

Housing Asset Management Strategy

2019 - 2024



Foreword

The Council owns, manages and maintains nearly 4,500 properties in East Suffolk. We are building new homes for our residents as well as continuing to maintain a very high standard of property for our existing tenants. With a repairs and maintenance budget of £7m in 2019-20 alone it demonstrates our commitment to investing in the housing stock for the benefit of our current and our future tenants.

The housing stock is the Council's most valuable asset and therefore it is important to ensure that it continues to be properly managed. New properties being built, new improvements within our housing, and responsive repairs must be carefully planned to ensure budgets are achieved and the standards we have set for years are kept. This strategy plays an important role in that, considering what we have achieved and crucially identifying our new priorities for the next 5 years.

In July 2019, East Suffolk Council unanimously voted to declare a climate emergency. We recognise that environmental factors must be taken into account in our asset management processes and play a key role in informing the decisions we take about our residential assets, and how we invest in them. This strategy sets out how we support the Council to achieve its commitments to step up its positive work on environmental issues, to reduce its own carbon emissions and to encourage communities to help fight climate change. We are committed to setting the standard for our district and be an exemplar for housing providers across East Suffolk.



Cllr Richard Kerry
Portfolio Holder for Housing

Contents

Corporate strategies - Page 04

Stock portfolio - Page 05

Enviromental sustainability - Page 07

Stock maintenance - Page 09

Housing maintenance workforce - Page 11

Achievements - Page 12

Financial information - Page 13

Redevelopment and new build - Page 14

Tenant and resident involvement - Page 15

Our Priorities - Page 16

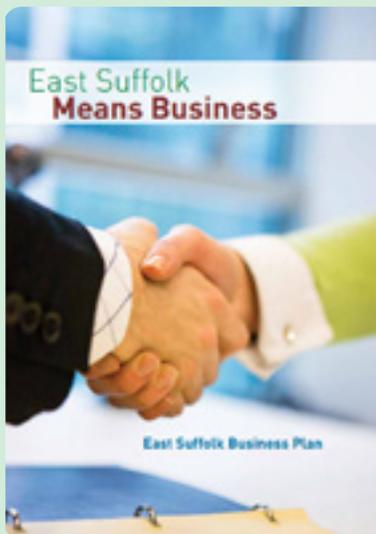
Our Actions - Page 18

Actions Summary - Page 21

Corporate Strategies

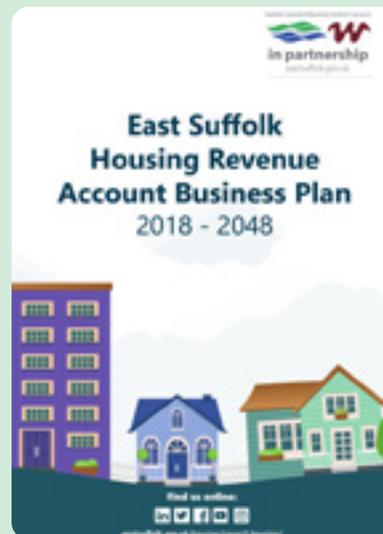
This Housing Asset Management Strategy (HAMS) links closely with other related business plans and strategies, to ensure that there is a 'golden thread' from the East Suffolk Business Plan to ensure a cohesive and coordinated approach to the Council's service delivery.

The Strategy reviews the historic approach to our housing stock, recognising the achievements we have already delivered and sets out our aspirations over the next 5 years, recognising that these assets are our tenants' homes as well as bricks and mortar.



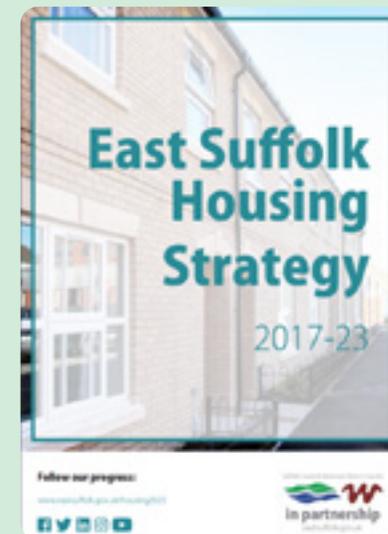
East Suffolk Business Plan

This corporate plan was adopted by the two former councils in 2015. It set out the Vision for East Suffolk (as the largest district council in England by population) and the adoption of the three current themes: Enabling Communities; promoting Economic Growth; and becoming Financially Self Sufficient.



East Suffolk HRA Business Plan

This is the prime document that links with this strategy setting out planned investment in the housing stock over the next 30 years and providing detailed analysis of the current position of our housing assets.



