



Asset Management Strategy for the Public Housing stock of Bury Council

2018/2021

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Introduction

This document sets out the Asset Management Strategy for the Public Sector Housing Stock which is in the ownership of Bury Council and managed by Six Town Housing. This strategy, and the supporting action plan (Appendix 1), covers the next three years taking into account current stock condition data, investment to date and statutory compliance needs. The assessment of investment needs set out below are based on a recent 20% survey of the stock with property cloning used to develop the 30 year cost model shown at Appendix 2. A full breakdown of each option is shown at Appendix 4.

Investment Option 1 – Bury Standard

To achieve the 'Bury Standard' would require the replacement of additional kitchen and bathrooms (over and above the Decent Homes standard) as the replacements cycles are reduced to 15 years for kitchens and 30 years for bathrooms. Our current estimates indicate that we would need to replace an additional 283 kitchens and 107 bathrooms on average per annum (above the Decent Homes standard level) at an additional cost of c. £2.3M per annum. This plan would maintain the 'Bury Standard' as well as an Estate Infrastructure programme of £400k at a cost of **c. £14.31M** per annum.

Investment Option 2 – Stock Condition Lifecycle Costings

To maintain properties to the standard lifecycle costing as per the stock condition survey 30 year cost model would require an initial average annual investment of **c.£12.01M** per annum. This plan would maintain the housing stock as well as providing increased External and Electrical works programmes of c.£1.02M and £0.460M per annum respectively, compared to previous years investment programmes.

Investment Option 3 – Decent Homes 'Plus'

Based on historic investment programmes, the Investment Option 2 can be adjusted downward to reflect the scope of electrical works and environmental works at the previously budgeted value. The net effect of these reductions would be an investment need of **c. £9.83M** per annum. This plan would maintain the Decent Homes standard to all properties and continue to exceed the Standard by replacing both kitchens and bathrooms in the Internal works programme.

Investment Option 4 – Decent Homes Lite

The investment option 3 can be adjusted downward to reflect a reduced Internals Programme which maintains Decent Homes but offers the minimum scope of works necessary to meet the Standard. Customers on the Internals Programme would therefore be offered the choice of a new kitchen or a new bathroom, instead of the current scope of works where both are provided as standard, where required. The net effect of this reduction would be an investment need of **c.£8.17M** per annum. It is anticipated that a customer consultation exercise would be need prior to reducing the scope of the Internal Programme works to the minimum Decent Homes level.

A continued investment need of c£5M per annum of revenue funding is required for responsive repairs, void property refurbishment, gas servicing, grounds maintenance, external decoration and health and safety checks.

The recent stock condition survey data will be the source document used to develop the detailed annual investment programme at estate / address / level following a further detailed property inspection as part of the pre-commencement activities for investment schemes.

The strategy itself is set against a 30 year investment plan which will be an integral part of the overall HRA business plan going forward as well as being informed by actions coming from the Housing Needs data analysis and the GMCA developments especially in relation to the project around future 'Form and function of social housing'.

Background and context

The housing stock of Bury MBC was 7999 properties as at 1st April 2017. The stock is largely comprised of low-rise dwellings of traditional construction. The stock is ageing with almost 40% dating from the pre-war period and with a further 35% dating from post-war to mid sixties. 305 homes within the current stock are currently managed by Springs TMO and these are subject to an option appraisal exercise that may lead to this stock becoming a self financing Tenancy Management Organisation during the period covered by this strategy.

The value of the stock, based on the January 1999 values that are used in the calculation of formula rents, has decreased from £261k to £259 due to properties being sold under 'Right to Buy'.

There were 92 Right to Buy applications received in 2016/17 with 55 sales completed. This is a slight increase to the 47 sales in 2015/16.

In addition as at 1st April 2017 there were 325 leaseholders of flats for which STH provides repairs and improvements according to the terms of the individual lease agreements.

The latest stock condition information gathered during 2016 identifies that there is an expected investment need of c. £30K per property over the next 30 years. This forecast is based on the costs for the replacement of key building components and maintenance of external areas (see the figures for Future Major Works in the table at Appendix 2).

As at the 1st April 2017, there were no (0) properties classed as non decent in terms of meeting the Decent Homes Standard.

The national average 30 year spend is estimated at c. £30K per property which suggests that the stock is in a reasonable condition. The projected cost of future major works to maintain all the stock to the Decent Homes standard over the next 30 years is

£243M, with £39.1M required over the first 5 years of the forecast, not including any on-costs such as preliminaries, fees and associated delivery costs.

The spend profile of the future major works costs is shown at Appendix 2

Over the last eleven years we have gathered detailed condition information on the stock. We are now in a position whereby 85% of our stock has been surveyed and held in the Lifespan stock condition database. A 20% sample condition survey was undertaken during 2016, the results of which are to be incorporated into the stock condition database. The database enables the strategic planning of investment to assist in the business planning process.

