



HOUSING

**ASSET MANAGEMENT
PLAN**

2013/14

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SECTION 1

CORPORATE CONTEXT

FORWARD

This is Melton Borough Council's (MBC) first Housing Asset Management Plan (HAMP), it is intended that the HAMP becomes the main reporting document focussing on the Councils housing stock and related strategic and operational asset management issues.

The HAMP should be viewed as an evolving document that is reported to stakeholders, including the TFEC and Council Members annually. The Housing Asset Management Strategy (HAMS) will be reviewed each year and any updates or changes to this document will be incorporated into the HAMP.

The main features of this year HAMP are as follows:

1. A priority list that will assist Members to make investment decisions.
2. A SWOT analysis document that considers the; Strengths, Weaknesses, Opportunities and Threats relating to the delivery of housing asset management at MBC.
3. A new HAMS with the introduction of six 'Operational Priorities' and a 'Delivery Plan'.
4. An update on the Decent Homes Standard (DHS) compliance position.
5. New Policy and Strategy documents relating to improving the way in which housing assets are managed at MBC, namely:
 - Proposed new Policies relating to the delivery of Repair and Maintenance.
 - A proposed new Affordable Warmth Strategy.
 - The proposed introduction of the 'Acceptable Maintenance Condition', a new service standard for repair and maintenance.
6. A section that looks specifically at Investment Opportunities that exist within the Councils housing land and property portfolio.
7. A section that looks at Finance and Funding issues.

ASSET MANAGEMENT – DEFINITIONS AND IMPORTANCE

Definitions of Asset Management

1. It is a complete and structured approach to the long-term management of land and property assets as tools for the efficient and valuable delivery of community benefits.
2. It is a process used to inform decisions about how to spend the limited funds the Council has available on improving tenants homes. It does this by looking at the condition of all the various components of tenants' homes, and predicts when each will need to be replaced. Each part of the building is known as a component; so for example, the central heating boiler is a component, as is the roof. As part of this process, it is considered whether the properties being looked at for investment are still meeting a housing need, and options are considered if they are no longer required.

What is Asset Management and why is it so important?

The nature of buildings is that they are expensive to build and when built they are immovable; they are also expected to last a long time, and can be costly to alter and maintain.

The Council provides homes for people who need them, however, the nature of the population in the Borough is of changing demographics, demands and aspirations; changes that can appear to happen over much shorter timescales than the life of a building. Consequently, there is a clear business case for pro-actively managing property assets; there is also a clear social responsibility to ensure that property assets are used in a sustainable way to best meet the objectives of the Council, as a social housing provider, for residents of the Borough.

Assets, in the context of this document, are properties and land owned by the Council that is held within the Housing Revenue Account (HRA). These resources need to be managed effectively to maximise the quality of the services provided to its tenants.

The Council's main aim, as a landlord, is to provide property assets to house current and future tenants, however, in some cases it will be more businesslike to sell certain property assets to maximise financial returns in support of the HRA and its services to tenants.

The Council needs to consider regularly some basic issues regarding the management, maintenance and development of its housing stock; asset management lies at the core of this process and it is vital to the success of the Council in providing high quality social housing and services for its tenants.

EXECUTIVE SUMMARY

The Government's housing reform changes, introduced in April 2012 gave Councils full financial control over their housing stocks enabling them to manage the stock more strategically, from an asset management perspective.

To facilitate a more strategic approach at Melton BC, Members have already taken steps and approved the appointment of a Housing Asset Manager (HAM), interviews for this key position are planned to take place in March 2013.

Developing a plan that protects existing assets and satisfies other aspirations such as building new Council houses and the regeneration of estates is the challenge. Getting the balance right between these objectives is crucial to make best use of the financial resources that are available.

The main thrust of this plan is to introduce a more proactive approach to managing assets whilst optimising their use. To achieve this having robust property data will be the key to making the right business decisions around investments going forward. This plan, along with a Road Map, was produced to assist Members to determine asset management priorities and to help the HAM in delivering them.

Moving from a position of predominately reactive service delivery to one that is more proactive will have implications around the identified need to carry out more programmed works and projects. The consequence of this strategic change is that there will be a need to keep under constant review the implications of delivering additional works on staff resources.

In producing this plan reference was made to the Councils following housing property databases:

- Savills - Asset Value Model database (2011)
- CPC's – Condition Survey database (2010)
- MBC's – Decent Homes database (3rd quarter 2012)
- MBC's – Northgate's Housing Management System

HOUSING ASSET MANAGEMENT - INVESTMENT PRIORITIES

To ensure the right level of consideration is given to projects when determining future Housing Capital Programmes, it is proposed that the priorities listed below are adopted:

Priority

Works related to compliance with the Decent Homes Standard, such works as:

- kitchen and bathroom modernisations
- new central heating boiler's & electrical rewires
- new windows and external doors
- Re-roofing & Energy efficiency works, addressing affordable warmth.

Priority

Works related to non-traditional properties that are designated defective. Works associated with this priority may include; improving thermal efficiency by external cladding or redeveloping the site where opportunities exist. The non-traditional properties include:

- Airey houses
- Swedish houses

Priority

Works related to addressing proven negative NPV properties, such as:

- Beckmill Court
- Granby House

Priority

Works related to addressing low property SAP levels, tackling such issues as affordable warmth and fuel poverty. Types of property will include:

- Wimpey No-fines
- Solid external wall dwellings

Priority

Works related to addressing under-utilised assets such as garage sites on estates. Works may include redeveloping these sites where opportunities exist. Depending upon the nature of tenure any income could be utilised to address environmental issues such as poor parking in the immediate vicinity.

Priority

Regeneration works related to improving livability on council estates, types of works may include:

- Estate re-modeling and redevelopment where opportunities exist
- Addressing the lack of car parking spaces
- Improved security lighting
- Improving the feel safe factor in homes and the immediate neighbourhood

Priority

In the autumn/winter of 2012/13, the Governments 'Green Deal' initiative will be formally launched; as a consequence, opportunities may present themselves for Government funding. MBC needs to carefully consider how it wishes to respond to these opportunities.

TENANT INVOLVEMENT

In asset management terms, being a good landlord involves meeting tenant aspirations and expectations whilst ensuring that the assets are protected for the availability of future generations of tenants. It is fundamental, therefore, that the HAMS embraces the desires of its tenants (people needs) and the requirements of the assets (property needs) to ensure that the financial investments made in the stock are protected. In addition to the people and property needs there are issues around liveability, affordable warmth, sustainable communities and neighbourhood management that need to be considered when deciding on options for future investment.

Since the establishment of the Tenant Forum Executive Committee (TFEC), the way in which tenants are involved in decision making processes around repair and maintenance has evolved.

This Plan suggests that at least annually TFEC are invited to contribute into the refresh of the HAMP

To enable a programme of works to be planned each year, an analysis of building component life cycles takes place to determine which properties are likely to fail the Decent Homes Standard. From time to time this will necessitate condition surveys being carried out to ascertain whether a component deemed to be nearing the end of its life expectancy, actually is. If the component does not require replacement, at that time, the surveyor will forecast a new life expectancy and the asset management database will be updated to reflect this.

Having carried out the surveys an analysis of relevant repair history takes place, if it's decided that works are deemed necessary, tenants will be informed and then involved in the design and planning process. Liaison with tenants takes place before any works commence.

Listed below are the key areas where tenant involvement will be necessary, in the planned maintenance process:

- Tenants choose finishes, to walls, floors, kitchen units and worktops.
- Tenants assist in designing new layouts for kitchens, when modernised.
- Tenants agree when modernisation works are carried out in their home.
- Tenants have a choice about whether they want modernisation works carried out to their home.

If a tenant decides not to have certain works carried out to their home, this will be permitted unless it puts at risk either the health or safety of the occupants or the integrity of the property itself.

