

**Building a Borough of  
Opportunity**

**Hammersmith and Fulham Council**

**HRA  
Asset  
Management Plan  
2013-2016**

## FOREWORD BY THE CABINET MEMBER FOR HOUSING

During my period as the Cabinet Member for Housing I have been proud of the achievements made by the Housing and Regeneration Department (HRD). Everything we have achieved has been underpinned by the following principles:

- **Aspirations:** Determining council priorities in liaison with residents and stakeholders;
- **Communities:** Using the housing stock to create sustainable economic and socially coherent communities;
- **Affordability:** Our plans are reality based, considering priorities and the available resources to deliver the maximum impact;
- **Need:** Innovating, and regenerating areas to meet the current and future housing need of the borough;
- **Quality:** Ensuring managed properties meet acceptable, compliant, standards;
- **Value:** Continually challenging our services to ensure we deliver the best possible service at the best possible price.

When considered with the councils HRA Business Plan, targeted budgets, and its Housing Strategy, it represents a golden thread which makes the vision of “*creating a borough of opportunity for all*” a reality. We aim to ensure strategic asset management contributes to that vision, providing the catalyst for the borough’s regeneration opportunities and delivering opportunities that will create better places to live, more housing choice, and improved services

Few councils, in the London area or nationally, have an agenda as challenging as that of the London Borough of Hammersmith and Fulham. With significant achievements to date and an ambition to achieve far more, this plan sets out a clear agenda for the future.

## EXECUTIVE SUMMARY BY THE EXECUTIVE DIRECTOR

The housing stock managed by the council, over 17,000 in one form or another, represents the council's:

- **Most valuable portfolio of assets:** with an existing use value of circa £1 billion and an unrestricted open market value in excess of £3 billion;
- **Largest liability:** when the annual and on-going repair and maintenance costs are taken into consideration;
- **Greatest opportunity:** when it is used in a strategic capacity to regenerate and transform large areas of London, improving lives and generating employment and life opportunities.

Therefore, efficient, effective and strategic asset management is a key function of the Housing and Regeneration Department (HRD) of the council. Fundamentally, it is about safely managing the current housing stock and balancing assets, needs, and resources to deliver the council's corporate objectives.

This Plan sets out the council's strategic approach and priorities relating to:

- Managing the housing related assets held in the Housing Revenue Account to ensure stock is safe, and well managed.
- Its intentions to act as a strategic enabler to deliver large scale projects such as regeneration and new build

The Asset Management Plan is intended to be a living document. There will be on-going consultation with residents and other stakeholders as we seek to improve its content and shape its aims. Ultimately, the plan exists to support our Housing Strategy and help us to deliver good quality homes, improved services, successful neighbourhoods, and opportunity for all.

As a high level document, this plan is underpinned by a range of more detailed documents. Please do not hesitate to consult my staff should you require further information on any issue.

## BACKGROUND

Hammersmith & Fulham Council manages a total of 17,343 homes, the make-up of which is shown below.

<b>Ownership</b>	<b>No. Homes</b>
Council Tenancies (including voids)	12,688
Leasehold (including rent to mortgage)	4,461
Freehold (estate houses) and equity share	194
<b>Total</b>	<b>17,343</b>

In addition, the HRA portfolio includes a significant number of non-residential assets including commercial premises, resident and community halls, garages, sheds and parking spaces. Specific strategies are either in place or being developed for these assets.