East Suffolk Housing Strategy

The strategy sets out the ambitions and priorities for the housing service from 2017 to 2023 and addresses a range of issues relating to the Council's own housing stock.

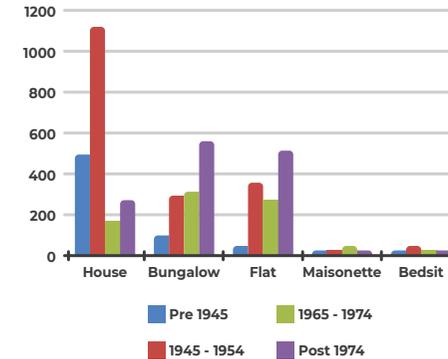
Stock Portfolio

Stock age

Our housing stock is focused in the north of the district. Our intention is to be pro-active and develop in the south but we recognise there are challenges around availability and affordability of land.

The chart below gives a breakdown of the types of stock by age. The largest proportion is houses built between 1945-1964. Recent housing developments will now contribute to increasing stock numbers though there will continue to be a loss annually through Right to Buy.

Stock breakdown by age

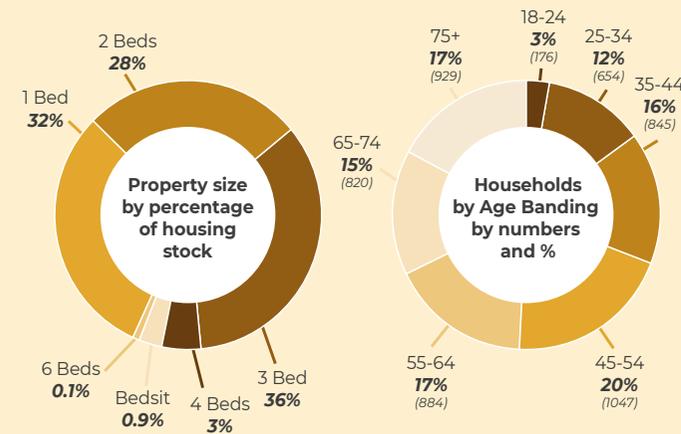


Stock type

We hold information on occupation of our properties which is reflected in the two charts below. One shows the property size by number of bedrooms and the other shows households by age.

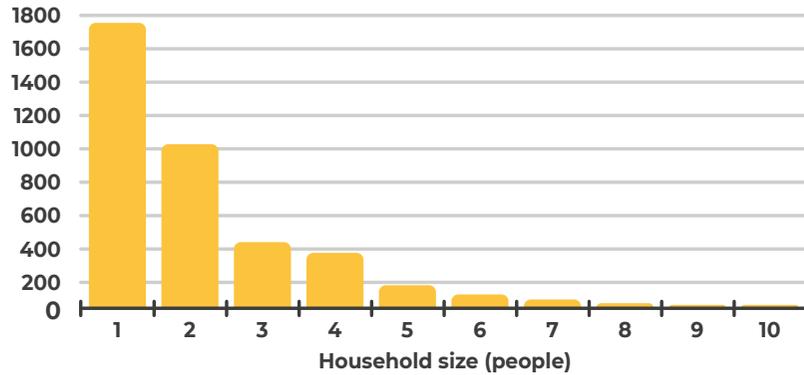
We hold a fairly broad spread of accommodation with the majority being 1, 2 and 3 bedroom units but we are aware that there is an increasing demand for 1 and 2 bedroom units and much of our new development is focused on meeting this need.

We know that in general we house an older population with nearly half of our tenants aged 55 or more. This is unusual compared to the national average but is consistent for the county and reflects specific needs and demands that are made on our stock.



Stock Portfolio - continued

No. of tenancies by household size



Occupation

An analysis of the stock reflected in the chart shows that our properties are predominantly occupied by single people (1700). This is not surprising when considering the inclusion of our Retired Living accommodation in the figures as well as the large number of flats we own.

Inevitably we house fewer larger households and very few households of more than 5 people. This is reflected in the size of our new build properties which are generally 1 and 2 bed types.

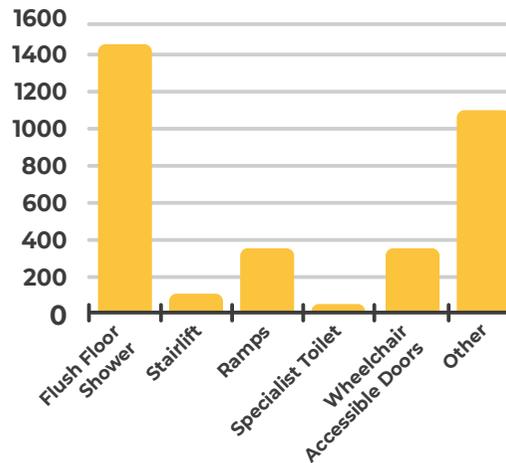
Adapted properties

We have carried out adaptations to our properties over many years to now have a comprehensively adapted stock to meet the needs of our tenants.

