

ASSET MANAGEMENT STRATEGY – HOUSING PORTFOLIO 2014 - 2023

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Glossary of terms	
AMISP	Asset management information systems plan
AMS	Asset Management Strategy
AR	Asbestos Register
BP (OCC)	OCC Business Plan
CLG	Department of Communities and Local Government
Decent Homes	Target standard set by CLG
DHS	Decent Homes Standard
DDA	Disabled Discrimination Act
DFG	Disabled facilities grant
EHCS	English House Condition Survey
EPC	Energy Performance Certificate
FRAs	Fire Risk Assessments
HCA	Homes & Communities Agency
HHSRS	Housing Health and Safety Rating System
HECA	Home Energy Conservation Act
ICT	Information and communication technology
JIT KPI	Just in time
MRA	Key performance indicator
M&E	Major repair allowance
OCC	Mechanical & Electrical building components
QA	Oxford City Council
RDSAP	Quality audit
RTB	See SAP. Reduced Data SAP is required to support EPCs
SOR	Right to buy
SMT	Schedule of rates
SLA	Senior management team
SAMP	Service Level Agreement
SAP	Specialist asset management package
VFM	Standard assessment procedure (energy efficiency)
	Value For Money

EXECUTIVE SUMMARY

CONTEXT

This Asset Management Strategy (AMS) has been prepared by Oxford City Council (OCC).

The immediate remit of OCC is to deliver an affordable and comprehensive repairs, maintenance and improvement service to the Housing portfolio. However, we have a responsibility to take a longer view, making sure that there are systems in place that can guide investment decisions in support of future investment programmes. For this reason, our Asset Management Strategy (AMS) covers a period of ten years, with a specific four year action plan.

Definition of asset management

Asset management is the management of physical assets to meet service and financial objectives. By applying good asset management practices and principles OCC will ensure that its housing stock meets current and future needs, including planning for investment in repair and improvements, and reviewing and changing the portfolio to match local circumstances.

Purpose of AMS

OCC's (AMS) provides the framework to develop detailed planned maintenance programmes that deliver commitments made in our business plan.

The AMS provides the guiding principles of all key asset management decisions. In more detail, this includes:

Asset management objectives

OCC' asset management objectives are:

- To deliver an ***Oxford Standard*** that means we retain decent homes compliancy, achieve affordable warmth, meet identified needs, and contribute to community development.
- To **manage the stock portfolio**, in terms not just of age, condition and standard, but also as part of a process of assessment to guide policies of re-investment to meet the needs of current and future tenants.
- To support our corporate priorities through **investment plans** that reflect the agreed allocation of resources for re-investment and will contribute to sustainable neighbourhoods.

ACTIONS TO ACHIEVE OBJECTIVES

Standards

To deliver homes that meet agreed standards the requirements are:

- Up-to-date and reliable data to show that all homes achieve and sustain the decent homes standard (4.1).
- An *Oxford Standard* which is option appraised, consulted upon, discussed, costed and agreed (4.2)
- Compliance with statutory testing / inspection regimes (4.3 & 4.4)

Portfolio management

To manage the stock portfolio in line with OCC's corporate priorities the requirements are:

- A simple approach to portfolio scoring to guide priorities for investment and the need for further option appraisal (5.1).
- Support for neighbourhood level management plans (5.2).
- A review of options where costs are high, demand is low, or where there is an opportunity to make better use of the assets (5.3).

Investment plans

To support the business plan by delivering affordable investment plans the requirements are:

- Thirty-year investment plan forecasts to be based on an up-to-date and reliable corporate stock condition database (6.1).
- Detailed five-year planned programmes demonstrating that the stock can be maintained at the agreed standard within budget (6.2).
- All work assessed against value for money criteria (6.3).

Data management

To ensure decisions are made on the best possible information, OCC will undertake a programme of rolling stock surveys, pre-works surveys, and surveys of void property. Work will be undertaken to improve data capture from works programmes. Data management is an important component of programme delivery and OCC understanding of the need to manage the stock condition database (7.1).

Information systems

OCC has access to specialist asset management software, CodeMan. Data from stock condition surveys together with the programmed works data, has been migrated into this package in order to define works programmes and demonstrate compliance with the decent homes target (7.2).

Service standards

It is essential that we understand our customers and translate this knowledge into a more responsive service. We will introduce validation checks on the customer satisfaction measures collected by contractors, and utilise data from OCC on the use of client profiling (7.3).

Resident involvement

Our Resident Involvement Strategy is to ensure residents are at the heart of decisions taken in planning, delivering and monitoring our service (7.4).

Equality & Diversity

We intend to use the results of our resident profiling to assist us in shaping the delivery of our services to residents and to ensure the skills of residents are used by contractors in delivering contracts on the estates. In particular, to include, consulting with residents to identify their specific needs, both individually while works are carried out and generally through the Oxford Standard work. We will also utilize the resident profile to assist in targeting and prioritising works.

Responsive and void

We have undertaken an end-to-end review of the responsive repair service to simplify processes and shape the service to the needs of residents (7.5).

We aim to reduce the time taken to relet voids, and will review approaches which encourage tenants to leave their home in a good state of repair, and to undertake relet work to an acceptable standard within agreed turn-round targets (7.5).

Responsibilities

OCC is responsible for delivering asset management functions across the partnership members and will formally review its AMS annually (7.6).

1. CONTEXT

1.1 BACKGROUND

The AMS specifically concentrates on providing a basis for consistency and continuous improvement across the 7785 housing portfolio.

Building on the organisation's Housing Strategy, this AMS:

- Has clear links to the objectives of the Housing Strategy, Energy Strategy and other interrelated policy documents.
- Shows how detailed plans are being maintained to meet and retain the government's decent homes target based on current and reliable stock condition data that can be used to inform stock investment priorities.
- Looks forward, seeking to address the agenda set out in *Homes for the Future*. This report had the objective of everyone to have access to a decent home at a price they can afford, in a place where they want to live and work. Good quality, affordable housing enables stable and secure family lives: we are all healthier, happier and wealthier when we have decent homes close to schools, healthcare and transport links.
- Shows how we can continue to fund the maintenance of our existing stock, to focus investment to support sustainable communities, and in the future to expand the stock of affordable, good quality, environmentally friendly housing in places where people want to live.

An AMS must be framed against longer term considerations and thus creates the need for a ten year planning 'horizon'. We have a responsibility to ensure that there are systems in place that can guide investment decisions and support the management of future investment programmes.

Additionally we need to take account of what our peers are doing in the areas where we operate and ensure that investment is focused in places where the stock is likely to meet future demands.

For these reasons the AMS focuses on a four year action plan, which provides stability and certainty whilst allowing a comprehensive review opportunity at the end of the fourth year.

1.2 ASSET MANAGEMENT

Asset management is defined as the management of physical assets to meet service and financial objectives. It is concerned with:

- The overall performance of the stock portfolio and the contribution it makes to the agreed business plan.
- The whole life cycle of a property, from the proposal to build, through development, investment and maintenance, to the decision and method of disposal if necessary.

- The way management and investment can be directed to support community development and improve portfolio performance.

The application of good asset management principles will ensure our housing stock meets current and future needs. We need to invest in repairs and improvements but, where necessary, change the portfolio to match local circumstances. We must:

- Understand what work is needed.
- Where it is needed.
- How it is prioritised.
- While ensuring we stay within our budgets.

Our AMS shows how we will prepare affordable investment plans, support the development of detailed planned maintenance programmes that deliver commitments made in our business plan, and provide well maintained homes which our tenants judge to be good, and which compare well with those provided by the best social landlords.

1.3 SUPPORTING DOCUMENTATION

This AMS has been developed with appropriate linkages to existing OCC strategies and policies, for example:

Corporate Plan 2013-17

Fundamental Service Review – Repairs & Voids

Business Plan

Corporate Equality Scheme 2012-2015

Service Plan

Repairs and maintenance policy / Handbook

Housing Strategy 2012-2015

Corporate Asset Management Plan 2011-2014

Service standards

Decent homes delivery plan (maintaining decency)

Energy Policy (in development at time of writing)

Financial Inclusion Strategy (in development at time of writing)

Biodiversity Strategy (in development at time of writing)

1.4 VALUE FOR MONEY

A key requirement is for all social housing providers to have a clear perspective and understanding on the return of the asset base and how this is contributing to the delivery of the organisations objectives. In particular, how VFM decisions on maintenance and capital investment are informed by robust asset information enabling fully informed decision making on whether to hold particular stock in its current form, dispose of it to another provider, on the open market or conversion of tenure.

This strategy (and other co-dependant strategies) will enable OCC to take fully informed asset decisions based on a robust assessment process and by bringing together a high level of asset intelligence of the asset base, its strengths, limitations and options. This will also include the use of whole life

cycle cost modelling enabling the setting off of capital investment against cost in use considerations in order to take a strategic value for money perspective.

The approach to performance management will include benchmarking so that OCC fully understand it's asset management related cost drivers, how these compare to peers and how this translates into value for money.

1.5 LIMITATIONS

Asset management touches on demand for housing, development and redevelopment, financial performance, service delivery and value for money. Our aim is to address all aspects of asset management that are relevant to the proper functioning of OCC, but there is no requirement to include all this in a single document.

The focus of our AMS is to identify what is important if corporate objectives are to be achieved. This means an emphasis on investment priorities so that we can deliver high quality housing and make the best use of our existing assets. In order not to confuse this core message, there are related strategies which are not considered here because they are covered in other documents.

Specifically:

- The delivery of responsive and cyclical programmes are part of separate policies and procedures. This does not minimise the importance of moving work from responsive to planned, or of ensuring that components replaced under responsive works are recorded on the stock condition database.
- The approach to procurement is informed by the mechanism of delivery i.e. via Direct Services. Clearly there are overlaps with business planning functions, and we have ensured that the two strategies are aligned.
- The *Oxford Standard* will be dependent on the affordability aspects of the Business Plan.
- Our joint approach with other stakeholders to promote development of new housing.
- Continue to maintain the Decent Homes Standard to all of our housing stock.

2. SUPPLY AND DEMAND

2.1 STOCK DESCRIPTION

OCC currently manages a stock of 7785 general needs including 620 leasehold /freehold homes. These are self-contained units, plus 300 sheltered units.

The profile of the tenanted housing stock by archetype is shown in the following table:

Bedsit	1
Bungalow	326
Flat	3413
Hostel	40
House	3920
Maisonette	1
Rtb Shared Ownership - House	2
Sheltered Accommodation	51
New Development	31
Total	7785

There are a number of properties of non-traditional construction, as shown below:

Type	Total
Airey	18
Cornish	92
Other	495
Reema Hollow Panel	2
Timber Frame	324
Trusteel	154
Wimpey No Fines	81
Total	1166

Related assets

In addition to the above, OCC owns or manages 2271 garages, 58 commercial units and communal areas / community units. OCC is also responsible for un-adopted roads and footpaths on estates and these liabilities are taken into account within our investment budgets.

2.2 STOCK CONDITION

Stock condition survey

A fully stratified and statistically significant stock condition survey was completed in 2013/14 by Michael Dyson Associates. This provides an up to date perspective of the housing stock in terms of profile and liabilities. The general conclusion of the survey is, that the stock has been well maintained

and is currently fit for its purpose (ie, works identified can be attributed largely to an ageing stock as opposed to any unique factor).

In the above survey, 6774 properties out of a total stock of 7785 were surveyed giving a survey sample of 87%.

This sample is statistically significant to gain an accurate picture of our stock and enable us to agree our strategic direction as well as plan future works programmes.

The 1039 properties not surveyed due to “no access” will be picked up in the 2015/16 cycle of surveys.

The survey collected data to determine the following:

1. Current position against Decent Homes
2. Immediate expenditure required to bring all homes within the Decent Homes Standard
3. Investment required to maintain homes over the next 30 years
4. The energy performance of the housing stock

The information from the survey will be used to inform the future housing asset strategy of the Council.

