



Item

Housing Revenue Account Asset Management Strategy

To:

Housing Scrutiny Committee

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Report by:

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Wards affected:

City Wide

1. Executive Summary

- 1.1. A comprehensive review of the previous Housing Revenue Account (HRA) Asset Management Strategy (AMS) has been completed and this strategy will replace the previous version dated 2012.
- 1.2. Understanding our housing stock, its condition and the associated investment needs in it is a key component of managing the Council's housing into the future. Our ability to make strategic investment, re-development and disposal decisions in a timely manner is crucial if we are to manage a successful, expanding housing business to meet both current and future housing needs in the city and surrounding areas.
- 1.3. This AMS covers the 5 year period 2019/20 to 2024/25. The strategy concentrates on those activities relevant to the management of the Council's housing related assets but also touches on the wider housing context within the city and forms a component of the HRA Business Plan.
- 1.4. The AMS identifies some of the decisions that will need to be made during the coming years in order to ensure that investment is prioritised in the most cost-effective manner and that the

organisation makes the best use of its assets. The plan recognises that there is a natural tension between competing investment needs, for example investment in the existing housing stock, investment in new affordable housing and investment in housing management service provision.

- 1.5. The AMS aims to return to a partial investment standard model rather than the basic Decent Homes Standard; this will ensure we invest in the current stock at the appropriate time and in the long term will reduce the level of spend in revenue repairs and maintenance.
- 1.6. The Council is committed to reducing its carbon footprint and improving sustainability across its asset portfolio. The Council has declared a climate change emergency in February 2019 and has called on government, industry and regulars to make changes to enable Cambridge to reach net zero carbon by 2030. Policy changes and initiatives are likely to have impact on the housing stock and maintenance in the future. It is not yet clear exactly what will be required to be done to improve the energy performance of the existing housing stock but the Council will start to investigate costs and ways of achieving this in 2020/21.
- 1.7. Some of the new initiatives to be considered and developed are listed below. Although they will have future cost implications, these haven't been built into the HRA Business Plan as they are not yet quantified. They will be incorporated into future iterations of the financial plan as the information becomes available:
 - Implement a new rolling programme of stock condition surveys so properties are inspected every five years
 - Continue the programme of structural surveys of flats blocks and implement survey programme for older flats and houses with structural concrete elements
 - Reduce the electrical inspection cycle to five years in line with best practice
 - Implementation of "Orchard Asset" asset management software – including development of the compliance and energy modules
 - Develop a methodology which identifies high cost investment properties across the stock and calculates net present values – using new software in Orchard Asset

- Implement a programme of estate investment projects
- Establish a programme of re-inspection of asbestos containing materials and implement a new asbestos register based within Orchard Asset
- Implement an annual programme to inspect fire doors to flats and communal areas (including the replacement of non-compliant fire doors)
- Review maintenance requirements for flat roofs and sheds replacement and repair
- Develop a replacement programmes for lifts, door entry systems, communal entrance doors, fire systems, automatic doors, and communal lighting.
- Review the cyclical decoration programme and reduce the external masonry painting programme to a 7- year cycle to tie in with the painting and repair cycle.

2. Recommendations

The Executive Councilor is recommended to:

- 1) Approve the Housing Revenue Account Asset Management Strategy 2019/20 to 2024/25

3. Background

- 3.1 The 2012-2015 HRA Business plan and asset management plan were constructed on the basis of delivering a fuller investment standard than the Decent Homes Standard. In 2015/16 in response to the financial pressure within the business plan, caused by the rent reduction and proposed introduction of the higher value voids levy, it was necessary to return to the basic decent homes standard. This meant for some building elements the lifecycles were extended.
- 3.2 It is proposed within this strategy, subject to funding being available, we return to an investment standard model. This means that building components are replaced proactively when their lifecycles expire as opposed to reactively, when a combination of their age and condition means they fail. This enables us to secure procurement benefits whilst reducing the cost of reactive maintenance (responsive repairs and void costs)