SWOT ANALYSIS – HOUSING ASSET MANAGEMENT DELIVERY

Strengths	Weaknesses
<ol style="list-style-type: none"> 1. Staff members in the AMT have good knowledge of the housing stock. 2. The housing stock is generally in good condition. 3. The average SAP level of the stock is high. 4. A tenant focused service is being delivered. 5. A high level of tenant satisfaction is being achieved for the housing repairs service. 6. An excellent work ethic exists in the current AMT. The team works well together and they are very supportive of each other. 7. A high level of financial support is provided by the Council to the AMT. 8. There are resources available to support improvement. 	<ol style="list-style-type: none"> 1. There is a lack of technical knowledge, strategic asset management and procurement skills in the AMT. 2. There is a need to strengthen the quality of property data storage and collection. 3. The AMT is under resourced to deliver an effective repair and maintenance service and the housing capital programme going forward. 4. There is an urgent need to reduce the amount of paperwork associated with the ordering and payment of works, goods and services. 5. There is a lack of a strategy to deliver affordable warmth to tenants. 6. There is a lack of output specifications and policies relating to service delivery. 7. There is a lack of proactive cyclical maintenance relating to electrical wiring testing and there isn't a formalised painting cycle in place. 8. Repair & maintenance costs are considered high when compared with other social housing providers. 9. The Transfers and Mutual Exchange Policies need to be amended to reflect a stronger stance on putting right any repairs at the time of the change in tenancy. 10. Long-term contracts for planned maintenance are not in place.
Opportunities	Threats
<ol style="list-style-type: none"> 1. There are opportunities to achieve efficiency savings by introducing long-term contracts. 2. There are opportunities to put simpler contractor payment methods in place that will reduce the administrative processes around the payment of invoices considerably. 3. There are opportunities to support the Councils aims by exploring investment and development opportunities that exist relating to Councils housing land and property portfolio. 4. There are opportunities to benchmark costs of repair and maintenance with other social housing providers. 5. To reduce the amount of paperwork associated with the ordering and payment of invoices relating to works, goods and services. 6. There are resources available as indicated by the Housing BP to support investment. 7. There are opportunities to work with GF property team to gain economies in procurement for service contracts. 	<ol style="list-style-type: none"> 1. There's a skills shortage of tradesmen in region and predicted going forward that could impact on future costs. 2. Construction inflation costs are running higher than rises to rental income. 3. The lack of technical knowledge, strategic asset management and procurement skills, if not addressed, will undermine the delivery of an effective and efficient asset management service. 4. There is a potential lack of sufficient resources to fund the Council's new build aspirations.

SECTION 2

THE HOUSING STOCK

HOUSING STOCK FIGURES

As at 1st April each year

	2011	2012	2013
OVERALL STOCK FIGURES			
<i>Houses</i>	894	886	Year end
<i>Bungalows</i>	283	283	Year end
<i>Flats & Maisonettes</i>	693	693	692
<i>Bedsits</i>	23	23	23
	1893	1885	Year end
STOCK BREAKDOWN BY TYPE			
General Needs			
<i>Houses</i>	893	885	Year end
<i>Bungalows</i>	6	6	Year end
<i>Flats & Maisonettes</i>	268	268	Year end
Extra Care			
Gretton Court			
<i>Flats & Maisonettes</i>	39	39	39
<i>Bedsits</i>	3	3	3
Sheltered Housing			
Granby House			
<i>Flats & Maisonettes</i>	30	30	30
Wilton Court			
<i>Flats & Maisonettes</i>	9	9	9
<i>Bedsits</i>	12	12	12
<i>Bungalows</i>	1	1	1
St John's Court			
<i>Flats & Maisonettes</i>	70	70	70
Rutland House			
<i>Flats & Maisonettes</i>	12	12	12
Bradgate Flats			
<i>Flats & Maisonettes</i>	20	20	20
<i>Bungalows</i>	10	10	10
Burnaby Place Warden Controlled			
<i>House</i>	1	1	1
<i>Bungalows</i>	32	32	32
<i>Flats & Maisonettes</i>	3	3	3
Designated Sheltered Dwellings			
<i>Flats & Maisonettes</i>	242	242	242
<i>Bedsits</i>	8	8	8
<i>Designated Bungalows</i>	234	234	234
TOTALS	1893	1885	726
Leased Flats	30	30	30
Number of Garages	406	406	406

Vacant Possession Value of Dwellings

The vacant possession value of dwellings within the HRA as at 1st April 2012, was £174,775,000.

SECTION 3

HOUSING

ASSET MANAGEMENT

STRATEGY

INTRODUCTION

To enable the Housing Asset Management Strategy (HAMS) to become a more business focused and strategic document, it is proposed that it is updated to reflect this. The proposed new HAMS, embraces the themes of the current strategy and gives focus to service delivery and making the right maintenance decisions. The proposed new HAMS and associated operational priorities are detailed below along with a Strategy delivery plan.

HOUSING ASSET MANAGEMENT STRATEGY – 2013/14

Strategy Aims:

- To get the service right first time.
- To achieve VFM from a tenant perspective in a clear and transparent way.
- To provide a safe and sustainable environment for generations of tenants.
- To make better use of the knowledge we have about our assets.

Operational Priorities

1. Robust Property Databases
2. Understanding Maintenance Demand
3. Decent Homes Standard Compliance
4. Maximising Investment Opportunities
5. Achieving Affordable Warmth for Tenants
6. Value for Money and Procurement

Operational Planning:

The Operating Priorities relating to this strategy will be monitored on an annual basis as part of the process of reviewing the Housing Asset Management Plan.

Annual Tasks:

In addition to the above priorities the following are important tasks for 2013/14:

- To carry out options appraisals of the Councils non-traditional property and where appropriate, address low SAP scoring properties as a priority.
- To consider the purchase of a new modern asset management database. If approved, then to migrate existing data into it.
- To introduce proactive cyclical maintenance regimes relating to electrical wiring testing and the carpentry repair and painting of Council houses.
- To develop management reports with contractors relating to understanding maintenance demand.
- To ensure that R & M related budgets are maximised having regard to achieving VFM, whilst making sure that overspends do not occur.

PROPOSED OPERATIONAL PRIORITIES TO DELIVER STRATEGY

Priority 1 Robust Property Databases

Having robust property information is fundamental to delivering an effective housing asset management service. This data should be kept up to date so that fully informed maintenance decisions can be made. Detailed below is a list of property data requirements that to varying degrees the Council has, albeit, in eight separate databases:

- Data on Property Attributes.
- Data on type and likely replacement date for each Building Component.
- Data relating to Decent Homes Standard (DHS) compliance.
- Data relating to the Energy Efficiency of each property, the SAP rating.
- Data relating to the servicing of gas & oil central heating boilers.
- Data relating to current component condition and whether real or cloned data.
- Asbestos Register detailing type, location and management regime.
- Water hygiene property manuals and monitoring regime.
- Data on historic repairs for each property.
- Data for the production of Energy Performance Certificates.
- Data relating to the location of communal TV aerial installations.
- Names & Addresses of Leaseholders/Shared Ownership customer's who receive works where a service charge can be levied.

A recent review of property databases has concluded that there is an urgent need to rationalise the number that currently exist, the main drivers being:

- To amalgamate property component condition data into one system, to ensure that the data stored is as robust as it can be.
- To reduce the amount of administration time associated with data input.
- To have a modern asset management reporting tool to assist with making operational and strategic decisions around maintenance.

In the review consideration was also given to investing in modern data capture devices, as these would again; reduce the amount of administrative and surveying time associated with data collection and input.

In December 2012, the Programme Board approved the purchase of the Codeman/SAM software which is Northgates modern asset management system that bolts onto their Housing Management system. The implementation of Codeman/SAM is programmed to commence early April 2013 with a Go Live date of the end of May 2013. The Programme Board also, approved the purchase of 3 modern data capture devices. These purchases were made with the delegated authority of the Head of Communities & Neighbourhoods.