We will continue to gather stock condition data with a view to having 100% of the stock surveyed by March 2019. We will enhance our understanding of the overall sustainability of the estates we manage and neighbourhoods by collating additional stock intelligence from a variety of sources such as the following:

- Day to day repair costs – trends and hot spots.
- Disrepair and Insurance claims and any underlying trends.
- Rental income.
- Estate and Property inspections including void properties.
- Neighbourhood Estate Performance scoring and feedback, including customer satisfaction with homes and neighbourhoods.
- Low / No Demand properties and estates.
- Energy efficiency and fuel poverty data.
- Strategic Housing management decisions and reviews.

We will manage and review the stock intelligence and condition data to develop a planned 3-year programme that best meets the needs of properties and neighbourhoods, making best use of the QL system to ensure that the information is readily available to all teams.

We will ensure the effective ongoing maintenance of the stock through an effective planned, cyclical, empty property refurbishment and responsive repairs service. A repairs and maintenance delivery plan will be prepared to compliment this strategy which sets out how these service are to be delivered along with an associated action plan for further service improvements.

Demand

An analysis of the housing waiting list suggests that around 1,286 (excluding existing tenants seeking a transfer) applicants have expressed an interest in renting a property in the borough with Bury Council and are currently on the waiting list. Based on the applicants preferences the most popular areas for applicants at present in the Bury Township with the least being Tottington but closely followed by Ramsbottom.

In 2015/16, the number of applicants was reported as 1,381, representing a reduction of 6% which will require further analysis to determine any anomalies in the data collection or underlying trends in demand for social housing in the borough.

The table below shows the spread of areas as requested by applicants applying for housing:

Area	% of applicants
Bury	36.6
Radcliffe	13.1
Prestwich	15.7
Whitefield	10.3
Ramsbottom	4.5
Tottington	4.3
NK	15.5

When considering the size of property most in demand, the data from the waiting listed indicates that smaller properties are in higher demand with almost 50% of applicants requesting 1 bedroom accommodation:

The table below shows the demand by number of bedrooms as requested by applicants on the waiting list for a property:

No. of beds	% of applicants
1 bed	57.1
2 bed	23.3
3 bed	16.6
4 bed	2.6
5 bed	0.2
6 bed	0.08
NK	0

This demand for 1 bed properties can be seen to be representative across the borough with just under 50% of all applicants on the waiting list preferring a 1 bed property.

Supply

The current supply of housing stock is summarised in the tables below:

No. of Bed	No. of Properties
Bedsit	156
1 Bed	3088
2 Bed	2597
3 Bed	2069
4 Bed	88
5 Bed	0
6 Bed	1

The composition of the housing stock by archetype is shown below;

Property Type	No. of Properties	As proportion of Housing Stock
1945-64 Traditional Houses	1004	12.6%
Pre 1945 Traditional Houses	2472	30.9%
Bungalows	810	10.1%
Traditional Medium Rise Flats	402	5.0%
Non Traditional Houses	148	1.9%
Post 1945 Low Rise & Multi Occupied	2389	29.8%
Pre 1945 Low Rise & Multi Occupied	503	6.3%
Traditional Houses 1965-74	144	1.8%
Traditional Houses Post 1974	127	1.6%
Total	7999	100%

During 2016/17, 732 properties were let by Six Town Housing. This has increased compared with 2015/16 during which 675 properties were let which represents an 8 % increase on the previous year.

There were 92 vacant properties in the Council owned stock on 1st April 2017. This represents a 37% decrease compared to the 147 vacant properties on the 1st April 2016. 86 of these vacant properties were available for letting.

Aim of this strategy

The overall aim of this strategy links directly to the Council's Housing Strategy, and Six Town Housing's Business Plan priorities to provide homes for the future and neighbourhoods to be proud of. The over-arching aim is therefore to:

'Provide well maintained, energy efficient homes and neighbourhoods that meet the needs of our current and future customers through sustainable investment

The strategy will need to reflect the work being undertaken both internally through an analysis of the housing needs data, the local context as shaped through the GMCA study and appraisal as well as the national agenda especially in terms of the work being undertaken through the form and function of social housing review.

Key Objectives

In order to achieve the above aim, the following high level strategic priorities have been developed which will form the basis of our delivery plan. The strategy will set out how we will:

- Key Objective 1 - Ensure that the stock meets the needs of our current and future tenants both now and in the future.
- Key Objective 2 - Create and develop decent neighbourhoods and improve the quality and sustainability of the housing stock.
- Key Objective 3 - Ensure homes are energy efficient, healthy and safe.
- Key Objective 4 - Ensure the future sustainability of the stock through more effective resource planning and the more accurate and timely identification of wider investment needs.
- Key Objective 5 - Ensure we actively manage and invest in assets economically, sustainably and safely to ensure value for money across all asset management functions and services

For each key objective there is a suite of outputs which are summarised in the Asset Management Action Plan at Appendix 1.

1 Key Objective 1:

Ensure that the stock meets the needs of our current and future tenants both now and in the future

Stock Investment

At Six Town Housing's inception in 2005 around 30% of the housing stock was non decent. This led to the bulk of the capital investment programme being channelled into making these homes decent.