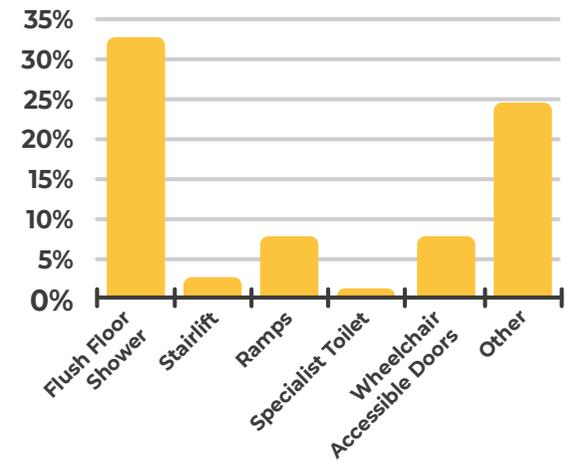
Nearly one third of our stock has flush floor showers and nearly 42% of the stock has had an adaptation of some kind – a high amount.

We remain committed to adapting our properties to meet the changing needs of our tenants and have an annual budget of £250,000 to achieve this.

No. Properties



% of Stock



Environmental sustainability

As a Council we have committed through our East Suffolk Business Plan to protect, enhance and make sustainable use of our environment. We recognise that good asset management and delivery of services to our housing stock can impact on our commitment, and we must therefore carefully consider our actions.

Low emission vehicles

We recognise that our services and accompanying fuel usage impact on the environment. Replacing older vehicles with **lower emission vehicles** is a priority and potential use of fully **electric vehicles** is actively being investigated.



As a housing provider East Suffolk Council utilises the services of many specialist contractors for delivery of work programmes such as gas heating, lift maintenance and asbestos removals. A key evaluation score for the contracts we award considers how the bidder manages their environmental impact and their plans to reduce their future carbon footprint.

We recognise that consideration must be given to the selection of suitable and sustainable material products within the construction industry and we intend to work closely with our suppliers to allow use of appropriate materials wherever possible. Additionally we must consider waste generated through our activities and we currently recycle waste products wherever practical to do so, such as concrete, plastics, metal and paper.

During late 2019 we will be inviting bids for a new waste removal contract, the award of which will have a high emphasis placed upon the recycling abilities of the bidders and any carbon reduction initiatives offered.

We will consider options to deliver new housing and individual remodelling projects to achieve carbon neutral or passivhaus standards where practicable and cost effective to do so.

Environmental sustainability - continued

We have a very good track record of reducing reliance on carbon fuels to deliver heating for our tenants by use of renewable or low carbon heating initiatives, and intend to continue such works in the future.

Solar Photovoltaic



We have installed **Solar Photovoltaic** panels to our retired living schemes, generating electricity for communal supplies and reducing costs for tenants. These installations benefitted from the Government's 'feed in tariff' scheme which generates additional income to the HRA and supports funding for other energy efficiency projects.

Solar Thermal



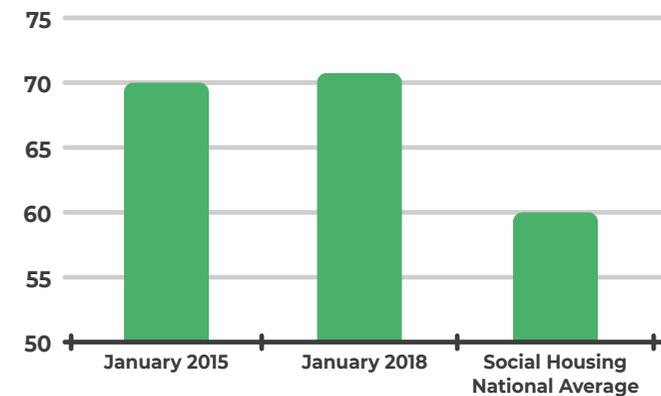
As a Council many of our properties are in rural areas without access to natural gas supplies. We have been keen to assist our tenants by providing more efficient, flexible and affordable heating systems and have installed over 250 air source heating systems with **solar thermal** panels. These installations qualify for the Government's renewable heat initiative payments and East Suffolk are extremely pleased to recognise we have the highest number of applications for RHI of any Council in England.

