

## Housing and Property Services

### **Asset Management Strategy 2014**

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# 1. Housing & Property Services asset management strategy

## 1.1. Purpose of the asset management strategy

This asset management strategy sets out a framework for Portsmouth City Council's Housing & Property Services (H&PS) to make decisions about its Housing assets over the next 30 years.

The strategy provides a profile of housing assets that are being maintained and improved, together with:

- a framework of how and when repairs and maintenance services are provided
- what type of 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 strategy will be supported by the Housing Revenue Account (HRA) 30 year business plan.

It links with the council's corporate strategies including [Shaping the Future of Portsmouth](#) to improve existing housing stock, including reducing carbon emissions and [Shaping the Future of Housing](#) to provide better health and housing where the maintenance of Portsmouth's stock of residential housing is a priority.

## 1.2. Asset management strategy key priorities

Our demand analysis has identified five key priorities that underpin the asset management strategy. These will be considered in order of priority when allocating resources.

### 1.2.1 Priority 1: Repairs and maintenance service customer demand

Customer related purposes have been established for each aspect of the repairs and maintenance service and we will continually seek to achieve them:

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

We will carry out repairs and maintenance to our assets within a scope of service that ensures we meet our landlord responsibilities as stated within the tenancy agreement.

**1.2.2 Priority 2: Undertake statutory demands**

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

We will ensure that we undertake all of our statutory asset obligations as a landlord.

**1.2.3 Priority 3: Maintain our property demand**

Stock maintenance demands are received from both our residents and staff through the day to day management of the repairs and maintenance service.

We will assess and meet demands to maintain our properties.

**1.2.4 Priority 4: Improve our property demand**

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

We will assess and meet demands to improve our properties.

**1.2.5 Priority 5: Utilise H&PS assets**

We will ensure that we continually assess and utilise all of our assets to enable us to provide suitable homes when needed.

## 2. Management of work

### 2.1. Improvement methodology

We have adopted the Vanguard™ systems thinking methodology to manage our services. Improvements to the system are based on knowledge gained using this method by undertaking Check, Plan, Do, together with using our 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. Our principles of work

The principles of work we use are:

- 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

We will use a suite of measures to enable us 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 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 repairs and maintenance measures operational definitions.

## **2.4. Repairs and maintenance database**

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

The repairs and maintenance database will integrate repairs, voids, stock, project and support data; it will be accessible as appropriate to all relevant H&PS 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, i.e. updating the stock data is not an administrative role. The accuracy of the stock database will be the responsibility of the local area repairs and maintenance team manager<sup>i</sup>.

## **2.5. Life cycle costing**

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

The actual life cycle of asset elements 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.

For a breakdown see Figure 7 - Lifecycle years (April 2014) on page 31.

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<sup>i</sup> Property Service Manager / Senior Building Surveyor or their successors

## **2.6. Thirty year business plan**

### **2.6.1 Frequency of business plan review and updates**

The 30 year business plan will be formally reviewed every three years or sooner if required due to significant changes in the stock portfolio or financial position.

### **2.6.2 Business plan structure**

The first five years of the plan are identified annually and then in five year increments for the remainder of the plan.

The figures, particularly the annual ones, should not be confused with actual budget requirements. The figures are indicative and are intended to show the scale of investment needed to maintain and improve our stock over the 30 year life of the plan.

### **2.6.3 Key business plan assumptions**

The key assumptions from the plan are:

- The number of blocks of flats is stable for the 30 years of the plan; any acquisitions or builds will include maintenance for 30 years as part of the business case
- The numbers of dwellings being sold per year and the mix of sold vs. new leaseholders is based on average levels over the last 10 years
- Day to day repairs continue at the present level for the 30 years of the plan
- Void numbers continue at the present level for the 30 years of the plan

### **2.6.4 Property archetypes**

The plan allocates our stock into a number of archetypes to facilitate the modelling of costs over the 30 years of the plan. These archetypes are based on the following attributes of our stock:

- Number of storeys (Low-rise, Medium-rise...)
- Asset type (Bedsit/Flat/Maisonette vs. House/Bungalow)
- Construction type (Brick vs. Concrete vs. Steel Frame vs. Infill Panel)
- Pre- vs. Post-WWII houses

### **2.6.5 Element lifecycles**

The plan uses three types of lifecycle data in its construction:

- Historical data from the stock database that records actual installation dates, e.g. kitchens and bathrooms
- The practical experience of repairs and maintenance managers

- Industry standards where no local knowledge or experience is available

### 2.6.6 Average costs

The plan uses three types of average cost data in its construction:

- Data from the repair and maintenance database, e.g. kitchen installation costs, general repair and void costs
- Current information from project tender returns
- The practical experience of repairs and maintenance managers

## 2.7. 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 our repairs and maintenance improvement plan or the service provider risk register, as appropriate.

