

Annexe A

SOUTH DERBYSHIRE DISTRICT COUNCIL

HOUSING SERVICES

**HOUSING
ASSET
MANAGEMENT
STRATEGY**

Introduction

The Housing Asset Management Strategy (AMS) provides a framework for the effective management of the housing stock from the perspective of improving and maintaining council homes. It seeks to ensure that the stock is maintained in good condition and that service delivery continues to improve to achieve a high standard of customer satisfaction. By doing this it will avoid the deterioration of housing assets, minimise future repair costs and meet legislative and regulatory requirements. The AMS is a key tool with which to plan the strategic way forward on investments and decision making to maintain and improve the Council's housing assets, which mainly comprise mainly the housing stock.

The AMS, in conjunction with the recent Stock Condition Survey, will highlight the condition of the stock and the costs of maintaining and improving the stock over the next 30-year period.

The AMS must also consider the stock's future viability by considering the demand for the stock, property values and stock condition as well as investment needs. The strategy integrates with other relevant strategies, e.g. the Housing Revenue Account Business Plan, the Corporate Asset Management Plan, the Housing Strategy, the Capital Strategy the Tenant Compact and the Corporate Plan.

The AMS sets key objectives, describes ways to deal with strategic decision-making, risk management, consultation with tenants, and includes an action plan with key dates and targets, which will be monitored and reviewed on a regular basis.

Organisational Arrangements for Housing Asset Management

The Housing Asset Management Strategy has been developed through the Asset Management Improvement Task Team set up as part of the Housing Change and Improvement Programme

The terms of reference for this group are set out below:

1. To drive improvement in Asset Management and maintenance forward.
2. To review the work programme for Asset Management identifying key area of risk.
3. To develop the draft Asset Management strategy.
4. To develop the draft Procurement Strategy.
5. To review the repairs procedures.
6. To review the requirements for preparation work for the best value review of Asset Management.
7. Develop an approach to resident involvement in Asset Management.
8. To ensure Housing Management input into decision making.
9. To develop a Void Option Appraisal Methodology.
10. To review the IT requirements of Asset Management and maintenance.
11. To link where appropriate with the improvement Task Team – Housing Management.

This Group is Chaired and led by the Building Maintenance Manager and involves front line staff from Building Maintenance and Housing Management, and Tenants Representatives. The group works through three sub groups – Procurement, Quality Assurance and Responsive Repairs which again include Tenant and Member representatives.

Objectives of the Asset Management Strategy

The key objectives of the asset management strategy are:

- a) To set a framework for the Council to achieve Decent Homes Standard on all properties by 2010.
- b) To maximise the asset value of its housing stock.
- c) To maximise customer satisfaction and meet the needs of our customers.
- d) To aid the retention of existing residents.
- e) To reduce the level of void properties.
- f) To contribute to the sustainability of neighbourhoods.
- g) To ensure cost effectiveness and probity in expenditure on stock.
- h) To review and challenge the approach to asset management to ensure best value.

The Council has agreed eight key corporate aims which are designed to guide service delivery so that we can achieve the council's vision which is "to promote and enhance the social, economic and environmental wellbeing of the community through the provision of cost effective, customer focussed services"

The AMS will help the council deliver these key aims

The Council's key aims and, where appropriate, the associated key objectives of this Housing AMS are set out below:

- a) to strengthen and develop the local economy through support for business development and inward investment.**

b) to safeguard and enhance the natural and built environment.

AMS Objective:

To contribute to the sustainability of neighbourhoods.

c) to address the needs of South Derbyshire residents for good quality homes, of a variety of tenures, located in well planned and safe environments.

AMS Objective:

To set a framework for the Council to achieve Decent Homes Standard on all properties by 2010.

To maximise customer satisfaction and meet the needs of our customers.

d) to promote the health and welfare of all sections of the community, including access to leisure and cultural activities.

e) to secure continuous improvements in the quality and efficiency of services provided by the Council

AMS Objective:

To review and challenge the approach to asset management to ensure best value.

f) to manage resources efficiently and effectively.