Energy Performance

Our energy performance certificate (EPC) score has been improving over several years bringing benefits to our tenants with greater energy efficiency and helping to combat fuel poverty. The graph below shows the average EPC score has risen from 70.05 to 70.65 from over 3 years. This is higher than the national average for council housing of 65.00 (English Housing Survey 2014/15).

Legislation will require a minimum EPC rating of 'D' (55-68) in the private rented sector and we are mindful of the need to consider in the strategy how we achieve this in our own stock.

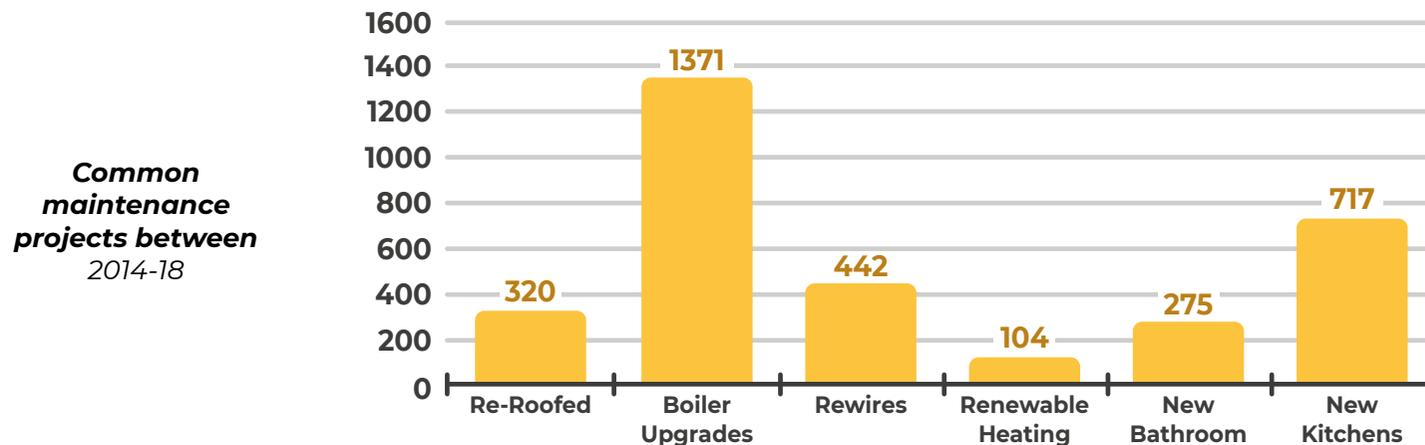
Average EPC Score



Stock maintenance

We pride ourselves on maintaining our housing stock to a high standard and achieved the Decent Homes Plus standard in 2009, a year ahead of the Government time frame. We are continuing to invest millions of pounds over the years to ensure that we have well maintained properties that are improved to a high standard. Historically we have been a sector leader with full double glazing of our stock completed over 19 years ago and we commenced a programme of installation of energy efficient condensing boilers a decade ago.

The Chart below highlights the most common maintenance projects we have carried out between 2014 and 2018. Upgrading boilers remain a priority for us.



The investment over the years has resulted in a predicted fall in day to day repairs and most expenditure is allocated to renewal projects such as new bathrooms and kitchens. Only 14% of our £6.8m budget is spent on day to day repairs. This meets the level that the former Audit Commission stated Registered Providers should be achieving when they invest appropriately in improvements.

Additionally, we have seen significantly high levels of tenant satisfaction in the repairs service typically around 90%. This is a high rating with the national average satisfaction of Registered Provider tenants being 66% (English Housing Survey - Social rented sector 2016-17).

We will continue to invest in our properties to improve living conditions for our tenants.

Stock maintenance - continued

Non-Traditional Housing

Some of our housing is built in a non-traditional way, which was not uncommon in the post war period. We have a range of this type of stock, including Swedish, Airey, Tarran, and Unity construction. This type of stock requires increased monitoring to ensure deterioration is picked up early. We own 193 non-traditional properties.

Kitchen modernisation

We are choosing to modernise kitchens by not only upgrading older kitchen fittings but also delivering an increase in kitchen space as well as upgrading the quality of the fittings. We believe that a family home should have a decent kitchen to meet the needs of the family, in terms of both the size (to accommodate modern day appliances) and the standard to reduce maintenance costs and improve the quality for our tenants.



Re-roofing

A significant programme of re-roofing work of 860 properties has been undertaken over the last 16 years, informed by our asset management database. This proactive programme helps ensure the stock is energy efficient and watertight. Having a mostly aged stock we intend to continue this programme with similar levels of investment in coming years.