Priority 2 Understanding Maintenance Demand

To ensure that the cost of housing maintenance is kept to a minimum there needs to be more focus given to analysing and understanding maintenance demand. There is a need for the AMT to work with relevant maintenance contractors to develop reporting tools to assist the understanding of the types of demand. This may be a new culture for most staff and contractors involved in maintenance; however, it's obvious that the more you know about demand the better opportunity you have in the future to design it out.

Both client and contractor staff need to work together to analyse demand in different ways, listed below are some specific areas where maintenance demand need to be analysed:

- Types of repairs
- Repair demand by trade
- Repair demand by area/estate
- Repair demand to garages
- Types of replacement demand being carried out reactively
- Types of material failures

Listed below are some of the main benefits of understanding maintenance demand:

- There will be fewer failures in the future by getting the specifications right for materials in the first place; this will result in an improved service to customers whilst achieving value for money.
- Understanding demand will enable the contractor to be more efficient and productive which will lead to savings on the HRA.
- Standardisation of some common building materials and fittings would enable some cost savings to be made, due to the volumes involved.
- Understanding failure demand will enable you to design it out in the future by having more informed planned maintenance programmes.

To understand more about the repairs service, looking at it from a tenant perspective, it is proposed that three new performance indicators be introduced to measure the overall performance of a contractor delivering a job to a tenant. The proposed indicators are listed below:

- Single fix visit – what is the % of repair jobs where this is being achieved.
- Stays fixed – what % of repair jobs stay fixed.
- Total elapsed time – Time in days from logging repair request to it finally being rectified.

In January 2013, the first step of understanding maintenance demand commenced with meetings held with G Purchase, the R & M contractor, interestingly, Officers found that they had already developed some reporting tools around understanding demand on trade operatives. Meetings with G Purchase took place in February 2013 to develop more reports with aim of introducing them to the monthly contract management meetings in April 2013.

Priority 3 Decent Homes Standard (DHS) Compliance

DHS Criterion

This criterion requires social housing providers to ensure that all their homes meet set standards of decency. Listed below are the four criteria a property should meet to remain decent: -

- | | |
|----------------------|---|
| Criterion (a) | it meets the current statutory minimum standard for housing. |
| Criterion (b) | it is in a reasonable state of repair. |
| Criterion (c) | it has reasonably modern facilities and services. |
| Criterion (d) | it provides a reasonable degree of thermal comfort. |

In April 2006 the new Housing Health and Safety Rating System (HHSRS) was introduced, it replaced the 'Fitness Standard' as the statutory element of the DHS relating to Criterion (a). However, HHSRS is a risk assessment procedure and does not set a standard. It measures and categorises potential health and safety risks (hazards) in and around the home against the individual occupants that live in them. This means that homes now have to be free of one or more category 1 hazards to comply with the DHS.

In June 2006, a DHS update was issued by the Department for Communities and Local Government (DCLG). It provided an update on the definitions of the DHS along with further guidance for implementation. It clarified issues around thermal comfort and levels of thermal insulation along with how cold and dampness should be measured in relation to the HHSRS. For instance a property with a SAP rating of less than 35 is now deemed to be potentially non-decent because it is likely to contain a category 1 hazard due to excess cold and dampness.

The update did give some good news in that previously where properties failed the standard because a tenant chose not to have certain improvements carried out, such as having central heating installed, these properties now don't have to be logged as non-decent until they are void.

Based on the current quality of data the latest forecast for the anticipated number of properties failing the standard, as at 31st March 2013 is 164, this equates to around 8.5% of the housing stock. This figure is likely to reduce to less than 1% as a result of an electrical rewiring contract to be let early in 2013, as most of the failures relate to the age of the electrical wiring in some premises.

In 2010 a 25% sample, internal and external, stock condition survey was undertaken by the surveying practice, CPC. Their survey revealed levels of non-decency of around 8%, this gives a degree of confidence that our own records, based on a 100% analysis are correct.

It is proposed that from April 2013, the simple policy of ensuring that in the year an individual building component fails the DHS; works will be carried out to make it compliant, thus ensuring the Council is delivering a DHS plus service.

Priority 4 Maximising Investment Opportunities

The Council owns a portfolio of housing properties and associated land and it is required to respond to pressure from the Government, to make best use of these assets. Technically, this is known as 'sweating the assets' and to enable this to occur in a sustainable way, a strategic approach needs to be adopted relating to the identification and realisation of these opportunities.

This priority should be viewed as the Councils' main vehicle to deliver new affordable homes in the Borough.

The second theme of the previous years' HAMS, related to the classification of property investment types, one way of managing this is via the introduction of a flagging mechanism in the Councils Northgate Housing system. If a flagged property becomes void, for instance, it will trigger an internal review process to consider what actions are necessary about any investment decisions. Properties and land can be flagged for a number of reasons, namely:

1. Homes requiring significant investment to bring them to an acceptable standard.
2. Homes with large gardens representing development potential.
3. Homes adjacent to land with development potential.
4. Homes in areas remote from others and presenting management difficulties.
5. Homes with potential for significant equity release, disposal.
6. Homes with poor energy efficiency.
7. Homes in areas of low demand or of a type in low demand.
8. Homes that could be de-designated 'sheltered' when void.

This flagging will help deliver the third theme of the old HAMS which is to maximise investment opportunities that exist within the stock, just by introducing a stop and think mechanism into the process, thus, ensuring that no waste occurs when considering maintenance decisions in the future.

Section 5 of this document covers this priority in more detail.

Priority 5 Achieving Affordable Warmth for Tenants

Affordable warmth is the ability to heat your home to an adequate standard, at reasonable cost. Everybody has the right to affordable warmth and 'The World Health Organisation' defines an adequate standard as being 21°C in living areas and 18°C in bedrooms. If a tenant spends more than 10% of their income on heating their home to the adequate standard they are categorised as suffering from fuel poverty.

MBC is committed to helping vulnerable tenants who suffer from fuel poverty, it will do this by implementing proactive programmes of energy efficiency work on dwellings with a SAP⁽ⁱ⁾ rating of below 36. In addition, Council staff will offer advice to tenants on how tenants can aid to lift themselves out of fuel poverty.

In a report to 'Consumer Focus' titled 'Raising the SAP' - tackling fuel poverty by investing in energy efficiency' written by the Association for the Conservation of Energy (ACE) and the Centre for Sustainable Energy (CSE), it suggests that 83% of tenants receiving energy efficiency works with existing SAP levels of 36 and below will be lifted out of fuel poverty.

The Councils housing stock use vast quantities of natural resources such as energy, water, materials and land. For example, each council house on average produces 4.1 tonnes of carbon emissions (CO₂) each year. By addressing fuel poverty in the way described above it will result in reducing CO₂ emissions.

The benefits of providing affordable warmth are:

- Creation of homes which are affordable to run.
- Lower fuel bills and warmer homes.
- Improved condition of properties with fewer incidences of dampness, condensation and mould growth.
- Better health due to reduction in cold related illnesses.
- Improved quality of life through increase in personal comfort levels in the home.
- Lower housing maintenance costs.
- Gives flexibility to use all the rooms in a property because it is affordable to heat the whole dwelling.
- Improved quality of life through an increased disposable income.
- Retention of income and wealth in the area by the employment of a local specialist workforce to install the energy efficiency measures.
- Maintained or increased value of the property.

There are also other real benefits to landlords, as well as the health sector, these are:

- Less demand on staff to deal with complaints about housing standards.
- Reduced rent arrears, as tenants will have greater disposable income.
- Lower demand for transfers away from damp, cold houses.
- Less strain on the local health services.

To ensure that Affordable Warmth is given the right level of priority when planning future works it is proposed that a new Affordable Warmth strategy is adopted which is detailed below:

(i) SAP stands for standard assessment Process which is a measure of the energy efficiency of a dwelling.