## 2.8. Asset management plans and strategy monitoring

The strategy is approved by the Head of Housing & Property Services, Housing & Property Services Manager and Cabinet Member for Housing after consultation with the resident consortium and relevant stakeholder managers.

Asset management plans and performance relating to the asset management strategy's key priorities will be formally reported to the Cabinet Member for Housing Executive and stakeholders as required.

Reports, when requested, will review progress against the key priorities using appropriate measures. The reports will confirm any current asset management plans and may include 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. Asset portfolio profile**

#### **3.1. Residential dwellings**

We manage, maintain and own an asset portfolio of around 15,100 residential dwellings as well as managing just under 2,000 additional residential leasehold properties.

Approximately 30% of the dwellings we own 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**

The majority of our HRA stock is flats and maisonettes which account for nearly 70% of our dwelling assets, whilst houses and bungalows make up the remainder of our HRA stock.

See Figure 8 - Assets by Type and Ownership (April 2014) on page 32.

##### **3.1.2 Asset construction year**

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

See Figure 9 - Assets by Year Built and Ownership (April 2014) on page 32.

##### **3.1.3 Construction Type**

The majority of the residential dwellings are traditionally constructed, although there are a significant number of various non-traditional construction concrete and steel frame properties.

See Figure 10 - Assets by Construction Type and Ownership on page 33.

##### **3.1.4 Number of storeys**

Most of the residential dwellings are low to medium rise construction up to five storeys, although there are 26 blocks of flats that are high rise construction of between six and nine storeys, with a further 13 tower blocks that are 10 storeys and above.

See Figure 11 - Assets by Number of Storeys and Ownership on page 33.

##### **3.1.5 Area housing offices**

The dwelling assets are managed from seven area housing offices that are located within the local area and receive the initial customer demand. Within the city (on-island) there are housing offices at Buckland, Landport, Portsea,

and Somerstown. Outside of the city (off-island) there are housing offices at Leigh Park, Paulsgrove and Wecock Farm.

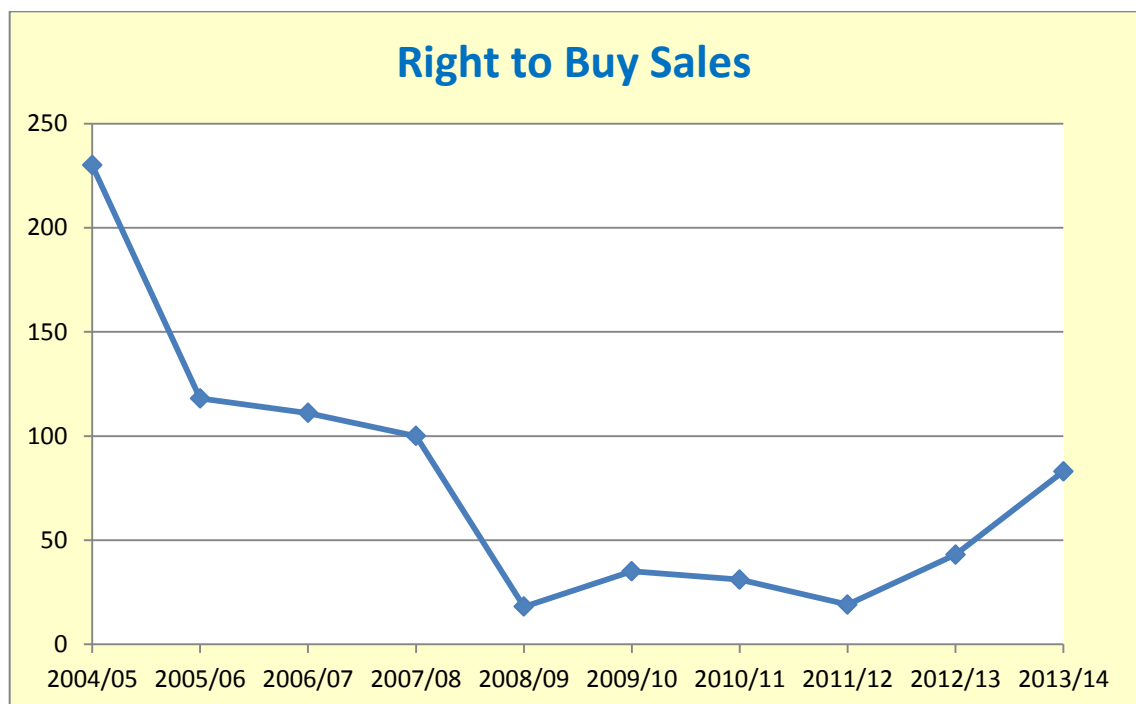
The housing offices at Leigh Park and Wecock Farm are located within the neighbouring local authority of Havant Borough Council.