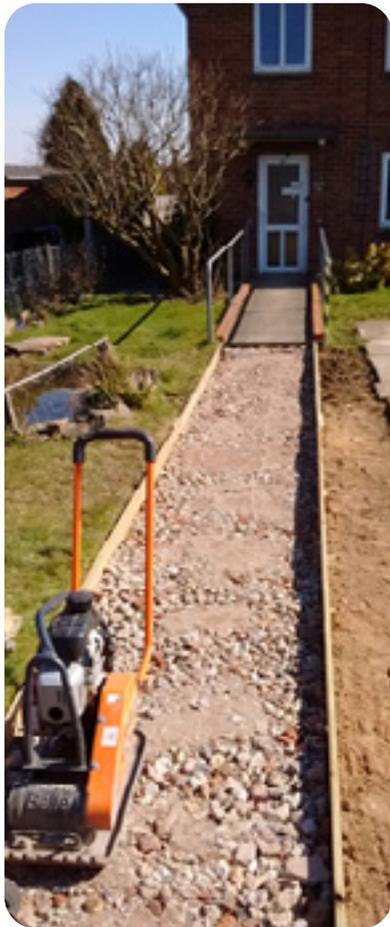


Information gathering

We have a comprehensive stock survey process with regular property inspections to ensure our stock data is current. The data is managed on an asset management software system. This allows us to review our asset plans against future improvement strategies, such as energy efficiency or communal areas and enable us to make investment decisions in the stock ensuring we keep our stock to a high standard.

Housing maintenance workforce

We have developed a competent and trained workforce to deliver the housing maintenance service to our tenants. In recent years we acquired a local roofing and scaffolding company to contribute to the service. We are also conscious of the need to raise revenue to fund the HRA and we offer our services to private companies and carry out work for owner-occupiers as well as other Registered Providers on a chargeable basis.



Apprenticeships

We have a corporate commitment to our social value responsibilities and are committed to employing and training apprentices within the Housing Maintenance Team. Since 2014 we have taken on 16 apprentices who have worked in various trades. We were delighted when two of our apprentices were short-listed for a national apprenticeship award, with one of them winning.



Achievements

Financial management

Our strong financial management has enabled a significant investment to be made in our housing stock. In 2019-20 our budget for housing maintenance was £6.5m covering a range of improvements, maintenance and environmental enhancements.

Procurement

Our procurement approach supports the wider social value objectives of the Council, including employment opportunities, work experience, training and development and community investment. We are committed as a Council to these objectives and offer apprenticeships and work experience opportunities within the team.

The gas contract let in 2019 reflects this social value objective with a requirement for the contractor to employ and train several apprentices from the local community.

Lettable standard

Since the last Housing Asset Management Strategy, we have made investment commitments to maintain assets to an agreed property standard (which we call our 'Lettable Standard') along with other prioritised investments and improvements. We have made a new 5-year investment plan that reflects our investments priorities and available resources, which was approved in 2018.

Fleet management

We have a Fleet Strategy for our vehicles which considers the corporate commitment we have to improve sustainability and reduce greenhouse gas emissions. Between 2016-2017 our fleet emitted 161 tonnes CO₂e (carbon dioxide equivalent), 119 kg Nitrogen Oxide and 8 kg Particulate Matter. With more efficient vehicles being introduced the level of pollution emissions has fallen, helping us meet the corporate objective.

We are committed to continue to strive to be greener and are investigating the use of electric vehicles when it is economically viable to do so.

Performance monitoring

The Housing Service has consistently monitored how it performs. For the past few years we have employed an independent company to randomly survey our tenants every month to ensure that we are maintaining our standard. In 2018 -19 our independently assessed satisfaction level for the Maintenance Service was 89% for the overall housing service – a figure we have consistently maintained over the years.



Financial Information

We are required to account separately for our housing provision via the Housing Revenue Account (HRA). This is a ring-fenced account containing the costs arising from the provision and the management of the Councils housing stock, offset by tenant rents, service charges and other income.

We have a 30-year financial business model to support the delivery of the HRA. It makes assumptions regarding the level of income available and the key risks facing housing service delivery within this timeframe. It programmes in the years we expect to pay back the current borrowing, whilst delivering the needs of the service.

Our repairs and maintenance (R & M) programme is split between capital and revenue. Revenue costs are funded from the revenue income from rents, whilst capital is funded from the Major Repairs Reserve (MRR).

The total R & M budget for both revenue and capital for 2019-20 is approximately £7m, which will increase in line with inflation over future years. During the life of the financial business plan there are projected peaks within the R & M programme where components will need replacing. These will be monitored and controlled to reduce the strain on the financial position of the HRA. Reducing these peaks in spending helps give a consistent financial approach, allowing accurate spend on the new development programme without the requirement of increasing borrowing and allows for better workforce planning.