HOUSING STOCK – AFFORDABLE WARMTH STRATEGY – 2013/14

Strategy Aims:

1. To ensure that MBC tenants have a home they can afford to keep warm to an adequate comfort standard.
2. To ensure that the environment of the home contributes to the good health of its occupants.
3. To ensure that the Councils housing stock decreases its impact to the environment by:
 - Building new Council Houses that are energy efficient.
 - Looking at reducing carbon dioxide (CO₂) emissions when carrying out improvement programmes to the existing stock.
 - Carrying out renewable energy projects in ways that are fair to all tenants.
 - Continuously strive to reduce energy consumption within the housing stock.

Operational Priorities

1. To improve the energy efficiency of the housing stock.
2. To alleviate fuel poverty and provide affordable warmth for our tenants.
3. To train relevant staff to promote environmental awareness and provide ongoing personal guidance to tenants on how to use energy most efficiently within their homes.

Operational Planning:

The Operating Priorities relating to this strategy will be monitored on an annual basis as part of the process of reviewing the Housing Asset Management Plan.

Annual Tasks:

In addition to the above priorities the following are important tasks in 2013/14:

- To identify poor energy efficient homes
- To identify vulnerable tenants in collaboration with other agencies
- To maximise Government Grants (the ECO & Green Deal agenda) to assist with funding relevant projects and the use of innovative technology works undertaken by the Council.

Priority 6 Value for Money and Procurement

Value for Money (VFM)

To be able to prove that VFM is being delivered at MBC in a transparent way, there is a need to understand what the repair and maintenance costs are. This is achieved by analysing overall expenditure to establish the unit cost of an operation, such as the average cost of a repair. Comparing these costs with other similar organisations will give evidence, or not as the case may be, that VFM is being delivered.

The table below compares MBC's data for 2011/12 with the Housemark Benchmark data:

Description of Operation	MBC	HOUSEMARK - BENCHMARK		
		Lower Quartile	Median	Upper Quartile
• Average number of repair orders per dwelling.	3.89	4.59	4.15	3.59
• Average cost of a repair.	£114	£115	£99	£81
• Average cost of reactive repairs per dwelling.	£443	£409	£393	£353
• Average cost of a void.	£1556	£2599	£1949	£1521
• O/A satisfaction with repairs service.	94%	89%	94%	97%

It's clear from the above table that there is some scope to drive down the costs of repairs further. Looking at smarter ways of procuring works and considering a move towards performance partnering contracts, having simpler payment methods are ways by which this can be achieved. The re-letting of the repairs contract in October 2012 will also reduce repair costs, by how much is difficult to calculate at this stage with it being so early in the contract.

Getting the right balance between quality of service and the cost of providing it in a rural area such as MBC needs to be consideration when comparing costs with other social housing providers.

Smarter Procurement

The main aim of introducing smarter procurement methods is to achieve value for money (VFM). Achieving VFM isn't just about making savings, it can mean improving quality of service, or indeed, doing more of something for the same amount of money. Detailed below are some opportunities to explore when considering smarter procurement methods:

- Package certain works to realise the benefits of scale.
- Look at introducing longer term contracts; this enables contractors to negotiate better discounts with suppliers due to the quantities of materials involved.
- Look at the benefits of using consortium/procurement clubs, again, due to benefits of scale and volumes of materials involved, larger discounts can be achieved.
- Look at simpler payment methods that reduce surveyor time around establishing costs to be invoiced and administrative time around invoicing and payment transactions.
- Look towards moving to a more performance partnering culture which drives continuous improvement and best value. It also drives more collaborative and less confrontational relationships.
- To work with the Councils' Corporate Property Team to explore joint contract arrangements in areas of commonality.

Performance Partnering

What is partnering?

Essentially, partnering promotes improved performance through collaborative business relationships based on best value rather than lowest cost approach. Contract awards are still subject to rigorous competition, but judged on pre-determined combinations of quality and cost. The development of openness and trust in these types of arrangements is in stark contrast to the confrontational nature that has characterised much of the construction industry over recent decades.

One of a number of authoritative definitions of partnering follows:

"Partnering is a management approach used by two or more organisations to achieve specific business objectives by maximising the effectiveness of each participant's resources. It requires that the parties work together in an open and trusting relationship based on mutual objectives, an agreed method of problem resolution and an active search for continuous measurable improvements."

Partnering can be either project specific, where the arrangement is for the duration of an individual project; strategic or long-term where the arrangement is for a specified period of time, normally covering a number of projects. Strategic or long-term partnering usually provides greater opportunity for improvement.

Why use partnering?

Partnering is a collaborative approach that benefits all parties involved, while focusing on the needs of the customer, in the right circumstances the rewards can be substantial.

Some of the benefits of partnering include:

- There's proven increase in tenant satisfaction.
- Best value is more likely to be achieved.
- Duplication can be eliminated.
- There's better predictability of time and cost implications.
- Overall delivery periods are shortened.
- Creation of an environment that encourages innovation & technical development.
- A better understanding between partners to enable them to drive down real costs.
- Ultimately, there's more stability between partners which provides more confidence for better planning and investment in staff and resources.

OPERATIONAL DELIVERY PLAN

ACTIONS	LEAD	BY
Operational Priority: 1 – Robust Property Databases		
To ensure that future housing stock condition surveys captures relevant property data to ensure that all property databases become more robust.	HCP Team Leader	Every time
Ensure that all new property data is efficiently logged in the asset management database.	Admin Support	All times
Operational Priority: 2 – Understanding Maintenance Demand		
Work with the Councils Housing Maintenance Contractors to develop IT systems to produce measures and demand data automatically eliminating as much waste and duplication as possible.	Housing Asset Manager/ HRA Team Leader	Mar-14
Work with Contractors and the Councils asset management staff to ensure that they fully understand maintenance demand.	HRA Team Leader	Mar-14
Analyse repair history before deciding on a component replacement.	HCP Team Leader/Senior Maintenance Surveys	At all times
Operational Priority: 3 – Decent Homes Standard Compliance		
To ensure that all dwellings Group-wide that fail the DHS because they have a SAP rating of below 35 are made decent.	Housing Asset Manager	Mar-14
To maximise energy efficiency grant funding to assist compliance with the DHS around Thermal Comfort.	Housing Asset Manager	At all times
Operational Priority: 4 – Maximising Investment Opportunities		
Produce Options Appraisals and agree Strategy to address matters relating to the Councils non-traditional housing stock.	Housing Asset Manager	Dec-13
Produce a report on investment opportunities that exist within the Councils' housing, land and property portfolio.	Housing Asset Manager	Sep-14
Implement actions coming out of property investment opportunities report.	Housing Asset Manager	Ongoing
Agree the programme to deliver the new build dwellings on un-utilized garage sites. Phase 1	Housing Asset Manager	Mar-13
To identify properties with high equity levels and consider flagging them as properties that should be disposed of when they become void.	Housing Asset Manager	Sep-13
Operational Priority: 5 – Affordable Warmth		
To work with Environmental Health staff in the implementation of the Affordable Warmth Strategy.	Housing Asset Manager	Mar-14
To maximise grant funding opportunities when carrying out energy efficiency work.	Housing Asset Manager	At all times
Operational Priority: 6 – Value For Money & Procurement		
To procure new contracts in accordance with the Councils' Housing Procurement Plan ensuring that VFM is achieved at all times by exploring opportunities around benefits of scale.	Housing Asset Manager	At all times
To work with the Councils Maintenance Partners and their Supply Chains, the aim being to drive down costs at all times whilst improving the level of service to tenants.	Housing Asset Manager/HCP & HRA Team leaders	Mar-14
To analyse repair costs to identify areas for improvement.	HRA Team Leader	At all times
To work with the Councils Corporate Property Team to look for opportunities for joint procurement.	Housing Asset Manager	Sep-13

SECTION 4

REPAIR & MAINTENANCE POLICIES

AND

SERVICE STANDARDS

INTRODUCTION

The Policies detailed in this section were developed to address the key Repair and Maintenance (R & M) aims and objectives.