However the stock condition survey identified a number of issues regarding property condition:

- The survey has identified that 203 properties (2.6% of the stock) currently do not meet decent homes. The sum of £920k has been identified as being required to bring these properties up to standard.
- In addition there are a further 993 properties that have elements that require replacing but still meet the Decent Homes Standard (minor element failures are permitted under certain defined circumstances and are still classed as achieving Decency under the legislation).

Energy performance

Policy context

The Climate Change Act 2008 committed the government to an 80% reduction in Green House gas emissions by 2050 from 1990. Approximately 45% of these emissions are from buildings. Therefore, OCC has committed to a 5% carbon emission reduction year on year from its own estate and operations. As a SAP rating from 1990 is not available, the 5% yearly reduction is recommended as a target for the housing stock, to be measured using RdSAP (Reduced data Standard Assessment Procedure) and adjusted where necessary (eg Tower Blocks refurbishment). The RdSAP process was introduced in 2005 as a lower cost method of assessing the energy performance of existing dwellings. The methodology is endorsed by the Building Research Establishment (BRE) and accordingly is nationally recognised as a robust process.

From April 2016, private residential landlords will be unable to refuse a tenant's reasonable request for consent to energy efficiency improvements, where a finance package (e.g. Green Deal or the Energy Company

Obligation) is available. From 2018, it will be unlawful to rent out a residential or business premise that does not reach a minimum energy efficiency standard, likely to be E rating on the Energy Performance Certificate (Energy Act 2011). As a landlord, OCC is preparing for this deadline now by improving the energy efficiency of the hardest to treat stock.

Fuel poverty is the ability of residents to afford to heat their homes. Three major things have an impact on this: energy prices, the income of tenants and the energy efficiency of the home. In this strategy, the Council is prioritising the energy efficiency of its properties in order to increase resilience of tenants against the other two factors. Accordingly we aim to exceed the requirements for thermal comfort contained in the Decent Homes Standard, where possible whilst assessing options for properties that are ‘harder to treat’.

The Government recently supported the move towards energy efficient homes by announcing a new fuel poverty target to ‘ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency standard of Band C, by 2030.’ The Low Income High Cost indicator it refers to indicates that fuel poverty is more likely in families in larger homes, those paying high energy prices and/or off gas, and those in old dwellings. Further details are shown in the appendices to this strategy.

Current performance of the Council

OCC is required to report on the thermal efficiency of the stock by means of national indicators. The average SAP rating in OCC's stock was 68.4 at 31st March 2014 with a peer group average for comparison purposes being an average of 71. It is also important to focus not only on the average SAP level but also on minimum SAP level properties.

The OCC stock falls into the following bands:

Rating	SAP	No. of Dwellings	% of Stock
A	92 - 100	18	0.2
B	81 - 91	67	0.9
C	69 - 80	3074	39.7
D	55 - 68	3142	40.5
E	39 - 54	395	5.1
F	21 - 38	40	0.5
G	x1-20	7	0.1

There are a number of planned programmes to improve heating systems, insulate properties and provide double glazing and doors. Most of the ‘quick wins’ have been completed and projects to date have included:

- 3,465 cavity wall insulation installations
- 424 external wall insulation installations
- 7,369 window replacements with double glazing
- 3886 gas condensing boilers
- Centralised biomass system for 72 new Council flats
- Solar thermal (hot water heating) has been rolled out to older person bungalows, and 2 flat blocks
- 40 solar PV installations (generates electricity)

The Council is optimising access to external funding for:

- Maximising insulation and other energy saving measures in housing stock in 2014/15
- Planned upgrades of external wall insulation and potential other measures on five Tower Blocks over next few years

Future work

Improving energy performance is a key driver of this strategy and dovetailing energy measures in association with other asset management projects could include:

- Stock investment planning – refurbishment should maximise opportunities for energy efficiency as a more cost effective approach.
- Data Management – improving energy performance will require good, regularly updated Energy (SAP) data to keep monitoring against benchmark.
- Investment/Planned Programmes – target energy related DHS failures. Energy Efficiency programmes needs to form part of the budget programme – utilise funding to make the most of existing budget ascribed to this.
- Responsive/Void repairs – these can also be ‘trigger points’ for energy efficiency works. Produce checklists to maximise efficiency – i.e. add basic insulation/draught proofing, pipe lagging and other energy measures.

Resident involvement is vital and can be used to maximise efficiency of systems. This includes controls evaluation, understanding boilers, and maintenance requirements.

Targets for the future will be set to increase the average SAP, for the period covered by this strategy. We have actively participated in the identification of properties requiring energy efficiency improvements and carbon reduction measures. As such, this initiative will be one of the guiding principles of targeting our investment.

The focus however will be on improving the SAP rating of the F and G rated property (i.e. SAP < 38) to ensure they are prioritised whenever possible to do so in terms of investment works to improve the overall energy performance. This is particularly important as properties within bands F and G will not be able to be relet after 2018 until a SAP level within band E is obtained.

Renewable energy

Whilst a ‘fabric first’ approach is the best place to start for optimising building energy use, renewables, low carbon heating and lighting (LED) will also be considered as a means of reducing fuel poverty and maximising ‘clean’ sources of electricity. Broadly this involves the following approach:

- Assessing feasibility of individual properties for low carbon technologies like solar panels (PV or thermal), biomass or heat pumps, LED lighting;
- Yearly updates and consideration of the financial case and benefits for each (eg Feed in tariffs for solar PV and Renewable Heat Incentive for solar thermal, biomass, heat pumps etc);

- Working with tenants to ensure they understand the new technologies and use them appropriately and to maximum potential.

Asbestos

All common areas have been the subject of a Management / Refurbishment & Demolition asbestos surveys to (HS[G]264). The data is held in a specialist asbestos register and administered by our asset management team. OCC has a legal duty to have an Asbestos Management Plan, which contains our strategy on establishing and maintaining a process of asbestos control.

Decent Homes Standard

In England all social housing landlords have a duty to achieve and maintain the Decent Homes Standard. As the DHS programme is based on life cycle renewals (in part), careful attention is required to maintain full compliance. Properties that will become non decent in the next three years, **if no proactive investment is undertaken**, are shown below:

Year	Number Non-Decent	% Non-Decent
2014/15	993	12.7
2015/16	1526	19.6
2016/17	1644	21.1

2.3 HOUSING NEED

OCC operates in an extremely bouyant housing market. Demand for OCCs properties remains high. There are no particular parts of the housing portfolio that would be classified as 'hard to let'.

A summary of housing need is provided below:

	2013/14											
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
OCC properties let	37	25	24	39	25	36	29	25	28	25	24	
of which to OCC transfer applicants	10	4	9	12	7	11	8	6	6	5	9	
No on housing reg.	5414	5283	4752	n/a	4759	4845	4891	4448	4266	3974	3796	3829

Minimum bed need	General reg			Housing Assoc Transfer reg			OCC Transfer reg			Total Housing reg		
	General needs	Sheltered	TOTAL	General needs	Sheltered	TOTAL	General needs	Sheltered	TOTAL	General needs	Sheltered*	TOTAL
1	1240	57	1297	120	26	146	234	42	276	1594	125	1719
2	930		930	129	1	130	240	4	244	1299	5	1304
3	343		343	90		90	168		168	601	0	601
4	85		85	24		24	41		41	150	0	150
5+	35		35	6		6	14		14	55	0	55
	2633	57	2690	369	27	396	697	46	743	3699	130	3829

*Applicant has been assessed as eligible for sheltered accommodation

Whilst there are no existing plans for wholesale estate regeneration schemes there are opportunities for new development sites based upon existing sites. A detailed appraisal process for identification is undertaken.

2.4 LEASEHOLDER PROPERTY

Approximately 3.9% of the stock has been sold on a leasehold basis as a result of the right to buy initiative.

OCC retains responsibility for managing the external repair of blocks and communal services containing leasehold dwellings and leaseholders are liable for a proportion of the costs. Leaseholders can challenge the need to undertake works, which could slow the progression of the project and can frustrate the process when a multitude of investment needs are found that need to be procured jointly. This has sometimes proved a hurdle when undertaking major works in blocks where there are leasehold flats for other landlords. Experience to date from a significant number of landlords and managing agents has shown that recovery of leaseholder contributions can be demanding and are open to challenge particularly on definitions of work i.e. repairs –v- improve.

OCC recognises it needs to proactively engage with leaseholders as part of the appraisal process so that meaningful dialogues can be entered into. OCC takes this stance not only in recognition of the legal duty but as a responsible landlord.

In developing programmes of works, consideration to mitigating the impact of leaseholder consultation will be given. In particular the packaging of programmes of work. Consideration and reference to the outcomes of Leasehold Valuation Tribunals will help in gauging if proposed programmes are likely to be considered a repair or if an element of improvement may be considered.

2.5 PORTFOLIO PERFORMANCE

Asset management requires a methodology for establishing investment priorities and OCC has carried out a review of its housing stock. That appraisal identifies a number of inherent issues with certain property types or certain units. Examples of these are damp, cold-bridging and roofing problems. This process is a useful model to use for particular schemes/estates to identify whether or not they have a viable future. Indicators of whether the properties should be appraised include:

- High turnover of tenancies (churning)
- Long standing void properties
- Increased complaints
- Increased /demanding management issues (ASB, arrears etc.)
- Increased demand for reactive maintenance
- Disrepair claims

2.6 PORTFOLIO 'MIX'

Having the optimal Portfolio mix is essential in delivering the targets and objectives of the business plan and this strategy. A key strategy going forwards is matching supply –v- demand. This will need to address:

- Over occupation
- Under occupation
- Having less bedsit stock
- Reflecting the needs of the Housing Needs Survey

The need for scheme or estate based option appraisal will be identified through work on portfolio performance and mix. However, the immediate priorities for option appraisal are:

- Holistic stock wide perspective via the first stage assessment
- Regeneration
- Land and related assets
- Remodelling and disposal
- Housing needs
- Rationalisation and reconfiguration

3. ASSET MANAGEMENT OBJECTIVES

3.1 THE NATIONAL CONTEXT

While the immediate priority for OCC is the maintaining its decent homes investment programme, the 'Homes for the future' sets a new agenda in terms of more homes, more affordable homes and homes that are well designed, greener, and linked to good schools, transport and health care. Our AMS is therefore focused not just on the existing stock. It seeks to take into account the surrounding environment, looking at what is sustainable, and what needs to be done to support communities and homes that meet higher environmental standards.

3.2 THE LOCAL AUTHORITIES CORPORATE OBJECTIVES

The local authorities' vision for housing is for *more affordable, high-quality housing in Oxford. This is essential for the vibrancy of the economy and the health and well-being of residents.*

There are three basic principles under-pinning the Sustainable Communities Strategies:

- Sustainable growth - development and regeneration that creates a viable self-sustaining local economy where strategic decisions are made considering social, economic and environmental impacts.
- Narrowing the gap - raising standards in order to reduce disparities between other neighbouring boroughs.
- Assessing impacts - all partners will consider the impact of key decisions in relation to the seven key outcomes listed below.

These seven key outcomes are a commitment to create places:

- With a thriving local economy and sustainable towns.
- With a strong and balanced housing market where people choose to live.
- With high levels of educational achievement.
- Where all people have the opportunity for a healthier and longer life.
- Where people are safe, confident and proud to live.
- For everyone, which value and embraces diversity.
- That safeguards the environment.

From this, the housing principles include:

- Achieving a balanced housing market:
 - Meeting identified needs for affordable housing.
- Reducing unfit and disrepair and delivering decent homes:
 - Improving the condition of the housing stock to ensure fit for purpose.
 - To ensure that all social tenants have a decent home.
- To prevent homelessness and meeting the needs of vulnerable households:

- To tackle homelessness more effectively.
- To ensure that a range of specialist and supported housing is available.
- Building sustainable communities:
 - To build cohesive communities by meeting the housing needs and aspirations of all communities.
 - To tackle social exclusion through neighbourhood renewal action on a broad basis.
 - Sustainability, quality and design.