AMS Objectives:

To maximise the asset value of its housing stock.

To aid the retention of existing residents.

To reduce the level of void properties.

To ensure cost effectiveness and probity in expenditure on stock.

g) to listen to, represent and provide leadership to the people of South Derbyshire in local, regional and national arenas.

h) To support the development of the National Forest and its enjoyment by residents and visitors

A fundamental aim of the AMS is to ensure that housing stock is maintained in good condition in order to achieve customer satisfaction to avoid deterioration of assets, prevent future repair costs and meet legislative and regulatory requirements.

The effective management of the housing stock must reflect the stock's future viability by consideration of demand for the stock, property values, and stock condition. The strategy must take account the following;

- Demand/Sustainability
- Environmental Factors
- Technology
- Price
- Demographic Change
- Competition

The strategy is a tool to aid effective stock management. It should also reflect housing needs and should be proactive and inform local decision-making.

The strategy should ensure that investment priorities reflect the different assets with different likely performance and sustainability.

The AMS builds on the council's guiding principles by:

- a) **making decisions openly and with integrity** – setting out a clear framework on how investment decisions will be made
- b) **being accountable to the people of South Derbyshire for our decisions** – using the AMS to make the best use of scarce resources and being open and sharing this information

- c) **involving the community in choices about services and local priorities** - – involving tenants representatives
- d) **being open and responsive to change** – using a range of information and looking at different options so that the best result is achieved
- e) **treating people fairly and promoting equality of opportunity in employment and service provision**
- f) **Providing reliable and responsive services to our customers**

- g) **working with partners in the public, private and voluntary sectors to achieve more than we can on our own** – looking at a range of different investment options
- h) **ensuring that the actions we take are sustainable in the long term** –making sure that scarce resources are targeted wisely to achieve the best benefits
- i) **valuing employees and the essential role they play in service provision.** – involving a range of front line staff in developing the AMS and developing options

Context

South Derbyshire District Council believes that the quality of its housing maintenance and improvement services is of vital importance both for the satisfaction of its tenants and to maintain the value of its housing stock.

The Government has set clear targets on the standard of housing stock. All social housing should meet the Decent Homes Standard by 2010 with one third of the currently non-decent homes in a district being made decent by 2004

We aim to ensure that we meet these targets and consequently investment programmes for 2003/4 need to be carefully targeted so that we meet the 2004 target

Considering the stock profile and investment in the stock in previous years highlights the context of this AMS.

Stock Information

The council owns 3,608 homes throughout the District, 1,166 (32%) of which are sheltered.

There are only 72 general let flats. Included in the stock are 22 homes of non-traditional construction. The table below shows the profile of our housing stock

Stock	Pre 1945	1945-1964	1965-1974	Post 1974	Total
1-2 bedroom and bedsit	185	826	500	645	2156
3-4 bedroom houses	415	802	121	114	1452
Non-traditional houses and bungalows	0	63	50	109	222
Flats up to 2 storeys	0	152	176	436	764
Flats 3 to 5 storeys	0	55	50	21	126
Total	600	1628	621	759	3608

Stock Condition

Until the current stock condition survey was commissioned the local authority had undertaken no comprehensive stock survey. Improvement plans were formulated on the basis of local knowledge.

The local authority has operated a five year cyclical, planned and preventative maintenance programme since 1983. The works programme for 2002-2003 and beyond will be reviewed in light of the stock condition information due shortly.

The local authority has recently commissioned a stock condition survey. The final results of this are due in September when we will receive full and detailed report of the current stock condition. This will be presented to officers and stakeholders and will allow officers to draw up investment programmes to meet the Decent Homes Targets.

The Council will seek to continually improve the quality of the data it obtains to inform the asset management strategy. Rolling surveys of stock condition will be used to increase the proportion of real to cloned data within the stock condition database.

The recent survey includes 100% external and 25% internal surveys of dwellings owned by the authority. This will provide an accurate assessment of each property type within the housing stock, shops and leased properties, garage sites and common areas.

This information will then be input into a new 30-year model to inform the investment priorities of the authority so that we meet the Decent Homes standard.