Over the last 11 years there has been significant investment made to ensure that all properties meet the government's Decent Homes standard. The key focus since the ALMO was created was to ensure all the stock met the government's decent homes standard by December 2010 and this milestone was achieved.

The stock has been sustained at 100% decency levels since then. Over the last three years this investment has been supplemented through an additional £12M to deliver the enhanced Bury Standard, primarily aimed at replacing kitchens, bathrooms and boilers sooner than would have been expected using the Decent Homes standard.

As a result of this investment the energy efficiency of the stock as well as the overall condition has been maintained resulting in further investment needs being comparable with the national average.

The need to move to a longer term programme, beyond the current annual programme, will have advantages for tenants and delivery contractors as well as potential to increase social value through providing longer term training opportunities.

Key Actions and Outputs:-

- *Ensure all properties remain 100% Decent and wherever possible achieve the higher Bury Standard.(1.1)*
- *Target investment based on a 'whole house' approach, minimising the need for repeat visits to properties. (1.2)*
- *Move to a 3 year rolling investment programme to maximise efficiencies and provide contractors with greater continuity (1.3)*
- *Ensure stock intelligence and condition data continues to be robust. (1.4)*
- *Integrate the work of the Neighbourhoods and Repairs services in supporting the key objectives of the asset management strategy including the development of a property standard. (1.5)*
- *We will develop indicators to identify high and low performing stock and estates to support decisions making around investment decisions (1.6)*

Adaptations

The demand for adapted social housing properties continues to increase. In previous years the demand has outweighed the budgetary resource which has meant that cases have had to be held back until the following financial year.

Improved stock intelligence and matching housing needs to adapted stock availability has seen the demand for bespoke adaptations reduce. This has been evidenced in a lower number of referrals being received from occupational therapists. However it is recognised that more recently there is a longer waiting list for assessments of need. There is an expectation that demand for adapted properties will rise as the ageing population increases in size.

The capital programme includes a provision for adaptations received via the referrals process from Adult Care, which has historically been on an assumed allowance of £60 per property. This equates to a provision of £480,000 for Bury and it is felt this would be sufficient to meet the current demand for adaptations.

However, this position could change radically should action be taken to tackle the current waiting list of assessments and Six Town Housing receive a corresponding influx of referrals.

Key Actions and Outputs:-

- *We will update and maintain the adapted stock register to ensure that the needs of disabled tenants are met. (1.7)*
- *We will continue to develop and analyse stock intelligence so that we will be able to respond to any potential changes in policy around adapted and non-adapted properties. (1.8)*
- *Stock Intelligence is maximised to determine properties for which adaptation are appropriate and cost effective. (1.9)*
- *Maximise the opportunities to incorporate major and minor adaptations through a variety of means such as capital works, voids, planned and response maintenance operations(1.10)*
- *Carry out regular analysis of the number of social housing tenants awaiting disabled adaptations (1.11)*
- *Review all adaptations budgets to ensure the service is delivered effectively 'end to end' (1.12)*

Sheltered and Extra Care Accommodation

Following Bury Council's sheltered housing review in 2011, three sheltered schemes (Elton Square, Wesley House and St Mary's Court) were closed and removed from the stock. Four schemes which had previously been mothballed but were later released for ongoing letting (Harwood House, Taylor House, Clarkshill and Mosses House).These

have successfully been brought back into general use, supported by a marketing plan, following low level aesthetic works completed by Repairs Direct.

However, there is a recognised need to undertake a further assessment of the Sheltered Housing stock to more fully understand their future suitability to meet customers' expectations.

We recognise and will support the specific housing needs of older people living in our neighbourhoods, and we will continue to invest in improvement and maintenance works to ensure that the sheltered housing properties continue to meet those needs and comply with all statutory inspection regimes.

Key Actions and Outputs:-

- *Ensure sheltered housing schemes remain fit for purpose including Health and Safety requirements to ensure that older people remain safe and comfortable in their homes. (1.13)*
- *Ensure future investment needs take into consideration the retention plans for the sheltered housing stock. (1.14)*
- *Further review the sheltered housing stock to assess future suitability to meet customers' needs and expectations (1.15)*

Empty properties / property purchases

Bringing empty homes back into use is a priority as thousands of homes are empty across the country despite there being a massive shortage of housing. In Bury this is a particular problem as there are over 3000 empty homes across the borough, 2000 of which have been empty for over 2 years.

Four properties on Albion Street, Radcliffe, which had been derelict for eight years, were recently fully refurbished by Repairs Direct and are now fully occupied. This is in addition to mortgage rescue properties that have been purchased and additional empty homes that have also been purchased, refurbished and offer for rent.

Key Action/Output:-

- *STH will continue to work in partnership with Bury Council to bring more empty properties back into use including continuing to identify funding opportunities to purchase and repair empty properties for social / affordable rent.(1.16)*

Disrepair

Bury council, as the landlord, is under an implied duty in law to make sure that any property let is fit to be lived in and to repair the property when necessary.

