

COMMUNITIES & SOCIAL AFFAIRS COMMITTEE

12 NOVEMBER 2014

REPORT OF HEAD OF COMMUNITIES & NEIGHBOURHOODS

THE HOUSING ASSET MANAGEMENT PLAN (HAMP) PROGRESS REPORT

1.0 PURPOSE OF REPORT

- 1.1 For members to comment and approve the Housing Asset Management Plan progress.
- 1.2 To consider and approve the Road Map which sets out the key dates relating to the delivery of projects and programmes of work contained within the HAMP.

2.0 RECOMMENDATIONS

- 2.1 **Members provide comments and approve the Housing Asset Management Plan Progress outlined in sections 3.4-3.13**
- 2.2 **Members approve the Road Map (Appendix B) which sets out in the key dates relating to the delivery of projects and programme of work contained within the HAMP**

3.0 KEY ISSUES

- 3.1 The Housing reform changes, introduced in April 2012 gave Councils full financial control over their housing stock enabling them to manage it, specifically from an asset management perspective, more strategically. To facilitate a more strategic approach, Members, in September 2012, approved the appointment of a Housing Asset Manager (HAM) and the development of a Housing Asset Management Plan.
- 3.2 A robust HAMP provides 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.
- 3.3 Members of this Committee approved the HAMP at their meeting of 20 March 2013 and its refresh in November 2013.

3.4 HAMP Progress

The main challenge of producing the HAMP was firstly to, considers protection of existing assets and then secondly, to deliver other aspirations such as building new Council houses and regenerating run down estates. Getting the balance right between these objectives is crucial to make best use of the financial resources that are available.

3.5 New Build

The 10 affordable housing projects are being progressed as per member instructions. Kier have been appointed as the main building contractors, Faithful Gould as the projects managers, G F Tomlinson's as the main builders and Masefield's as the Architects. The pictures below progress of each scheme.

In regards to the current project plan this is attached as Appendix A .

Saxelby Road



Greaves Avenue



Tudor Hill



3.6 Robust Housing Database/Operations Efficiency

In regards to protecting existing assets, members also approved at their 20 March 2013 meeting the Implementation of the Codemann/SAM Asset Management Software that will inform future HRA Capital Programmes.

This database has now been updated so that now it is the one comprehensive Public sector Housing Stock condition database. The main purpose of this database was so that:

- *It will enable 3 systems to be replaced with 1 integrated system – DH spreadsheet model, Savills valuation model, CPC stock condition model, reducing complexity and making for more efficient working.*
- *It will enable these 3 systems' data to be reconciled into 1 consistent dataset.*

- *It will enable reporting via Business Objects, complementing existing Business Objects reporting from the Northgate Housing system, and report output into Excel will make for ease of analysis and processing.*
- *It will make deriving information on Decent Homes for statutory returns easier and data quality more robust.*
- *It will enable the Savills valuation analysis to be significantly refined and improved for the future use of the authority.*
- *It will enable Melton BC to obtain a more up-to-date analysis of present stock condition by combining decent homes and CPC stock condition data in 1 system so that this information can then be interrogated through reporting for analysis.*

The current 30 year projections from Codemann have suggested that in the next 30 years investment of approx £33m will be required in regards to cyclical maintenance. Members are asked to note this is just to maintain our current existing housing stock to a 'decent' level. A full breakdown is attached as Appendix B.

Members should also note that the [Codemann] database has been developed through a variety of sources, some of which is cloned data; therefore there will be on-going physical inspections of all our properties to ensure further robustness.

Members previously approved the move to install more integrated systems with G Purchase, so that when a tenant contacts the Council to report a repair, then can at the same time arrange an appointment for the repair to be carried out.

This is progressing well and officers estimate that that facility will be in place early next year. Initially we will install a HTML link that speeds up the current repair reporting system from hard copies being scanned to a direct email link.

3.7 Housing Road Map

The main thrust of the HAMP is to introduce a more proactive approach to managing assets whilst optimising their use. To achieve this, having robust property data is key to making the right business decisions around investments going forward.

To that extent a high level Housing Road Map has been developed utilising the needs of the current stock and opportunities identified in the HAMP around Development and Regeneration.

The Road Map is attached at Appendix C and covers the Asset Management Priorities identified in the HAMP approved by members.

Members are asked to approve the road map in regards to its content and the suggested order of projects. Further details on all projects is provided below:

3.8 Works relating to proven negative Net Present Value properties (Beckmill/Granby etc)

Beckmill Court

A detailed stock condition survey was carried out on Beckmill Court to identify the current structural and otherwise condition of Beckmill Court. However, as this would only deal with the physical aspects of the properties, which would have limited effect on the quality of life for the residents living there, officers also scoped works for an enhanced level of refurbishment that included external works to the properties, staircases and other communal areas.