It is vital that the data is updated in a consistent and accurate manner. The action plan includes a requirement for the updating together with a

methodology for achieving this. This should include specific reference to resources, training and priority given to collation of data.

The preliminary findings indicate that the stock is in a reasonable/good state of repair and that only 837 dwellings out of a total stock of 3712 do not currently meet the Decent Homes standards set by the government.

The detailed report being produced by Property Tectonics on behalf of the Council will assist the council department in focusing its resources, to enable the Decent Homes targets to be met both by the 2004 intermediate deadline and ultimately to reach the 2010 target within programme.

It is anticipated that approximately £4 million needs to be committed to reducing the level of non-decent homes from 837 to 0. This of course needs to be supplemented by programmes targeted at preventing properties from falling back into the Non Decent category.

The garage sites generally do not reflect the good condition of the housing stock, and it is recommended to carry out an option appraisal on the future viability of the garages.

The stock condition report will also provide the council with information sufficient enough to programme a thirty - year strategy of maintenance works in maintaining the decent homes standard.

Previous maintenance strategies were solely based on officers' local knowledge and experience of the district and housing stock. The new maintenance strategies will now be able to be based, on a detailed stock condition of the council's stock combined with, officers' knowledge and professional judgements.

This year's Planned Maintenance Works Cycle 4 Contracts 9 and 10 includes 613 Properties in Hartshorne, Woodville and Lower Midway. The works involve replacement of existing windows with PVCu double glazed windows. Some properties will have PVCu fascia and soffit renewals, and

some a re-roofing programme as part of the maintenance cycle. All properties receive general external repairs, pre-paint repairs and external painting to maintain the fabric and structure of the properties.

The improvement programme consists of heating upgrades/renewals to 227 post 1964 properties at various locations within South Derbyshire. The heating consists of replacement of boilers, hot water cylinders, cold-water storage tanks, gas fires, and new radiators fitted with TRVs.

A kitchen replacement programme is continuing this year with 91 pre-war properties benefiting from the new facility. The programme includes taking out the existing kitchen complete and complete replacement which meets all the BRE guidance for storage space etc. New floor coverings are being fitted and the kitchens decorated on completion.

There has been no bathroom refurbishment scheme undertaken for at least 20 years. A bathroom replacement programme is to commence October 2002 and integrated into the Stock Condition Survey, with the Decent Homes Requirements.

One area of concern highlighted by housing staff is the fact that the authority has bed-sit accommodation with communal bathrooms, which is hard to let and consequently a financial burden for the organisation. An option appraisal of three sheltered housing sites has been carried out to inform investment decisions on these schemes in advance of the agreement of this AMS

Making Decisions on Asset Management and Risk Management

A robust AMS must include for a clear approach to decision-making and risk management. Risk management techniques and accurate, current information, should be used when making investment decisions. A standard methodology allows for a consistent approach to all investment decision making.