3.3 OBJECTIVES OF OCC

OCC is addressing five key issues to meet housing need in Oxford:

1. Building new homes
2. Providing a high-quality landlord service
3. Improving standards in the private rented sector
4. Reducing and preventing homelessness
5. Piloting Direct Payments and Universal Credit

In achieving these objectives, the following values which govern the way in which we work:

- Service excellence - striving to deliver excellent value for money services for all our customers.
- Valuing one another - treating everybody with respect, fairness and honesty, appreciating diverse needs and expectations.
- Trust - earning trust by being open, honest and doing what we say.
- Inspiring people - creating an environment that encourages and empowers ambition, aspiration and achievement.
- Excellence in business - being professional, commercially aware and responsible in all that we do.

3.4 EMPLOYMENT OPPORTUNITIES

The investment and ongoing maintenance into the housing stock also enables a further contribution to the corporate objective of *Improving the Skills of the Workforce*.

By allocating £50,000 each year for two years to provide ten new apprenticeships within the Council's own workforce and looking at ways to extend the arrangement into future years.

For external contracts, we will:

- Developing 'SMART' Key Performance Indicators into our new partnering contracts to measure the use of local labour and local supplies;
- Using residents profile data to target workshops for employment opportunities.

3.5 ASSET MANAGEMENT PRIORITIES

OCC's approach to asset management will ensure that our housing stock meets the current and future needs of customers, while being sustainable and affordable. Our asset management priorities are to improve the quality of existing homes and therefore to:

- Ensure the long term viability and sustainability of our stock.
- Maintain and manage the stock to meet current and future needs.
- To inform the targeting and development of neighbourhood management, environmental improvement and neighbourhood enhancement initiatives.
- To provide a framework to inform decisions on the retention of and investment in existing assets, on the sale of assets, and the conversion of assets.
- Reduce the costs of maintenance in the longer term.
- Tackle fuel poverty.

It follows that our AMS is centred on questions about improving the stock at a cost that can be afforded:

Better stock - What are the objectives for stock investment? What are the standards we aim to deliver to meet the goals of sustainable communities (safe and secure homes in a quality environment); meet future needs (the life time homes agenda); and respond to criteria to achieve environmental sustainability. How do we manage the stock portfolio to achieve our objectives of a high quality and attractive stock?

Lower costs - Can the investment requirement be funded? How can we align the investment plan with the business plan and what can we do to minimise costs through preventative cyclical programmes once the decent homes investment programme has been delivered?

The strategy is a response to these questions, and from it flows the following ambitions:

- To deliver an investment **standard** that mean our homes achieve and sustain the decent homes target, achieve affordable warmth, meet identified needs, and contribute to community development.
- To **manage the stock portfolio**, in terms not just of age, condition and standard, but also as part of a process of assessment to guide policies of reinvestment to meet the needs of current and future tenants.
- To support our corporate priorities through **investment plans** that reflect the agreed allocation of resources for re-investment, and contribute to sustainable neighbourhoods.

The objectives set out above are considered in more detail in Sections Four to Six. This is backed by a delivery plan described in Section Seven, which in outline addresses the following questions:

- What do we need to know about the stock and how can we improve performance management?

- How are residents involved in defining priorities, standards, managing programmes and evaluating the quality of customer service?
- Who is responsible for the AMS and what are the monitoring arrangements?
- What is the action plan?

4. STANDARDS

Goal	
To deliver homes that meet the needs of our residents.	
Objectives	
4.1	To achieve and sustain the decent homes standard
4.2	To develop an affordable <i>Oxford Standard</i> which meets the aspirations of our residents can be afforded within our Business Plan.
4.3	To provide well maintained homes and areas which are the responsibility of OCC- including gardens, boundary treatments, parking areas and street scene that enhance the feeling of pride in the area, etc.
Requirements	
4.1	Demonstrate continued and on-going delivery of decent homes.
4.2	The development of an <i>Oxford Standard</i> (which includes resident involvement) to be consulted, discussed, costed and agreed.

The quality and availability of our properties is important to the health and wellbeing of our customers. Our current investment strategies will ensure that all of our properties are up to the decent, modern standard that our customers expect.

Our planned maintenance programmes will deliver significant investment in the housing stock to improve standards and to ensure there is a continuing demand for properties. Effective asset management will ensure that this programme is financially sustainable. The key elements are:

- Maintain the decency standard for all properties.
- Keep homes in good condition beyond this by adopting a strategic, long-term approach to investment and an intelligent approach to cyclical maintenance aimed at maximising the life of building components.
- Deliver an affordable quality product in an attractive environment, complying with current and prospective requirements, particularly in terms of affordable warmth and environmental sustainability.
- Achieving high customer satisfaction and contributing to sustainable communities.

4.1 DECENT HOMES

Our immediate aim is to deliver decent homes within budget and with a high level of tenant satisfaction.

To plan the delivery of the decent homes programme and to demonstrate continuous DHS compliance, OCC will maintain an up-to-date stock condition database. This will build on the existing sample survey, capturing all pre-works inspection data and completions from the works programme.

4.1 Demonstrate delivery of decent homes	
Objectives	
Compliance	Up-to-date and reliable data to show that all homes meet the decent homes standard.
Tasks	
Data collection	Ensure data is collected to demonstrate compliance.

4.2 OXFORD STANDARD

Our residents will have other aspirations for their homes and will wish to see improvements to aspects of estates such as security and environment quality.

We will, in full consultation with the residents revise the current standard to match the expectations of our tenants while being affordable within the business plan. The Oxford Standard may include:

- A more ambitious thermal comfort standard.
- Accessibility standards for older and disabled people.
- Internal noise insulation within and between dwellings.
- Standards for communal areas and the external environment that support policies for sustainable communities. (including boundary treatment to gardens)

We will agree an Oxford Standard that reflects local circumstances. This will be discussed with residents, aligned with business objectives and be capable of being funded by the business plan.

The home

Concerns about affordable warmth and energy efficiency mean that there will be a focus on insulation and efficient heating systems. We will take account where possible of industry standards. We are committed to improving the energy efficiency of the stock and minimising the environmental impact of our activities.

Common areas

Internal common areas are an important part of the home environment. Upgrading communal areas within blocks is therefore a priority. Standards and expectations have risen since many of the blocks last had any substantial investment. Upgrading these areas will not only improve the environment of the block but will lead to cost savings on cleaning and maintenance.

The environment

We will continue to review our strategies for improving the external environment of estates. We are aware that the quality of the local environment affects the quality of peoples' lives. We know that the standard of maintenance on our estates is important to residents. We want to deliver the improvements that residents think are priorities, and to involve them in this process.

We envisage that residents' specific priorities for communal areas and environmental works in their own areas will be established through neighbourhood consultation. The mechanism for budgeting is that, in defining the aspirational standard, our AMS will forecast the costs associated with achieving the proposed *Oxford Standard* and environmental improvements. These forecasts must be fully fundable in the business plan.

4.2 Oxford Standard	
Objectives	
Sustainability	Include affordability and sustainability as key components of OCC's criteria for assessing stock quality.
Target standard	Guided by corporate objectives, OCC will: <ul style="list-style-type: none"> • Define aspirational standards. • Agree the standard that can be supported by the business plan. • Agree a delivery timescale.
Tasks	
Oxford Standard	Define an aspirational standard for OCC, including affordable warmth and environmental criteria.
Modelling of costs	Assess the costs of the aspirational standard to ensure the standard is fundable by the business plan.

4.3 FIRE RISK ASSESSMENTS AND ASSOCIATED WORKS

Our immediate aim is to maintain 'suitable and sufficient' Fire Risk Assessments (FRAs) in accordance with the Regulatory Reform (Fire Safety) Order 2005. The outputs of this will be held on a database with a prioritised action points.

Action points requiring investment work will be 'dovetailed' with the investment works whenever possible and practical to do so.

4.3 Fire Risk Assessments	
Objectives	
Compliance	Up-to-date FRAs and associated action plans for all blocks requiring these
Tasks	
Data collection	Compile the required actions and phase with Investment works when possible to do so.

4.4 MECHANICAL & ELECTRICAL

4.4 Mechanical & Electrical	
Objectives	
Compliance	Five yearly fixed wire testing regime, as prescribed in the industry standard published by Institution of Engineering and Technology (IET) Wiring Regulations (BS 7671) Annual landlord gas safety certificates with 100% on-going compliance
Tasks	
Data collection	Compile the required actions and phase with Investment works when possible to do so. Robust escalation process for potentially non-compliant units

5. PORTFOLIO MANAGEMENT

Goal	
To manage the stock portfolio in line with the business plan, meeting the needs of the wider community, demonstrate good stewardship and ensure the stock's long term sustainability.	
Objectives	
5.1	To develop our existing approach to portfolio scoring to indicate priorities for investment and any need for more detailed option appraisal.
5.2	Support for neighbourhood level management plans.
5.3	Review options where demand is low, costs are high, or there is an opportunity to make better use of the assets.
Requirements	
5.1	A measure of portfolio performance which can be kept up to date as a reliable guide to investment priorities.
5.2	Development of our approach to preparing estate improvement plans.
5.3	Asset management support for estate regeneration.
5.4	A review of the opportunities provided by under-used HRA land.
5.5	Option appraisal for marginal schemes.
5.6	Strategies aimed at achieving better use of the stock.

Our aim is to ensure that there is a continuing demand for our properties and to identify stock that is, or may become, a liability. Such properties may be a drain on resources and best suited for disposal or redevelopment. It is important that we do not continue to invest in properties if there is a question about their short to medium term future.

5.1 PORTFOLIO PERFORMANCE

OCC will develop an index, which uses indicators and compares environmental and socio-economic criteria in order to assess scheme viability and inform stock investment and disposal policies.

5.1 Portfolio Performance	
Objectives	
Portfolio performance	Measure on a scheme and area basis.
Tasks	
Index	Develop use of this to better inform portfolio management decisions.

5.2 ESTATE IMPROVEMENT PLANS

We know that the quality of the estate environment is important, and we will consult with residents as part of work to agree the *Oxford Standard*.

However, we want to be more ambitious, and link environmental works to other aspects of estate or neighbourhood planning. This would encompass:

- Renewal of some of the worst areas of hard and soft landscape, aiming to improve the visual impact, design-out crime, reduce maintenance costs and improve the sense of safety, well-being and ownership.
- Reviewing the opportunities to provide additional homes on under-used land.

We have a scheme investment budget for local determination. We believe that this work should be linked to neighbourhood or estate based plans. These plans would provide a basis for a more coordinated approach to asset management, and particularly to recognise that housing management should not be undertaken in isolation from investment planning.

A key role of estate improvement plans is to identify properties that are at risk of low demand and to prepare action plans to deal with them before they become financial liabilities. If the stock can achieve target standards at reasonable cost, the business plan will provide for coordinated re-investment that includes environmental works to secure the long term future of the area. Proposals for disposal will be reviewed in terms of the impact on the local community.

5.2 Estate improvement plans	
Objectives	
Develop an approach	Agree an approach to preparing neighbourhood or estate plans
Monitoring	The performance of estate improvement plans should be monitored, requiring the starting assumptions to be recorded.
Tasks	
Principle	Agree that neighbourhood planning is a realistic approach to linking housing management, asset management and development.
Define priorities	Agree priorities for estate improvement plans, informed by estate sustainability
Development	Use option appraisal to identify opportunities for new development.
Land management	Consider “greening” areas where there are problems due to over density

5.3 OPTION APPRAISAL

The need for scheme or estate based option appraisal will be identified through work on portfolio performance. However, the immediate priorities for option appraisal are:

- Regeneration
- Land and related assets
- Remodelling and disposal
- Housing needs
- Rationalisation and reconfiguration

Land and related assets

To support the housing strategy it is important to undertake a detailed review of the re-development potential across all our estates. ‘Hidden Homes’ is a key issue for a number of our peer organisations.