See Figure 12 - Assets by Area Housing Office on page 34.

### 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 climate.

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



**Figure 1 - Right to Buy Sales (2004/5 - 2013/14)**

See Figure 13 - Average Percentage of Sales by Area Office (2004/05 - 2013/14) on page 34

See Figure 14 - Number of properties sold by Asset Type on page 35.

## 3.2. Commercial assets

We manage, maintain and own within our asset portfolio a variety of commercial assets. This includes garages and car parking spaces that are rented to our tenants and private residents.

It also includes adventure play areas, community centres and youth clubs that are situated within the housing estates that are used by our residents and the local community.

Retail premises also form part of our commercial portfolio and provide an income to the HRA

See Figure 15 - Commercial Assets (August 2014) on page 35.

### **3.3. Land**

We manage, maintain and own within our portfolio approximately 355 hectares of land and open space. This consists of individual parcels of land that are typically green open spaces with no defined usage; the sizes of these individual sites vary.

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

### **3.4. Offices**

We manage, maintain and own six Area Housing Offices and rent one other Area Housing Office. These are located within the housing estates to receive customer demand and provide a full range of services that are accessible to residents.

Within our portfolio we also manage, maintain and own other offices (some 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.

### **3.5. Asset value**

The net book value of all the assets owned by H&PS 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 H&PS assets.

## 4. Residents

### 4.1. Demand for suitable homes

The demand for suitable homes is received by the Housing Options team from customers who wish to live in Portsmouth and in council 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 our dwellings will need to also be known to fully understand the nature of demand for council 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 council dwellings.

### 4.2. Residents receiving housing benefit

The majority of residents renting council dwellings (64%) currently receive either full or part housing benefit payments.

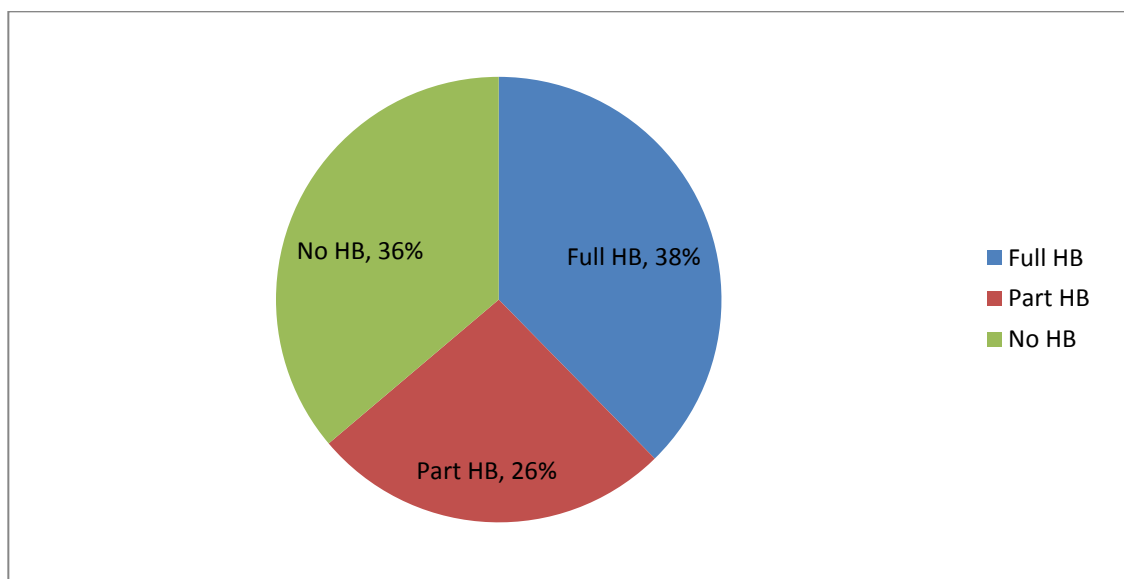


Figure 2 - H&PS residents receiving Housing Benefit (2013)

### 4.3. Resident profile

Currently about one third of residents occupying our dwellings are in the age band 30-49 with a further third being in the age band 60 and over. The smallest proportion of residents is males under the age of 30 (approx. 3%).