Any tenancy agreement will have a section explaining the landlord's responsibilities. These responsibilities include making sure the property is in good repair and safe to live in. Even if this is not actually written into the agreement the law says that it is "implied".

The law says that "repair" involves the structure or exterior of a property. Examples would be a leaking roof, damp, subsidence, rotten woodwork, leaking windows, gutters, drains, external pipes for example.

Failing to maintain the properties can lead to a claim for "disrepair" through a legal process which if upheld will lead to potential claims for compensation as well as having to carry out the repairs as well incurring both internal and the claimant court costs.

By ensuring that the repairs and maintenance to the housing stock are carried out efficiently and effectively disrepair claims will be minimised.

Recent developments have seen procedures and processes improved through the use of a working group to review processes and identify service improvements. These improvements have included a faster response to reports of dampness in properties as well as a trained damp surveyor checking the property using test equipment given the difficulties associated with determining structural dampness from condensation.

This approach has seen a marked improvement in defending the disrepair claims as well as being evidenced in the increase in disrepair claims being settled, or closed, with no costs.

Key actions/ output:-

- *STH will continue to robustly defend disrepair claims and seek to increase the number of claims defended / closed with no costs(1.17)*
- *STH will take proactive steps to tackle dampness and condensation within the homes we manage (1.18)*

2 Key Objective 2:

Create and develop decent neighbourhoods and improve the quality and sustainability of the housing stock.

Environmental and Infrastructure Works

Investment in the physical environment of the estate neighbourhoods was limited during the Decent Homes programme primarily as the standard does not cover works outside the fabric of the home. Since reaching the Decent Homes standard we have been able to invest more in environmental improvements to enhance the look and feel of the neighbourhoods, for example.

Estate minimum environmental standards have been developed and over the last 8 years, all estates have been RAG rated. Through targeted environmental investment we are pleased to report that all estates are now Green or Amber with no estates in the RED.

This approach will continue with the estate minimum standards being reviewed and enhanced once all estates have reached the 'green' rating.

St Thomas's Estate 2015/16: full refurbishment of the external fabric of the properties as well as the footpaths, external lighting and communal gardens. The project was nominated for an award and was well received by tenants and stakeholders.

Chesham Estate environmental improvements: boundary walls, gardens, paths and off road parking have been renewed on a whole street basis, making a significant impact to the look and feel of the estate.

Hawk Close Communal Area and External Improvement: combining revenue and capital expenditure, the refurbishment included for the communal entrance to be refurbished and fire upgraded as well as including the external and internal painting of the block. By combining the internal and external works with an enhanced specification, the blocks of flats have been given a fresh look and are improving letting prospects.

Through collaborative working we continue to identify neighbourhood projects designed to improve the look and feel of estates as well as improving security, for example hard landscaping, off road parking and fencing.

Current figures derived from the 2016 stock condition survey 30-year cost report propose that external environmental works absorb approximately 15% of the overall 30-year budget.

The need to develop a 'Decent Neighbourhood' will require investment directed to the planned maintenance of the estate infrastructure, namely footpaths, walkways, street lighting, play areas, un-adopted roads and open spaces. This will initially require a detailed review of the current condition and maintenance needs to enable investment proposals and budget estimates to be developed.

Key Actions and Outputs:-

- *Continue to make provision within the capital programme resources in future years for investment in environmental and infrastructure works. (2.1)*
- *Development of a planned maintenance programme for estate footpath, roads and pavements including street furniture (2.2)*
- *Ensure that any future capital schemes take a whole scheme approach that includes works required to the wider environment. (2.3)*
- *Planned maintenance works are undertaken by the Caretaking team to maintain and enhance the condition and appearance of the communal areas and estates (2.4)*

Estate Shops

In addition to the housing stock we also manage 33 shops on a repairing lease basis colonies across the borough. We are responsible for the external fabric of the building and as such the shops will require low level investment over the life of our business plan.

Key Actions and Outputs:-

- *Continue to provide sufficient funding for all planned maintenance works to estate shops. (2.5)*
- *Carry out a site audit to monitor the condition, suitability and provision of estate shops and make recommendations on their future use dependent on relevant change of status or use. (2.6)*

Garage Colonies

We manage 24 garage colonies across the Borough with a total of 278 garages being available to rent. The garage sites have been under review for some time and the outcome of this review is likely to suggest alternate uses in some cases and highlight popular sites which may require investment. The longer term viability of both garage colonies managed by Six Town Housing and Bury Council is now a priority. To do nothing is not an option

Key Actions and Outputs:-

- *Undertake a detailed site audit of the remaining garage sites to identify future investment needs and establish a programme of planned maintenance and/or refurbishment in order to maximise rental income from these assets. (2.7)*

3 Key Objective 3:

Ensure Homes are Energy Efficient, Healthy and Safe.