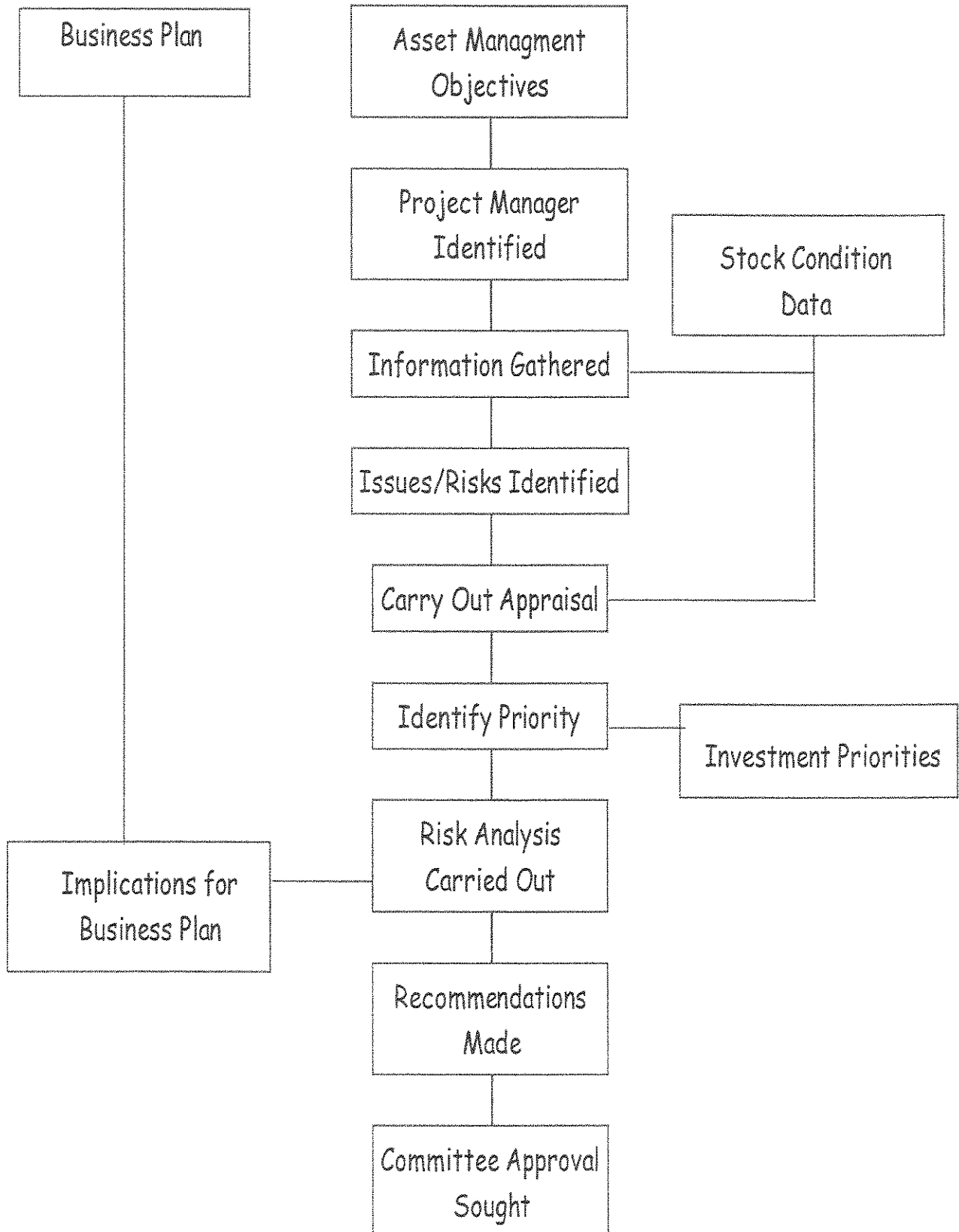
The approach should challenge existing practices, compare itself with other Authorities, consult with tenants and Members, and provide objective evidence of its commitment to best value to ensure an efficient and effective service is delivered.

A standard approach to investment decision making will help to ensure decisions are made on the basis of sound investment reasons and that the implication of risk particularly financial impacts on the business plan are highlighted.

Figure 1 below illustrates the standard approach, which will be adopted by the authority for investment decision-making.

FIGURE 1

OPTION APPRAISAL METHODOLOGY



Risk Analysis

A full risk analysis will be carried out when making investment decisions. A risk analysis table will be appended to the committee paper when seeking committee approval. Appendix 1 shows the Risk Analysis table.

Key risks involved in asset management include the following:

- Poor Health & Safety Controls
- Poor Tenant Consultation/Care
- Lack of project supervision and poor quality control
- Increase in building costs
- Lack of Probity
- Inability to attract quality contractors
- Poor investment control
- Project cost overruns
- Delays with Supply chain
- Poor Customer Satisfaction

Management of Risk

In order to manage risk it is vital that a culture is developed to ensure that the analysis of risk is a priority for all investment decisions. The analysis will follow an agreed approach.

