

Local Authority Housing Management (LAHM) Asset Management Strategy

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1. LAHM Asset Management Strategy

1.1. Purpose of Asset Management Strategy

This asset management strategy sets out a framework for Portsmouth City Council's Local Authority Housing Management (LAHM) to make future decisions about its assets over the next 30 years.

The LAHM asset management strategy will provide a profile of LAHM assets that are being maintained and improved, together with a framework of how and when repairs and maintenance services to are provided, what type asset demands are considered, how the work will be managed together with measures to evaluate the budget, staff and contractor resources required to effectively manage the service.

The LAHM asset management strategy will be supported by the Housing Revenue Account (HRA) 30 year business plan. It will also link to the Portsmouth City Council corporate priorities that include:

- Reduce crime and the fear of crime
- Increase availability, affordability and quality of housing
- Protect and support our most vulnerable residents
- Improve efficiency and encourage involvement
- Regenerate the city
- Cleaner and greener city

1.2. Asset Management Strategy Key Priorities

LAHM have identified from its demand analysis five key priorities that will underpin its asset management strategy which will be considered in order of priority when allocating its resources.

1.2.1 Repairs & Maintenance Service Customer Demand

LAHM has established and will seek to achieve the customer purpose relating to each aspect of the repairs and maintenance service of:

- Right repair at the right time
- Maintain and improve our property
- Provide suitable homes when needed

LAHM will carry out repairs and maintenance to its assets within a scope of service that ensures it meets its landlord responsibilities as stated within the tenancy agreement.

1.2.2 Undertake Statutory Demands

LAHM has a legal responsibility as a landlord to ensure that all assets allow residents to live in a safe environment.

LAHM will ensure that it undertakes all of its statutory asset obligations as a landlord.

1.2.3 Maintain Our Property Demand

LAHM receive stock maintenance demands from both its residents and staff through the day to day management of the repairs and maintenance service.

LAHM will ensure that it assesses and meets demands to maintain its properties.

1.2.4 Improve Our Property Demand

LAHM receive demands from both its residents and staff through the day to day management of the repairs and maintenance service to improve our property.

LAHM will ensure that it assesses and meets demands to improve its properties.

1.2.5 Utilise LAHM Assets

LAHM will ensure that it continually assesses and utilises all of its assets to enable it to provide suitable homes when needed.

2. Management of Work

2.1. Improvement Methodology

LAHM has adopted the Vanguard TM systems thinking methodology to manage its services. Any improvements to the system are based on knowledge gained using this method by undertaking Check, Plan, Do, together with using the LAHM principles of work.

2.1.1 The Model for 'Check'

The stages for the model for 'Check' to gain knowledge of the existing service include the following:

- Understand demand
- Identify purpose
- Use of measures
- Map flow
- Identify system conditions
- Understand management thinking

2.2. LAHM Principles of Work

The LAHM principles of work are the following:

- Customer sets the nominal value
- Only do the value work
- Pull not push
- Best resource at the front end
- Single piece flow
- Work flows 100% clean

2.3. Measures

LAHM will use a suite of measures to enable it to assess how specific areas of the business are performing, including the asset management strategy key priorities.

These measures will be derived from the work and will be used by managers, staff and contractors to make improvements. The importance of each measure will fluctuate as learning is gained and they will be a key aspect of making informed decisions and assessing outcomes.

2.3.1 LAHM Hardwired Measures

The type of measures used will include;

- Demand
- Capacity
- Capability (E2E)
- Quality
- Cost
- Customer Satisfaction

Specific business rules for the repairs and maintenance measures are documented within the LAHM repairs and maintenance measures operational definitions.

2.4. Repairs & Maintenance Database

LAHM will maintain a bespoke repairs and maintenance database that will capture all the relevant data required for measures that will support the management of the repairs and maintenance service.

The repairs and maintenance database will integrate repairs, voids, stock, task order and support data; it will be accessible as appropriate to all relevant LAHM and contractor staff.

2.4.1 Stock Database

The stock data will be updated without handing off to others by the repairs and maintenance teams or contractors as appropriate through their day to day role. The accuracy of the stock database will be the responsibility of the local Property Service Manager.

2.5. Life Cycle Costing

The installation dates of elements installed to LAHM assets will be recorded within the repairs and maintenance stock database and the history of when the work was undertaken maintained. This will enable LAHM to measure the actual life cycle of key elements.

The actual life cycle of LAHM assets will be measured and reviewed together with the actual cost of replacement, this will support the planning of the asset management repairs and maintenance budgets.

Asset Element	LAHM Lifecycle (Years)	LAHM Average Property Unit Cost
Kitchen	16	£5,800
Bathroom	30	£1,400
Heating System Boiler	15	£1,000
Heating System Distribution	30	£1,250
Flat Roof Covering	20	£5,620
Pitched Roof Covering	60	£7,500
PVCu Windows	30	£3,450
Communal Electrical Certificate	5	£25
Dwelling Electrical Certificate	10	£340
Composite Door	35	£980
PVCu Door	35	n/a
External Decorations (Houses)	5	£260
External Decorations (Flats)	5	£1,910
Garage Refurbishment	Unknown	£530
Wall Structure (Traditional)	100	n/a
Wall Structure (Non-traditional)	80	n/a

Figure 1 - LAHM lifecycle and property unit costs (April 2011)

2.6. Improvement Plans

When repairs and maintenance system and service delivery issues have been identified through undertaking the model for 'Check', improvement plans will be established to address the issues identified

A record of the issue, relevant measures used and risks identified are recorded together with the agreed actions planned or being undertaken to eliminate or reduce the risks identified.

The details of each issue together with relevant dates and named action owners are recorded within a LAHM repairs and maintenance improvement plan or LAHM service provider risk register as appropriate

2.7. Asset Management Plans & Strategy Monitoring

LAHM asset management plans and performance with regard to the asset management strategy key priorities will be formally reported annually to the Cabinet Member for Housing Executive.

The report will review progress against the key priorities using appropriate measures and will confirm the current LAHM asset management plans including the following;

- plan for planned maintenance of properties
- plan for structural work to non-traditional construction properties
- plan for energy performance improvements of dwellings
- plan for environmental improvement schemes
- plan for mechanical and electrical services schemes
- HRA sites suitable for potential building development

3. LAHM Asset Portfolio Profile

3.1. Residential Dwellings

LAHM manages, maintains and owns within its asset portfolio 15,155 residential dwellings. It also manages a further 1,849 residential leasehold properties.