Energy Efficiency/Fuel Poverty

A key focus of the investment programme has been to improve the energy efficiency of the stock in which we have made significant progress. The overall energy performance of the stock has been measured with an average Standard Assessment Procedure (SAP2009) rating of nearly 70. The current SAP performance of the stock is shown at Appendix 3.

This represents an average SAP/EPC rating of Band C. The energy efficiency rating is a measure of the overall efficiency of a home. The higher the rating the more energy efficient the home is and the lower the fuel bills will be.

Whilst the thermal comfort of the homes was considered as part of the Decent Homes standard, this standard does not go far enough in tackling the required reductions in carbon emissions and energy usage, as well as addressing the potential for our tenants to be in fuel poverty. The government has committed the UK to a legally binding reduction in greenhouse gases of at least 80% by 2050 with a waypoint of 34% by 2020, and housing providers will need to play a key part in the achievement of these targets. Furthermore as energy prices rise, the number of our tenants in fuel poverty continues to increase, which is a worrying trend when considering this in addition to the impact of welfare reforms.

Significant investment is therefore required to improve the energy performance of the homes we manage, to reduce fuel poverty and to reduce the organisation's carbon footprint.

Opportunities to secure external funding to offset the cost through a range of national energy efficiency and carbon reduction initiatives such as CESP, CERT, FIT and RHI have been taken and maximised.

More recent investment in renewable heating solutions were taken through the NEDO project which saw the installation of 90 air source heat pumps as part of a demonstration project with AGMA. A report on the difference these renewable heat deviced have made is expected later in the year. Early indications suggested fuel saving are being created along with a more controllable heating system.

Solar panels have been installed to a number of blocks in Whitefield for which an income is being generated along with free electricity during the hours of energy generation. Further potential for renewable energy including free solar PV and associated battery storage of the solar energy are currently being explored.

As the quality and cost of LED lighting has improved, we have introduced the replacement of traditional lighting in homes with LED units as part of the investment programme. LED units are also installed outside homes in security lights as well as in newly refurbished communal areas.

In terms of home energy efficiency the housing stock continues to benefit from loft and cavity wall insulation, double glazing and economical heating and hot water appliances which are well maintained and serviced.

Staff training in relation to low carbon, fuel poverty and energy efficiency continues to be rolled out along with directed home energy, fuel switching and smart meter awareness.

An analysis of the current energy performance data indicates that to improve the homes beyond a B and C rating cannot be achieved without the investment in renewable energy measures such as for example, solar panels, air source heating pumps or solar thermal.

Key Actions and Outputs:-

- *We will continue to measure property energy efficiency using the SAP rating system (3.1)*
- *We will improve SAP scores by targeting investment in the low SAP rated properties with no properties below Band C by 2020. (3.2))*
- *The investment programme will provide for loft and cavity wall installation (where not already installed) as well as double glazing.(3.3)*
- *It will also provide for replacement of inefficient heating and hot water systems with modern A rated condensing boilers. (3.4)*
- *We will collate data on fuel poverty to identify households most at risk and to contribute to the estates sustainability matrix. (3.5)*
- *We will provide a dedicated resources to carry out home energy audits and provide advice and assistance to support improving home energy efficiency and reducing fuel poverty(3.6)*
- *Review and explore opportunity to increase the provision of renewable energy solutions through new and emerging technology(3.7)*
- *We will prioritise projects that will contribute to the alleviation / reduction in fuel poor households (3.8)*

Health and Safety

Statutory Compliance, Testing and Inspections

The Grenfell Tower fire in 2017 tragically highlighted compliance as a key priority for housing providers. Six Town Housing will continue to proactively manage and monitor all statutory and non-statutory obligations. This will ensure that tenants and leaseholders live in properties that are free from health and safety hazards and that comply with all relevant safety legislation. Areas of compliance that are currently monitored are as follows:-

- Gas safety (including commercial boilers and commercial kitchens)
- Asbestos
- Fire alarms
- Fire fighting equipment
- Fire risk assessments
- Emergency lighting
- Passenger lifts
- Balconies and edge protection
- Footpaths and walkways
- Stair lifts and through-floor lifts
- PAT testing
- Legionella risk assessments
- Water quality testing
- Periodic electrical testing
- Playground inspections

The review of the arrangement for ensuring compliance has identified the need to improve the processes and centralise record keeping arrangements. This will require the integration of a number of I.T systems, namely QL and Covalent to ensure records and actions following compliance activities are maintained efficiently and that certification can be readily retrieved when required. The current arrangements involve inter departmental and inter team co-ordination which will be managed by the Sustainability and Investment team going forward.

