

REPORT TO RESOURCES P.D.G.

REPORT OF: Liz Banner – Service Manager Property Services

REPORT NO: RIM.0320

DATE: 3rd October 2013

TITLE:	Review of the Housing Revenue Account Asset Management Strategy	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Teri Bryant – Portfolio Holder for Good Housing	
CONTACT OFFICER:	Liz Banner – Service Manager Property Services Telephone: 01476 406411 e-mail l.banner@southkesteve.gov.uk	
INITIAL IMPACT ANALYSIS: Equality and Diversity	Carried out and Referred to in paragraph (7) below To be completed as part of the final Housing Asset Management Strategy document	Full impact assessment Required: No
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	Asset Management Plan – Housing Revenue Account – 2009-2016	

1. RECOMMENDATIONS

Resources PDG is recommended to:-

Discuss and agree the key points highlighted within this report as proposed within the draft Housing Asset Management Strategy to recommend to Cabinet for approval of the strategy.

2. PURPOSE OF THE REPORT

To update Resources PDG on the progress of the review of the asset management strategy and seek feedback on the draft South Kesteven Standard, asset management strategic priorities and the related basket of performance measures.

3. DETAILS OF REPORT

There are key elements within the strategy which would welcome collective discussion and agreement. These are detailed within the report below.

South Kesteven Standard

The proposed South Kesteven Standard has been designed to ensure that, over time, the housing stock not only continues to meet statutory and/or regulatory standards but offers a quality of accommodation that ensures the sustainability of the housing stock.

The South Kesteven Standard is defined in Appendix 1 of this document.

South Kesteven District Council (SKDC) are already delivering or aiming to deliver through current budgets the elements within the standard and therefore there will be no additional cost to the authority.

Other authorities have developed their own standards. The table below shows a number of other neighbouring authorities approach with regards to standards.

Local Authority	Standard
North Kesteven District Council	NK Homes Standard whereby home improvements are carried out based on expected lifespan of the various components of each homes.
Melton Borough Council	Decent Homes Standard which is being sustained.
South Holland District Council	South Holland's own 'Decent Homes Plus' Standard which includes replacement of external entrance doors; providing extractor fans, new floor coverings and redecoration as part of kitchen and bathroom refurbishments; fitting electric showers when required by tenants; external wall insulation to homes with solid walls; replacement of sewage treatment works and re-lining of Finlock gutters.
City of Lincoln	The Lincoln Standard incorporates the Decent Homes Standard plus a replacement window programme based on age and single glazing rather than just structural failure as with the Decent Homes Standard.

The Resources PDG views would help the development of the Asset Management Strategy.

Void Property Standard

This is the collective name for the range of repairs and checks that are undertaken prior to a property being re-let.

SKDC has developed a 'Property Standard' that clearly sets out the range of checks which will be carried out prior to the property being re-let and the minimum condition standard for a wide range of individual components and facilities including internal finishes, floors and floor coverings, windows, doors, kitchens, bathrooms and external areas.

A copy of the 'Void Property Standard' is provided at Appendix 2.

Does the Resources PDG agree with the continued application of this void property standard?

Energy Efficiency

SKDC will set progressive targets to ensure that, over time, all properties fall within Energy Rating Bands A to D. Delivering this target will be challenging but is designed to ensure that all our tenants are given the opportunity to live in a well insulated, energy efficient home, which helps to prevent avoidable damage through condensation etc.

Detail of the stock breakdown for properties with a SAP rating of A – D are shown in the table below.

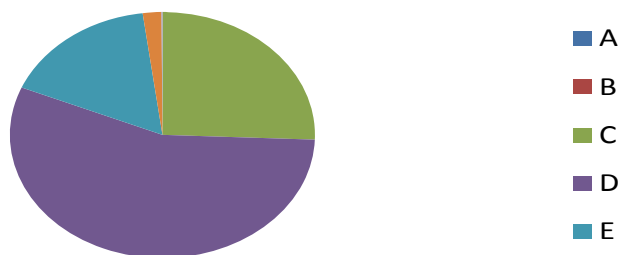
SAP Rating	No. of Properties	Percentage of stock
A	0	0
B	3	0.05%
C	1587	25.57%
D	3457	55.69%

Detail of the stock breakdown for properties with a SAP rating of E-G are shown in the table below.