It is imperative that the right balance is achieved in the allocation of budgets for responsive and planned maintenance. Having good data about assets and understanding maintenance demand is key to getting the balance right. The following objectives and policies are being proposed for adoption:

Repair and Maintenance Objectives:

Tenant Needs

1. To keep tenants informed on matters affecting them at all times.
2. To ensure that all properties are economical to run.
3. To ensure that all properties are secure.
4. To ensure that all properties provide a safe environment.
5. To provide a value for money repair and maintenance service.

Property/Corporate Needs

1. To meet the Decent Homes Standard.
2. To comply with Statutory/Legal Obligations and the Regulatory Codes.
3. To comply with Lenders Obligations relating to long term investment.
4. To comply with Financial and Procurement rules.
5. To comply with the Councils Equalities Policy.
6. To deliver identified annual efficiency savings.
7. To ensure that the long-term sustainability of an asset is achieved.

Responsive Maintenance Policy

Definition: Responsive or reactive maintenance relates to day to day work caused by unforeseen breakdowns or damage. Work is generally of a repair nature; however, if a component is beyond economical repair it will be replaced.

1. A 24-hour/365 day per year telephone service for emergency repairs will be provided.
2. A repair should be fixed at the first attempt and stay fixed. To achieve this, if the replacement of a building component is deemed necessary because it is beyond economical repair, this will be arranged and planned directly with the tenant.
3. Repair requests will be logged by Customer Services personnel, the initial information provided will then be updated at a later date when it is known exactly what works were carried out, what materials were used and the date the work was completed.

Cyclical Maintenance Policy

Definition: Cyclical or planned preventative maintenance work or servicing is undertaken to prevent future failure of a building component such as a central heating boiler.

1. To ensure that the Council complies with all statutory Landlord obligations such as the annual servicing of gas appliances.
2. To have a rolling programme of carpentry repair and painting to properties, initially, on a 5-year cycle.
3. To provide water hygiene monitoring arrangements, where it is deemed appropriate. (This relates mainly to grouped sheltered and extra care schemes).
4. To carry out the testing of electrical wiring systems in dwellings, in accordance with relevant Codes of Practice, which currently recommends a minimum of a 10-year cycle.
5. To have in place all necessary service agreements to prevent future failures of electrical and mechanical installations.

Planned Maintenance Policy

Definition: Planned Maintenance work is determined by understanding all data relating to a property assets. Work is organised and carried out with forethought, to a predetermined plan. There is normally some design work necessary, and as with all replacement work there is an element of improvement.

1. To continually update the Councils housing asset management database to reflect any building component replacements by proactively carrying out condition surveys. Every dwelling to receive a MOT check and condition survey, once every 5-years.
2. To target future stock condition assessments of specific building components requiring replacement in the near future. In some instances when assessing component condition, the surveyor may need to forecast a new life expectancy, if this done, the asset management database will be updated to reflect it. If the component is assessed as in need of replacement, it will be added to a programme of work.
3. To develop a planned maintenance programme of component replacements, to ensure that the Councils housing assets are maintained in a sustainable way. To adopt a 'just in time' building component replacement policy to determine these programmes that designs out failure demand, thus, reducing responsive maintenance costs in the future.
4. To ensure that in the year a property becomes non-decent, when assessed against the DHS, works are carried out to make it decent, the very same year. All future planned maintenance programmes will include an element of DHS compliance works.
5. To continue to develop the use of new methods and materials that help to improve the quality of life for residents and ensure longevity of the stock.

6. To develop the use of contractual partnering arrangements designed to maximise input from contractors and their operatives, to enhance the quality of service with appropriate checks in place to ensure Value for Money is achieved.
7. Where appropriate, tenants to be given choices in the selection of components, e.g. kitchen units – colors of work tops, types of drawer and cupboard fronts, colour of wall and floor tiles and colour of decorations.
8. To continually review contractual arrangements for maintaining more widely dispersed stock to ensure that performance/cost effectiveness is achieved.
9. To continually monitor the availability of grant funding for all types of planned maintenance works having an “energy efficiency” element. Give consideration to the use of materials and components from sustainable sources.
10. To ensure that Leaseholder and Shared Ownership customers are kept informed as to when chargeable works are planned and to ensure that relevant notices are issued to them, when appropriate.

The Acceptable Maintenance Condition

To assist both, the tenants and the contractors, that carryout repairs and maintenance on the housing stock, to understand what an acceptable building component maintenance condition is; guidance is given in the following table:

ELEMENT/COMPONENT	ACCEPTABLE MAINTENANCE CONDITION
Roof finishes and components	No leaks; finishes secure; framing members and battens sound; framing connections secure; sarking felt and insulation in good condition.
Roof drainage, gutters and rainwater down pipes	No leaks; free flow of rainwater to drains; secure fixings.
External walls and external wall finishes (excluding decoration)	No damp penetration to interior; structurally sound; rendering, copings, and other finishes sound and secure.
Chimney stacks	Structurally sound; no damp penetration; flaunchings and terminals sound.
Internal walls and internal wall finishes (excluding decoration)	Structurally sound; finishes secure, sound and hygienic.
Floor and ceiling finishes (excluding decoration)	Structurally sound; finishes secure and sound.
Windows and external doors	Structurally sound; secure; glass sound and seals not broken; weather proof; easily operated.
Internal doors, hatches and screens	Structurally sound; glass sound; easily operated.
Internal and external staircases and balustrades	Structurally sound; treads and nosings undamaged.
Fixtures - shelving and cupboards	Secure fixings; door easily operated; hygienic work surfaces
Sinks, baths and basins	No leaks; free from surface defects, free discharge; taps functioning correctly.
WCs	No leaks; free from surface defects, free discharge; cistern functioning correctly.
Soil and waste water drainage stacks	No leaks; free flowing; secure fixings.
Hot and cold water services	No leaks; adequate flow; valves and cocks functioning correctly; lagging sound.
Drainage	Free flowing; covers, gratings and frames sound; benching and channels sound; fresh air inlets sound and clear.
Paving's, paths and drives	Sound and even surface with no pot holes or sinking's; kerbs and edgings sound.
Fences, garden walls and gates	Sound and secure.
Electrical Systems	Functioning correctly, all electrical fittings sound and free from damage.
Heating Systems	Functioning correctly, all fittings sound and free from smells.

SECTION 5

PROPERTY INVESTMENT OPPORTUNITIES & OPTIONS APPRAISALS

INTRODUCTION

The Government is urging Councils to make best use of their land and property assets in a more sustainable way, consequently, there is an urgent need to identify housing land and property assets that:

- require significant investment disproportionate to their value.
- are underutilised, such as garage areas.
- may have potential for redevelopment.
- require investment to deliver sustainable communities.

Approach to Disposals/Change of Use

When land and/or a property is identified as being no longer sustainable in its current form due to the amount of investment required, there will be a number of options the Council needs to consider, these include:

- Looking at other alternative uses.
- Ascertaining whether the asset has a high equity.
- What the property would be worth on the open market.
- Whether to demolish and sell the site.
- Whether to transfer the dwelling to another Registered Provider (RP) for them to improve.
- Whether the redevelopment of the site by the Council or other RP is possible.

Any decision taken will have regard to all these relevant factors and will involve appropriate levels of consultation with all interested parties.

Work is currently being undertaken by the AMT to identify opportunities and the ones identified to date are listed, and then explained in more detail below:

- Negative 'Net Present Value' (NPV). Properties, requiring high investment levels.
- Non-Traditional Properties, requiring high investment levels.
- Garage site's, which are under-utilised.
- Properties, which have high equity levels.
- Other sites with redevelopment potential.
- Sustainable Communities and Neighborhoods.