OCC proposes to establish two categories:

- A review of the potential for ‘Hidden Homes’. This involves the identification of redundant or underused spaces on existing Council estates and consider the possibility of creating new homes for local people; and
- Permanent environmental treatment where land has no potential alternative use.

We believe that imaginative solutions could increase the number of homes on our estates, through remodelling while improving the environment and making a positive contribution to the life of the community.

Remodelling and disposal

Remodelling is an option for specific schemes in our ownership.

In general terms, disposal of assets is not a high priority for OCC. However, there are occasions where a scheme may be expensive to maintain and delivers little social value. In these circumstances the best option may be redevelopment or disposal. We will evaluate these schemes within the OCC criteria and in consultation with area representatives.

Better use of the stock

As part of making better use of the housing stock, we will look at ways to minimise under-occupancy of the existing stock. There is logic in a policy which encourages movement to more appropriate stock that releases under-occupied homes for the use of families. We will work with representatives to develop an under-occupation strategy that will include incentives to assist people to move into smaller and more suitable accommodation.

The appraisal model is shown in the appendices.

5.3 Option appraisal	
Objectives	
Regeneration	Support development and regeneration plans
Re-modelling	A methodology for evaluating options for individual properties or schemes
Land	Assess the potential of sites.
Better use	Development of an approach to widening housing options.
Tasks	
Criteria	Adopt an approach to option appraisal that takes into account estate regeneration
Scheme	Apply scheme based option appraisal as required
Land assets	As part of investment plans and consultation with tenants on environmental works, assess development opportunities offered by sites and under-used land.
Under-occupancy	Prepare a strategy which offers housing options to those who might benefit from moving to a more suitable home.

6. STOCK INVESTMENT PLANNING

Goal	
To support business planning by delivering investment plans for the existing stock that are affordable.	
Objectives	
6.1	Prepare a 30 year investment plan.
6.2	Carry out a programme of component replacement identified through the stock condition survey.
6.3	Ensure all work is value for money.
Requirements	
6.1	Investment planning and budgeting.
6.2	Programme of component replacement planned and costed on a five year rolling programme, with the minimum decent homes 100% compliance.
6.3	Ability to demonstrate improving value for money.

OCC must operate a viable business with adequate resources to meet current and future business and financial commitments. Our business plan needs to be informed by asset management information that is reviewed regularly. Our approach to investment planning therefore has the following objectives:

- Improve the quality of management information about the nature, condition and sustainability of the stock.
- Provide reliable and detailed forecasts of future costs to support business planning.
- Show a thirty year investment plan driven by stock condition data.
- Provide a detailed rolling five year planned programme which builds on intelligent timing of component replacement.
- Manage the programme to ensure that it is affordable.
- Obtain value for money, delivering the programme with efficiency to the stated timescales.
- Deliver the programme that customers want within costs that are affordable.

Beyond the delivery of immediate decent homes targets the future investment requirements and business context must be understood. Business modelling is central to the assessment of options, and the AMS will support this by developing capacity to prepare investment plans.

It is essential that we know the level of investment required in the existing stock over future years, and that this investment can be funded. This includes the ability to prepare long-term investment forecasts for the stock; to report on decent homes; and to anticipate any widening of the decent homes agenda to embrace community and environmental criteria.

The requirement is for an investment plan driven by survey based cost forecasts, together with non-survey costs, which represent a complete estimate of the costs of maintaining all assets in good condition over the forecast period. To achieve this we require up-to-date and accurate

information about the condition of the housing stock. The foundation for this is a programme of pre-works surveys and updating of the database in-line with works programmes.

The resultant agreed investment plan, aligned with the business plan, will then be translated into a five year rolling planned programme as the basis for budgeting and procurement.

6.1 INVESTMENT FORECASTS

Future planned and programmed improvement work will provide for the continuous renewal of components in accordance with the life cycle expectations. The Business Plan has been modelled to finance this on-going investment to maintain standards.

The current financial plan includes a thirty year cash flow including provision for major repairs and improvement programmes and the effect of RTB sales. The investment plan have been used as the basis for figures in the cash-flow forecasts.

Resources have been identified in the Business Plan to meet the need for renewals and improvements identified in the stock condition survey. This totals £23,173,133 (exc. fees) over the 5 year plan period.

Table 1 below shows the expenditure identified by the survey over the next five years against the budget provision in the business plan.

It can be seen that while the year by year profile varies the overall budget provision for the next five years is in line with the spend required to meet decent homes.

Table 1

Financial Year	2014/15	15/16	16/17	17/18	18/19	Totals
Catch Up Repairs	920,000	0	0	0	0	920,000
Decent Homes Element Renewal	2,088,984	6,385,893	2,677,816	592,686	10,507,754	22,253,133
Total	3,008,984	6,385,893	2,677,816	592,686	10,507,754	23,173,133
Business Plan Budget	5,222,310	4,909,260	4,701,510	4,493,260	4,493,260	23,819,600
Variance + -	2,213,326	1,476,633	2,023,694	3,900,574	-6,014,494	646,467

Notes:

1. This limited top-level analysis confirms the previous financial projections for meeting Decent Homes and works programmes to date have addressed on-going compliance with Decent Homes.
2. Adjustments will need to be made for expenditure on the tower blocks as the Decent Homes works will be covered in the major tower block project.
3. The year on year programme will be adjusted to smooth out spend over the five year period.
4. The expenditure identified includes the replacement of all elements at the time of life expiry e.g. Kitchens 20 years, Bathrooms 30 years.

Table 2 shows other repairs and planned maintenance items identified by the survey:

Table 2

Other repairs (not DHS)	£440,224	£1,015,827	£516,638	£107,497	£4,021,926	£6,102,112
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These repairs do not contribute to the potential failure of dwellings against decent homes. Four million pounds (Approx. 60%) of this expenditure relates to external area works such as walls, boundaries and paving.

The Council is investing £5 million in estates enhancement and regeneration over the coming five years which is likely to significantly address these repairs although further analysis is required to confirm this.

The current investment plan includes for the cost of maintaining the stock in a decent condition. Any additional costs associated with achieving a higher aspirational standard will be included in subsequent work and where affordable will form part of our business plan.

Schedule of rate assumptions will be reviewed annually, and an annual investment plan provided as an input to the business plan. This annual review will look at the impact of new data, completed works, revised life cycle assumptions, any re-profiling of works, and the impact of any redevelopment proposals. It is essential that asset management plans are reflected in an investment plan that in turn is fundable by the business plan. If our business plan requires flexibility in the investment plan, this must be translated into a revised AMS.

The Energy Policy will be aligned with the Asset Management Strategy and Housing Strategy in order to form a cohesive and joined-up approach. It also has links with the Financial Inclusion Strategy for actions addressing fuel poverty and processes/prioritisation within it will utilise data from the Stock Condition Survey. This is a key consideration in investment planning and budgeting.

6.1 Investment planning and budgeting	
Objectives	
Investment plan	OCC has a strategic planning requirement for maintenance cost forecast over 30 years, at whole stock and scheme level, with the ability to report on main components. The purpose is to see trends and to support business planning.
Business plan	The investment plan will feed into business plans with a clear audit trail. The investment plan will report on the costs of the whole stock, in a consistent way. Reporting will extend to non-survey costs. Related assets and leasehold properties will be included.
Non-survey costs	OCC will prepare investment plans in a format that includes budget forecasts for responsive, void and cyclical works, as well as for contingent works.
Energy Performance	To maximise the energy efficiency and minimise fuel poverty in OCC's housing stock
Tasks	
Resident involvement	Involve residents at the earliest possible stage in the investment planning process
Investment plan	Migrate data into the database, run an investment plan and reconcile against earlier reports,

Review assumptions	Review the schedule of rate and life cycle assumptions annually. Compare against industry standards and peer group benchmarks, and against actual costs experienced by OCC.
Align investment plan with business plan	Review OCC's business plan in the light of investment requirements. Any funding gap to be addressed by specific policies. These options will be modelled.
Energy	<ul style="list-style-type: none"> • Define targets for energy in the housing stock, both in terms of average energy performance (SAP rating) and poorest performers (minimum). These can be monitored on a yearly basis. • Determine basic measures that should be applied to all buildings and roll out (eg draught proofing, loft insulation). • Optimise efficiency by integrating energy efficiency works with planned and reactive maintenance • Consideration of stock for energy generation (renewables) potential • Prioritise larger energy saving works according to <ol style="list-style-type: none"> 1. Energy efficiency measures in terms of cost per carbon saving 2. Funding available and a given budget 3. Determined fuel poverty criteria • Ensure Technical staff working on building based projects are appropriately trained • Ensure tenant-supporting staff and tenants are aware and confident in key energy issues

6.2 PLANNED PROGRAMMES

Our requirement is to maintain up-to-date stock condition information in order to support the development of a rolling five year investment programme. Our database contains data extrapolated to give whole stock information. We can analyse by estate, linking this to an index of failures by decent homes criteria. This can be done while splitting into internal and external works (to fabric) plus communal areas, to identify what work would be done on a purely worst-first basis.

There will be a clear audit trail to demonstrate that the planned programme supports the AMS. In turn, the planned programme will demonstrate compliance with the decent homes standard, and the agreed *Oxford Standard*. In the future a rolling budget will be approved on the basis of the planned programme.

6.2 Planned programmes	
Objectives	
Preparation of planned programme	OCC has a requirement to prepare planned maintenance programmes based on survey data, with the ability to see the impact of accelerating or delaying works programmes. Reporting will be at unit level, to support aggregation by any grouping of units.
Planned programmes	Decent homes failures will be reflected in the planned programme. It should be possible to report on planned programme dates to demonstrate compliance.
Programme priorities	Publication of an indicative annual programme up to twelve months in advance of delivery
Consultation	OCC is committed to consulting with tenants on planned programmes, and to providing better information about when programmes will be delivered. This requires links between a finalised works programme and customer facing systems hosted on the mainframe IT platform

Tasks	
Preparing five year programme	Prepare detailed five year planned programmes at a local level that demonstrate the delivery and sustainability of decent homes.
Coordination	Hold the proposed planned programme on the mainframe so that corporate knowledge is shared.

6.3 VALUE FOR MONEY

Delivering value for money is a key area for service improvement. The aim to be more efficient means:

- An intelligent cyclical programme where preventative works are undertaken, but not done before the work is necessary.
- Potential warranty and handover claims flagged and properly actioned.
- New products identified that minimise maintenance liabilities through durability, easier cleaning and resistance to anti-social behaviour.
- The capacity to analyse repair activity to identify trends and reduce responsive and planned costs by intelligent cyclical or preventative works.
- Procuring contracts to ensure work is completed in the most efficient way and to the highest standards.

Environmental impact will be a key KPI used to monitor our investment programme. We intend to ensure wherever possible that programme waste is sorted on site. Waste will wherever possible be taken to local recycling depots. This not only provides environmental benefits but also reduces the cost of waste disposal.

Our investment programme will also be informed from the outset by a preventative agenda that aims to maximise the amount of future maintenance work that is directed towards planned and programmed activity. This is not a simple shift from responsive to planned. We will develop approaches which aim to extend the life of building components through intelligent planned repairs. This will be linked to our cyclical programme. The objective is to extend the life cycle of key components without seeing an offsetting rise in responsive repairs.