Between 2018 and 2020 a budget of £501k was included in both the R&M revenue and capital budgets for additional works on our only tower block at St Peter's Court. These completed works included new window reveals, door replacement, water tank replacement, and a new sprinkler system. These works have been included in the programme in response to the issues identified by the tragic Grenfell Tower fire in 2017 and demonstrate the Councils commitment to ensuring the safety of tenants of the building. However, events such as the Grenfell fire also demonstrate that unforeseen events can have a substantial impact on planned budgets, indicating the importance of maintaining sufficient reserves.

Getting value for money is also important and we have sought to increase the level of partnership working we undertake to deliver better value. We are working with a broad range of public sector organisations (Norfolk County Council, Suffolk County Council and Great Yarmouth Borough Council) to deliver home improvements that prevent bed blocking and enable earlier hospital discharge benefitting the public purse as well as being better for the client. We also carry out adaptations to homes in the private sector which benefit the public purse as well as generating an income to the Council.



Redevelopment and new build

Redevelopment

Redevelopment and adaptation work have been valued at an expected £55.9m investment over a 30-year period which can be viably funded through the HRA. This ranges from conversion and upgrading of unpopular bedsit accommodation to conversions of larger older properties which are no longer fit for purpose.

We have commenced a review of our stock which has seen one of our retired living schemes set to close in 2019 due to the level of investment required and its unsuitability for affordable housing.

We will also be commencing a review of our Retired Living complexes to ensure they meet the future needs of East Suffolk which has a predicted increase in its ageing population.

Redevelopment also relates to the purchase of financially viable properties throughout the district that could be upgraded or converted to meet a specific housing need. This allows the Housing Service to intervene and act to remedy problematic vacant properties working closely with our Private Sector Housing Team and using compulsory purchase options where appropriate.



Renovation of an HMO in Lowestoft

New build

The Council has initiated a programme of land acquisition and new build development to provide additional affordable homes. This has identified funding of £47m to 2023. The programme combines HRA funding with funds from other sources. Longer term the Lowestoft and Outer Harbour regeneration proposals are expected to provide a significant opportunity for the development of further affordable homes. In 2017/18 a total of £2.6 million was invested in purchasing and developing brownfield sites with a further £1.8 million in the first 2 months of 2018/19. An additional £8.8million is available for 2018/19. Further to this a budget of £23.7million has been set aside for brownfield site developments during 2019/20 and 2021/22.

Our future staffing and maintenance budgets will be regularly reviewed to account for increased stock levels from new build developments.

Tenant and resident involvement

Tenant involvement in our housing service is important to us. We have an established Tenants Forum that provides a great opportunity for us to approach tenants with ideas, policies or initiatives.

Involvement however goes beyond the formal tenant groups and also includes residents and neighbourhoods to enable a broad cross section to express a view and allow us to listen and act. Examples of this include:

- We have engaged with the residents at Avenue Mansions, the retired living scheme we are closing down. We spent time with all the residents both individually and together to explain our decision and listen to their concerns. We have been able to work with all residents to find them new accommodation in their areas of choice.
- The fire protection work at St Peters Court in Lowestoft and the detailed cross-service engagement with residents that required sensitivity because of the traumatic nature of the London tower block fire that initiated the work.



Our Priorities

Environmental sustainability

Over the next 5 years improving the energy efficiency of all our assets will be a priority. We will be doing this by assessing our housing stock and identifying those properties that require investment. This would include considering EPC ratings to improve individual and average ratings as well as considering disposal of those properties with an E banding that cannot reasonably be improved.

We will continue to consider new energy efficient formats for tenants including the extension of installation of air source heat pumps, PV and Solar Thermal panels and indeed, any new technologies that may arise.

We will consider the environmental impact of our new developments and remodelling projects, seeking to achieve carbon neutral or Passivhaus standards where possible and practical to do so.

Tenant Involvement

A tenant engagement strategy is to be written during 2020 that will detail further the level of engagement of tenants. We hope to engage with our residents in new ways assisted by digital technology such as our tenants' portal which launches in 2020.

Voids

Void management (how empty properties are managed) is a priority to us to ensure that we maximise the income through rent coming into the Council as well as getting tenants quickly into their new home.

The time a property is empty is affected by a range of things from delayed return of keys, damage to the property and clearance of household rubbish, taking the opportunity to upgrade the kitchen etc. whilst the property is empty. All these matters are kept under constant review to try and minimise the period when a property is stood empty.