- 3.3 Within this asset strategy we will make greater use of an increased amount of stock condition information to inform decisions on investing in, redevelopment and disposal of the Council's housing stock. These decisions will be based around the Council's agreed priorities and pressures.
- 3.4 The initiatives within the revised AMS have been modelled within the HRA Business Plan to ensure that they are affordable in conjunction with other requirements of the HRA finances over the 30 year life of the business plan.
- 3.5 The objectives of the updated Strategy, which are also reflected in the services Operational Plan, are to:
- Ensure the Asset Management Strategy delivers safe, warm and well-maintained homes for our tenants.
 - Provide a high performing repair and planned maintenance service for our tenants that gives value for money.
 - Work with council tenants to agree priorities and invest in estates improvements to our estates and communities.
- 3.6 Guidance/statute that has been referred to when producing the plan:
- Building Regulations
 - Relevant British Standards
 - Decent Homes standard
 - Health and Safety legislation
 - BS7671:2008 – IET Wiring Regulations
 - Gas regulations
 - Control of asbestos regulations
 - Regulatory Reform (Fire Safety) Order 2005
 - RICS – life expectancy of building components
 - CIBSE – compliance guidance and lifecycles
 - HSE ACoP L8 Prevention & Control of Legionellosis

4. Implications

a) Financial Implications

There are a number of assumptions made within the asset management plan that have been modelled and included within the

HRA Business Plan. The 10 year housing capital investment plan can be found within the AMS at Appendix F.

The AMS has been modelled within the revised HRA Business Plan to ensure that the requirements have been accounted for; the updated HRA Business Plan is being presented separately to Housing Scrutiny Committee in this meeting.

b) Staffing Implications

The present AMS is delivered by the Estates & Facilities service within its existing resources, although a comprehensive service review is currently being undertaken to ensure we have the appropriate skills and number of resources. The aim is to improve the current performance of the team and provide improved customer service and value for money.

c) Equality and Poverty Implications

We are not proposing anything that reduces service levels or could have a negative effect on any particular groups. We have taken steps to reduce lifecycle of building components which should mean some doors, windows, roofs and bathrooms are replaced sooner than they otherwise would have done.

This strategy is about investing in the Council's existing assets to maintain them good, condition, and maintain the Decent Homes standard.

d) Environmental Implications

The Strategy would have a low – medium positive impact during the lifetime of the strategy. The initiatives contained within section 9 Energy Efficiency and sustainability outlines the Council's commitment to reducing its carbon footprint and improving sustainability across its asset portfolio. The strategy will have a medium positive impact on energy use and a low positive impact on Cambridge City to withstand drought.

e) Procurement Implications

There are no direct procurement implications. There is an E+F service review underway and this is likely to result in review of procurement requirements for the service, in particular looking at the procurement

arrangement for contractors supporting in-house delivery of repairs and voids.

E+F will continue to work closely with corporate procurement and legal teams when procuring contracts for delivery of maintenance services

f) Community Safety Implications

New initiatives in the asset strategy for

- Implementing a programme of estate improvement projects including replacement street lamp columns and communal lighting and other security improvements at blocks of flats which should help with perceptions of safety on estates and improve lighting
- Decent home back log will address backlog of doors – which will be more secure than existing doors
- Lowering the lifecycle for windows means a new windows programme with start in 20/21 and this will result in more secure and energy efficient windows
- Developing a programme for replacement of door entry systems to ensure communal parts of blocks of flats are secure
- Range of measures to address fire risk including adding heat detectors to all flats

5. Consultation and communication considerations

5.1. Residents and Officers Asset Management Group (ROAM) - This group meets quarterly to discuss maintenance of the Council's housing stock. Its members are tenant and leaseholder representatives and Council officers from the Estates and Facilities team and City Homes. The revised AMS has been discussed at the ROAM group.

5.2. We have consulted with key stakeholders:

- Head of Housing
- Assistant Head of Finance and Business Manager
- Housing Asset Maintenance Accountant
- Housing Services Manager - City Homes
- Home Ownership Team
- Estates & Facilities Surveying team

6. Background papers

Background papers used in the preparation of this report:

HRA Business Plan

7. Appendices

- Housing Revenue Account Asset Management Strategy 2019/20 to 2024/25

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact: Will Barfield, Asset Manager, Tel: 01223 457843, email:

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