Approximately 30% of the dwellings owned by LAHM are situated in the neighbouring local authority of Havant Borough Council. These assets within the Leigh Park and Wecock Farm area housing offices form a key element of our asset management strategy and financial planning.

3.1.1 Asset Type

Asset Type	HRA Stock	Leaseholder	Grand Total
Bedsit	284	9	293
Bungalow	220		220
Flat	8332	1404	9736
House	4349		4349
House in Multiple Occ.	9		9
Maisonette	1961	436	2397
Grand Total	15155	1849	17004

Figure 2 - Assets by Type and Ownership (August 2012)

3.1.2 Asset Construction Year

The majority of the LAHM residential dwellings were constructed post war in the 1950s and 1960s.

Year Built	HRA Stock	Leaseholder	Grand Total
Pre 1950	2336	137	2473
1950s	4796	674	5470
1960s	4495	649	5144
1970s	2828	347	3174
Post 1980	700	42	742
Grand Total	15155	1849	17004

Figure 3 - Assets by Year Built and Ownership (August 2012)

3.1.3 Asset Construction Type

The majority of the LAHM residential dwellings are traditionally constructed, although there are a significant number of non-traditional construction types.

Construction Type	HRA Stock	Leaseholder	Grand Total
BISF	339		339
Bison	540	3	543
Conc. Ring Beam	524	102	626
Crosswall	846	244	1090
Easiform	175	4	179
Howard	120		120
No-Fines	1221	69	1290
Orlit	53		53
Reema	864	15	879
Traditional	10473	1412	11880
Grand Total	15155	1849	17004

Figure 4 - Assets by Construction Type and Ownership (August 2012)

3.1.4 Number of Storeys

Most of the LAHM residential dwellings are low to medium rise construction.

Number of Storeys	HRA Stock	Leaseholder	Grand Total
1-2 Storeys	6702	436	7138
3-5 Storeys	6037	1346	7383
6 Storeys & Above	2416	67	2483
Grand Total	15155	1849	17004

Figure 5 - Assets by Number of Storeys and Ownership (August 2012)

3.1.5 Area Housing Offices

The LAHM dwelling assets are managed from seven area housing offices that receive the initial customer demand and are located within the local area.

Area Housing Office	HRA Stock	Leaseholder	Grand Total
Buckland	2447	180	2627
City South	2614	634	3248
Landport	1584	204	1788
Leigh Park	4202	355	4557
Paulsgrove	2821	323	3144
Portsea	771	73	844
Wecock Farm	714	80	794
Grand Total	15155	1849	17004

Figure 6 - Assets by Area Housing Office (August 2012)

3.1.6 Right to Buy

The number of residential dwellings within its portfolio has decreased through Right to Buy purchases in the past 30 years, although recent years have seen a reduction in the number of properties sold through Right to Buy due to increased property prices and the current economic crisis.

However it is recognised that changes to economic circumstances or Right to Buy legislation will influence the number of applications received.

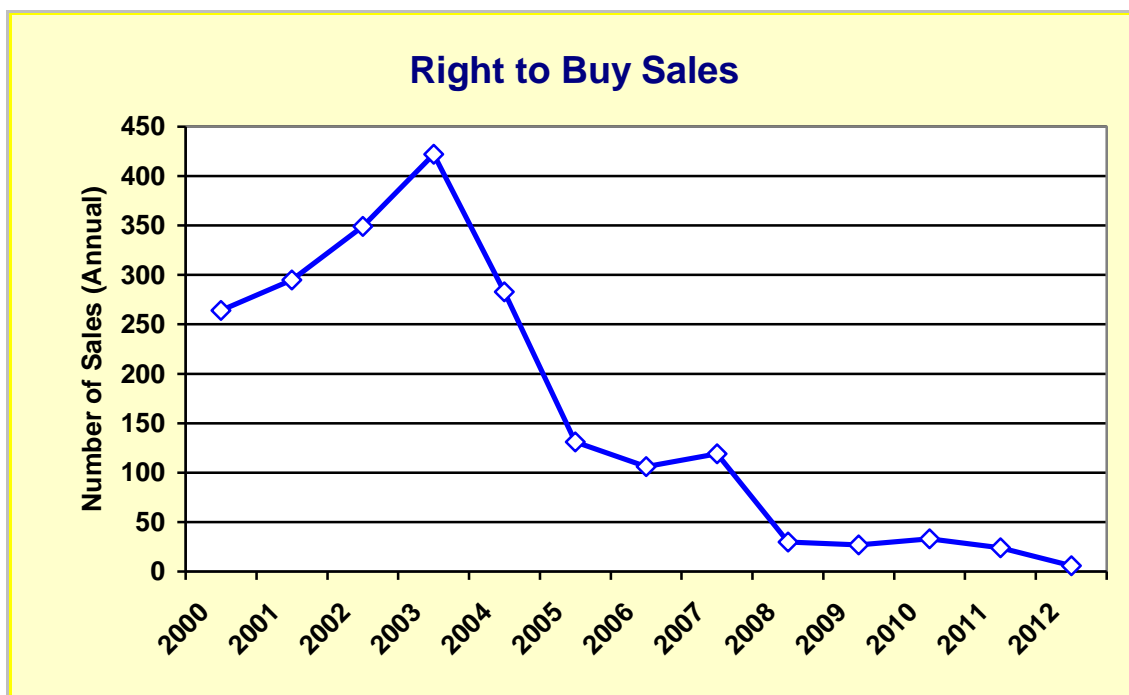


Figure 7 - Right to Buy Sales (2000 - 2012)

LAHM Area Housing Office	Percentage of Sales
Leigh Park	34%
Paulsgrove	26%
City South	12%
Buckland	10%
Landport	10%
Portsea	4%
Wecock Farm	4%

Figure 8 - Average Percentage of LAHM Sales by Area Office (2000-2011)

Year Sold	Houses	Flats	Grand Total
2000	62	202	264
2001	94	201	295
2002	111	238	349
2003	156	266	422
2004	128	155	283
2005	62	69	131
2006	55	51	106
2007	50	69	119
2008	14	16	30
2009	11	16	27
2010	22	11	33
2011	8	16	24
2012*	2	4	6

Figure 9 - Number of Properties Sold by Asset Type (August 2012)

* Number of sold properties recorded by August 2012

3.2. Commercial Assets

LAHM manages, maintains and owns within its asset portfolio a variety of commercial assets including the following commercial assets.