Key actions and outputs

- *A robust process is in place for the collation, retention and retrieval of inspection and test records (3.9)*
- *An effective IT process is in place for the planning and programming of service and inspection visit (3.10)*
- *An effective IT process is in place for tracking remedial actions following servicing visits and statutory inspection (3.11)*
- *Formalise approach to the planned inspection regime for footpaths, walkways, and balconies (3.12)*
- *Every Home will have a mains powered smoke alarm by 2021 (3.13)*

4 Key Objective 4:

Ensure the future sustainability of the stock through more effective resource planning and the more accurate and timely identification of wider investment needs

An effective asset management strategy should look beyond bricks and mortar. It should encompass all aspects of the services delivered and managed by Six Town Housing. Estate profiling data relating to Repairs and Neighbourhoods services can be overlaid onto stock condition information to build up a more holistic picture of the neighbourhoods' current performance, and therefore their future sustainability.

The resulting integrated sustainability matrix will highlight the best and worst performing estates – these will be allocated a RAG rating – and provide a more detailed context in which strategic investment and management decisions can be taken.

Examples of estate profiling indicators which can be monitored can include but are not limited to the following:

Sustainability and investment	<ul style="list-style-type: none">• % of non-decent properties• % of properties with a SAP rating below Band C• Historic capital investment per property• Numbers of households in fuel poverty• Customer satisfaction with home
Repairs	<ul style="list-style-type: none">• Average number of repairs ordered per property• Average number of emergency repairs ordered per property• Number of damp repairs ordered per property• Annual cost of repairs/ empty property refurb per property• No. Of emergency repairs
Neighbourhoods	<ul style="list-style-type: none">• % of current voids• Waiting list / demand data• Void turnover rate• % of households in arrears• % of RTB sales• % rent collection rate• Rate of ASB cases per property• Estate environmental score

Mapping these indicators onto asset management data will assist with the production of an integrated sustainability matrix for each estate. These will help to identify the best and worst performing estates – their performance will be allocated a RAG status (Red, Amber, and Green) – and ensure that future priorities for funding are based not just on

stock condition information but also on other key factors that impact on tenant's homes and on the estates where they live.

The sustainability matrix can also be enhanced by further information gathered from other sources, e.g.

- Engagement with Local Councillors and Tenant Groups
- Customer feedback, including the Customer Review Group, summer roadshows, neighbourhood consultation meetings.
- Feedback from all Six Town Housing teams.
- Estate walkabouts.
- Learning from complaints.
- Satisfaction surveys from investment projects.
- Bury Council member and officer feedback/enquiries.
- Bury Council's Housing Strategy and Action Plan.

Key Actions and Outputs:-

- *From 2018/19 we will utilise a new sustainability matrix of all Bury Council public sector housing estates to provide improved targeting of resources on future capital programmes. (4.1)*
- *Proactively engage with stakeholders to inform the matrix.(4.2)*
- *Develop indicators to identify high and low performing stock and estates to support decisions making around investment decisions (4.3)*
- *Explore the cost and benefit of developing estate based financial costing models which provide actual costs for estate management and the cost of repairs and maintenance activities(4.4)*

5 Key Objective 5:

Invest in assets economically, sustainably and safely to ensure value for money across all asset management functions and services

Efficiencies

A key focus of the asset management strategy is to ensure that we maximise the investment in the stock and the wider environment within the resources available. A fundamental way of ensuring VFM is to have robust procurement systems which, through the quality of outputs and cost effectiveness, offer real value for money. The majority of the capital programme is procured through the following methods:

- **Procure Plus Framework:** Procure Plus is a regeneration company established to enable bulk purchasing of construction materials and labour for social housing clients within Greater Manchester and beyond. Market testing suggests this framework is providing value for money with savings in the region of 14% being generated. This is in addition to the social value benefits including fully funded trainees and the opportunity to bid for additional funds to support initiatives such as Steps to Success. In 2016/17 the capital programme supported 35 people being supported into work with the majority being filled by residents of Bury. In addition 63% of the capital programme workforce were local Bury residents (excluding Repairs Direct). We are also seeing better than expected levels of performance against a suite of key indicators including: customer satisfaction, right first time, programme delivery, accident free sites, and recycling.
- **Repairs Direct:** Significant investment projects have been undertaken by Repairs Direct through the Entrusted Works model over the last two years as they have increased the volume of work they are able to deliver. This is in addition to the work they carry out through the disabled adaptations and structural renewal budgets. Repairs Direct also carry out refurbishment of void properties and essential renewals of key components in tenanted properties where required, e.g. kitchens, bathrooms and central heating.
- **The Chest:** Projects of a lesser value are procured through The Chest, an electronic procurement portal for the North West fully compliant with Bury Council's standing orders and procurement guidelines.

The selection of contractors to deliver the investment programme will be a decision for Bury Council based on recommendations and business cases where necessary from Six Town Housing's Sustainability and Investment Business Manager.

Contract Management

Customer satisfaction data will be used to measure the performance of the investment programme contractors procured from the above sources. The feedback is reviewed at regular meetings to influence and shape service delivery, processes and procedures. In 2016/17 overall customer satisfaction has been measured at 99% based on a 64% response rate to the satisfaction survey that is left with the tenant after works are complete in their home.