6.3 Value for money	
Objectives	
Benchmarking	Verify that all planned programmes are delivering value for money.
Preventative strategies	To undertake more work as planned programmes, reducing the proportion or responsive repairs, but not replacing components before the end of their useful life.
Reducing delivery costs	To lower end-to-end service delivery costs by doing the right things right first time and cutting out the costs of doing what is unnecessary.
Tasks	
Benchmarking	Establish a framework to verify that packaged planned works are achieving better value for money than responsive repairs.
Maintenance cost analysis	Develop a stronger understanding of the total costs of maintenance activity by monitoring maintenance costs in use for major components.
Cyclical	Develop the programme in more detail, linked to protocols which define repair or

programmes	replace decisions. Plan the monitoring of these programmes to test that they deliver genuine value for money by delaying major works without increasing the cost of responsive repairs. Support this by establishing automatic reports that can track responsive repairs trends by area and components.
Handover procedure	Implement a handover procedure to ensure that outstanding defects are resolved by the planned maintenance contract and do not become responsive repairs.
Demand	Analyse the spread of demand for responsive repairs (by area, type of works and customer characteristics). Review ways in which the demand for small value non-urgent work might be better managed.

7. DELIVERING THE STRATEGY

Sections 4-6 of this strategy focused on how we can improve our housing stock at a cost that we can afford. This means defining the standard, managing the portfolio and improving our ability to prepare investment plans. In order to achieve these ambitions and deliver the strategy there are a number of related tasks that need attention. These are discussed below. The order in which they are presented does not imply any particular priority.

7.1 DATA MANAGEMENT

Stock condition surveys have been undertaken and it is the intention to update stock condition data to a minimum of 20% stock each year. Building upon these surveys, our policy is to move to effective 100% real data through:

- A rolling programme of surveys on approximately 20% of the stock, linked to the cyclical programme and undertaken by our appointed consultants.
- Pre-works surveys as an important opportunity to identify the remaining life of elements that will not be replaced.
- Surveys of void property.
- Data capture from works programmes.
- Data capture from responsive repairs reviews.

Satisfaction data is being collected to measure the performance of service delivery. It is part of the responsive repairs process and is an integral part of the planned programme, through contractors' data validated by OCC. We also record tenant's views about the quality of the void property at the start of a tenancy. We will make sure that this data is used to improve service performance, and by linking it to better data about tenant characteristics this supports our approach to customer profiling.

We understand the need to manage the stock condition database and to continuously improve its quality. Data management is a crucial function. Without the proper skills and staffing the quality of data will decline, and what is there will not be used. The only way to make decisions on a rational basis is to be systematic, comprehensive and proactive in the exploitation of portfolio management techniques. This means combining quality information systems with good data management and then translating data into information which can be used. The data management role to be performed is to:

- Control the collection and management of good quality, consistent data as the basis on which to make decisions about investment priorities.
- Managing overall data quality.
- Manage the asset management software (including rates and life cycles).
- Preparing standard reports (for example, to ensure the proper treatment of block and leasehold costs).

- Preparing ah hoc reports, specifically to support investment and business planning, delivery of decent homes and neighbourhood reviews.

7.1 Data management	
Objectives	
Rolling surveys	Improve the quality of planning data through a programme of rolling surveys supplemented by pre-works inspections.
Works data	Works data is captured as part of the management of planned programmes, and this data is used to up-date the stock condition database. While computing questions tend to take centre stage, the main data problems are procedural: ensuring that accurate and timely programme information is returned at unit level.
Contract management	Timely data requires better communication from contractors about the status of individual orders. This raises questions about the data requirements from contractors and the extent to which systems are shared.
Voids	The requirements for capturing void works data is similar to that for other works programmes.
Responsive repairs	Though responsive repairs is a very important service to tenants the impact on asset management is minor. There are two requirements. First, that any repair ordering is informed by information about planned programmes. Second, that relevant responsive repairs are captured to update the stock condition database.
Satisfaction	Making better use of satisfaction measurement to understand the pattern of demand and to adjust the service to meet different needs.
Managing data	Improve the coverage and quality of data.
Tasks	
Survey priorities	Define the data items to be collected as part of pre-works surveys and link to the proposed delivery programme.
Works data	Review the procedure for collecting works data.
Satisfaction	Review of the approach to collecting and analysing data.
Managing data	Define responsibilities for managing the stock condition database and agree protocols for data collection and quality control.

7.2 INFORMATION SYSTEMS

OCC has access to a specialist asset management package (SAMP), CodeMan to which the recent stock survey outputs are being entered into.

The immediate priority has been to reconcile the new database against the current stock condition survey forecasts and begin the process of shaping more detailed delivery plans. Beyond this we will contribute to a number of related asset management issues which will need to be addressed at local level, but which have implications for the partnership organisations as a whole.

- To hold RDSAP data if required, the collection profile of which changes in late 2014.
- Asbestos is currently held in a stand alone data base. As asbestos information is required for works orders, with the mainframe being the correct home for the data.
- Interfaces will be required to the mainframe, and the objectives of integration will be revisited as part of the asset management software update post conclusion of the stock survey reporting.

- To have the ability to interrogate the responsive repair data and create trend analysis calculations and predictions which will in turn inform future strategic component replacement programmes

7.2 Asset management information systems	
Objectives	
Shared data	All corporate data will be held in the mainframe, including any specialist asset management attribute data which has corporate relevance (eg decent homes results, SAP scores).
Planned programmes	Information about planned programmes to be visible when ordering responsive repairs.
Gas data	Make the best possible corporate use of gas servicing records
Tasks	
Implementation plan	Asset management implementation plan for the migration of data to address issues of integration with the mainframe.
Shared data items	As part of the implementation plan, agree attributes to be passed between CodeMan and the mainframe.
Interfaces	Robust and performance tested.
Planned maintenance	Define the requirements for managing planned maintenance in partnership with the contractors delivering the planned programme.
Trend analysis	Develop a procedure to enable trend analysis of the responsive repairs to enable this data to inform future strategies

7.3 SERVICE STANDARDS

It is essential that we understand our customers and then translate this knowledge into more responsive service. The annual STAR survey of tenants provides an insight into how well issues around repairs are dealt with:

- 68% (the highest return) said repairs and maintenance was the highest priority service we provide them with
- 78% had had repairs to their home in the last year. 83% are happy with how repairs and maintenance is dealt with. 90% were happy with the overall quality of the work. 95% said appointments were kept
- 69% of tenants had contacted the council about their house in the last month. 78% of these contacts were about repairs. 90% of them phoned us and 7% visited us
- 64% felt that when they were initially interviewed (by phone or face to face) the speed of the repairs service was 'fair' or 'poor'
- Most tenants (58%) aren't aware of the council's published service standards
- 50% of tenants have access to the internet at home. 24% are happy to be contacted by email but 79% would wish to use telephone.

This high level of overall satisfaction for repairs is confirmed by the ongoing monitoring of customer satisfaction through the Council's GovMetric system (data from April to December 2012).

Channel	Good	Average	Poor
F2F	47.4%	21.1%	31.6%
Telephone	91.6%	7.3%	1.1%
Web	16.7%	0.0%	83.3%
Grand Total	90.8%	7.4%	1.7%

In addition, the customer feedback system for monitoring complaints, comments and compliments shows that compliments for the service outweigh complaints by over 4:1 (data from April to December 2012):

Work Area	Comment	Compliment	Stage 1 Complaint	Stage 2 Complaint	Stage 3 Complaint
Day to Day Responsive Repairs	312	624	108	7	7
Planned Maintenance	2	4	14	1	
Surveyors		1	16		
Grand Total	314	629	138	8	7

It is important to collect and use customer profiling information as the key to performing well on diversity. Accurate and comprehensive profiling information will be used to set targets and performance indicators. Information will be available to staff and to contractors where relevant.

Our AMS is supported by a comprehensive repairs and maintenance policy which shows what will be delivered, when and how this will be done, and the standards to be applied to the measurement of performance.

Improvements will be made to the way we handle and learn from complaints. Tenant satisfaction surveys are undertaken following decent homes programmes, and we will be more systematic about our approach to new lettings surveys.

These mechanisms used together are intended to embed tenant involvement in service monitoring and development, using customer satisfaction to drive-up standards, and then linking this back to show how customer feedback has shaped the service.

7.3 Service standards	
Objectives	
Customer satisfaction	Collection of reliable information about service standards.
Better customer information	Collection and analysis of data to shape service delivery more intelligently.
Better customer feedback	Listening to customers, acting on what customers have said, and then feeding this back to show how their views have influenced service delivery.
Better use of complaints	Not only to resolve complaints but also to demonstrate learning where the experience has wider applicability.

Tasks	
Validation of satisfaction scores	Introduction of checks on the satisfaction ratings reported by contractors on planned maintenance and responsive repairs
Service process review	Review repair and maintenance processes, looking for simplification and quality gains
Complaints procedure	Review the repair and maintenance element within the overall corporate complaints procedure.
Training	Initiate a continuous training programme on customer care induction training, extending it to include contractors.
Performance indicators	Complete a comprehensive review of performance indicators.

7.4 RESIDENT INVOLVEMENT

Resident involvement forms a very important part of the process of making decisions about assets.

Investment in assets should reflect the views expressed by residents in Customer Surveys and via other feedback mechanisms. Residents will be involved in investment decisions and specific tenants will be consulted about locally applicable proposals and strategies, for example in relation to remove stock reduction and conversions.

Additionally, we will put in place:

- A Resident Involvement Compact written in conjunction with residents.
- A Resident Involvement Strategy that sets out how residents will be involved in the development of plans and in the execution of works.
- A regular newsletter that has service users on its editorial panel.
- A core group of informed residents who are active within the organisation.
- A staff resource to facilitate and co-ordinate resident involvement.

Our strategic objective is to ensure tenants are at the heart of decisions taken in planning, delivering and monitoring our service, with discussions on Oxford Standard and estate improvement plans being the priorities within this AMS.

7.4 Resident involvement	
Objectives	
Aspirations	Agree aspirational standards.
Environment / Energy	Agree environmental / Energy standards.
Service standards	Agree service standards.
Tasks	
Aspirations	Involve tenants in defining aspirational standards.
Environment	Involve tenants in defining environmental standards.
Service standards	Involve tenants in defining service standards.
Security	Involve tenants in defining base security measures and at a neighbourhood level

7.5 RESPONSIVE AND VOID PROPERTY REPAIRS

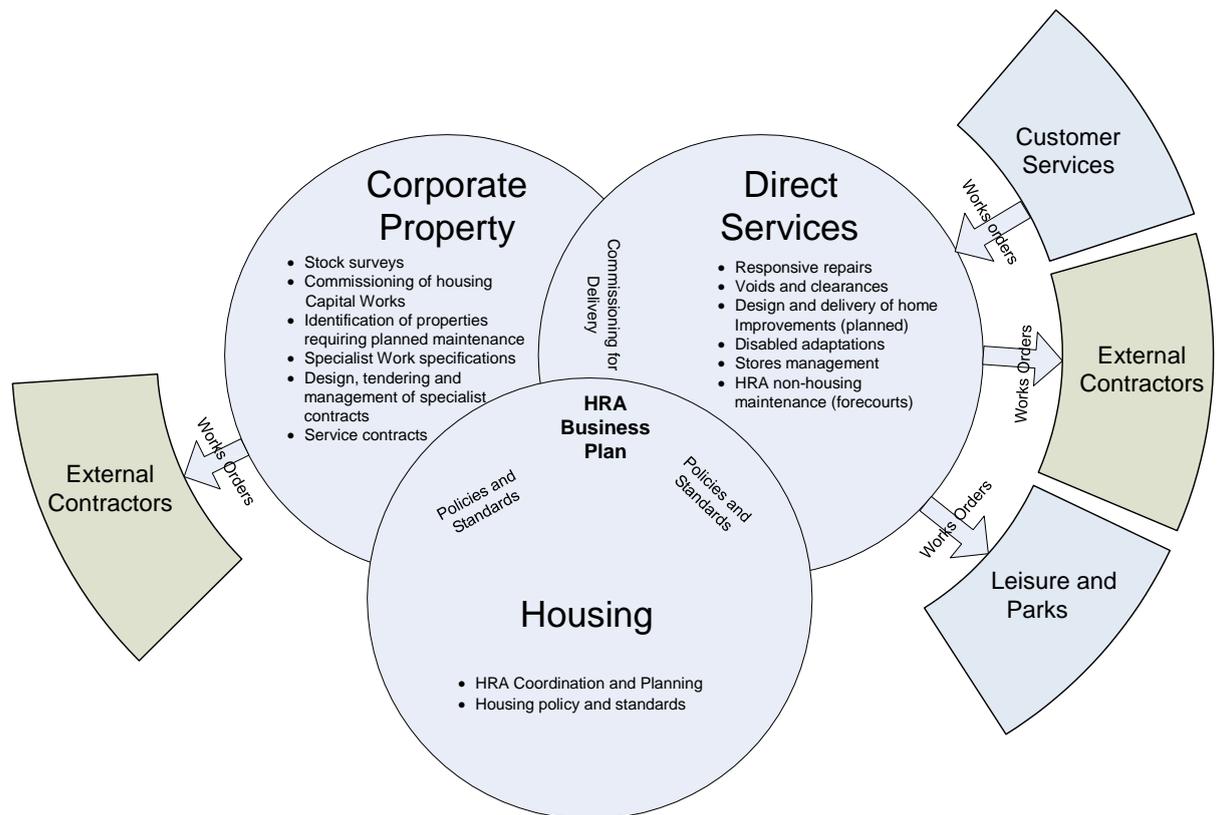
Fundamental Service Review

In 2012 a Fundamental Service Review was undertaken of Housing repairs and maintenance delivery. Key findings were:

- 7822 properties were maintained and 25,078 repairs were undertaken during 2011/12
- Each year approximately 350-400 voids occur, 350 kitchens are replaced, 260 bathrooms are replaced, 440 boilers are replaced and 300 windows are replaced
- £9m is spent on responsive and cyclical housing repairs (£3m responsive, £6m planned)
- £8-9m is allocated in the capital programme for housing maintenance

Internal and External Relationships in Housing Repairs

The management and fulfilment of housing repairs involves three council service areas directly and one indirectly, as set out in the diagram below. This has formed the basis for the Fundamental Service Review (FSR).



The relationships between the different services use a mixture of formal and informal commissioning to undertake work. A brief summary of the main interactions is set out below:

Day to day (responsive) repairs

- Residents report repairs to the Customer Service Contact Centre, which uses Lagan CRM scripting based on the tenants' Repairs Handbook to diagnose

repairs. Repair jobs are raised via the Lagan CRM direct to Direct Service's Job Costing System 'Servitor', along with appointing to most jobs at the time of call.

- Follow-up jobs (from initial inspections or repairs) are programmed directly by Direct Services and undertaken by them or external contractors where specialist trades or equipment are required (e.g. scaffolding), or where contracts have been set up by Corporate Property (e.g. door entry systems). Any tree work or maintenance of vegetation is placed with Leisure and Parks to undertake.

Planned repairs and improvements (i.e. to maintain the decent homes standard)

- Housing stock condition records are held and maintained by Corporate Property using a computer database (Codeman) which receives manual data entry following on-site surveys and direct services works. This is used to identify properties requiring replacement fixtures in order to maintain the decent homes standard, against the agreed replacement timescales
- Direct Services are commissioned on an annual basis to fulfil the replacement programme. Some additions to the programme will be included for properties becoming void (see below)
- Direct Services are responsible for the programming and design of minor improvement schemes including disabled adaptations.
- Major improvement schemes (e.g. tower block refurbishment) will be specified and tendered by Corporate Property directly with external contractors

Voids and re-letting

- Housing and Direct Services work closely together to act swiftly on properties becoming vacant. Direct Services deal with initial inspections of the property prior to tenancy termination, and handling key returns. They provide updated information on properties for advertising vacancies to Housing
- Once vacant, Direct Services undertake any works to bring the property up to the local void standard.
- Housing carry out shortlisting of potential tenants, with Direct Services undertaking viewings and signing up new tenancies

Future focus of Responsive Repairs

The strategic objective for OCC is to deliver a value for money service that meets the needs of our customers and achieve continuous improvement. Key objectives include:

- Achieve top quartile performance in all aspects of responsive maintenance.
- An optimum balance of expenditure between emergency, urgent and routine responsive repairs having regard to good practice guidelines.
- Support for economic regeneration by providing training opportunities for young people.
- Operate an appointment system / balanced score card (pain and gain)

We will:

- Continue to analyse the proportion of emergency repairs to see whether there are patterns that can be addressed, and set targets to reduce the proportion of work carried out as emergencies or urgent.

- Consider how energy efficiency works can be incorporated into this process to maximise efficiency
- Identify repair hotspots and develop strategies to address individual and collective issues.
- Reduce the overall volume of responsive repairs through planned programmes, batched repairs and predictive analysis.
- Attempt to reduce back-office costs by better system integration.
- Operate a system to retrieve Schedule of Rates data to inform future strategies

Future focus of Void repairs

Our strategic objective for voids is to maximise the use of our stock. The key objectives are:

- To reduce the time taken to re-let properties.
- To maintained the lettings standard consistently across our stock.

The management of void properties requires:

- Understanding our current and future customer profile.
- Managing a stock of dwellings that is suitable for and adapts to this profile.
- Maintaining and improving the stock to a level that our customers find attractive.
- An ability to present attractive dwellings for re-let within acceptable timescales and costs.

We are determined to turnaround voids in the most effective way and this means:

- Effectively managing the entire void process
- Encouraging tenants to leave their home in a good state of repair.
- Minimising re-let works within the agreed lettings standard.
- Use of decorating allowances.
- Working with our service partners to improve quality against agreed KPIs while reducing levels of inspection.

7.5 Responsive and void works	
Objectives	
Service management	Focus on the end-to-end responsive repairs service.
Improve customer satisfaction	Increase the percentage of jobs completed at first appointment and within timescale.
Delivering a value for money service	Reducing the overall volume of responsive repairs and decrease the proportion of jobs undertaken as emergency or urgent. Increase the proportion of work done under planned programmes.
Reducing the cost of service delivery	Simplifying the process to get the right job done at the first visit.
Maximum use of the stock	Reduce void relet times.
Adaptations	Continue to offer a very good service while achieving better value for money.
Tasks	

Service management	Develop the client role in monitoring overall service quality, developing QA functions and maximising customer feedback.
Tenant incentives	Review the use of incentives to encourage tenants to leave their homes in good repair.
Decorating allowances	Review the operation of allowances to maximise their use, minimise inconsistency and protect the needs of those who need more help.
Planned works	Create additional planned maintenance packages to cover additional areas of work targeted at reducing responsive repairs.
Defects	Reduce the demand for responsive repairs by minimising defects in planned programmes and specifying components based on whole life costing.
Void costs	Set a target for reducing the average unit cost of voids.
Future levels of demand	Undertake a review of the adaptations service to identify future levels of demand and the impact of DFG funding.

7.6 RESPONSIBILITIES

Ownership of the AMS

Ownership of the AMS rests with the Head of Housing and Property.

The ownership must be able to demonstrate that it has participated fully in the development of the AMS. Specifically it must ensure that the organisation's long term strategic objectives are converted into achievable plans with clear, measurable targets set within realistic timescales.

Financial control

Financial control will be in accordance with the OCC Scheme of Financial Delegation, in conjunction with: Standing Orders; Procurement Policy; budgeting control, procedures and guidelines; and all other applicable policies.

Risk Management

This AMS shall be subject to prudent risk management principles including an annual review and report to the relevant Committee forum.

The relevant Committee forum will also receive regular reports on related strategies and programmes, for example related to the delivery of the thirty year investment programme and retaining the decent homes target.

Progress and control of the asset management programme will be monitored and scrutinised. Quarterly progress reports on progress are presented including:

- Progress against AMS targets and key performance indicators.
- Report of budget approvals made through delegated powers.
- Budget monitoring.

A two-year external audit of the action plan will enable progress to be reviewed along with incorporation of new and emerging related initiatives.

APPENDIX ONE: FOUR YEAR ACTION PLAN

4.1 Demonstrate delivery of decent homes		When/By
Data collection	Ensure data is collected in a proper form capable of demonstrating decent homes compliance.	J Gould <i>(Completed)</i>
4.2 Oxford Standard		When/By
Oxford Standard	Agree a standard for OCC, including affordable warmth and environmental criteria.	M Shaw <i>(Completed)</i>
Modelling of costs	Assess the costs of the aspirational standard to ensure the standard is fundable by the business plan.	J Gould / M Shaw <i>(Completed)</i>
4.3 & 4.4 Regulatory requirements		When/By
Fire risk Assessments & electrical testing regime	Review current arrangements for the rolling programme of testing and resultant works to ensure a proactive approach is maintained and robust escalation process for potential non-complaint.	J Gould (April 2015)
5.1 Portfolio management		When/By
First-cut	Undertake first-cut analysis for comment.	J Gould (June 15)
5.2 Estate improvement plans		When/By
Principle	Agree that estate improvement planning is a realistic approach to linking housing management, asset	M Shaw <i>(completed)</i>
Define priorities	Agree priorities for estate improvement plans, informed	Mgmt Team (June 15)
Development	Use option appraisal to identify opportunities for new development. Phase 1	M Shaw (September 2015)
5.3 Option appraisal		When/By
Criteria	Adopt an approach to option appraisal that takes into account estate regeneration	M Shaw (Sept 2015)
Scheme	Apply scheme based option appraisal as required	M Shaw (Sept 2015)
Land assets	Complete the review of investment plans and consultation with tenants on environmental works, assess development opportunities offered by garage sites and under-used land.	M Shaw (Sept 2015)
Under-occupancy	Jointly prepare a strategy which offers housing options to those who might benefit from moving to a more suitable home.	G Parsons (Sept 2015)
6.1 Stock investment planning		When/By
Investment plan	Migrate data into AMS, run an investment plan and reconcile against earlier reports.	J Gould (completed)
Review assumptions	Check SOR and life cycle assumptions. Compare against benchmarks and against actual costs experienced by OCC.	J Gould (June 2015)
Align investment plan with business plan	Review OCC' business plan in the light of investment requirements. Any funding gap to be addressed by specific policies. These options to be modelled.	M Shaw (completed)
Energy performance	Complete analysis of energy data, establish priorities and agree energy targets and overall strategy. Ensure that energy efficiency is	J Gould / Debbie Haynes (May 2015)

	voids to optimise efficiency. Consider how income can be evaluated to target homes most at risk of fuel poverty.	
6.2 Planned programmes		When/By
Preparing five year programme	Prepare detailed five year planned programmes at a local level that demonstrate the delivery and sustainability of decent homes.	J Gould (completed)
Coordination	Pass the proposed planned programme to other staff so that corporate knowledge is shared.	J Gould (May 2015)
6.3 Value for money		When/By
Benchmarking	Verify that all planned programmes are delivering value for money.	J Gould / G Bourton (September 2015)
Maintenance cost analysis	Develop a stronger understanding of the total costs of maintenance activity by monitoring maintenance costs in use for major components.	J Gould (June 2015)
Cyclical programmes	Develop the programme in more detail to include optimisation of energy efficiency measures, linked to protocols which define repair or replace decisions. Plan the monitoring of these programmes to test that they deliver genuine value for money by delaying major works without increasing the cost of responsive repairs. Support this by establishing automatic reports that can track responsive repairs trends by area and components.	J Gould / (June 2015)
Handover procedure	Implement a handover procedure to ensure that outstanding defects are resolved by the planned maintenance contract and do not become responsive repairs.	(September 2015)
Demand	Analyse the spread of demand for responsive repairs (by area, type of works and customer characteristics). Review ways in which the demand for small value non-urgent work might be better managed.	(June 2015)
7.1 Data management		When/By
Survey priorities	Define the data items to be collected as part of pre-works surveys and link to the proposed delivery programme.	J Gould (completed)
Works data	Agree the procedure for collecting works data	J Gould (completed)
Satisfaction	Review of the approach to collecting and analysing data.	J Gould (October 2015)
Managing data	Define responsible for managing the stock condition database and agree protocols for data collection and quality control.	J Gould (completed)
7.2 Asset management information systems		When/By
Implementation plan	Prepare an implementation plan to migrate data into the SAMP and to address issues of integration with mainframe.	J Gould (<i>complete</i>)
Shared data items	Agree attributes to be passed between the SAMP and mainframe	J Gould (dependant on IT review) TBA
Interfaces	Agree the interface requirements between the SAMP and mainframe	J Gould (dependant on IT review) TBA