Asset Type	Grand Total
Parking Spaces	1,820
Garages	2,359
Mobile Home Parks	2
Day Care Centre	1
Community Centres & Youth Clubs	5
Adventure Play Grounds	7
Nursery	1
Offices	9
Housing Depot	1
Retail Premises	60

Figure 10 - Commercial Assets (August 2012)

3.3. Garages and Parking

LAHM manages, maintains and owns within its asset portfolio 289 separate garage blocks and car parking sites, which consist of 2,435 garages and 1,601 parking spaces. The garages and car parking spaces are rented to both LAHM and private residents.

These assets are held as a commercial holding and are used to support the HRA. They are an important revenue stream that in 2011-12 brought in £1.2million. There are approximately a further 200 parking spaces that are on land owned by LAHM but not currently charged for, these will be brought on charge in 2012-13.

3.4. LAHM Land

LAHM manages, maintains and owns within its portfolio approximately 354.6 hectares of land and open space. This consists of individual parcels of land that are typically green open spaces with no defined usage; the size of the individual sites varies.

A proportion of the LAHM land is situated in the neighbouring local authority of Havant Borough Council.

3.5. Play Areas, Youth Clubs and Community Centres

LAHM manages, maintains and owns six adventure play area sites, four community centres and one youth club that are situated within the housing estates that are used by LAHM residents and the local community.

3.6. Offices

LAHM manages, maintains and owns six Area Housing Offices and rents one other Area Housing Office that are located within the housing estates to receive customer demand and provide a full range of services that are accessible to LAHM residents.

Within its portfolio LAHM also manages, maintains and owns eight other offices (three of which are rented out for commercial revenue income) and one housing depot that are all located across the housing estates. There are also a significant number of smaller offices located within sheltered schemes and other residential blocks of flats used by our staff.

These accommodate teams that support the management of the service including resident participation, green and clean services, out of hour's provision, bulk collection and estate services.

3.7. LAHM Asset Value

The net book value of all the assets owned by LAHM within the Housing Revenue Account was £456,164,429 as assessed in the accounts for 2011/2012.

The annual income generated by these assets in 2011/2012 was £69,168,131, with £39,259,737 spent on repairs and maintenance services to maintain and improve all the LAHM assets.

4. LAHM Residents

4.1. LAHM Demand for Suitable Homes

The demand for suitable homes is received by the Housing Options team from customers who wish to live in Portsmouth in LAHM dwellings.

The housing waiting list can provide some knowledge regarding the profile of customers and their requirements for suitable homes. However, the knowledge of customers who are not currently on the housing waiting list and those already occupying LAHM dwellings will need to also be known to fully understand the nature of demand for LAHM dwellings.

External factors such as government policy and regulations relating to the social housing sector, such as the Welfare Reform Act, will over time influence the type and profile of demand received for LAHM dwellings.

4.2. LAHM Residents Receiving Housing Benefit

The majority of residents renting LAHM dwellings (62%) currently receive either full or part housing benefit payments.

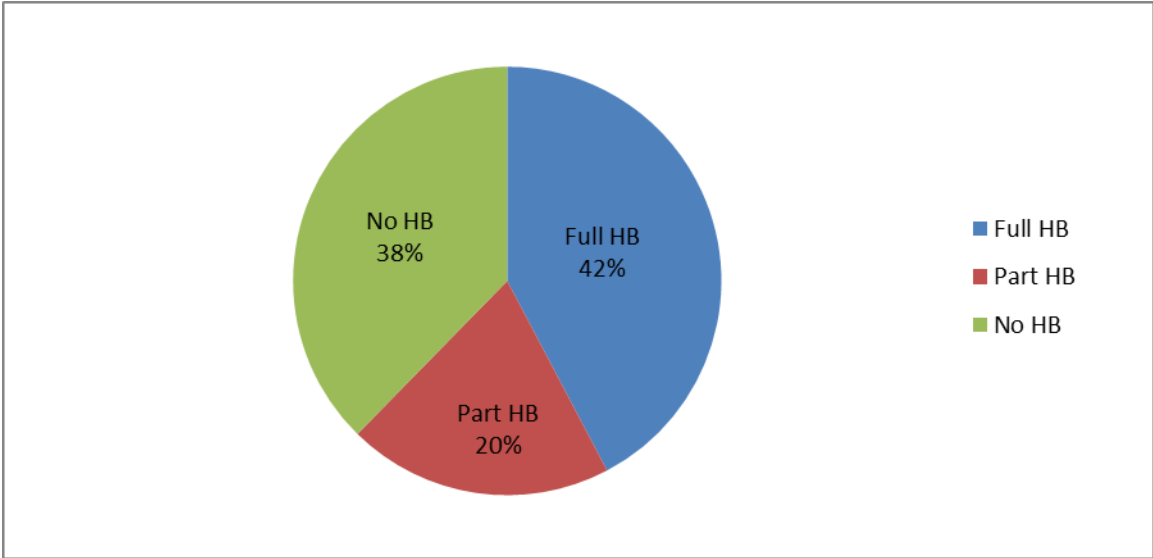


Figure 11 - LAHM residents receiving Housing Benefit (August 2012)

4.3. LAHM Resident Profile

Currently one third of residents occupying LAHM dwellings are in the age band 30-49 and a one third are in the age band 60 and over. The lowest proportion of LAHM residents are males under the age of 30 (3%).