The standard suite of performance indicators used to measure the works completed through the investment programme include:

- Customer satisfaction with products
- Customer satisfaction with service
- Customer satisfaction with communications
- Right first time
- Deliver on time
- Time taken in properties
- No. of Accidents
- Extent of recycling
- Return rate of satisfaction surveys

Cost management and contract administration

The investment team will continue to implement and review a standardised approach to robust contract management ensuring value for money is achieved. The financial valuations and payments processes along with contract administration are being delivered through Bury Council's Architects Practice.

For works completed via the Procure Plus Framework, this will be undertaken via the Schemes Plus software administered by Procure Plus. Quality Control monitoring will be undertaken by appropriately qualified personnel provided through Bury Council's Architects Practice which will include final inspection handovers and provision of requisite certification.

Overall programme spend is continuously monitored by the Investment and Finance teams using information supplied by Architects and reported on a monthly basis.

Key Actions and Outputs:-

- *Cost controls and financial forecasting will be improved to provide accurate and timely forecasts upon which decision can be taken with confidence.(5.1)*
- *Financial accounts will be managed effectively with year end creditors resolved within the first quarter of the subsequent financial year (5.2)*

Investment needs

The investment cost model developed from the 2016 stock condition survey has identified a number of high cost areas which will be further reviewed to ensure we can secure value for money in the procurement of these components and associated costs.

These will need to be given due consideration in relation to the procurement process and packaging of investment works.

Asset management information is currently held in Lifespan, and it is proposed that this will be migrated to the new IT System during 2017 ensuring full integration with Neighbourhoods and Repairs systems data.

The IT system will have the capacity to generate future programmes of work for capital investment. It is recommended that the current stock condition data base, Lifespan, is retained for a period after the introduction of the new IT system to ensure the integrity of the stock condition data is retained. The enhancements to the IT arrangements will enable planned programmes and stock information to be integrated with repairs and neighbourhoods data enabling a more holistic approach to housing management.

Key Actions and Outputs:-

- *Continue to review and explore procurement arrangements to secure greater value for money and ensuring that investment is maximised in the local economy including exploring the potential for longer term procurement arrangements.(5.3)*
- *Explore the potential for approving future investment programmes of up to three years in length, to unlock additional efficiencies through longer term contract arrangements which are currently restricted by the current cycle of annual approvals. (5.4)*
- *Each project will have a bespoke set of Key Performance Indicators (KPI) which will be used to manage performance. These KPI's will cover customer satisfaction with the work completed, time taken to complete work, progress on planned versus actual programme, social value outcomes and the number of site accidents / near misses as a minimum. (5.5)*

Ongoing Repairs & Maintenance

The delivery of a high quality repairs service is integral to the success of any effective asset management strategy. It is vital that a cost effective and high performing service is provided in order to meet customer demands and prove value for money.

Continuing capital investment in the stock will help to reduce the call on the responsive repairs budget. Asset management information will assist with more effective targeting

of resources on works that can be delivered in planned programmes of work, further reducing the number of day to day repairs required and ensuring a more cost effective responsive repairs service.

The range of services provided currently includes:

- Responsive repairs
- Empty Property Refurbishment
- Gas servicing
- Minor Adaptations
- External Decoration
- Grounds Maintenance

The responsive repairs service covers the day to day maintenance of the Council's housing stock. It is provided 365 days a year, 24 hours a day. As a front line service, it is a focal point for contact amongst the Council's tenants and leaseholders.

For most tenants, responsive repairs are considered to be a key service and is highly influential in shaping tenants' views about the quality of services they receive.

Key objectives of this element of the service are considered to be:

- Providing a flexible and responsive service
- Ensuring the service is focussed on high quality and that the repair is carried out correctly the first time
- Emphasis on outcomes not process
- Providing an efficient service – as measured by the time from when the need for a repair is reported to when the repair is completed
- Minimizing the number of visits to the household and inconvenience to tenant
- Providing a service that is easy to access and also to use
- Ensuring repairs are accurately diagnosed and effectively dealt with
- Balancing the responsive repairs service with the planned maintenance service
- Minimising non urgent repairs when planned works are due to be undertaken to a property
- Ensuring correct allocation of costs so as to ensure that service charges for leasehold households are correctly and accurately levied and the appropriate recompense from insurers for relevant work is obtained
- Improving tenant satisfaction levels
- Ensuring that the number of cancellations of jobs ordered is minimised.

Key Actions & Output:-

- *The sustainability & investment team will manage asset data and monitor repairs trends in order to assist the Repairs Service with drawing up plans of programmed maintenance work that address the areas most in need. (5.6)*
- *A repairs and maintenance delivery plan is developed to complement the Asset Management Strategy (5.7)*
- *The repairs and maintenance budgets are reviewed and re-profiled to reflect year on year efficiencies and a reducing demand for responsive repairs (5.8)*

Future asset management decisions

The investment plan which feeds into the overall HRA Business Plan is based on existing stock levels, taking account of potential future Right to Buy purchases. In future there is a need to undertake a more fundamental review of the stock which could result in a more holistic approach to estate investment such as estate remodelling, regeneration and/or stock rationalisation.