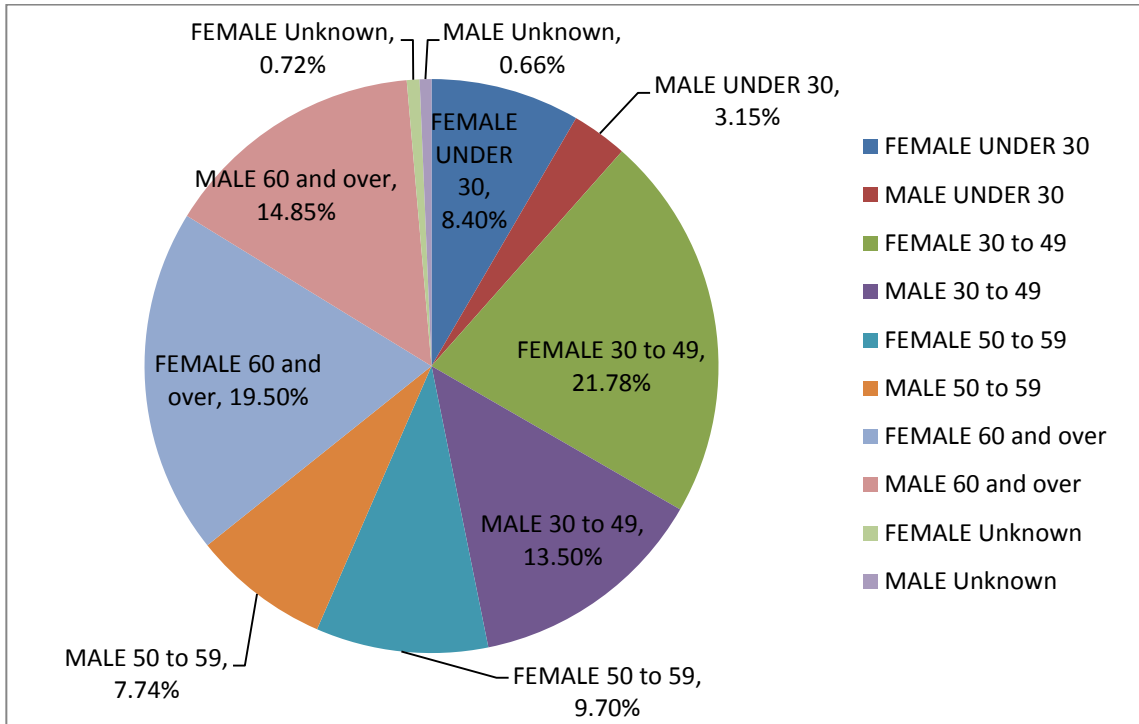


Figure 3 - Residents' gender & age bands (2013)



## **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 and 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.

Our front-line teams will also record the type and frequency of all demand received, when appropriate, i.e. to understand any changes in demand that may have occurred. 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 repairs and maintenance improvement plan or service provider risk register as appropriate.

## **6. Undertake statutory demands**

We have 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 we must ensure are undertaken and are a key service priority.

### **6.1. Gas safety inspection and servicing**

As a landlord we have a responsibility 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 we have a Landlord's 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.

Approximately 90% of our residential dwellings currently have gas appliances that should be serviced and maintained.

### **6.2. Electrical inspection**

As a landlord we have a responsibility 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 we have an Electrical Installation Condition Report (EICR) for all residential council 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.

When undertaking the EICRs the objective is to undertake any work necessary to ensure that its expiry date is:

- Ten years for dwellings
- Five years for communal areas

We currently have approximately 800 blocks of flats that require a communal EICR.

### **6.3. Legionella**

We have 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.

We currently have just over 80 communal cold water storage tanks that are managed with regard legionella and nearly 20 communal boilers.

#### **6.4. Passenger lifts and stair lifts**

We have 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 stair lifts in residential dwellings.

This is achieved by ensuring that we have a record of 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 stair lifts will have an annual cyclical service undertaken.

We currently have just over 100 passenger lifts that we are responsible for maintaining and over 500 stair lifts in dwellings. We also manage the maintenance of a further 230 stair lifts on behalf of Social services.

#### **6.5. Fire prevention**

We have 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, sheltered housing accommodation and places of work.

This is achieved by ensuring that 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.

Regular block inspections by our staff such as Estate Service Officers or Scheme Managers will ensure that bulk clearance, cleaning and responsive maintenance of communal areas and escape routes is undertaken which will ensure that fire risks and hazards are managed day to day.