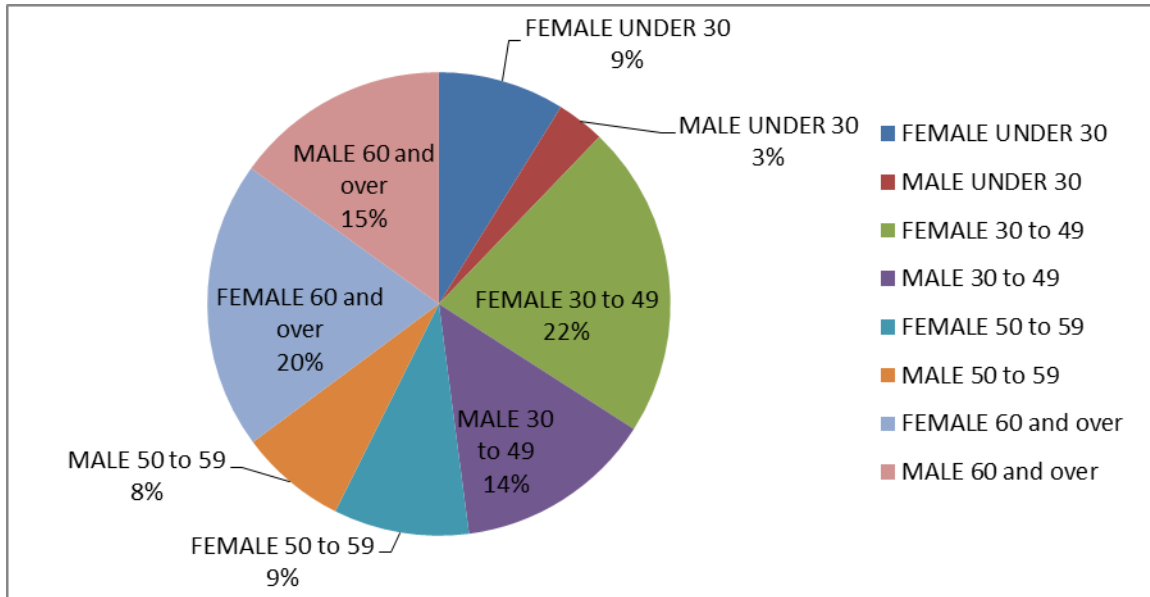


Figure 12 - LAHM residents' gender & age bands (August 2012)

5. Repairs and Maintenance Service Customer Demand

5.1. Response Repairs Service

The purpose of the response repairs service is to carry out the right repair at the right time.

The value steps ensure that;

- the contractor can access the property at a time determined by the resident
- the operative with the right skills is able to diagnose the right repair
- the right repair is carried out

5.2. Voids Service

The purpose of the voids service is to provide suitable homes when needed.

The value steps are to;

- take notice from the outgoing tenant
- identify the right customer who will agree to move in
- undertake the work required to enable them to move in
- collect the rent

5.3. Planned & Cyclical Maintenance Service

The purpose of the planned maintenance service is to maintain and improve our property.

The value steps are to;

- evaluate the work required and establish a purpose for the scheme
- assess the best options for meeting the purpose
- carry out the work required as specified

5.4. Customer Satisfaction

Customer satisfaction with the repairs and maintenance service will be established by ensuring that customer feedback is gained from those using the service at the point that the whole repairs and maintenance service is complete.

Customers will be asked to score the whole service they received with a score out of 10, if a customer scores less than 10 they will be asked to provide feedback stating how the service can be improved.

LAHM teams will also record the type and frequency of all demand received. Whilst systems will be designed against value demand, a knowledge and understanding of failure demand will be required to eliminate it,

Operational managers will review the customer satisfaction feedback provided and failure demand received, evaluating trends from the feedback and incorporating issues identified into the LAHM repairs and maintenance improvement plan or LAHM service provider risk register as appropriate.

6. Undertake Statutory Demands

LAHM has a legal responsibility as a landlord to ensure that all assets allow residents to live in a safe environment. The following are statutory demands that LAHM must ensure are undertaken and are a key service priority.

6.1. Gas Safety Inspection and Servicing

LAHM has a responsibility as a landlord in accordance with the Gas Safety (Installation & Use) Regulations 1998 to carry out an annual gas safety check for all gas appliances, flues and pipe work.

This is achieved by ensuring that LAHM has a Landlords Gas Safety Record (LGSR) for each property in accordance with the regulations.

The LGSR should be undertaken by a Gas Safe registered engineer before any property is let and annually thereafter.

In August 2012 LAHM have 13,676 residential dwellings that currently have gas appliances that should be serviced and maintained.

6.2. Electrical Inspection

LAHM has a responsibility as a landlord in accordance with the Landlord and Tenant Act 1985 to keep installations for the supply of electricity in good repair and proper order.

This is achieved by ensuring LAHM has an Electrical Installation Condition Report (EICR) for all residential dwellings and communal areas.

The EICR should be undertaken by a National Inspection Council for Electrical Installers and Contractors (NICEIC) electrician before any property is let. The asset should have a further EICR carried out by the recommended next inspection date stated on the EICR.

In August 2012 LAHM have 15,155 residential dwellings that should have a EICR and 794 blocks of flats that require a communal EICR.

6.3. Legionella

LAHM has a responsibility under health and safety legislation to identify and assess the risk from legionella, prepare a scheme to manage the risk and keep appropriate records.

This is achieved by undertaking regular cyclical programmed testing and maintenance in accordance with the Approved Code of Practice L8 (The Control of Legionella Bacteria in Water Systems) of all communal water systems and large water storage tanks together with other ad hoc tests.

In August 2012 LAHM has approximately 84 communal cold water storage tanks that are managed with regard legionella and 19 communal boilers.

6.4. Passenger Lifts and Stairlifts

LAHM has a responsibility under general health and safety legislation including the Lifting Operations and Lifting Equipment Regulations 1998 (LOLER) to maintain in a safe working condition all passenger lifts used by residents, staff and contractors in blocks of flats and offices, as well as stairlifts in residential dwellings.

This is achieved by ensuring that LAHM has a record of a servicing and testing for each lift in accordance with the lift manufacturer's instructions.

Passenger lifts will have a monthly service and annual tests, with specific tests at 5 and 10 yearly intervals. Resident stairlifts will have an annual cyclical service undertaken.

In August 2012 LAHM have 107 passenger lifts that it is responsible for maintaining and 530 stairlifts in LAHM dwellings. LAHM manages the maintenance of a further 230 stairlifts on behalf of Social services.

6.5. Fire Prevention

LAHM has a responsibility under the Housing Act 2004 and the Regulatory Reform (Fire Safety) Order 2005 for a duty of care to ensure that there are fire safety measures within the common parts of blocks of flats.

This is achieved by ensuring LAHM has a relevant Type 1 Fire Risk Assessment (FRA) for all blocks of flats that have common areas and that a suitable action plan is implemented where appropriate.

Actions undertaken will be appropriate to the block of the flats and include a managed use of escape routes by ensuring appropriate emergency lighting provision, property entrance doors to have appropriate fire resistance, decorated surfaces to be class 'O' preventing the spread of flame and dwellings to have hard wired smoke detectors that have not exceeded the manufacturers recommended replacement date.

All fire detection, fire fighting equipment, dry risers and emergency lighting, will be inspected, serviced and replaced if faulty in accordance with the relevant British Standards, with appropriate records being maintained.