1. Review Potential Risks
2. Research Evidence
3. Categorise Risks
4. Prioritise Risks
5. Devise strategy for risk minimisation
6. Communicate about risks
7. Review procedures and make changes where required

Making Decisions

Once the stock investment needs and outline programmes are drawn up from the analysis of the stock condition survey each element of the investment programme will be considered separately against using the option appraisal methodology and risk assessment approach described above.

Procuring Work

“Rethinking Construction” has set out five drivers for change in improving construction – committed leadership, focus on customers, product team integration, quality driven agenda and commitment to people. The AMS sets out ways to address some of the key drivers for change identified as necessary to secure continuous improvement in construction – namely client leadership, the need for integrated teams and the need to address people issues, particularly health and safety.

The AMS will be the vehicle by which the council further develops different methods of procuring work to meet the key targets suggested in the consultation document “ Rethinking Construction – Accelerating Change”

Tenant Participation

The Tenant Compact revised in April 2002 confirms the joint declaration between the Council and its tenants to the following aims:

- Improve our housing services
- Share the decision-making process
- Provide the support and information needed for everyone to take part
- Monitor and report on performance
- Tenants have identified implementing improvement programmes as a priority for participation

The Customer Charter agreed in July 2002 confirms the following consultation will be carried out:

- Work with residents groups to decide on strategic priorities
- Inform and update customers of any proposed, works including dates, contractors and choices available
- Invite residents to meet with maintenance staff prior to the start of an improvement contract
- Provide a named contact to tenants for both maintenance staff and the contractor for all contracts
- Ensure all contractors carry identification and show to tenants
- Ensure once the work is programmed the contractor gives at least 48 hours notice of when access is required to their home

In addition to these requirements the AMS proposes to encourage further tenant participation in key decision-making through the following mechanisms:

- Encouraging tenant membership of the Asset Management Improvement Task Team and working groups
- Consult tenants on investment priorities and plans through the Improvement Task Team

- Consult tenants on planning and monitoring works
- Consult tenants on procurement and contractor selection, including involving tenants in contractor interviews
- Reviewing training requirements to enable a wider range of tenants to become actively involved in decision-making

7. Action Plan

Action	AMS Objective	Deadline	Responsible Officer
Review initial results of Stock Condition Survey	a)	31/07/02	QS – PM
Determine DH targets	a)	30/09/02	BMM
Present Stock Condition Survey Information to staff and key stakeholders	a)	30/09/02	QS – PM
Review existing 10 year prog and draw up 10 year strategy and detailed 3 year prog to meet targets	b)	31/12/02	BMM
Consider balance of planned work to repairs and set targets to achieving minimum of 70:30 split by 2005	b)	30/11/02	BMM
Hold training day for updating database	b)	30/09/02	QS – PM
Review membership of asset management improvement group and sub groups to include tenant and Member involvement.	c)	31/08/02	BMM
Determine how work will be let/ procured	c)	March 2003	BMM/QS- PM
Complete Action Plan for updating Stock Condition information.	a)	30/09/02	QS – PM
Carry out review of physical condition of 3 sheltered blocks and report to Community Services Committee on way forward.	g)	31/8/2002	HCS
Agree strategy on Garage sites	f)	31/03/03	BMM
Review options on all long term voids	e)	30/09/02	BMM
Review training requirements for Asset Management Improvement team.	c)	Sept 2002	BMM

Review links with neighbouring authorities in terms of a best value approach to asset management.	h)	30/11/02	BMM
Review strategy	All	June 2003	BMM

BMM: Building Maintenance manager

QS - PM: Quantity Surveyor Planned maintenance

Monitoring and Review

The Council will update this strategy on an annual basis

The Asset Management Improvement Team will be responsible for regularly monitoring and reporting progress against the action plan

The Council is committed to involving residents in key decision-making and will ensure residents are involved in monitoring and reviewing the strategy.

All identified programmes will be monitored and controlled by Management and the Asset management Improvement Task Team to ensure that delivery of these programmes meets agreed signposts/targets.

Performance Indicators for these programmes will be produced and integrated into the main management performance framework to enable monitoring to take place.

Appendix 1 Risk Assessment

Project	Key Risks	Probability	Impact	Responsibility	Recommended Action