Negative NPV Properties

Recently, there were four schemes identified by Savills, using their asset modeling tool that fell into this category. The identification of properties with a negative NPV, in simple terms it means that if a property is deemed to require a higher investment over a 30-year period, than the potential income from it being let, the property is then deemed to have a negative NPV.

Gleeds, Chartered Surveyors have undertaken condition surveys of these properties and have prepared feasibility reports for two of the properties; their findings will assist the Council to decide which investment option is the most cost effective for these properties.

The properties with a negative NPV are:

<i>Beckmill Court</i>	–	<i>57 General Need Dwellings</i>
<i>Granby House</i>	-	<i>31 Sheltered Dwellings</i>
<i>Gretton Court</i>	-	<i>44 Extra Care Dwellings</i>
<i>Wilton Court</i>	-	<i>33 Sheltered Dwellings</i>

Beckmill Court

Gleeds condition survey identified a number of property related needs and their feasibility report addresses some people requirements that require consideration along with other investment options for the scheme. These will be the subject of a detailed report to the CSA Committee in the 2013/14 financial year. Some of the issues this report will address will include the following:

- Reducing condensation by installing external wall insulation and extractor fans
- Options for replacing the central heating system
- Improved communal lighting, internal and external
- Improved flooring to circulation areas
- Improved external areas to provide a feel good/safe factor
- Repairs to surface water drainage
- Repairs to external walls
- Some replacement windows and external doors
- New windows to stairwells
- Re-modeling balconies
- Potential additional car parking
- Introduction of renewable energy photo voltaic
- Conversion of underutilised garages to habitable flats

The report will also detail options for Members consideration which are detailed below:

1. To address the property related needs by dealing with such matters as the structural integrity of the building, poor heating, lighting and ventilation. This would cost in the region of £400k, which equates to around £7k per dwelling.
2. To address the property and people related needs giving the scheme a different feel and look as well as providing up to 6 No. additional flats.
3. Options related to potential re-development.

Granby House

Again, Gleeds condition survey identified a number of property related needs and their feasibility report addresses some people requirements that require consideration. These will be the subject of a detailed report to the CSA Committee later in the 2013/14 financial year, and will include the following:

- Reducing condensation by installing cavity wall insulation and extractor fans
- Options for replacing the central heating system
- Upgrading dining room kitchen
- Upgrading bathrooms to assisted bathing wet rooms
- Improved lighting and flooring to circulation areas
- Repairs to surface water drainage
- Repairs to external walls
- New replacement windows

Gretton & Wilton Court

Gleeds condition survey revealed a number of ongoing maintenance and property repair needs such as a need for new flooring and internal redecoration that can be addressed by expending around £70k at Gretton Court and £30k at Wilton Court, most of which can be funded from existing HRA provisions and will be carried out in the next 12-months.

When it becomes clear what the future provision requirements will be for supported housing in the Borough, it will be necessary to conduct a review of the current provision along with the related premises to ensure that they are fit for purpose. This is likely to take place in the autumn of 2013. On conclusion of the review, site specific asset management strategies for Gretton and Wilton Court will be prepared for consideration at a future CSA Committee.

Non- Traditional Properties

Non-traditional properties usually require significant investment to address such issues around being designated defective and/or they have low energy efficiency ratings (SAP rating). Some of these properties, particularly in villages, may have large gardens, so it may be possible to redevelop these sites to achieve a net gain to the number of affordable houses for rent in the Borough. The existing tenants benefit by receiving new homes to suit their particular needs that are more economical to keep warm, due to the high energy efficiency levels the new homes will have.

The following non-traditional dwelling sites have redevelopment potential:

Airey house sites at:

Long Clawson
Harby
Eastwell

Swedish houses at:

Barkestone le Vale

All the sites list above have had draft site appraisals undertaken to help decide the best way forward regarding future investment. Initially, an indicative budget for these redevelopment sites will be included in the HCP.

The Airey house sites at Grimston, Wymondham, Old Dalby, Frisby on the Wreake, Nether Broughton and Great Dalby do not lend themselves to redevelopment, so these dwellings will receive external wall refurbishments under the Affordable Warmth programme. If ultimately it is decided not to redevelop a particular site the non-traditional dwellings will again receive external wall refurbishments under the Affordable Warmth programme. It is possible that any external cladding works to these dwellings may be eligible for ECO grant funding; the level of funding available is currently being explored.

There are 74 Wimpey No-fines non-traditional dwellings in Council ownership, these are dwellings on an estate in Melton that have 10 inch concrete solid walls, suffering badly from condensation and are expensive to heat due to them having low energy efficiency ratings. To address these problems these dwellings require some form of external insulation and then be rendered. This work can potentially be 100% ECO grant funded and Officers are currently exploring ways to take advantage of the available grant in the very near future.

Under-utilised Garage Areas

Historically, the Council has not invested in garages and hard-standing sites due to limited funds being available; the priority being given to repairing and improving the quality of

tenants' homes. Many of them, however, are under-utilised; they have high void levels and suffer from vandalism. Some offer opportunities for redevelopment to provide new build housing and depending on the tenure of the new build properties, it is sometimes possible to turn any income gained into making environmental improvements to the estates where they exist.

As part of the process of implementing the HAMS, the need to establish an effective strategy for the management of these sites has been identified, consequently, a review of these sites is necessary. And will be an area of focus for 1014/15 to conduct the review and it is anticipated that it will result in all of the garage and hard-standing sites being placed into one of the following three categories:

- Maintain and improve.
- Potential for new affordable housing provided by the Council or an RP.
- Disposal for redevelopment.

Review planned to be concluded during 2014/15.

When the category for each site is established an improvement/redevelopment/disposal programme will be implemented, commencing in 2014/15. To date, the following garage sites are identified as having development potential and are at different stages of consideration:

Site	Planning Approval	No. of Dwellings
1) <i>Saxelby Road, Asfordby</i>	Yes	3
2) <i>Tudor Hill, Melton Mowbray</i>	Yes	3
3) <i>Greaves Avenue, Melton Mowbray</i>	Yes	4
4) <i>Rudbeck Avenue, Melton Mowbray</i>	Planning Stage	7
5) <i>Edendale Road, Melton Mowbray</i>	Planning Stage	2
6) <i>Queensway, Melton Mowbray</i>	Planning Stage	3
7) <i>Staveley Road, Melton Mowbray</i>	Planning Stage	1

The 10-new build dwellings identified in sites 1-3 are to be included in the 2013/14 HCP for construction by Melton BC. It's very likely that the 13 new build dwellings identified on sites 4-7 will have to be constructed by others.

Properties that have High Equity Levels

Properties that have high values or levels of equity need to be identified because it may be more commercially possible to sell them when they become void. The income could then be used to purchase, ideally, a couple of new properties.

Other Sites with Redevelopment Potential

There are other ad-hoc areas of land in HRA ownership, some of it adjacent to General Fund areas that when considering together, there may be some opportunities for development. Over the next 12-18 months a review of the HRA land and property portfolio will be undertaken to identify potential opportunities. In some cases there may be opportunities to acquire land/properties that may be adjacent to Council owned land that may enable new homes to be built.

Sustainable Communities and Neighbourhoods

Currently, there are two estates/neighborhoods identified requiring investment of some sort and these are at the Fairmead Estate and Beckmill Court in Melton Mowbray. The actions

relating to Beckmill Court have already been covered in this section above. The proposals for the Fairmead Estate have already been considered by the Council and in principle they've agreed.

Members have previously approved the 1st phase business plan and the phased approach the regeneration could take.

However, the funding of phase I, will need to be considered along with other priorities when determining the overall financial strategy to deliver the Councils asset management aspirations, whilst in parallel we explore the potential of attracting external funds.

In the meantime, in line with members instructions negotiations have begun with the current owner occupiers affected by the plan.