The FRA should be undertaken by a competent fire risk assessor. Blocks of flats three storeys and below will have an FRA reviewed every two years and a new FRA every four years. Blocks of flats that are four storeys and above will have an FRA reviewed annually with a new FRA every three years.

In August 2012 LAHM have 1,093 blocks of flats that require an FRA.

6.6. Asbestos

LAHM has a responsibility under the Control of Asbestos Regulations 2012 to provide information to contractors regarding the presence of asbestos materials within its properties.

This is achieved by LAHM undertaking asbestos surveys as necessary and maintaining appropriate information regarding the location and condition of any asbestos in an accessible asbestos register.

If asbestos is damaged it will be removed from the property by a licensed removal contractor. Where asbestos is identified but in good condition, it will be recorded and managed through regular inspection or encapsulation.

The asbestos surveys will be undertaken by United Kingdom Accreditation Service (UKAS) accredited surveyors and all common areas will be inspected annually to ensure that the condition of the asbestos has not deteriorated. Appropriate records of all surveys undertaken will be maintained on a bespoke LAHM asbestos register that will be easily accessible by LAHM and contractors staff.

In August 2012 LAHM have 7,731 dwellings that have asbestos identified and recorded on the asbestos register.

6.7. Housing Health and Safety Rating System (HHSRS)

LAHM has a responsibility in accordance with the Housing Act 2004 to ensure that all residential dwellings are designed, constructed and maintained free from both unnecessary and unavoidable health and safety risks.

This is achieved by LAHM assessing any risks identified using the Housing Health and Safety Rating System (HHSRS) and taking action to immediately avoid or minimise any category 1 hazard which is identified.

The HHSRS assessments will be undertaken by a competent surveyor trained to apply the HHSRS to the risk identified.

7. Maintain Our Property Demands

LAHM receive stock maintenance demands directly from both its residents and staff through the day to day management of the repairs and maintenance service.

7.1. Response Repairs Demands

The purpose of response repairs is to ensure that LAHM properties are maintained by carrying out the right repair at the right time.

Response repair demand is received by LAHM staff based at area housing management offices from LAHM residents, leaseholders and from LAHM staff undertaking their role visiting the assets.

The response repair demand is predominantly either reported by telephone or in person at an area housing office.

Currently LAHM receives an average of 1,187 response repairs per week that generally include plumbing, gas, electrical, carpentry, roofing and decoration repairs through to new kitchens, bathrooms and boilers.

Evaluation of repairs undertaken to the LAHM assets will inform planned maintenance demands.

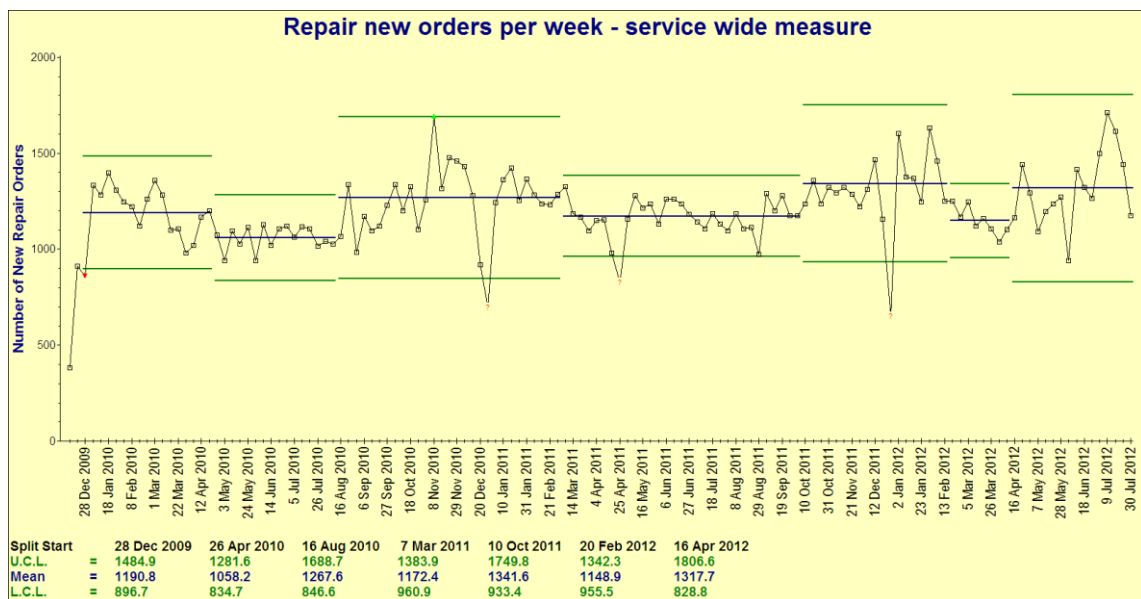


Figure 13 - New Repair Orders per week (July 2012)

7.2. Void Properties and LAHM Waiting List

When a residential dwelling becomes vacant the void demand is received by LAHM area housing office management teams. The average number of voids that are received per week is currently 19 properties.

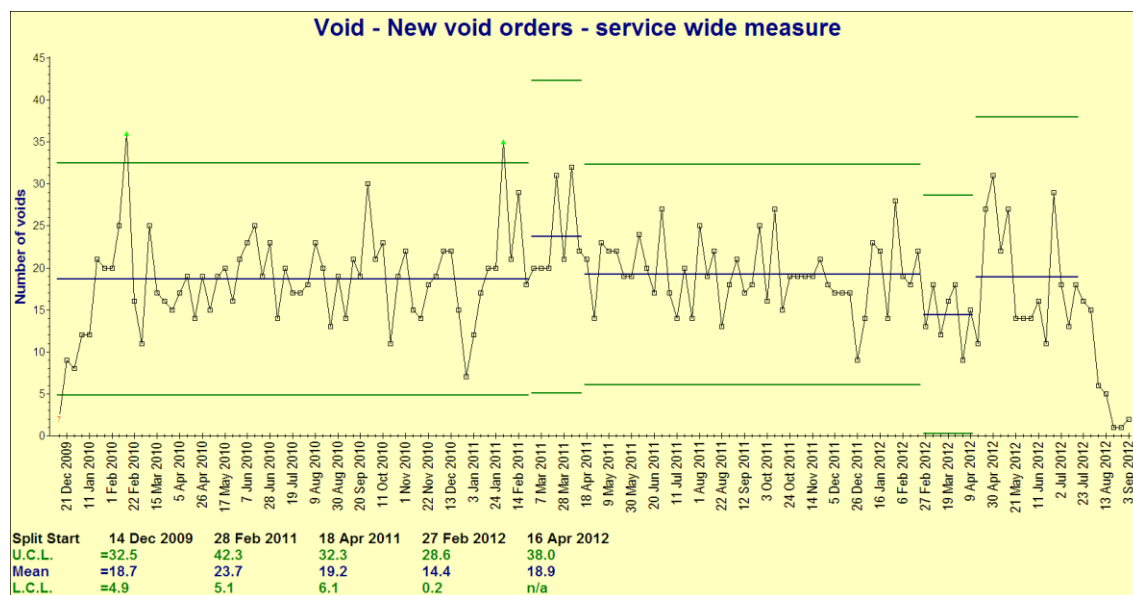


Figure 14 - Number of New Void Properties per week (July 2012)