In addition we will ensure that a relevant Type 1 Fire Risk Assessment (FRA) for all blocks of flats that have common areas is undertaken using the PAS79:2012 template and that a suitable action plan is implemented where appropriate.

A new FRA will be undertaken every 10 years or whenever there are significant changes within a block in relation to fire safety or when planned actions are undertaken, whichever occurs first.

The FRA will be undertaken by a competent fire risk assessor.

Reviews of FRAs should be undertaken using the PAS79:2012 review template.

Fire safety advice and policy will be communicated to residents and leaseholders using notice boards in communal areas and regular communication through resident magazines and the PCC website as appropriate.

We currently have approximately 800 blocks of flats that require an FRA.

## **6.6. Asbestos**

We have 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 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 asbestos register that will be easily accessible by our and contractor staff.

Over 50% of our dwellings have asbestos that has been identified and recorded on the asbestos register.

## **6.7. Housing health and safety rating system (HHSRS)**

We have 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 assessing any risks during a survey and taking action to immediately avoid or minimise any hazard which is identified.

HHSRS assessments will be undertaken if requested by a local repairs and maintenance team. A competent surveyor trained to apply the HHSRS to the

risk identified will be arranged and action will be taken to avoid or minimise any category 1 hazards highlighted.

## 7. Maintain our property demands

We receive stock maintenance demands directly from both our 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 our properties are maintained by carrying out the right repair at the right time.

Response repair demand is received by our staff based at area housing management offices, from our residents, leaseholders and from 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 we receive an average of over 1,500 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 our assets will inform planned maintenance demands.

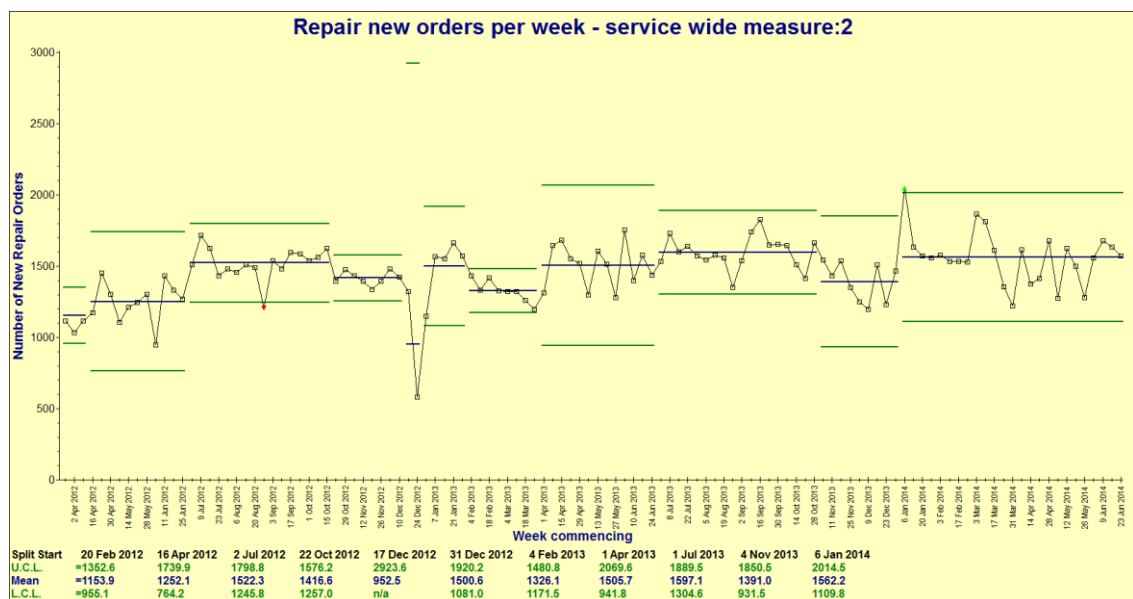
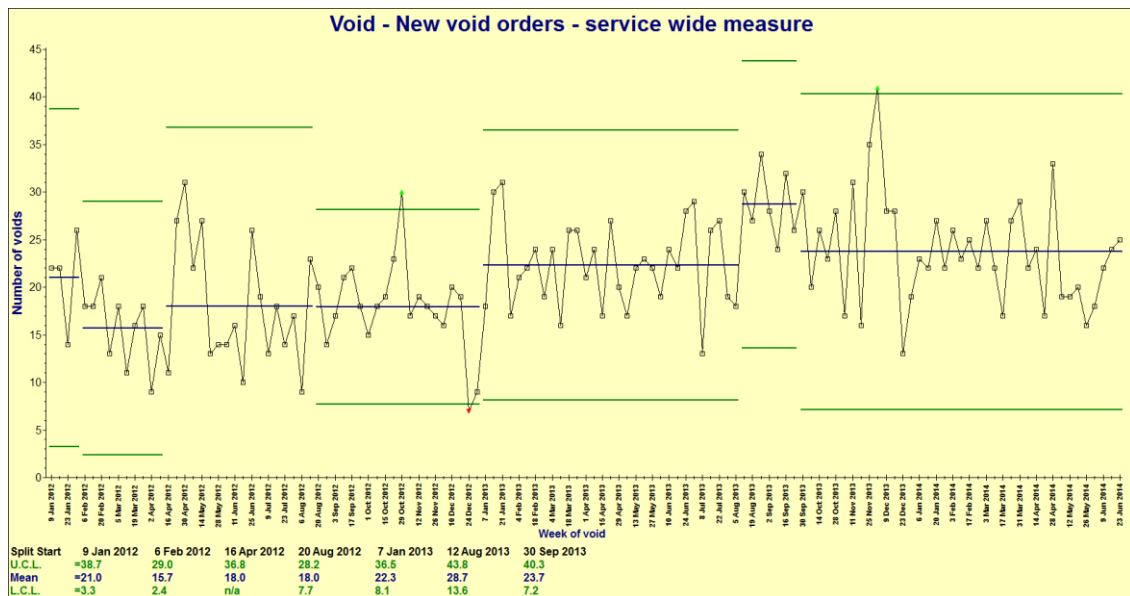