SECTION 6

RESOURCES

AND

FUNDING ISSUES

INTRODUCTION

This Plan advocates introducing a more proactive and strategic approach to asset management. A direct consequence of this will be the need for a robust financial strategy to accompany it to enable the delivery of programmes of work and projects identified going forward. Another consequence of adopting a more proactive approach is the impact it will have on the need for adequate levels of staff to help identify and deliver the programmes of work. This section details the following:

1. The HCP and related HRA budgets for 2012/13
2. Proposed HCP budget for 2013/14 & Interim budget for 2014-19
3. Finance Team comment on Financial Plan for 2014-19, any funding issues
4. Re-run of the 30-year Business Plan & Savills Asset Value Model
5. Existing and Proposed Staffing Structure

1.0 The HCP & HRA Budgets for 2012/13

HCP Budget

Aids and Adaptations	173,000
HHSRS Works	295,000
Fire Safety Works	28,000
Major Void Repairs	93,000
Replacement Heating Systems	118,000
Re-roofing	35,000
Windows and Doors replacement	136,000
New Kitchen & Bathrooms	477,000
Rewiring	411,000
Capital Salaries	37,000
Total Budget	1,803,000

Related HRA Budgets for 2012/13

Employees	155,620
Contractor Payments	1,309,540
Premises	21,920
Transport	6,960
Supplies	252,210
Third Party Payments	35,560
Re-charges from Capital	-52,430
Support Service Charges	270,020
Total Budget	1,999,400

2.0 Proposed HCP Budget for 2013/14 and Interim HCP for 2014-19 * final figures subject to change as projects develop

DESCRIPTION	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
GENERAL						
Aids and Adaptations	150,000	150,000	150,000	150,000	150,000	150,000
HHSRS Works	98,000	0	0	0	0	0
Communal Refurbishments	76,000	0	0	0	0	0
Major Void Repairs	150,000	95,000	95,000	95,000	95,000	95,000
Replacement Heating Systems	200,000	260,000	260,000	260,000	260,000	260,000
Re-roofing	150,000	20,000	20,000	20,000	20,000	20,000
Windows and Doors replacement	100,000	10,000	10,000	10,000	10,000	10,000
New Kitchens	300,000	115,000	115,000	115,000	115,000	115,000
New Bathrooms	140,000	70,000	70,000	70,000	70,000	70,000
Rewiring	200,000	110,000	110,000	110,000	110,000	110,000
Capital Salaries	37,000	75,000	75,000	75,000	75,000	75,000
Total Budget - General	1,601,000	905,000	905,000	905,000	905,000	905,000
NEGATIVE NET PRESENT VALUE PROPERTIES						
Beckmill Court Refurbishment & Regeneration	0	855,000	610,000	35,000	0	0
Granby House Refurbishment	0	150,000	450,000	15,000	0	0
Gretton & Wilton Court - Provisional Sum	0	0	0	630,000	630,000	230,000
NEW BUILD PROGRAMME						
Garage Site Redevelopments at:						
10 Dwellings in Asfordby & Melton Mowbray.	800,000	150,000	0	0	0	0
13 Dwellings in Melton Mowbray.	0	0	25,000	0	0	0
6 Dwellings at Beckmill Court	0	210,000	170,000	10,000	0	0
Non-Traditional Dwelling Site Redevelopments (Provisional Sums)	0	0	250,000	250,000	250,000	250,000
Fairmead Estate Regeneration (Phase 1) (Self Funded)	0	0	0	0	0	0
AFFORDABLE WARMTH PROJECTS (assuming 100% grant fundind)						
Wimpey No Fines - External wall insulation of 74 dwellings	0	0	0	0	0	0
Airey House Refurb & External wall Insulation	0	0	0	0	0	0
Solid Wall Construction Dwellings - External wall insulation	0	0	0	0	0	0
Grand Total Budget	2,401,000	2,270,000	2,410,000	1,845,000	1,785,000	1,385,000

*

3.0 Re-run of 30-year Business Plan & Savills Asset Value Model

The new Codeman/SAM asset management database is programmed to be implemented by the end of May 2013. Soon after the Go live date it is planned that the 30-year BP and Savills Asset Value Model will be re-run to inform more accurately what investment is required in the housing stock. The results of this exercise will be reflected in a proposed HCP budget to be presented at the September 2013, CSA Committee for approval.

4.0 Existing and Proposed Staffing Structure

For the purposes of showing the approved staffing levels the existing structure shows the Housing Asset Manager post. Detailed below is an analysis of staffing requirements for the provision of a proactive, more strategic asset management team.

Introduction

This section was produced by the Interim Housing Asset Manager (HAM), based on his extensive experience and recent research. As a rule of thumb, he concluded that one technically qualified member of staff is required per 600 dwellings. At MBC this equates to a requirement of 3.2 FTE technical members of staff, at the moment there are 2 FTE, a job share arrangement and the approved HAM post.

HRA – Responsive Repairs & Cyclical Maintenance

Based on comparisons with other similar organisations, research shows that the existing HRA repairs team at MBC is under resourced by around half a surveyor. The Interim HAM has observed the team over 4-month period and has noticed that it is constantly under pressure, each member of the team seems to be fire-fighting, reacting to a continual flow of work of a reactive nature coming into the team. Consequently, there's very little time available to plan anything which puts at high risk problems being missed and mistakes being made.

HCP – Planned Maintenance & Projects

In addition to providing the usual delivery of planned maintenance works, there are 2 other matters to consider when calculating staffing levels for a more proactive service, namely:

- A requirement to have more robust property data – the need to carry out housing stock condition surveys.
- The delivery of larger projects - the need for specialist construction professional skills such as; architects, employers agent, quantity surveying, contract and project management.

To facilitate the delivery of a more strategic agenda there is a strong requirement to introduce some new practices around having robust property data. Carrying out condition surveys would assist with this. This would necessitate around 380 housing stock condition surveys to be undertaken each year, in staff time this equates to around 15 hours per week. The Council has new build aspirations and in addition, this Plan has identified a number of other larger property investment projects that will need to be carried out over the next 5 to 10-years. These projects will necessitate having other particular skills in the team over and above the HAM post.

Conclusion

If you consider the requirements this Plan has identified and taking onboard the initial observation relating to the rule of thumb calculation of 1 FTE technical staff member to 600 dwellings, it would suggest that there is an additional need for a technical member of staff in the team to assist with the delivery of the HCP. If this proposal is supported, the skills of the new post holder will need to complement those of the HAM post holder to increase the skill set in the team.

