivery of the strategy	Operations manager – IHP / Service manager R&V	2019/20
		Analyse the in-house teams ability and financial viability to take on subcontracted works in-house	Service manager R&V	2019/20

## Housing Asset Management Strategy 2019-2024

HOUSING ASSET MANAGEMENT STRATEGY ACTION PLAN				
OBJECTIVE	DESCRIPTION	ACTION	OWNER	TARGET COMPLETION DATE/YEAR OF STRATEGY DELIVERY
		Review the structure, processes and systems used by the DLU as a whole to ensure the service being providing is the best possible	Service manager R&V	2019-24
8. Value for Money	To ensure value for money is considered at all stages of delivering this strategy	Agree procedure for measuring efficiency savings against the publish targets.	Operations manager – IHP	2019/20
9. Energy Efficiency	To ensure our assets are energy efficient and we champion environmental sustainability	Maintain an average SAP rating of 70	AMT	2019-24
		Achieve a minimum SAP rating of 60	AMT	2019-24
		Review targets following outcome of green paper recommendations	AMT	TBC
		Continue to investigate and provide business cases for renewable technologies	AMT	2019-24
10. Aids & Adaptations	Ensure the best use of adapted stock and deliver an efficient adaptation programme to meet the requirements of our residents	Complete a review of the current Aids & Adaptations policy.	Programme manager	2019/20
		Implement any recommendations from the review of it	Programme manager	2019-2024



## Housing Asset Management Strategy 2019-2024

HOUSING ASSET MANAGEMENT STRATEGY ACTION PLAN				
OBJECTIVE	DESCRIPTION	ACTION	OWNER	TARGET COMPLETION DATE/YEAR OF STRATEGY DELIVERY
11. Empty homes	To provide quality homes and sustainable tenancies whilst limiting the time properties are void	Complete a review of the current Empty Homes systems, procedures and policies	Service manager R&V	2019/20
		Implement any recommendations from the review	Service manager R&V	2019-24
12. Damp and condensation	To provide homes which are free from damp and mould	Deliver damp and condensation action plan Appendix B.	Programme manager	2019-24