Technology

We are delivering a technological transformation programme which will include:

- ICT –to deliver business efficiencies e.g. mobile working as well as customer centred improvements such as a self-service portal for tenants to report repairs due in 2021. We recognise that in many areas superfast fibre broadband is lacking and we will need to work with the relevant groups to enable superfast broadband provision;
- Smart Home technology and Internet of Things (IoT) – A longer term goal for reducing costs and introducing convenience benefits for tenants as well as efficiencies for the Council;
- Green technologies and standards - including renewable energy sources, new materials for energy efficiency, sustainable building materials and using electric vehicles;

We will proactively monitor and evaluate all relevant emerging technologies for application to our housing stock and, where appropriate, undertake small feasibility studies to understand how best to apply these technologies.

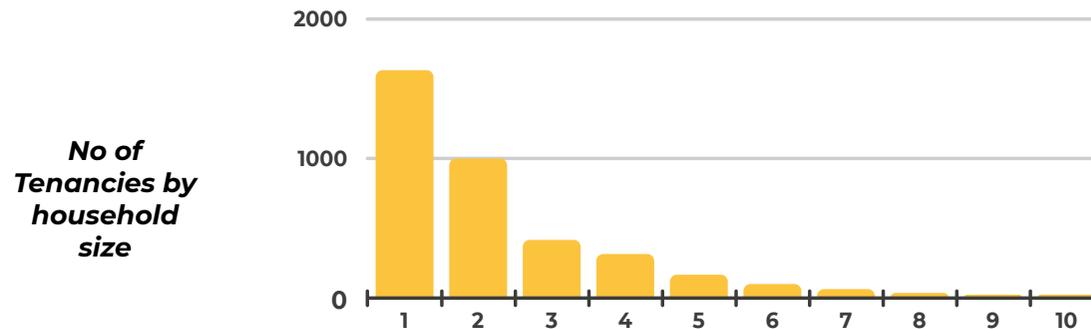
Our Priorities

New housing

We have a comprehensive new build programme that we know can be funded from existing resources. The challenge will be in finding sites and enabling the scale of development we are seeking. The HRA Business Plan provides a comprehensive analysis of the new build programme over the long term and specifically to 2023.

Maximising the use of stock

An analysis of our tenants' household size has indicated a high level of under occupation in the stock that needs to be a priority to try and deliver a more efficiently occupied housing stock. Attention to this was detailed in the HRA Business Plan and was an adopted action within it.



Fire risk management

Significant recent strides have been achieved on fire management in our tower block.

We have a range of other blocks of flats and we recognise that fire risk management is required and will be undertaken.

We have several hard to let properties that are almost exclusively within Retired Living schemes. We will be undertaking a review of our Retired Living accommodation to consider the needs of the East Suffolk ageing population as well as other vulnerable groups.

Harmonising asset management

It is recognised that the Council owns buildings which are assets shared between the HRA and General Fund. Our approach to managing them should be coherent and integrated to be as efficient as possible. Closer working on IT systems is underway and the joint use of an Asset Performance Tool is being considered.

Our Actions

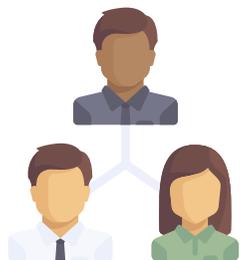


Stock performance - It is important that we understand our housing stock to manage our 'business resilience'. This means that we need to profile, review and appraise the stock to fully understand its performance and the contribution it makes to our HRA Business Plan. We manage opportunities and liabilities by identifying properties and either redeveloping or disposing of them to: i) reduce our liabilities; ii) generate funds for future re-investment in properties which are either better located to a) meet other housing need, or; b) are more efficient to manage. We have a track record in this area which has contributed to new build housing and generated a valuable capital contribution for new investment in our existing stock. Additionally, we have been active in re-developing our properties to deliver a higher performing additional stock that meets the needs of our tenants.

It is recognised that an effective Asset Performance Tool to help manage our assets may need to be invested in. This would allow us to understand our housing assets in more detail and enable us to manage them more effectively.

Action 01

To investigate the potential benefits of an Asset Performance Tool for the Housing Service and report to the Head of Housing by the end of 2020.



Resident involvement - We currently engage with our tenants through the Tenants Forum (composed of tenants and officers) and the Housing Benefits and Tenant Services Consultation Group (a mix of tenants, councillors and partners) which are well established groups. They consider our performance reporting on the housing stock as well as any significant changes that may occur (e.g. fire risk assessments to tower blocks).

We want to improve tenant engagement through new channels including the ability for tenant scrutiny of our strategies and budgets and will produce Tenant Engagement Strategy in 2020.

Action 02

Support the development of a Tenant Engagement Strategy in 2020 to enable meaningful engagement with residents and tenants in any future investment process as well as the development of future strategies.