In addition, officers commissioned a report to determine the cost of potential demolition of the

estate and then realisation of capital receipts which could then be re-invested for future housing developments/regeneration.

When balanced against the 2 options (refurbishment/demolition then sale of site) it is clear that for both financial and social reasons (decanting of 50 plus residents) that the demolition and sale option is not feasible.

Therefore officers have progressed a full refurbishment project for the site as and a full business case will be presented to members early in 2015 for their approval. An indication of the works planned are as follows:

- Installation of photovoltaic panels to some south facing roofs.
- Retrospective installation of insulated renders and either corium brick cladding or timber cladding.
- New aluminum double glazing throughout the scheme.
- Re-spray of garage doors.
- Formation of projections to existing drying areas with full height glazing.
- Replacement of existing steel handrails and balustrades to walkways with stainless steel/ glass alternatives.
- Existing asphalt walkways to be re-surfaced using Topseal HD Waterproofing System.
- New pedestrian footpaths around the site (block pavements).
- New landscaping comprising turf, shrubbery and seating areas.

In addition all the works identified in the stock condition works will be carried out as part of the regeneration scheme.



Option B – Before and After (Vantage Point 2)



Works resulting from the Condition survey have been included in to year 1 of the capital programme and are planned for 2014/15.

Gretton/WiltonCourt

Conversion of bedsits in Wilton Court are carried out whenever 2 appropriate properties are identified and this will continue, with 2 such properties identified for conversion in 2013/14, in addition refurbishment of the [bathroom] facilities will also be completed in 2014/15.

Additional works identified from the condition survey have been included into year 1 of the capital programme.

Members are asked to note that longer term decisions around sheltered schemes will be made during 2014/15 when the outcome of the Intensive Housing Management Scheme have been completed and a new service approved. This will lead to a more strategic Evaluation of the service which will impact on the related housing provision. Members will be presented a report in January 2015 for their approval.

Works Relating to Decent Homes.

The Codemann database has produced a 30 year life cycle spread sheet (appendix B). Members are asked to note and approve that the works identified with the database have been included throughout the first 5 years of the capital programme.

Capital Works on a 1 year basis will be carried out to ensure we continue to tackle non-decency, however, from 2015/16 this will be a 4 year capital programme and will be presented to members early in 2015 for their approval.

To ensure the capital programme is sustainable it has taken into account the resources available within the HRA Business Plan over those 4 years. This way other projects identified within the HAMP are also deliverable.

3.9 Achieving Affordable Warmth for Tenants- Tackling fuel poverty and investing in energy efficiency.

The project reports to members previously on ECO funding did not identify significant projects that would improve the energy efficiency of the housing stock, therefore the Housing Asset Manager will be producing a more comprehensive Affordable Warmth Strategy/Project that has taken into account::

- A review of stock data
- ECO funding opportunities are identified
- Specialist funding negotiations will be undertaken with ECO suppliers

This work has already commenced and a report to this committee in January 2015 has been planned to present and seek approval from members of the projects identified.

However, regardless of this project, an allocation has been made within the capital programme to continuously look to convert from electric storage heaters to gas central heating.

3.10 The Property Investment Opportunities

Non- Traditional Properties- Swedish, Airy, Wimpy no –fines

This project as approved by members is being developed in 2014/15 as a project Mandate prior

to a comprehensive Business Case with to commence during 2015/16.

3.11 Under- utilised Garage and Land Areas

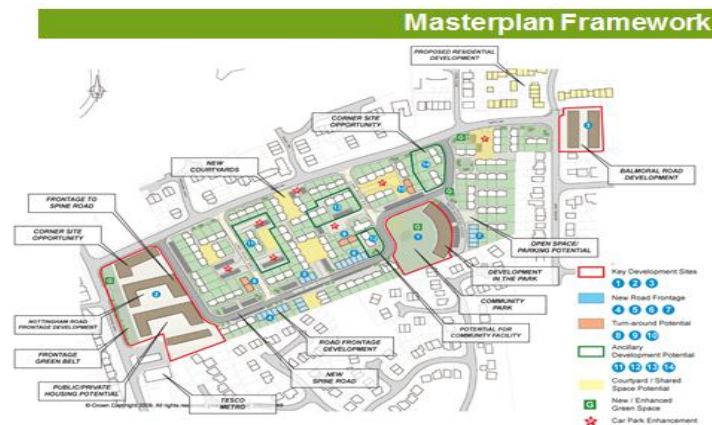
As previously reported to members garage and Land Areas are being assessed appropriately and strategic decision are being developed , a complete audit of these areas has been identified on the road map to commenced April 2014, with suitable 'development, refurbishment or disposal options being presented to members in early 2015

3.12 Fairmead Regeneration

The Fairmead project has been identified as a suitable project for the Affordable Housing Programme as it dependent on external funding and to that extent officers are discussing with the HCA's on how we can deliver this project.