Demand for LAHM residential dwellings is received by the Portsmouth City Council Housing Options team, who assess the customer needs and prioritise our responsibilities to house them in accordance with Portsmouth City Council's Allocations and Letting Policy.

Currently the housing waiting list has 3,749 customers of which 50% are seeking accommodation in the city areas, 24% in Paulsgrove, 19% in Leigh Park and 6% in Wecock Farm.

There is currently little demand for bedsits or four and five bedroom properties. Most demand from those on the housing waiting list is for one, two and three bedroom properties.

The works undertaken in all void properties is by agreement at a viewing by LAHM staff with a prospective LAHM resident at the property. Work agreed will include all statutory requirements that LAHM should undertake as a landlord such as gas and electric inspections, as well as ensuring that the property is maintained at the start of the tenancy enabling the prospective resident to move in.

7.3. External, Communal and Roof Condition Assessment

The LAHM Property Service Manager is responsible for assessing the external, communal and roof condition of the LAHM assets within a specific geographical area, recording the condition of the asset in the repairs and maintenance stock database as follows:

-
- **Good** – an assessment that the asset’s elements do not require a planned maintenance scheme and the condition is such that no future assessment currently needs to be planned for two years
 - **Fair** – an assessment that the asset’s elements do not require a planned maintenance scheme but the condition is such that a future assessment should be planned within one to two years
 - **Poor** – an assessment that the asset elements now require a planned maintenance scheme

Where the condition of the asset is recorded as poor, it will be included in a plan for planned maintenance of properties to evaluate a scheme to maintain and improve the property; the plan will be flexible to meet current priorities and will be continually reviewed.

The plan for planned maintenance of properties will be published annually indicating the address and number of assets included in each planned maintenance scheme for each area housing office, the type of work envisaged and indications of what aspects of the value steps for the scheme will be carried out during the current financial year.

7.4. Structural Condition Assessment

When a structural demand is received the asset will have a structural survey undertaken by an appropriately qualified surveyor to assess the condition of the structural element. Any remedial or maintenance work will be undertaken to ensure that a continued future 30 year building life is maintained.

In addition, non-traditional properties will have regular planned visual inspections and full structural appraisals to identify any structural defects and determine the life expectancy of the property.

The surveys will be carried out by appropriately qualified structural surveyors and appraisals of large panel system (LPS) properties will be undertaken to comply with the recommendations of the Building Research Establishment (BRE) Digest No 107 (The Structural Adequacy and Durability Part 2 – Guidance on appraisal) .

Planned maintenance work will be planned to ensure that the non-traditional properties have a future life expectancy of a further 30 years.

Structural inspection and surveys were undertaken to a representative sample of system build non-traditional LAHM housing stock and high rise properties in September 2011, these indicated that the assets were in a similar good condition and with planned maintenance would last 20 years plus.

A plan for structural work to non-traditional construction properties to assess and evaluate schemes to maintain the structure of non-traditional construction assets, will be continually reviewed.

7.5. Mechanical & Electrical Services

In addition to the cyclical maintenance of mechanical and electrical services, the Mechanical & Electrical Services Manager will evaluate the condition and maintenance demands received for mechanical and electrical services within LAHM assets. Where services require replacement they will be included in a plan for mechanical and electrical services schemes; the plan will be flexible and continually reviewed.

The plan for mechanical and electrical services schemes will be published annually indicating the address and number of assets included in each scheme for each area housing office, the type of work envisaged and indications of what aspects of the value steps for the scheme will be carried out during the current financial year.

8. Improve Our Property Demand

LAHM receive demands from both its residents and staff through the day to day management of the repairs and maintenance service to improve our property.

8.1. Energy Performance

LAHM will evaluate all its assets to assess how the Standard Assessment Procedure 2009 (SAP) can be improved for all dwellings, as this will directly contribute towards addressing fuel poverty for its residents.

Energy Performance Certificates will be undertaken when a property is void by a Domestic Energy Assessor (DEA) and the SAP rating recorded in the repairs and maintenance stock database. Improvements will be identified that can be undertaken to improve the SAP rating for a property

The energy performance of all LAHM assets and appropriate recommended improvements will be evaluated, a plan for energy efficiency improvements of dwellings will be continually reviewed.

The current average SAP rating for all LAHM dwellings in August 2012 is 72.26

8.2. Adaptations

LAHM will ensure that existing LAHM resident's homes are suitable by carrying out disabled adaptations to the property where it is proportionate to undertake the work requested and no other property is suitable.

Demands for adaptations to properties are recommended by Occupational Therapists who submit requests for Disabled Facility Grants (DFG) or DP15s.

8.3. Environmental Improvements

LAHM will evaluate the communal areas and assess the demands for environmental improvements ensuring that the communal areas help support current living requirements, providing a safe, pleasant and suitable environment to live.

Proportionate changes to the use of the communal areas will be undertaken as appropriate; a plan for environmental improvement schemes will continually be reviewed.

The type of demands that will be assessed include car parking, drying areas, play areas, community rooms, mobility scooter parking, refuse and recycling facilities.

9. Utilising LAHM Assets

LAHM will continuously evaluate all its assets and assess the financial benefits of them to support providing suitable homes when needed.

Given our assets this can include the development of new sites, the conversion of existing buildings, the sale and acquisition of properties and the appropriation of property from the general fund.

The changing nature of demands for housing and our housing stock requires innovative solutions to ensure that we continue to supply the quality and variety of properties which our residents need.