E	1031	16.61%
F	123	1.98%
G	6	0.10%

The pie chart below illustrates the information of stock breakdown A-G.

Breakdown of Properties within SAP Ratings A-G



Works required to upgrade these properties range from loft insulation, external wall insulation and fuel switching and if the council were to implement these works immediately at our own cost, the approximate total amount would be approximately 2 million pounds; however, we are currently undertaking wall insulation programmes which is grant funded by 3.5 million pounds which will significantly impact on those properties E-G and the proposal is that we continue to seek further grant funding which will minimise any direct impact from SKDC.

Improving SAP ratings of E-G will have a significant impact on tenants in terms of their fuel bills and health and wellbeing, but will also maintain the ongoing sustainability of our assets which are generally in sound condition structurally particularly in rural areas, thus retaining viable neighbourhoods and communities.

Does the Resources PDG agree with the continuation of this approach?

Priorities

The Housing Asset Management Strategy has a range of proposed strategic priorities. These priorities have been developed specifically in response to the range of distinct issues for SKDC, the stock and future residents' needs.

An Action Plan has been prepared for delivering the strategic priorities and this clearly sets out what SKDC wants to achieve, and by when. It is anticipated that the actions will be monitored, reviewed and revised during the life of the Strategy as works are completed and new actions are established.

The Priorities are:

1. **Our Standard** - To ensure that all housing stock that has a long term, sustainable future is brought up to a locally determined Standard to ensure it continues to remain attractive and meets modern requirements & needs.
2. **Energy Efficiency** - To have in place a long term strategy and programme to improve the energy efficiency of the housing stock, at the same time helping to reduce fuel poverty.
3. **Repair and Maintenance** – To have in place well designed, repair and maintenance systems which ensure the stock is maintained to the agreed standard in an efficient, cost effective and responsive way and to use procurement and contract management processes to best effect to ensure value for money is achieved.

4. **Meeting Particular Needs** - To ensure the ongoing availability of housing stock that meets the particular housing needs of elderly, vulnerable, disabled or minority households through the provision of appropriate attributes and facilities.
5. **Business Resilience** - To profile, review and appraise the stock to fully understand its relative performance and contribution to the Business Plan and to identify obsolete or uneconomic stock and replace with new properties
6. **Development Potential** –To identify land whether HRA, General Fund or non-council, to build additional homes to increase the number of Council owned/managed properties available of the type and quality needed and in areas where people want to live and to identify potential opportunities for increasing the housing stock by acquiring properties, particularly if property types and location match housing need and management arrangements.
7. **Managing Opportunities and Liabilities** - To identify and dispose of properties where doing so would remove liabilities and/or generate funds for future re-investment in properties which are either better located, which better meet housing needs and/or are more efficient to manage and to put in place affordable, economic investment programmes that provide an appropriate balance between competing repair and investment requirements.

Meeting Particular Needs

The aim of the priority 'Meeting Particular Needs' is that all of the sheltered housing stock should be modernised and, if appropriate, re-structured as necessary to improve it over time and to ensure it is 'fit for purpose' to meet local needs. This process will ensure that we continue to provide attractive, appropriate housing that meet both the needs and aspirations of older people.

The action plan has addressed this priority by ensuring that the Council:

- Undertake a condition survey of all sheltered housing schemes.
- Develop and put in place a planned, costed programme of works - to be undertaken as part of other planned works programmes - for upgrading the sheltered housing schemes.

Does the Resources PDG agree with this action plan approach?

Business Resilience

The aim of the priority 'Business Resilience' is to profile, review and appraise the stock to fully understand its relative performance and contribution to the Business Plan and to identify obsolete or uneconomic stock for potential disposal and replace with new properties.