Planned maintenance	Define the requirements for managing planned maintenance in partnership with the contractors delivering the planned programme. Optimise energy efficiency considerations whenever possible and practical to do so.	J Gould (June 2015)
Asbestos	Update IT systems to include all data on one system and ensure information is available to contractors. Review asbestos management policy	J Gould (June 2015)
H&S monitoring	Update IT systems to include all data on one system to allow comprehensive reporting on compliance.	J Gould (June 2015)
7.3 Service standards		When/By
Validation	Introduction of checks on the satisfaction ratings reported by contractors on planned maintenance and responsive repairs.	J Gould (June 2015)
Service process review	Prepare an action plan for a phased review of repair and maintenance processes looking for simplification and quality gains.	(Sept 2015)
Complaints procedure	Review the repair and maintenance element within the overall corporate complaints procedure.	(April Sept 2015)
Performance indicators	Review performance indicators relating to customer service, specifically right first time and resident feedback	S Fry (Sept 2015)
7.4 Resident involvement		When/By
Aspirations	Involve tenants in defining aspirational standards.	M Shaw (completed)
Environment / Energy	Involve tenants in defining environmental / energy standards.	M Shaw (Sept 2015)
Service standards	Involve tenants in defining service standards	Completed
Security	Involve tenants in defining base security measures and at a neighbourhood level in line with estate improvement plans	M Shaw (October 2015) and on-going
7.5 Responsive and void works		When/By
Service management	Develop the client roll in monitoring overall service quality, developing QA functions and maximising customer feedback.	(Sept 2015)
Tenant incentives	Review the use of incentives to encourage tenants to leave their homes in good repair.	B Graves, S Fry, K Lang (Sept 2015)
Decorating allowances	Review the operation of allowances to maximise their use, minimise inconsistency and protect the needs of those who need more help.	B Graves, S Fry, K Lang (Sept 2015)
Planned works	Explore the potential for additional planned maintenance packages to cover additional areas of work targeted at reducing responsive repairs.	J Gould (September 2015)
Defects	Reduce the demand for responsive repairs by minimising defects in planned programmes and specifying components based on whole life costing.	J Gould / P Yerburch (April 2016)
Void costs	Set a target for reducing the average unit cost of voids.	Completed
Future levels of demand	Undertake a review of the adaptations service to identify future levels of demand and the impact of DFG funding.	G Parsons (completed)

7.6 Responsibilities		When/By
Audit	Periodical (every two years) external audit on the Action Plan to track progress, update for emerging and relevant initiatives and to re-prioritise as required	External Asset Management Consultant (April 2016)

APPENDIX TWO: DECENT HOMES

A decent home, as described by government, is one that is safe, wind and weather tight, warm and has modern facilities. In order for a social landlord to achieve this aim any individual dwelling must meet all four of the following criteria:

It meets the current statutory minimum standard for housing

This is now defined as having no Category 1 failure under Version 2 of the Housing Health and Safety Rating System 2004.

It is a reasonable state of repair

Dwellings that fail this criterion are those elements such as roofs, rewires, boilers etc that are old (i.e. their age exceeds their life cycle) **and** in poor condition (i.e. identified by the surveyor as needing replacement or a major repair).

The elements listed within this criteria are sub-divided into two sections, key components and non-key components. Failure of a single key component will fail the dwelling completely, whereby the non-key components require two or more failures to make the property non-decent. Key components are elements such as roof, walls, windows, central heating boiler. Non-key components include kitchen, bathroom and radiators.

Whenever a key component fails then the property will become non-decent in that year. The concurrent failure of two non-key components may occur over several years (e.g. a kitchen in year 1 and bathroom in year 5).

It has reasonably modern facilities and services

The guidance lists six points of failure and any individual dwelling must fail on three or more items to be deemed non-decent. The six items are:

- Kitchen more than twenty years old
- Inadequate space and layout of kitchen
- Bathroom more than thirty years old
- Inappropriate bathroom location
- Inadequate space in common areas
- Excessive external noise

It provides a reasonable degree of thermal comfort

This criterion requires dwellings to have both effective insulation and efficient heating. The standard is low, with 50mm of roof insulation or cavity wall insulation being sufficient for homes with gas central heating.

Decent Homes Plus (*Oxford Standard*)

In 2005, the Government introduced the Housing Health and Safety Rating System (HHSRS) which replaced the “fit for habitation” criteria of the DHS. The HHSRS is far more onerous and takes into account 29 separate factors in relation to health and safety in the home.

The “plus” standard suggests more rigorous and demanding objectives which encompass some areas which were traditionally “non-core” decency issues. Amongst these are:

- A much more ambitious thermal comfort criterion which is in line with Building Regulations in force at the time the new Standard is set
- Accessibility standards for elderly and disabled people
- Internal noise insulation within and between dwellings
- Standards for the external environment (i.e. communal areas) that integrate Decent Homes Plus with Sustainable Communities policy.

There is currently no such thing as a “standard” Decent Homes Plus policy as every housing provider has its own aims and objectives in bettering the basic DHS. So typically, providers will include things such as:

- a. Doing more than the DHS
- b. Doing thing faster / more frequent than the industry standard
- c. Doing non-core DHS criteria
- d. Enhancing the external environs.
- e. Providing heating and insulation improvements
- f. Providing better sound insulation

The “Oxford Standard” has been developed to reflect the above.

APPENDIX THREE:

Sustainability Appraisal model

We recognise that care needs to be taken not to re-invest in poor performing areas at the expense of all others, nor should high risk re-investment occur without due consideration, option appraisal and piloting (on the basis that re-investment needs may not be the root cause of the poor performance).

Our appraisal process captures the expectations of the Regulator in demonstrating:

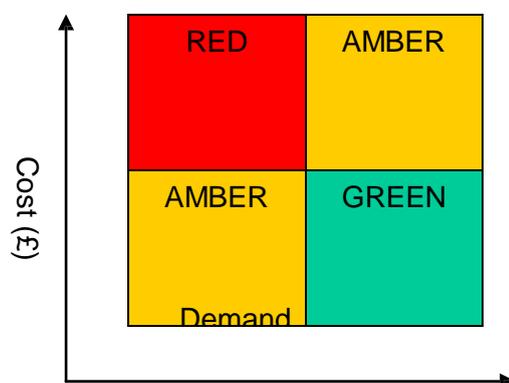
- an understanding of the value of assets including details of financial, social and environmental return at a detailed enough level to enable analysis of differing values of different stock according to location or type (e.g. Net Present Values or NPVs);
- that an understanding of such returns underpins strategic asset decisions;
- a proactive approach to asset management.

Our framework is the starting base for this evaluation process.

Re-investment will therefore be prioritised and with a bias towards those units that are deemed to be of low risk and high demand, as identified through the Sustainability Model, an operational tool that is used to assess sustainability.

Re-investment Priorities

Priorities will be identified through the Sustainability Model. This will consider a range of inputs, including income, demand and projected costs. Properties will be classified as red, amber or green (RAG status):



The portfolio will be divided into one of three categories:

1. **Red** – Those properties deemed to be of high risk (i.e. requiring higher than average levels of re-investment (or cost) in order to maintain them in a good lettable condition) and/or that are in low demand (i.e. are difficult to let or which have an unjustifiably high void turnover rate).
2. **Amber** – Those properties that offer peripheral performance and that require further investigation to be reclassified as either red or green.
3. **Green** – Those properties that are in high demand and that require average or below average levels of re-investment. This category may otherwise be described as 'core stock'.

Re-investment is influenced by these categories as follows:

1. **Red** (on hold/under review) – No major expenditure permitted. To be maintained on an 'essential only' limited responsive basis, plus essential cyclical (e.g. statutory gas servicing).
2. **Amber** (under review) – No major expenditure permitted unless an options appraisal has been undertaken to assess the impact of any re-investment on future works requirements and the likely impact on demand. Otherwise to be maintained on a responsive and cyclical regime only.
3. **Green** (go ahead) – All expenditure permitted

Property in Red or Amber status are to be the subject of further investigation, or review, through an options appraisal, until they are either re-classified or until such time as an alternative strategy is agreed (disposal or re-development for example).

A key consideration is the aspirations of residents.

The Red/Amber/Green status will be determined by plotting the re-investment required (cost) for the proposed projects against demand. For the portfolio as a whole the results of this exercise can be plotted to identify the clusters of each status as illustrated below:

The assessment of cost is made with direct reference to the Asset Management Database and associated reports. This will include the exceptional expenditure requirements to non-traditional dwelling structures for example.

Demand will be assessed with reference to housing management perception, informed by void turnover rates and associated performance indicators. Detailed options studies will take account of additional information such as new scheme Housing Quality Indicators.

We believe that paying attention to the views of residents will assist with improving satisfaction with the service as a whole.

Area based Sustainability Plan (for more than one property e.g. estates / areas etc.):

Sustainability Plan – (Address / Area)

Date (month & year)

Property details:

Number – total number of units (inc. supported/ sheltered)

Type – State if properties are mainly 2/ 3 bed, Terraced/flats, non traditional form of construction

Supported/ Sheltered – how many scheme's, No. of units, client group

Sizes – Breakdown of no. of 1beds , 2beds etc.

Balance –how many units are new build & rehabs

Local Environment – wider environment considerations including bio diversity, risk exposure, overheating, contaminated land etc.

Flood Risk - Any properties found to be at risk of flooding should be assessed for the relative benefits of:

Resilience measures – permanent internal works to significantly reduce repair costs and recovery periods in future events (potentially costly – so best undertaken during flood repairs or other refurbishment)

Resistance measures – fitted or demountable defenses to keep the water out. (These can require annual maintenance and / or 10-20yr renewal)

Planned response – Council action when floods occur

Communal defenses – on nearby land to protect groups of houses

Return on Asset

Cost to maintain & invested – v- contribution to housing stock

Traffic light assessment

Assess the overall condition of the stock using the following guidance.

GREEN – Properties in good condition. High demand

AMBER – Properties need improvement. Low demand

RED – Properties in poor condition. No current demand or hard to let.

Example. Amber for property condition & Green for demand

Photo's

Please include photo's that give a perspective of the stock

Neighbourhood information:

Wards / Estates / Neighbourhoods

Tenure balance:

Owner occupied % LA % RSL % Private rented %

Demographic profiles (and future expected profile)

Match to stock profile leading to gap analysis

Schools: Example; Good choice of primary & Secondary schools.

Transport links: Example; Good bus links into city centre

Crime: Example; Poor reputation

House prices: Example; Lower end of the market. Include approximate price.

Employment: Example; - Universities & city centre

Introduction

Provide a very brief flavour of the area;

Is the stock generally pepper potted

Is the area characterised by terraced streets/ Victorian houses converted into flats/
new build

Low income households

BME composition

New emerging communities

Key issues

What are the key issues for the community

E.g. tackling crime, environmental concerns

What is the Housing Needs Survey showing for the area

Our Status

How would you describe our role in the area? Are we 'participants' 'contributors'
'influencers' or 'leaders' in delivering neighbourhood services and regeneration?

Investment / regeneration status

Is the area part of a renewal area?

Is a Local Area Plan or a development framework in place?

If so mention which one and who the lead organisations are.

Briefly state what the key initiatives are?