Such an approach would present opportunities and challenges for the future management of the stock. This strategy therefore proposes that a more analytical approach is taken when considering estate investment which challenges the traditional approach to asset management based on stock condition date, lifecycles and the decent homes programme approach.

Whole estate investment programmes need to be developed, adequately resourced and communicated to Tenants, Leaseholders and stakeholders.

Key Actions & Outputs

- *The housing stock is assessed and rated in terms of financial and operational value upon which investment decision can be made (5.9)*
- *The 30 year investment requirements are incorporated into a refresh of the HRA Business Plan model to ensure ongoing sustainability. (5.10)*
- *A detailed investment programme is developed at estate / address level to cover the next five year period (5.11)*

Investment priorities

Given the demands on the Housing Revenue Account, it is envisaged that a situation may arise where the available resources may not be sufficient to meet all the needs as identified within the stock condition survey within a particular year.

Where this need cannot be accommodated through 'work smoothing' of the programme over time then priority investment will be considered from the following activities:

1. All homes remain Decent, essential component replacement and replacements or improvements needed as a result of statutory inspections and disabled adaptations
2. Works to improve energy efficiency, tackle fuel poverty or lower the carbon footprint of the housing stock and shorter replacement life cycles for key components such as kitchens and bathrooms
3. One off replacement of essential / key components outside of the planned programme for example kitchen, bathroom or central heating system.
4. Improvements to the physical environment of the estates infrastructure such as footpaths, open spaces,

Risk management

Throughout the life of the Business Plan there will be significant risks associated with the delivery of an asset management strategy. This is because housing providers operate in an ever changing environment where resources are limited and expectations are increasing. A robust and flexible new strategy will help with mitigating ongoing risks and delivering plans for the benefit of stakeholders, customers and neighbourhoods. The most significant risks associated with the success and delivery of the strategy are:

- Future rent policy
- Changes in national economic/political agenda.
- Council priorities for Housing Revenue Account impacts on the delivery of the plan.
- Welfare reform impacting on incomes and the affordability of the strategy.
- Failure to meet customer expectations.
- Increased void levels impacting on affordability.
- Right to Buy projections are underestimated.
- Unpopular housing stock

The above high level risks will need to be managed through the corporate risk management framework.

The self financing Housing Revenue Account was intended to provide more certainty than before, however, the future rent policy and the sale of higher value void properties has re-introduced some uncertainty. Although the recent Government announcement around Rent Setting Policy from 2020 and the likelihood that the sale of Higher Value voids will not materialise, provides more certainty.

Whilst this investment plan will need to be flexible and will be reviewed every year, a longer term programme allows much more effective forward planning rather than relying

on annual negotiations and settlements. This may mitigate some of the risk of failing to deliver the strategy.

Key Actions & Outputs

- Strategic risk register will be reviewed and updated to reflect and new risks introduced within the asset management register (5.12)

Measures of Success

It is vital that this strategy remains a living document that is an integral part of the daily services that we deliver. Actions arising from strategy will be monitored and reviewed through STH's performance management system and will be made available to Bury Council on a regular basis.

The success of the strategy will be measured primarily on the following three key high level measures.

1. All properties continue to meet the Decent Homes standard.
2. Repair costs reduce year on year.
3. Customers satisfaction

The following are additional indicators that are currently monitored; going forward the results of these will help to measure the overall success of the strategy.

- % customers satisfied with condition of their home.
- % customers satisfied with their neighbourhood.
- % of stock in SAP Energy Banding C or above.
- % of customers in fuel poverty.
- Number of empty properties brought back into use.
- Planned repairs v responsive repairs % split.
- % rent loss due to voids.
- % customers satisfied with repairs service.
- % customers satisfied with void service.
- Annual repair and void costs.
- Performance against suite of KPI's.

Key Actions & Outputs

- The suite of performance indicator will be reviewed and updated to reflected the asset management strategy (5.13)

Annual Review

The effectiveness of the strategy will be reviewed annually along with the performance against the measures of success and related performance measurers.

An annual report will be produced by the Business Manager, Sustainability and Investment on the outcomes from the strategy, progress against the action plan as well as any recommendations for future improvements in the strategy or any new actions that need adding to the action plan.

Key Actions & Outputs

- *An annual report on the performance against the asset management strategy, investment programme, repairs and maintenance performance as well as performance against the suit of performance indicator will be produced and presented to respective boards. (5.14)*

Asset Management Steering Group

Progress against the action plans will be measured and monitored by an Asset Management Steering Group which, once established, will meet at regular intervals and provide a progress report to HSPB / STH Board at least four times per year. The group will have lead responsibility for the development of the investment plans, asset management policies and procedures, asset management strategy and associated Repairs and Maintenance Delivery Plan.

Key Actions & Outputs

- *An asset management steering group is established including Senior Staff from Six Town Housing and Bury Council (5.15)*
- *Progress against the actions plans is reported at least four times per year (5.16)*