Proposed Staffing Structure – Housing Asset Management Team

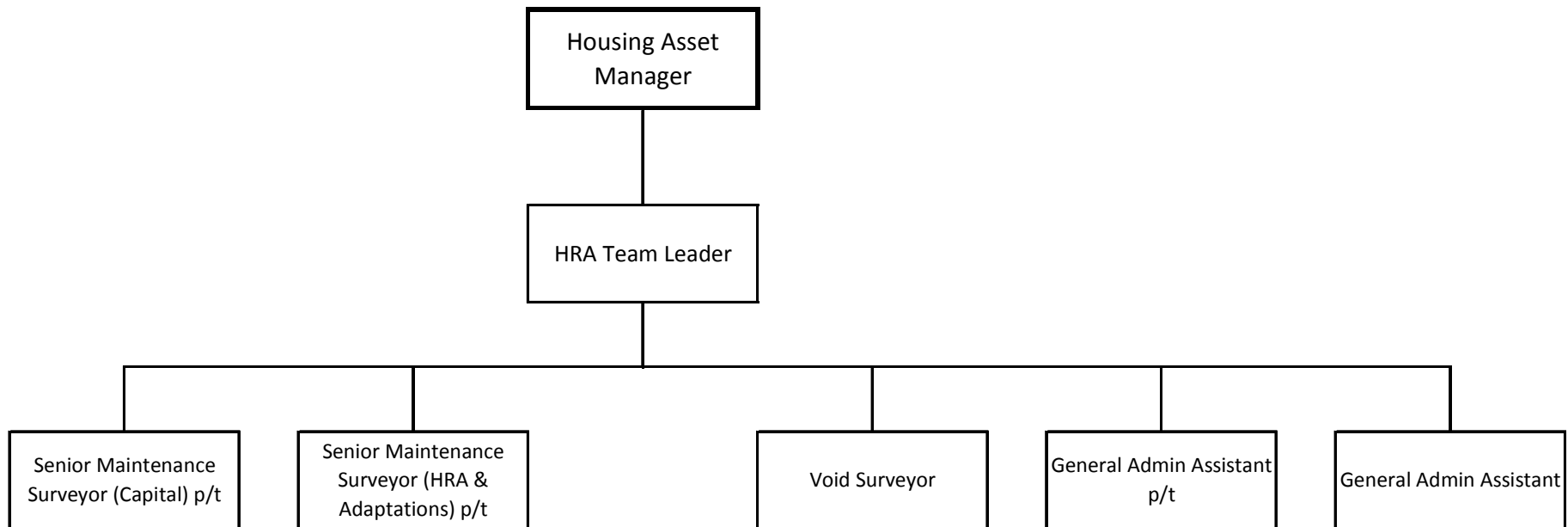
Detailed below are the existing and the proposed staffing structures reflecting Senior Managements preference regarding where the new post should sit within the team.

The proposed post of Housing Capital Programme Team Leader is seen as a key operational post in the team assisting the HAM with the day to day delivery of planned maintenance programmes and projects.

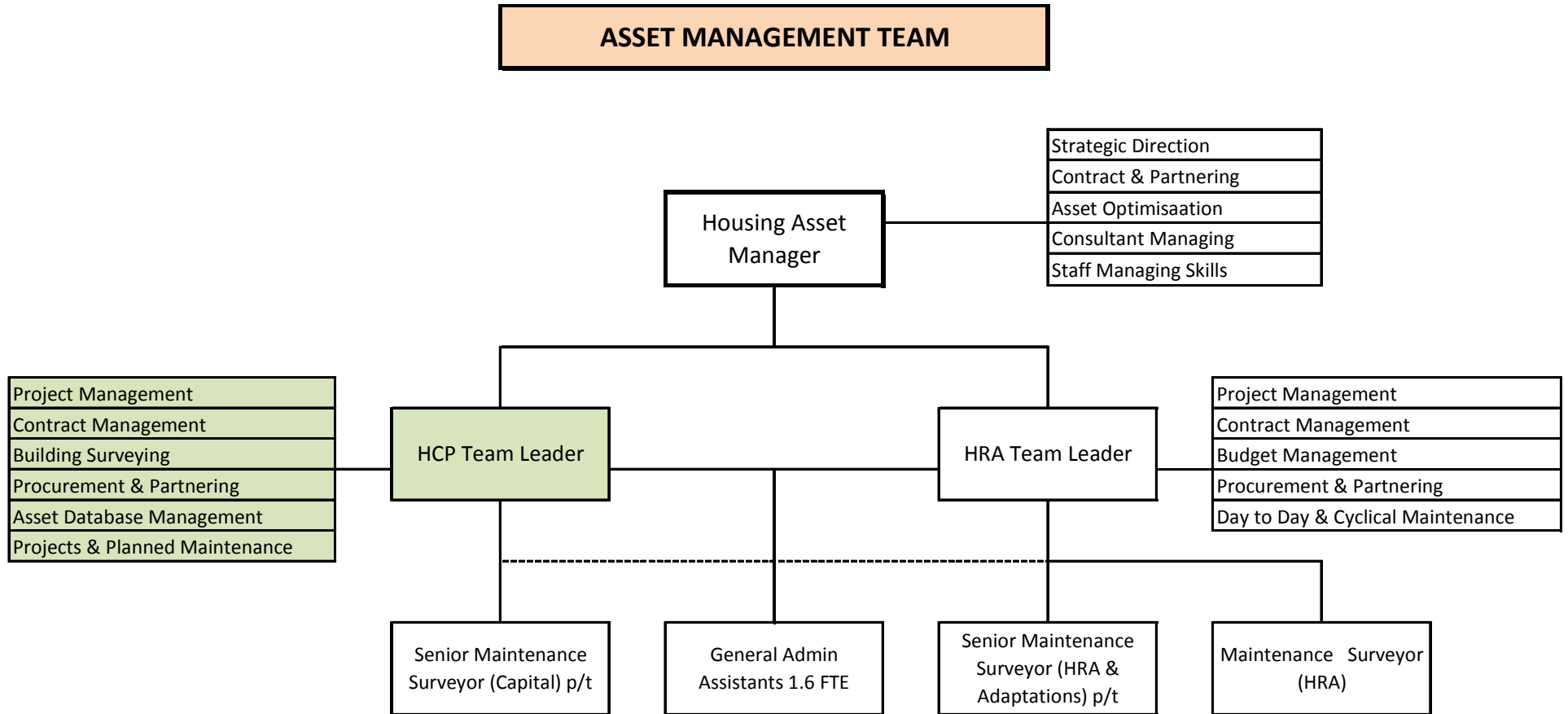
It is also proposed that the post of Void Surveyor is evolved over time as the performance partnering arrangements with G Purchase kick in. Ultimately, the new post of Maintenance Surveyor (HRA) will have responsibilities relating to both voids and the day to day repair inspections. It is also very likely that the post holder will be trained to carryout condition surveys.

EXISTING STAFFING STRUCTURE (5.6 FTE)

ASSET MANAGEMENT TEAM



PROPOSED STAFFING STRUCTURE (6.6 FTE)



APPENDIX A

MELTON BOROUGH COUNCIL - HOUSING CONTRACTS REGISTER						ISSUE DATE -	
Contract Scope	In-house or Consultant	Contractor	Contract Period From To		Annual Value* £	Contract Type	Agreed Action
Responsive/Cyclical Maintenance/ Voids, Electrical Repairs and Redecoration	Ridge	G PURCHASE	01/10/2012	30/09/2017		JCT MTC 2011	3-year extension clause
Gas Repairs & Servicing Contract		MGAS		30/06/2013	206,040		Extended to end of June 2013
Oil Repairs & Servicing		C V LANE				No contract	
		NICK CLARKE				No contract	
Fire Alarms, Extinguishers, Emergency Lighting		FIRE PANELS	01/11/2012		6,660	Agreement	New agreement with Global
		PREMIUM FIRE			900		Order
		TECSERV			420	Agreement	For Bradgate Flats only
Grass Cutting		BOTTESFORD PC			1,320	n/a	Parish Council contract
		SOMERBY PC			200	n/a	Parish Council contract
Communal Boiler Repairs & Servicing		COFELY			8,220		Contract??
Lift Repair & Servicing Contract		OTIS			6,000	Agreement	
		SCHINDLER			2,250	Agreement	
		LA HUSBAND			260		Order
Stair & Through Floor Lifts, Hoists, Special Baths, etc...		LCC			10,000	n/a	
Water Hygiene Contract		SAFE & SECURE			8,400	Agreement	
Communal TV Aerial Contract		STANLEY SECURITY			21,600		Was Blick
Cess Pool Servicing & Repair		SEWACO			610	Agreement	
Building Cleaning Contract - Communal Areas		ACE CLEANING	01/12/2012	20/11/2015	25,880		Annual performance review
Electrical Rewires Contract							
Gas/Oil Central Heating Boiler Replacement Contract							
Door Entry, Warden Call Repairs & Servicing Contract							
Window & Door Replacement Contract							
Re-Roofing Contract (Pitched)							
Air Conditioning Plant Repair & Servicing Contract							
Kitchen Modernisation Contract							
Bathroom Modernisation Contract							

- The CA is draft is being developed and the figures do not include any inflationary increase for 2013/14