9.1. LAHM Land

Any land identified as a potential development site must be in a location which lends itself for the delivery of homes which are sustainable, not just environmentally but ensuring they meet current and future housing demand requirements.

LAHM will build new residential properties that will comply with the affordable home standard sizes and will provide accommodation that will meet the demands for LAHM dwellings in Portsmouth.

We currently have a building programme and forthcoming projects are listed within the Housing Investment Programme (HIP).

Further HRA sites suitable for potential building development have been identified and are continuously reviewed by the Leasehold and Commercial Manager, who will identify and review the suitability of LAHM land for development of new HRA dwellings.

The priority will be to identify land currently held within the HRA; however, assessment of other Portsmouth City Council (PCC) owned land in the general fund will be considered as well as other sites on the open market.

Development sites that are within the Havant Borough Council (HBC) boundary and will potentially provide five or more units are included within Havant Borough Councils Strategic Housing Land Availability Assessment 3rd Edition (SHLAA).

In addition to this LAHM have identified in August 2012 a further 22 development sites within the HBC boundary and 15 sites within PCC boundary that are suitable for developments of less than five dwellings.

9.2. Sheltered Housing Properties

Our future approach to sheltered housing is informed by the current situation where our Cat 2 Sheltered Housing accommodation is providing LAHM with a large number of hard to let properties, however demographic changes suggest that the demand for older person's accommodation should be increasing. There is clearly a mismatch between the properties LAHM has available and the demand expectations of those customers needing sheltered housing accommodation.

A number of the units still rely on bedsit style properties with shared bathing facilities and it is accepted that these properties are less desirable and do not meet the expectations or aspirations of current and potential residents.

We will have a programme to assess the demand and condition of our Cat 2 sheltered housing and evaluate the feasibility of converting the properties where appropriate to ensure that they meet the standards expected of our residents.

9.3. Individual Dwellings

When a property becomes vacant it is passed to the New Tenancy team who attempt to match customers' requirements for housing on the Housing Options team waiting list with the LAHM properties that are available.

Where there is no demand for a particular property either due to its location, asset type or size, then options will be assessed to either change its use or adapt the property to meet demand for LAHM housing. If the estimated cost of any work undertaken is not financially viable compared to the rental income predicted then the options for alternative uses or disposal will be considered.

9.4. Garage & Car Parking

The majority of our garage and parking sites offer good quality parking at a reasonable rent and perform a valuable service to the local community. However, a number of parking and garage sites are now falling into disrepair and are offering a poor solution to meet parking demands within their areas.

We have currently identified 25 sites which fall into this category and are planning to dispose of these pieces of land. We plan to continue to assess the effectiveness of our parking and garage sites in both Havant and Portsmouth.

Where there is no demand for a particular garage or car parking area, then options will be assessed to change the use of the garage or parking site to fully utilise the LAHM asset. If the estimated cost of any work undertaken or development is not financially viable then the options for alternative uses or disposal will be considered.

9.5. Acquisition of Properties

We will continue to identify and consider potential opportunities to increase the housing stock by acquiring properties, particularly if the property type and location match LAHM housing need for suitable homes.

Options for properties potentially being acquired to convert to meet the LAHM housing need will be evaluated. The estimated cost of acquisition and associated building works must be financially viable with regard to the potential rental income of the asset.

10. LAHM Resources

10.1. Value for Money

The assets will be managed to obtain the maximum benefit over time with the resources that are available by achieving the right balance between economy, efficiency and effectiveness.

The management of the work systems will focus on the value customer demands received with the aim to eliminate failure demand and system waste. Decisions with regard to all asset management resources will be based on gained knowledge of the system and will consider if the outcome is proportionate, lawful, accountable and necessary (PLAN).

10.2. Housing Revenue Account (HRA) Budgets

10.2.1 The Housing Investment Programme

The Housing Investment Programme (HIP) is the Housing Portfolio's seven year capital programme, which is formally reported to the Cabinet Member for Housing Executive twice a year. The HIP is comprised of capital schemes for both the General Fund and the Housing Revenue Account.

10.2.2 Summary of HRA Schemes in the HIP

The HIP consists of a large number of schemes varying in size and cost, the full programme is available from the Repairs and Maintenance Manager. The programme however can be summarised into three separate sections.

1. Major Repairs – Specific Contracts

These are generally larger scale repairs and upgrading projects to existing LAHM dwellings that ensure that the condition of the existing housing stock does not deteriorate. Examples of this are external works such as replacement of whole building elements such as new roofs or windows and structural repairs.

2. HRA Assets – Non Dwelling

This is expenditure on non-dwelling HRA assets that require on-going works to ensure that they remain fit for purpose. Examples of these works include area office accommodation and commercial properties upgrades. This also contains expenditure on items such as new IT and repurchasing council homes.

3. Projects

Some projects are outside of the on-going upkeep of the existing housing stock and its supporting infrastructure. These projects are held separately and include schemes such as the Somerstown Hub and construction of new LAHM dwellings.

10.2.3 Resourcing the HIP

Funding for the HIP comes from a number of sources and is detailed in the annual HIP budget. In most years the majority of funding is from tenant rents, however it is commonplace for funding to come from a variety of other sources, including:

- external grants
- the sale of non-dwelling assets (known as 'capital receipts')
- the sale of council dwellings through Right to Buy
- council borrowing
- corporate contributions from the General Fund.

Some funding has to be used for specific purposes, such as grant funding, whereas other funding such as tenant rent has more scope for flexibility in its use, which is a key reason to consult with residents through the budget setting process each year.

10.2.4 Residents Consultation the HIP

The HIP is currently reviewed twice a year, once in the summer, and then once at the main Council budget setting meeting in February. Both of these meetings require the Cabinet Member for Housing to approve the budget that has been set.

Residents are consulted throughout the process of compiling both HIP revisions, through tenant representative groups, where the full programme is discussed, and residents are given the opportunity to have their say on the proposals and return with alternate spending proposals. Although the final decision is made by the Cabinet Member for Housing, the views of the residents' forums are considered and taken into account.

10.2.5 One for One Replacement Housing

Following a detailed consultation process, the Department for Communities and Local Government (DCLG) announced that it would be raising the existing national right to buy discount limit from £38,000 to £75,000 from 1 April 2012 and using all additional right to buy receipts to fund a one for one replacement programme on a national basis.