Appraisal of the stock will enable properties to fall into one of three categories as follows:

- **Category 3** - stock that is sustainable for the long term based on its sound financial and non-financial performance.
- **Category 2** - stock that exhibits some issues in terms of its financial and non-financial performance but that may, through some targeted interventions, be potentially sustainable.
- **Category 1** - stock that gives cause for concern due to its poor financial and also possibly non-financial performance and where, due to its high investment needs may require more significant levels of investment such as remodelling, demolition & redevelopment or disposal.

The action plan has addressed this priority by ensuring that the Council:

- Develop a Sustainability Assessment Tool, utilising best practice approaches that link to stock condition and other data to evaluate stock performance.
- Use the Sustainability Modelling Tool to assess and evaluate the performance of the housing stock, reviewing the long term future of properties where investment may not be economically worthwhile or where the stock is obsolete.

Does the Resources PDG agree with this approach to evaluating the performance of the stock?

Development and Regeneration Potential

The aim of the priority 'Development and Regeneration Potential' is to identify land whether HRA, General Fund or non-council, to build additional homes to increase the number of Council owned/managed properties available of the type and quality needed and in areas where people want to live and to identify potential opportunities for increasing the housing stock by acquiring properties, particularly if property types and location match housing need and management arrangements. This will assist with the delivery of growth and regeneration objectives.

To help address this priority the following approaches will be applied:

- Develop and maintain a list of potential sites and assess their relative appropriateness for development
- Agree which sites to pursue for development and how best to achieve through the carrying out of option/feasibility appraisals.
- Develop delivery schedule and timetable.
- Set up systems/processes for identifying, pursuing and securing the acquisition of properties.
- Actively seek properties to acquire.

Does the Resources PDG agree with this approach to evaluating the development potential of the stock?

Performance

The principal way in which SKDC will measure its performance in meeting the strategic objectives set down in the strategy will be to use Key Performance Indicators (KPIs). KPIs are quantifiable measurements, agreed to beforehand, that reflect the critical success factors of an organisation. In this case, these are the strategic priorities set out in the Strategy. The current KPI's are detailed in Appendix 3.

Does the Resources PDG agree with the basket of KPI's currently monitored?

4. OTHER OPTIONS CONSIDERED

Not applicable

5. RESOURCE IMPLICATIONS

The Asset Management Strategy includes plans relating to the maintenance and improvements of homes and other essentials over the five year period to which the strategy refers.

6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
The Asset Management Strategy details procedures in place which are reliant upon maintenance of accurate data and upkeep of the system..	Continous update of stok condition data through Stock Management Coordinators.

7. ISSUES ARISING FROM IMPACT ANALYSIS

As referred to on page 1 of this report.

8. CRIME AND DISORDER IMPLICATIONS

Implications are taken into account of essential works in maintenance of stock.

9. COMMENTS OF FINANCIAL SERVICES

The HRA business plan has been based upon maintaining decent homes and utilises data from the Housing Asset Management system. Based on the current information available which is in line with the prosoals outlined within this report the HRA business model is affordable. If members of Resources PDG suggest an alternative approach which may incur additional costs the HRA business plan would beed to be updated to ensure the proposals are affordable.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The Council has a duty to provide housing accommodation in accordance with the Housing Act 1985 and all other relevant legislation. The proposed strategy and the standards should all reflect and assist the delivery of that duty.

11. APPENDICES:

APPENDIX NO.	TITLE
Appendix 1	The South Kesteven Standard
Appendix 2	The Void Property Standard
Appendix 3	Current Key Performance Indicators (KPI's)