Figure 4 - New Repair Orders per week (June 2014)

### 7.2. Void properties and our waiting list

When a residential dwelling becomes vacant the void demand is received by our area housing office management teams. The average number of voids that are received is approximately 24 properties per week.



**Figure 5 - Number of New Void Properties per week (June 2014)**

Demand for our 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 register has approximately 1,500 customers registered for housing, 80% are registered for general needs housing whilst the remainder have specific housing requirements.

There is currently less demand for bedsits or four and five bedroom properties. Approximately 90% of those on the housing register have been assessed as requiring one, two or three bedroom properties.

The works undertaken in all void properties is by agreement at a viewing by our staff with a prospective resident at the property. Work agreed will include all statutory requirements that we 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 Property Service Manager is responsible for assessing the external, communal and roof condition of the 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 will periodically be undertaken to a representative sample of system build non-traditional housing stock and high rise properties. Currently these surveys have indicated that the assets are in a similar good condition and with planned maintenance will 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 and 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 our 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**

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

### **8.1. Energy performance**

We will evaluate all our assets to assess how the Reduced Data Standard Assessment Procedure (RdSAP) 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 RdSAP rating recorded in the repairs and maintenance stock database. Improvements will be identified that can be undertaken to improve the RdSAP rating for a property

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

The priority for the plan will be to address the worst performing and hardest to treat high rise and non-traditional construction properties. A whole building approach to energy improvement as part of planned schemes will be undertaken where appropriate addressing a combination of measures at once such as replacement glazing and external wall insulation. The focus will be to improve the insulation performance of the whole building envelope and reduce heating demand as opposed to installing more efficient heating.

The average RdSAP rating for our dwellings is currently 72 which is the equivalent of a band C.

### **8.2. Adaptations**

We will ensure that existing 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.

An occupational therapist (OT) will assess residents, or member of their household's, needs and submit requests for Disabled Facility Grants (DFG) or DP15s. The local repairs and maintenance team manager will identify and assess the options to meet the demands received.

### **8.3. Environmental and communal improvements**

We 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.

#### **8.4. Suitable homes improvements**

We will continually evaluate whether suitable homes are being provided when needed and prepare plans to improve properties as appropriate to meet future customer expectations regarding living standards to ensure that adequate accommodation is available.

The plans may involve actions to improve the performance of properties to meet customer expectations, ensure that the layout and configuration of accommodation is suitable for the demographic requiring housing and undertake improvements to the structure to maintain its integrity where it is proportionate to do so.

## 9. Utilising our assets

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

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. Land and new housing development

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.

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

All new housing will be constructed to exceed current building regulation energy standards where it is proportionate to do so and if possible achieve an accredited standard such as Passivhaus certification or other similar standards.

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 H&PS 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 3<sup>rd</sup> Edition (SHLAA).

### 9.2. Sheltered housing properties

Our future approach to sheltered housing will be informed by the current demand for our accommodation. Demographic changes suggest that the

demand for older person's accommodation should be increasing, if we have a large number of hard to let properties or there is a mismatch between the properties we have available and the demand expectations of those customers needing sheltered housing accommodation, then we will review the accommodation and adapt them as appropriate.