In order to ensure that local authorities commit to using the additional capital receipts generated to provide replacement housing, local authorities were required to sign an agreement committing to do so, or return the receipts back to DCLG. The Cabinet Member for Housing approved Portsmouth City Council's signing of the Agreement at the Housing Cabinet Meeting on 15 June 2012.

The replacement homes can be provided in a number of ways. We can build them ourselves or the resources can be passed on to a Registered Social landlord (RSL) to deliver replacement housing as part of a larger scheme.

Alternatively, we may choose to purchase homes directly on the open market as this could allow for a quicker provision of replacement housing. However in all cases, the use of the retained receipt cannot exceed 30% of the cost of the new provision.

It is essential that we meet our obligations under this agreement, as failure to do so would result in the receipts being repayable to DCLG with interest added.

10.3. People

LAHM repairs and maintenance staff with the right skills will be directly employed and located as appropriate to effectively manage the repairs and maintenance service and meet the specific demands received.

Training and support will be provided to develop the skills of the repairs and maintenance teams to meet the demands received and provide a complete in-house service.

To support the development of the repairs and maintenance team's graduate and training roles will be established with a career path established for staff to become qualified building surveyors.

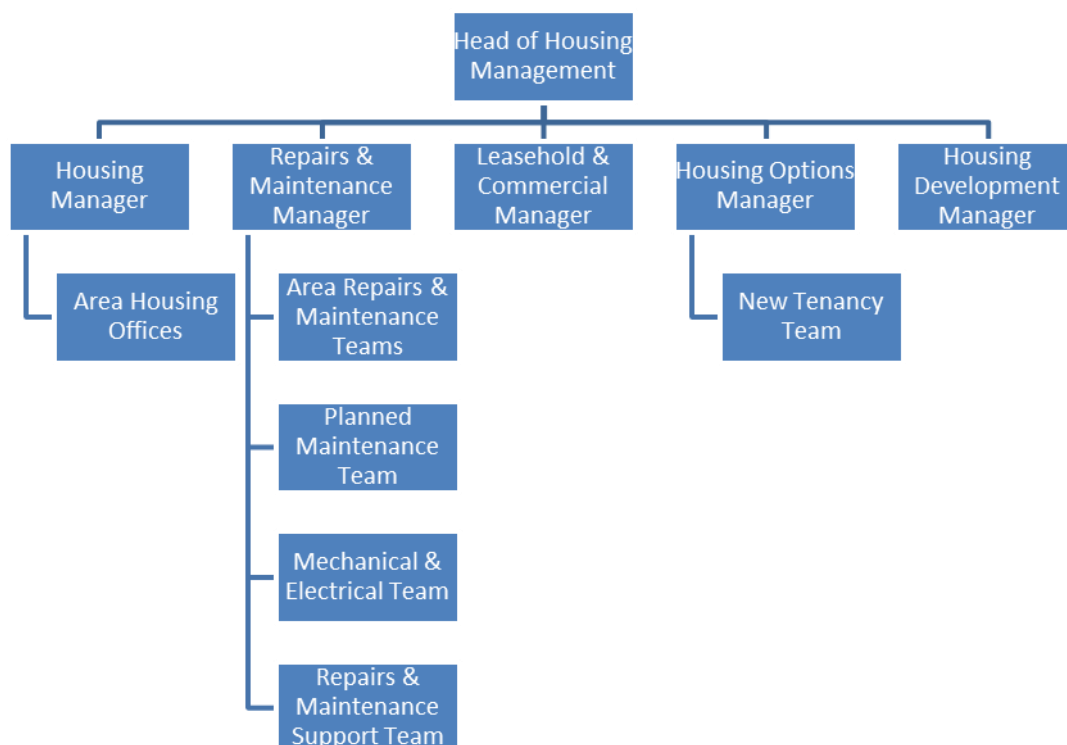


Figure 15 - LAHM Organisation Chart related to Asset Management

Where it is identified LAHM do not have a specialist skill or it is not proportionate to employ a specific role directly, the use of consultants, agency staff or appropriately trained staff from other Portsmouth City Council departments will be evaluated.

10.4. Contractors

Procurement of contractors will always be undertaken to ensure that the best resources are employed with regard to cost and quality of work undertaken. LAHM will assess the most appropriate procurement route that will enable a contractor to be appointed that provides value for money for the specific project or service required.

10.4.1 Service Providers

Where there is demand for a repairs and maintenance service that has sufficient continuity of work, contractors will be procured as service providers using a cost reimbursement contract. All the service providers will work together as partners to form a core group to achieve agreed objectives. The partners who are part of the core group will carry out the following:

- Act in a spirit of mutual trust and co-operation
- Share data, best practice, innovation and knowledge to enable continuous improvement and achieve value for money, no partner shall have a monopoly on best practice, initiative or solution
- Joint working on agreed initiatives between partners and their suppliers
- Implement agreed changes to systems efficiently and effectively
- Plan and invest in partners' staff development,
- Develop and maximise funding streams and trading opportunities
- Avoid conflicts or disagreements and should they arise, resolve them promptly together.

10.4.2 Contractors

Where there is demand for planned maintenance schemes that do not offer continuity of work or require specialist works to be undertaken that predominantly do not require operatives directly employed by the service providers, then contractors will be procured for specific projects either utilising the LAHM framework contract or tendering a specific one off contract.

10.4.3 Sustainability

An objective is to develop a sustainable approach to the repair and maintenance of LAHM assets that is designed to incorporate the needs and benefits of the local community. This will be achieved by considering the social economic, social environment and environmental dividend aspects of providing a repairs and maintenance service.

11. Asset Management Strategy Reference Documents

The following separate documents have been referred to within the asset management strategy and provide up to date detailed information regarding work to be undertaken.

- i. Portsmouth City Council Tenancy Agreement
- ii. LAHM Repairs and Maintenance Measures Operational Definitions
- iii. LAHM Repairs and Maintenance Improvement Plan
- iv. LAHM Service Provider Risk Register
- v. Portsmouth City Council's Allocations and Lettings Policy
- vi. Portsmouth City Council Housing Waiting List
- vii. LAHM Asset Management Plan
 - plan for planned maintenance of properties
 - plan for structural work to non-traditional construction properties
 - plan for energy performance improvements of dwellings
 - plan for environmental improvement schemes
 - plan for mechanical and electrical services schemes
- viii. Housing Investment Programme (HIP)
- ix. HRA sites suitable for potential building development
 - Sites suitable for less than five units
 - Sites suitable for five units or more
 - Havant Borough Council Strategic Housing Land Availability