Our Actions



Energy efficiency and sustainability - We have, for many years, committed ourselves to a higher standard than those outlined in the Decent Homes Standard. This reflects our long-held view that our properties should be good quality, have decent facilities and amenities and be affordable for our tenants to live in. Over nearly three decades we have adopted energy efficiency measures in our stock with the installation of gas central heating with thermostatic radiator valves, double glazing throughout all our stock, loft insulation to a minimum of 250mm, a programme of showers over baths, warm deck flat roof replacement, and in recent years the installation of air-source heat pumps and solar thermal and solar PV panels. Our commitment to energy efficiency measures continues.

We are also committed to use sustainable products where possible and adopt sustainable practices where we can such as the use of electrical vehicles in our fleet. This is an area that we intend to focus on during the life of this strategy.

Action 03

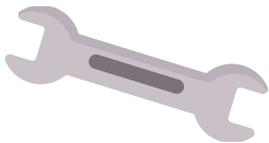
Throughout the life of this strategy we will investigate and consider new energy efficient and sustainable approaches in the development and maintenance of our housing stock, and the use of electric fleet vehicles.



Property standards - We have a 'Lettable Standard' that our tenants can expect when they move into their home. This was adopted by the Council after full consultation with councillors and tenants in 2011 and is due for revision. A standard helps ensure that, over time, the housing stock not only continues to meet statutory and/or regulatory standards but offers a quality of accommodation that exceeds the Decent Homes Standard and meets the changing needs of current and future tenants.

Action 04

To work with tenants and councillors on a revision of the lettable property standard for our housing stock before the end of this strategy. This is dependent on achieving action point No2.

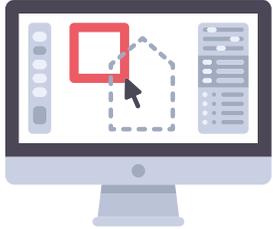


Void properties - We recognise that there is a need to reduce the period that our properties are stood empty whilst work on takes place to repair and modernise them as well as getting them relet to new tenants. This was recognised as an action in our business plan.

Action 05

Manage void turnaround figures to minimise rent loss.

Our Actions



Information technology - The use of technology and the role it can play in bringing efficiencies to the housing maintenance services have been recognised with the operation of an effective asset management system (Keystone) for 10 years. This has been critical for the modelling of our stock investment that has informed the HRA Business Plan. However, there is a recognition that our customer interface for reporting repairs and the remote working technology for our workforce needs to be improved and during 2018 resources were committed to improve this area. We fully expect to see a step change in the use of technology in relation to how we maintain our stock and deliver services to our customers.

Action 06

Deliver an improved repairs and maintenance service through enhanced mobile technology and online reporting to commence introduction during 2021 as part of phased process.



Private sector - We have carried out an increasing amount of work for the private sector to bring additional revenue to the Council. We currently carry out disabled adaptations in the private sector in coordination with our Private Sector Housing Team, as well as scaffolding installations for private businesses and public bodies.

Additionally, we work closely with our private sector colleagues to improve long term problematic empty properties in our district as well as undertaking Disabled Facility Grants on behalf of Great Yarmouth Borough Council.

Action 07

Continue to develop the expansion of the Housing Maintenance service into the private sector to bring additional financial resource to the Housing Revenue Account.



Housing service across East Suffolk Council - With the growth of the housing service through new development and acquisitions across the whole of the new East Suffolk district, there will be new and unique challenges that will face us. We have stated our intention to develop in the south of the district over the life of our HRA Business Plan, this will be in a considered way which takes into account the demand for housing and our ability to manage and maintain the homes.

Action 08

Develop a plan for the delivery of new housing across the district that is efficient and cost effective.

Actions Summary

| Action Ref | Action Description |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | To investigate the potential benefits of an Asset Performance Tool for the Housing Service and report to the Head of Housing by the end of 2020. |
| 2 | Support the development of a Tenant Engagement Strategy by 2020 to enable meaningful engagement with residents and tenants in any future investment process as well as the development of future strategies. |
| 3 | Throughout the life of this strategy we will investigate and consider new energy efficient and sustainable approaches in the development and maintenance of our housing stock, and the use of electric fleet vehicles. |
| 4 | To work with tenants and councillors on a revision of the lettable property standard for our housing stock before the end of this strategy. This is dependent on achieving action point No2. |
| 5 | Manage void turnaround figures to minimise rent loss. |
| 6 | Deliver an improved repairs and maintenance service through enhanced mobile technology and online reporting to commence introduction during 2021 as part of phased process. |
| 7 | Continue to develop the expansion of the Housing Maintenance service into the private sector to bring additional financial resource to the Housing Revenue Account. |
| 8 | Develop a plan for the delivery of new housing across the district that is efficient and cost effective. |