We 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 properties that are available.

If the estimated cost of undertaking work to an individual dwelling to make it a lettable asset is excessive or 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 the current demand for 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 and 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. If sites are identified that fall into this category we will plan to assess their effectiveness as parking and garage sites.

Where there is no demand or it is not commercially viable for a particular garage or car parking area, other options will be assessed to change the use of the garage or parking site to fully utilise the 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 housing need for suitable homes.

Options for properties potentially being acquired to convert to meet the 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.

## **9.6. Generating income**

Where appropriate, we will evaluate options to utilise existing assets to generate income that will benefit the HRA by establishing the payback period for any investment. For example this may include installing PV panels on building roofs where there is a high demand for communal electric, this cost will then be subsidised and will benefit all residents.

## 10. 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 (HIP)

The HIP is the housing portfolio's seven year capital programme, which is formally reported to the Cabinet Member for Housing Executive annually. 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 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 Somerstown Central and construction of new 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
- sale of non-dwelling assets (known as 'capital receipts')
- 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 annually at the main council budget setting meeting. These meetings require the Cabinet Member for Housing to approve the budget that has been set.

Residents are consulted throughout the process of compiling 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.

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.

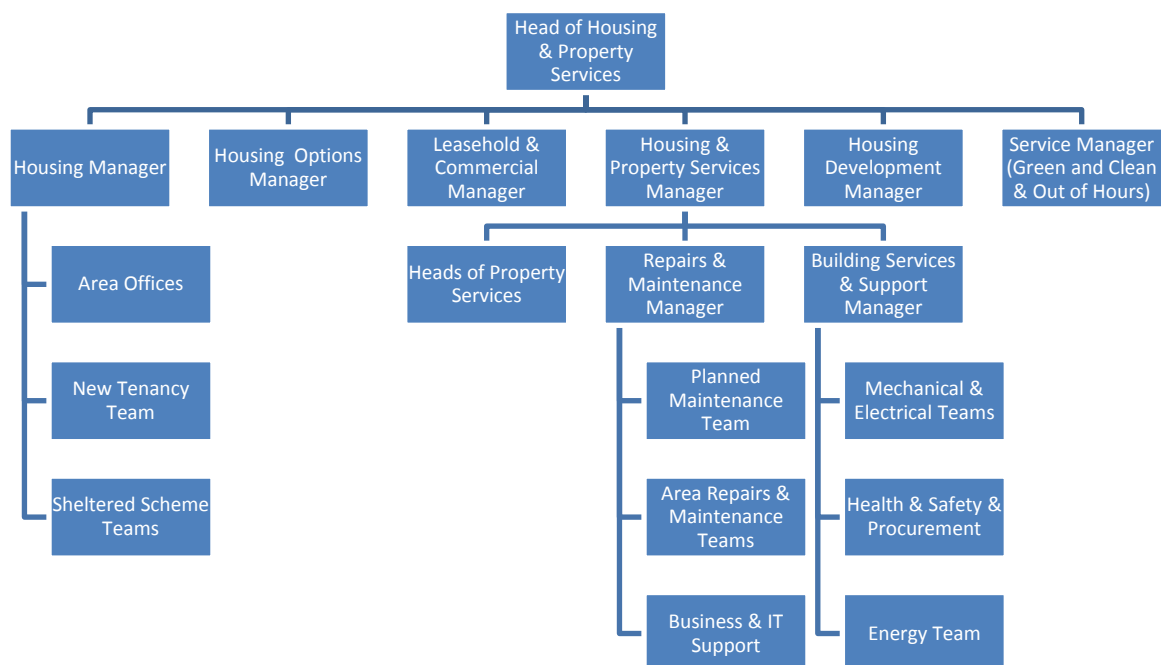
It is essential that we meet our obligations under this agreement, as failure to do so would result in the receipts being repayable to DCLG with interest added.

### 10.3. People

Our 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 for the repairs and maintenance service.

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

Regular recruitment of trainee and graduate building surveyors will be undertaken. Support will be provided and a staff structure maintained that enables them to follow a career path to become chartered building surveyors.



**Figure 6 - Organisation Chart related to Asset Management**

Where it is identified that we 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. We 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 an 'open book' type contract where costs incurred are visible.

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 work that does not provide a continuity of work over a prolonged period, then contractors will be procured for specific projects either by gaining quotes utilising an agreed select list or tenders utilising a 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 our 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.