APPENDIX 1

The South Kesteven Standard

The Decent Homes Standard	The South Kesteven Standard
Kitchens to be replaced after 30 years, if it is in a poor condition.	Kitchens in a poor condition will be repaired or if beyond economic repair, replaced, providing the condition is due to normal wear and tear. Tenants will be consulted regarding worktops, floors and wall finishes.
Bathrooms to be replaced after 40 years, if it is in a poor condition.	Bathrooms in a poor condition will be repaired, or if beyond economic repair, replaced, providing the condition is due to normal wear and tear. Tenants will be consulted regarding flooring and wall tiling.
Homes will not meet the current Decent Homes standard if 50% or more of the roof covering requires repair or replacement. Homes will not meet the current Decent Homes standard if the chimney is in poor condition and needs to be partially or fully rebuilt. Homes will not meet the current Decent Homes standard if more than 10% of the wall structure requires replacement or 30% requires repair. Homes will not meet the current Decent Homes standard if 50% of the wall finishes require re-pointing or renewal.	Roof, Chimney and Walls will all be repaired/replaced at the same time under the External Works Programme. Survey to each property is carried out prior to any work commencing on a property.
The condition, repair and replacement of gutters and downpipes are not included.	All the gutters and rainwater downpipes will be inspected and, if necessary, they will be repaired or replaced.
There is no specific standard relating to redecoration in the current Decent Homes Standard.	As part of an ongoing programme the outside of properties and all the communal areas will be redecorated every 7 years.
If a property has a central heating boiler that is 15 years old or more and in poor condition, it will fail the current Decent Homes standard.	All boilers in poor condition and beyond economic repair will be replaced. All boilers are replaced with a modern equivalent that has an energy efficient A-rating.
Although this is not covered by the current Decent Homes standard, landlords are required to carry out annual gas safety checks by law.	There are annual checks of gas and oil-fired boilers. Solid fuel appliances and renewable appliances are also serviced annually.
Homes will meet the current standard if they have an electrical system that is less than 30 years old and free from major disrepair.	If electrical wiring in a property is in poor condition this will be repaired or replaced. An electrical inspection condition report for wiring in properties is carried out every 10 years (or at change of tenancy whichever is the sooner) to ensure that it is safe for

	tenants to use and that it complies with the current wiring regulations.
The current Decent Homes standard does not cover smoke detectors or fire alarm systems.	All properties will have a smoke detector installed. As part of the electrical rewiring programme these will be hard wired or lithium. If it is a mains operated smoke detector it will be inspected as part of the periodic electrical test and any annual service.
The current Decent Homes standard does not require carbon monoxide detectors to be installed.	Carbon Monoxide (CO) detectors will be installed to homes where there is a fossil fuel burning appliance. This forms part of the electrical rewiring programme.
The current Decent Homes Standard does not require asbestos surveys to be carried out. However, landlords are required to keep an Asbestos Register and let residents and contractors know where asbestos can be found in the home.	We have an Asbestos Register which records the type and location of asbestos containing materials in a property. Properties will be surveyed before any work starts.
If a home has a gas/oil fired central heating system, then the current Decent Homes standard requires that a minimum of 50mm (2") loft insulation or effective cavity insulation is installed. If a property is heated with an electric storage/LPG/programmable solid fuel central heating system, the current standard requires that a home has both cavity insulation (where possible) and 200mm (8") of loft insulation.	Loft insulation will be upgraded to at least 250mm (10") irrespective of the heating system. This meets the Building Regulations standard and will help to reduce energy bills.
If a home has been built with cavity wall construction, then the current standard requires a property to have effective cavity insulation, depending on the heating system installed in the home.	A survey will be conducted to check if a home can have cavity wall insulation. If a property can have cavity wall insulation, this will be installed irrespective of heating type. This will help reduce energy bills.
SAP stands for Standard Assessment Procedure and is the Government's recommended system for the energy rating of dwellings. Houses are rated from 0 - 100, 0 being very inefficient and 100 being highly efficient. The current standard does not require landlords to produce energy efficiency (SAP) ratings for properties.	A calculation of the SAP rating for homes is carried out in order to establish how energy efficient it is. SKDC will set progressive targets to ensure that, over time, all properties fall within Energy Rating Bands A to D.
The current Decent Homes standard does not include details of adaptations, although landlords are normally responsible for this work up to £500.	Minor adaptations in the home will be carried out for the elderly, physically or mentally impaired. Moderate and major adaptations are completed following a referral from an Occupational Therapist, which include widening doors, installing ramps, installing

	grab rails, installing a stairlift, installing a level access shower and moving light switches and electric sockets.
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APPENDIX 2

The Void Property Standard

Our current Property Standard

What you can expect in your new home

We want to make sure that your new home is secure, meets all your basic needs and is in a reasonable condition when you move in. All our properties meet our 'property standard'. Here's what it covers:

Security

We will:

- Fit new locks to the main front and back doors
- Check any other security measures like window locks are working properly and give you the keys.