In addition officers are liaison with a number of RSL's with a view of developing a joint venture for the delivery of the of the 1st phase of the project.

Members will be informed of any progress feedback from the HCA.and RSL's prior to a formal business case is presented.



3.13 The 4-year HCP commencing in April 2015.

The HRA capital programme for 2014/15 was previously approved by Members and was developed using stock condition data primarily focusing on the Decent Homes Standard and is

therefore still relevant and positively maintains our housing stock. Members are asked to note that this capital programme will be for 2014/15 only, however, as outlined previously as projects from the HAMP are progressed and following the introduction of a robust housing database a more detailed forward looking capital programme will be developed for the period 2015/16 – 2018/19 and presented to Members in January 2015.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 The HAMP and related projects contained in the document directly relate to the following corporate priorities:

- Improving the well-being of vulnerable people
- Improve quality of life for people living in the most disadvantaged neighbourhoods
- To provide high performing services that are efficient and meet customers' needs

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are a number of projects being developed within the HAMP all of which require funding from a very limited source so members need to be aware of this when making funding decisions. As the projects develop officers will present reports, as needed, which will allow members to make considered decisions and prioritisations. Further details are provided in section 6 of the HAMP.

5.2 In January 2012, members of this committee approved the HRA business Plan

A summary of the business plan at that time and for the first 5 years is as follows:

Revenue

	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Income	-7,117	-7,385	-7,662	-7,948	-8,245
Expenditure	3,365	3,461	3,549	3,638	3,730
Interest Payable	1,205	1,286	1,368	1,450	1,533
Depreciation	1,683	1,722	1,762	1,802	1,844
Contribution to Reserve	700	620	700	750	800
Contribution to Capital	0	0	149	542	560
MRP	14	14	14	14	0
Annual Surplus(-)/Deficit	-150	-282	-120	248	222
Closing HRA Working Balance (-)Surplus	-569	-851	-971	-723	-501

The introduction of the debt cap will mean that capital investment from borrowing will be limited over the 30 year period of the business plan which will reduce available resources for funding capital projects. However, members will note from the report presented in January that the revenue figure for 2012-13 and that projected for 2013-14 have changed considerably, with a closing HRA working balance surplus for 2012-13 being predicted as -£848K and the Estimate for 2013-14 being - £1,073K

Capital

	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Expenditure	1,572	1,601	2,363	2,421	2,482
Major Repairs Reserve					
Funded	-1,501	-1,528	-2,139	-1,802	-1,843
RTB Receipts	-71	-73	-75	-77	-79
Revenue Contributions	0	0	-149	-542	-560

Regeneration & Development Reserve

	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000	2016-17 £'000
Revenue Contribution	-700	-620	-700	-750	-800
Closing Balance	-700	-1,320	-2,020	-2,770	-3,570

Members are also asked to note the ability to borrow for major projects, however, be aware of the borrowing headroom that was introduced as part of the HRA reform. The current headroom is in the region of £1.7M

Members are asked to consider the Road Map available as Appendix C, which outlines the range of projects identified when considering resources available.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 There are no other legal implications directly arising from this report.

7.0 COMMUNITY SAFETY

7.1 There are no direct links to community safety arising from this report. However, some projects do promote independent living and impact on the quality of life, which relate to safer communities.

8.0 EQUALITIES

8.1 An Equalities Impact Assessment form has previously been completed by the Head of Communities & Neighbourhoods which confirms that there are no specifically adversely affected groups and therefore no action plan is necessary.

9.0 RISKS

9.1

Probability
↓

Very High A				
High B	2			
Significant C				
Low D			5	
Very Low E			1, 3, 4	
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

Impact
→

Risk No.	Description
1	Long term ability to fund stock to ensure kept within the decent homes standard
2	Impact of the inability to borrow beyond the self financing cap to fund capital repairs
3	Maintenance of stock within budget constraints
4	Robustness of stock condition survey
5	Limited capital Funds to complete all of the HAMP projects

10.0 CLIMATE CHANGE

10.1 There are no climate change issues directly arising from this report.

11.0 CONSULTATION

11.1 The tenant's forum were previously updated on the development of the HAMP and previously TFEC were consulted on the HRA Business Plan and Asset Management Strategy, to which the HAMP is based on.

12.0 WARDS AFFECTED

12.1 All wards

Contact Officer: Harinder Rai-Head of Communities & Neighbourhoods
Date: 1 November 2014

Appendices : Appendix A- New Build Project Plan
Appendix B-Stock Condition Data
Appendix C Road Map

Background Papers: HRA Business Plan

Reference : X : Committees/CSA/2014.15 12/11/14/HR- HAMP