## Appendix A. Stock data analysis

Asset Element	Lifecycle (Years)
Kitchen	18
Bathroom	20
Heating System Boiler	15
Heating System Distribution	30
Flat Roof Covering	27
Pitched Roof Covering	70
PVCu Windows (Dwelling)	35
PVCu Windows (Communal)	45
Communal Electrical Certificate	5
Door (Dwelling)	25
Door (Communal)	30
External Decorations (Flats)	10
External Decorations (House Brick/Concrete)	15
External Decorations (House Steel Frame/Infill Panel)	30
Internal Decorations (Low-rise)	15
Internal Decorations (Medium-rise, High-rise & Tower Block)	10

**Figure 7 - Lifecycle years (April 2014)**

Asset Type	HRA Stock	Leaseholder	Grand Total
Bedsit	367	26	393
Bungalow	218		218
Flat	8268	1405	9673
House	4303		4303
House in Multiple Occ.	3		3
Maisonette	1944	459	2403
<b>Grand Total</b>	<b>15103</b>	<b>1890</b>	<b>16993</b>

Figure 8 - Assets by Type and Ownership (April 2014)

Year Built	HRA Stock	Leaseholder	Grand Total
Pre 1950	2309	134	2443
1950s	4757	682	5439
1960s	4465	673	5138
1970s	2841	353	3194
Post 1979	731	48	779
<b>Grand Total</b>	<b>15103</b>	<b>1890</b>	<b>16993</b>

Figure 9 - Assets by Year Built and Ownership (April 2014)

Construction Type	HRA Stock	Leaseholder	Grand Total
BISF	336		336
Bison	540	4	544
Concrete ring beam	552	105	657
Crosswall	860	255	1115

Construction Type	HRA Stock	Leaseholder	Grand Total
Easiform	178	4	182
Howard	120		120
No-fines	1216	73	1289
Orlit	53		53
Reema	858	15	873
Traditional	10390	1434	11824
<b>Grand Total</b>	<b>15103</b>	<b>1890</b>	<b>16993</b>

Figure 10 - Assets by Construction Type and Ownership (April 2014)

Number of Storeys	HRA Stock	Leaseholder	Grand Total
Low Rise (1-2 storeys)	6640	439	7079
Medium Rise (3-5 Storeys)	6049	1382	7431
High Rise (6-9 storeys)	839	60	899
Tower Blocks (10 storeys & above)	1575	9	1584
<b>Grand Total</b>	<b>15103</b>	<b>1890</b>	<b>16993</b>

Figure 11 - Assets by Number of Storeys and Ownership (April 2014)

Area Housing Office	HRA Stock	Leaseholder	Grand Total
Buckland	2438	185	2623
Landport	1575	215	1790

Area Housing Office	HRA Stock	Leaseholder	Grand Total
Leigh Park	4172	357	4529
Paulsgrove	2790	332	3122
Portsea	768	75	843
Wecock Farm	712	80	792
Somerstown	2648	646	3294
<b>Grand Total</b>	<b>15103</b>	<b>1890</b>	<b>16993</b>

Figure 12 - Assets by Area Housing Office (April 2014)

Area Housing Office	Percentage of Sales
Leigh Park	31%
Paulsgrove	26%
Somerstown	14%
Buckland	10%
Landport	9%
Portsea	5%
Wecock Farm	5%

Figure 13 - Average Percentage of Sales by Area Office (2004/05 - 2013/14)

Year Sold	Houses	Flats	Grand Total
2004/05	118	112	230
2005/06	55	63	118
2006/07	51	60	111
2007/08	46	54	100
2008/09	10	8	18

Year Sold	Houses	Flats	Grand Total
2009/10	14	21	35
2010/11	19	12	31
2011/12	7	12	19
2012/13	18	25	43
2013/14	39	44	83

**Figure 14 - Number of properties sold by Asset Type**

Asset Type	Grand Total
Adventure Play Grounds	6
Car Parks	222
Community Centres & Youth Clubs	15
Garages	2,482
Leisure/Health	8
Mobile Home Parks	2
Offices	40
Retail/Hospitality	47

**Figure 15 - Commercial Assets (August 2014)**



## Appendix B. Asset management strategy references

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.

- Portsmouth City Council Tenancy Agreement
- Repairs and Maintenance Measures Operational Definitions
- Repairs and Maintenance Improvement Plan
- Service Provider Risk Register
- Portsmouth City Council's Allocations and Lettings Policy
- Portsmouth City Council Housing Waiting List
- 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
- Housing Investment Programme (HIP)
- 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
- Shaping the Future of Portsmouth – a regeneration strategy for the city
- Shaping the future of housing - A strategic plan for Portsmouth