Electrics

We will:

- Check all electrical installations like sockets and switches
- Do repairs if necessary and certify them as safe.

Gas

We will:

- Check all gas connections and installations including boilers, gas cookers and fires
- Do repairs if necessary and certify them as safe.

Plumbing

We will:

- Make sure there is hot and cold running water and all taps are working properly
- Check all the pipe work inside and do repairs if necessary

Heating and energy efficiency

We will:

- Make sure the heating system is working properly
- Do an energy efficiency assessment and give you an energy performance certificate.

Kitchens

We will:

- Make sure the kitchen is adequate and has:
 - A kitchen sink unit with cupboard under
 - A gas or electric cooker point
 - An electric point for a fridge
 - At least two usable cupboards
 - Enough space for you to work

Bathrooms

We will:

- Make sure all toilets, showers, baths, sinks and taps are working properly.
- If a shower is checked and this has not been fitted by SKDC we will ask you to sign a disclaimer that any repairs to this shower are undertaken by the tenant.

Roofs, guttering & outside maintenance

We will:

- Make sure the property is wind and weather-proof
- Check the roof and make repairs if necessary
- Clear the loft of any rubbish
- Check all the guttering and outside pipe work and make repairs if necessary
- Clear the garden of any rubbish
- Remove any garages or sheds which have been built using asbestos
- Fill in or remove any garden ponds unless you tell us you would like to keep them.

We cannot be responsible for any ponds or garden features you decide to keep and we will ask you to sign a disclaimer.

Doors, windows & stairs

We will:

- Make sure all doors are in good working order and that any glass panels in doors and side panels meets current safety standards
- Make sure all windows are in good working order and any cracked glass is replaced.
- Check the window locks are working (if there are any) and give you the keys
- Check that staircases, banisters and balustrades are secure and safe
- Make sure there are curtain battens fitted above all windows.

Walls & ceilings

We will:

- Check the plasterwork on walls (including under wallpaper) and ceilings is in a sound condition
- Strip wallpaper and do repairs if necessary.

Floors and floor coverings

We will:

- Remove any fitted carpets and floor coverings unless you tell us you would like to keep them
- Secure and/or repair any loose or broken floorboards
- Remove any cracked or broken vinyl tiles.

We cannot be responsible for any floor coverings you decide to keep and we will ask you to sign a disclaimer.

Decoration & cleaning

We don't re-decorate as most people prefer to decorate to their own taste.

We will:

- Offer you a decorating allowance for some rooms if they are in a very poor condition.
- Have the property professionally cleaned before you move in and remove any graffiti
- Replace all toilet seats.

General maintenance and future upgrades

If there are any general maintenance or repairs to do, we will tell you if they will be done before or shortly after you move in

We have an ongoing programme of major upgrades and replacement of bathrooms and kitchens. We will let you know if and when we're planning to do any major work to your new home.

APPENDIX 3

Current Key Performance Indicators

SK	DETAILS	TARGET
226	Percentage of properties with a current Landlords Gas Safety Certificate	100%
229	Percentage of tenant satisfaction rating gas servicing	99%
305	Number of working days taken to complete the repair from first contact to job completed	7
309	Percentage of repairs within the 'right to repair' regulations completed within the statutory timescales	100%
395	Percentage of jobs completed on first visit (Reactive only)	90%
396	Percentage of appointments kept	100%
399	Customers that are satisfied - Reactive Repairs	97%
400	Customers that are satisfied - Voids new tenants	97%
449	Number of days of total "void" lettings and repairs	28
548	Percentage of SKDC housing stock that is rated above the average energy efficiency rating (E/F)	78%

610e	Percentage of calls that are abandoned in Repairs	5%
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