Weaknesses/ Opportunities:

Consider the our role in the area and opportunities for us to explore in the following areas:

Planned Works

State planned investment for next 3 years
Additional work required

Development

State any planned Development work

Regeneration

Our initiatives in place
Opportunities for to explore

Key Recommendations

Outline your key recommendations for the area

Detailed Property Appraisals for “Red” Indicator Properties

Property appraisals will be undertaken on particularly high maintenance individual units that have red indicators but appear within areas that are otherwise generally no concern. They will also be undertaken whenever a property presents with exceptionally high current relet cost. This will ensure that all red indicator properties are assessed before any spending decision is made. The objective of the appraisal exercise is to ensure that we are able to let the property and thereby continue to generate satisfactory levels of rental income. At the same time, we need to be satisfied that we can maintain the property at a reasonable cost while tenanted. The appraisals will be undertaken by considering the following factors and performance indicators:

1) Disrepair

Identify the disrepair issues at that property

2) Demand for that property type

Information to assess this will be obtained from our own waiting list information and demand trends obtained from the local authority.

3) Property suitability

The layout, internal features and external facilities of the property will be assessed to determine suitability, particularly in regard to the client Association.

4) Condition of adjacent properties

Adjacent properties will be assessed to determine their use and their condition.

5) Strategic importance

The relative importance of the property to the stock holding is assessed. The local authority’s local strategy for the area is considered.

6) Opportunity cost

All of the risks associated with not carrying out the work are identified.

Options

In the light of information obtained in respect of the factors above, a judgement is made as to which options would deliver the best result for the organisation.

a) For demand issues:

- Use of marketing measures
- Regeneration section to seek funding opportunities / lobby local authorities to make environmental improvements etc.

b) For property issues:

- If caused by failure in DHS state when the work will be done to address the failure

c) General issues:

- Carry out the required repairs
- Carry out a modified list of work
- Carry out improvements

d) Severe issues:

- Transfer the property to another landlord
- Disposal on the open market
- Do not repair but keep vacant

A discounted cash flow analysis will be undertaken before any decision is made to sell.

Following the above a clear analysis and outcome can be shown in order to determine the most viable long-term option. Irrespective of how long the evaluation process takes and to implement the ultimate decision, all works that relate to compliance with health and safety matters shall remain in place.

APPENDIX FOUR:

Fuel Poverty: a framework for future action - DECC, July 2013

The new indicator

A new indicator of fuel poverty finds a household to be fuel poor if:

- Their income is below the poverty line (taking into account energy costs); and
- Their energy costs are higher than is typical for their household type.

It also uses a fuel poverty gap-difference between a household's modelled bill and what their bill would need to be for them to no longer be fuel poor to measure the severity of the problem faced by fuel poor households. This gives twin indicators of the 'extent' and 'depth' of fuel poverty. Illustrative levels are shown in Fig 2.

The aim is for higher accuracy and an increased ability to identify those who are suffering the most severe fuel poverty. The new Low Income High Costs (LIHC) indicator of fuel poverty finds 2.5 million households in England to be fuel poor in 2010, with a total fuel poverty gap of £1 billion or £405 per household in fuel poverty (see Fig 1).

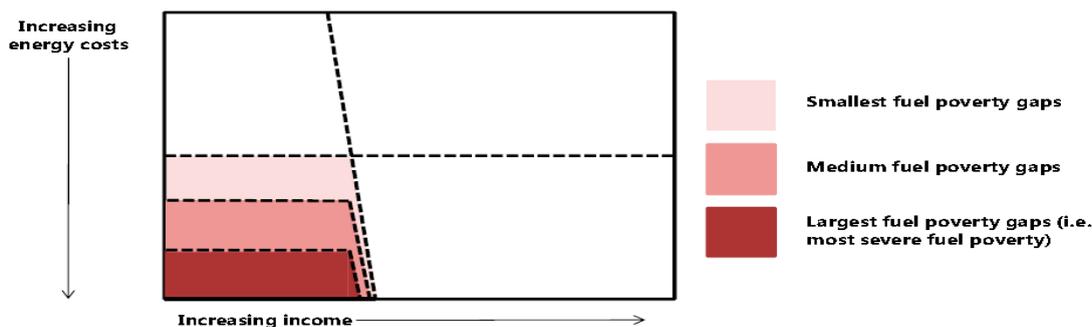
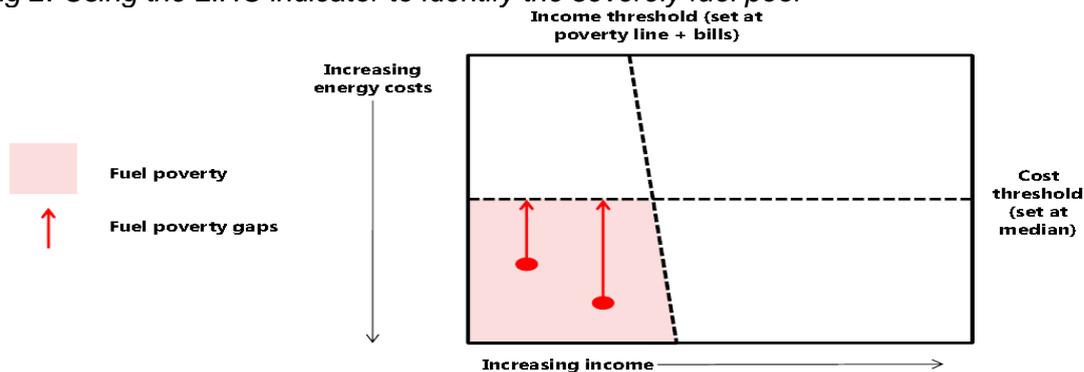


Fig 1: The low income high costs definition

Fig 2: Using the LIHC indicator to identify the severely fuel poor



Fuel poverty statistics now show both LIHC indicator and the previous 10 per cent indicator but the LIHC indicator is now the basis for the statistics.

In the 2014 Consultation paper, Cutting the Cost of Keeping Warm – a consultation to prepare for a new fuel poverty strategy for England; an overview of what forms fuel poverty is provided (and is reproduced below):

What is fuel poverty?

Households in fuel poverty face both lower incomes and higher energy needs compared to typical households.



Department
of Energy &
Climate Change



Typical English
household



Typical fuel poor
household

Annual income after tax and housing costs



£19,707

less
than
half

>



£9,330

Annual energy needs

Your
energy
bill

£1,242

more
than
20%
higher

<

Your
energy
bill

£1,513

Incomes are for 2012 and are adjusted to reflect spending power of households. Energy bills are also for 2012 and are those required to meet a standard heating requirement.

Fuel poverty drivers

Fuel poverty is primarily driven by 1) household income 2) energy prices and 3) the thermal efficiency of dwellings, in particular the following household and dwelling characteristics

- a. Low income
- b. Old dwelling (pre-1945)
- c. Larger dwelling

- d. Private rented sector
- e. Old/inefficient boiler (or no heating system)
- f. Non-gas heating

The 2014 Consumption paper also summarises in particular the impact and linkage of larger homes to fuel poverty:

Who are the fuel poor?

The annual fuel poverty statistics reveal a lot about the typical fuel poor household, including dwelling and economic conditions.

*** Department of Energy & Climate Change**

Mainly families

Families with children	45%
Single adults	25%
Couples	21%
Other	8%

Living in larger homes

Semi-detached	31%
Terraced	37%
Detached	21%
Flat	12%

Usually private tenure

Own-occupied	51%
Private rented	33%
Social	16%

Living in old dwellings

Legend: Pre-1919 (blue), 1919-1974 (orange), Post-1974 (grey)

Information is drawn from the annual statistics for 2012 which were published 10 June 2014 and which are available at www.gov.uk/government/organisations/department-of-energy-climate-change/publications/fuel-poverty-statistics

Impact of under occupation

Where a house is under-occupied, the fuel poverty methodology assumes that only a proportion – approximately half – of the dwelling will be heated so is less likely to be classified as fuel poor.

Fuel Poverty Marginal Alleviation Cost Curve (FP-MACC)

Policies that improve the thermal efficiency of dwellings tend to be more cost effective for addressing fuel poverty than those subsidising energy costs or increasing incomes. The analysis shows that there is significant potential for cost-effective measures to support the fuel poor. This is built upon by the FP-MACC which indicates:

- Potential for low-cost loft and cavity-wall insulation (CWI) and heating measures.
- Potential for supporting fuel poor households through renewable heat particularly off the gas grid.
- Energy bill rebates only have a positive impact on a household in the year in which the rebate is paid.

Vulnerable households

A number of health conditions – including cardiovascular and respiratory diseases are caused or exacerbated by living in cold conditions. The fuel poverty methodology takes some account of the vulnerability status of households by applying a more generous heating regime to people who are likely to spend more time in the home but doesn't consider the likelihood of increased health impacts.

Quality Adjusted Life Years (QALY)

This methodology estimates and monetises results from improving the efficiency of dwellings and the resulting increase in temperatures, laying out substantial health-related costs associated with cold homes. Examples of common energy efficiency measures below:

Intervention	Quality Adjusted Life Years (QALY) saved per measure installed	Value of health saving per measure installed (£ – NPV)
Cavity wall insulation	0.049	£969
Solid wall insulation	0.036	£742
Replacement boiler	0.009	£224
Central heating	0.012	£303

Future Government Policies

These will prioritise households suffering from the most severe problems, support priority households through cost-effective policies and ensure that vulnerable fuel poor households are prioritised. These will include:

Building energy efficiency/heating source related

- Green Deal
- ECO 1) Carbon Saving Obligation (CSO) -delivery of measures in hard to treat properties (such as those with solid-walls) 2) Carbon Saving Communities Obligation (CSCO), insulation measures in deprived and rural

areas 3) Affordable Warmth Obligation (AW) -basic heating and insulation measures in low-income private tenure households.

- Private rented sector (PRS). The Energy Act 2011 contains a provision that from April 2018 landlords will not be permitted to rent out any property under a minimum EPC rating (likely EPC band E), if there are no net or up-front costs to landlords.
- Local Authorities – e.g. Home Energy Conservation Act (HECA) Guidance, first reports were due on 31 March 2013 and there was a suggestion that LA produce own Affordable Warmth Strategy, consider the role that local Health and Well Being Boards, health partners, LA Housing Health & Safety Rating System (HHSRS) duties play a part. They will also evaluate the old Fuel Poverty Local Authority Competition.
- The Renewable Heat Incentive (RHI) will be the key policy for promoting the take-up of renewable heat in the domestic sector, possibly via Green Deal financing.

Income related

- Warm Home Discount (WHD) – energy rebate payments continuing as £320 million in 2015/16 for low income and vulnerable households
- Winter Fuel Payment annually to all households containing someone over female state pension age.
- Cold Weather Payments provide additional weekly support to many vulnerable people who have to manage on a low income- in very cold winter weather.

Plans and policies – health related¹

- Tackling health inequalities as a priority for Health and Wellbeing Boards
- Cold Weather Plan - the Department of Health
- National Institute for Health and Clinical Excellence (NICE)

Measurements for fuel poverty

The new fuel poverty target is likely to be established through secondary legislation currently reflected in the Energy Bill but there will be a requirement established in primary legislation, for the Secretary of State to adopt a strategy for meeting the new target. Detailed proposals on the form, date and level of target will form part of the future consultation.

The main way that the energy efficiency of a home is measured is using the Standard Assessment Procedure (SAP) which assesses the energy performance of buildings.

Other measurements include the headcount and fuel poverty gap generated by the LIHC indicator and the energy efficiency of fuel poor households, the number of fuel poor households without insulation, those households with inefficient or no heating systems and the number of fuel poor households who live in EPC E, F and G rated properties.

Conclusion: next steps

The legislative framework set out is subject to decisions that are yet to be taken by Parliament, as part of its consideration of the current Energy Bill. Then they will set

¹ 21 See: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/156163/9211-TSO-NHS-Cold-Weather-Plan_Accessible-main-doc.pdf.pdf

²² For further details, see: <http://www.nice.org.uk/nicemedia/live/13899/62692/62692.pdf>

out the final conclusions on these proposals- any such revisions to the fuel poverty strategy will be subject to public consultation.