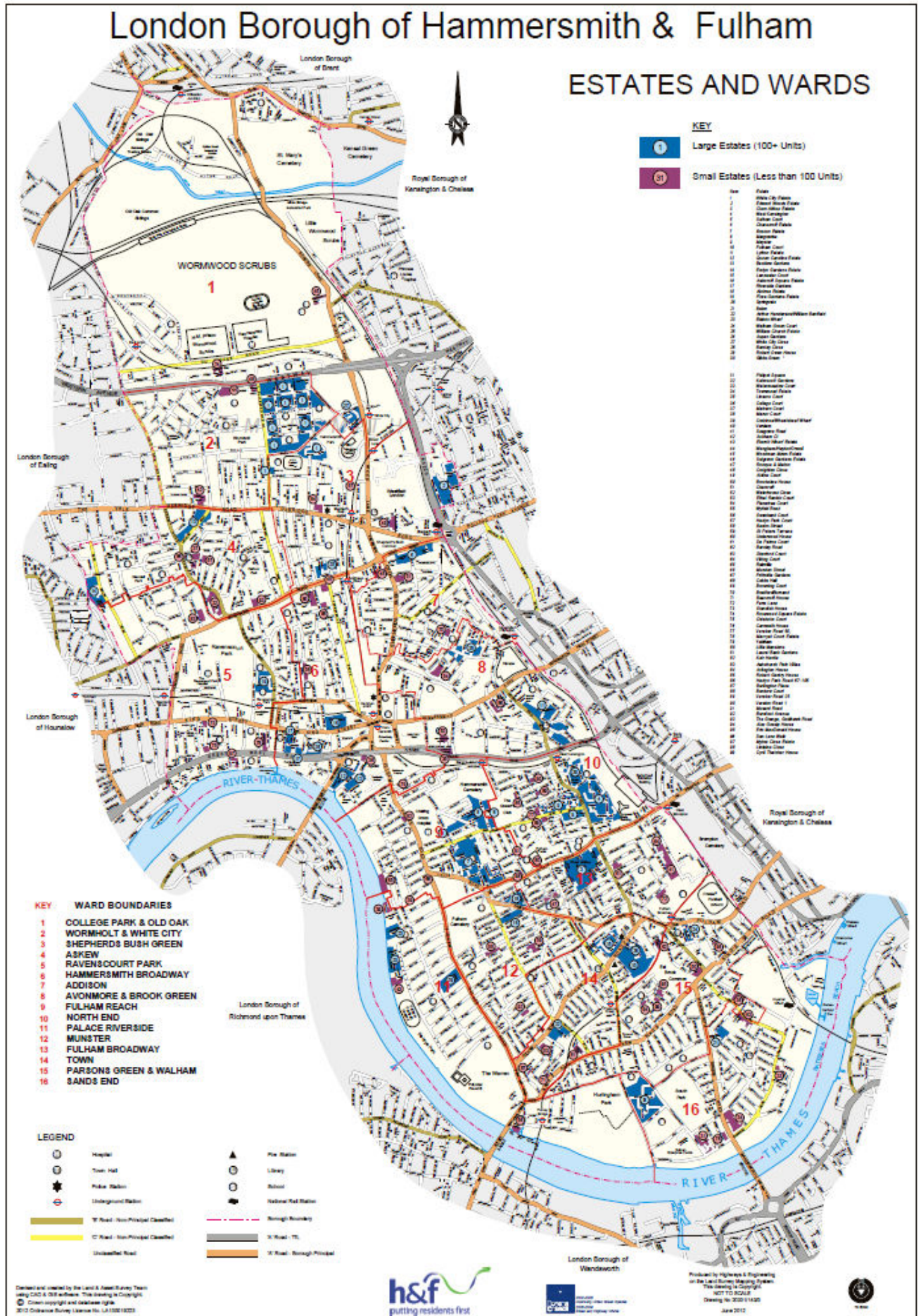
The residential stock is overwhelmingly flatted accommodation and predominantly situated in medium-rise or high-rise blocks. Nearly half of the stock dates to before the Second World War and includes a significant number of acquired street properties, many of which have been converted to flats.

Traditional dwellings of brick construction predominate, accounting for 87% of the stock. The remainder are predominantly high-rise blocks of in-situ and/or Precast Reinforced Concrete (PRC) construction together with a small number of Cornish units. A significant 39% of dwellings are in blocks with flat asphalt or felt roofs and no pitched-roof conversions have taken place since 2005. Materials employed for roof coverings, as with walls, generally reflect the property age. 72% of the stock now has low-maintenance PVCu or aluminium windows compared to 41% in 2001. The majority of other dwellings, mostly street-based, retain timber single-glazed sashes or casements. A number of dwellings have a mix of window materials, normally the legacy of piecemeal replacements, but in some cases the result of planning constraints.

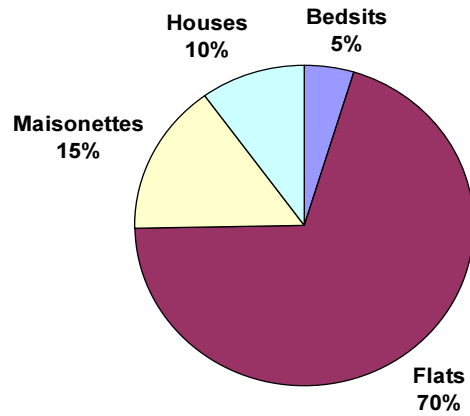
The main estates are plotted on the map below whilst the various graphs illustrate the stock by accommodation type, age, and archetype.

# London Borough of Hammersmith & Fulham

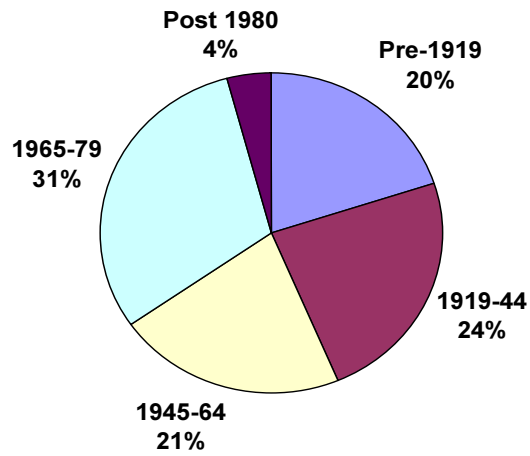
## ESTATES AND WARDS



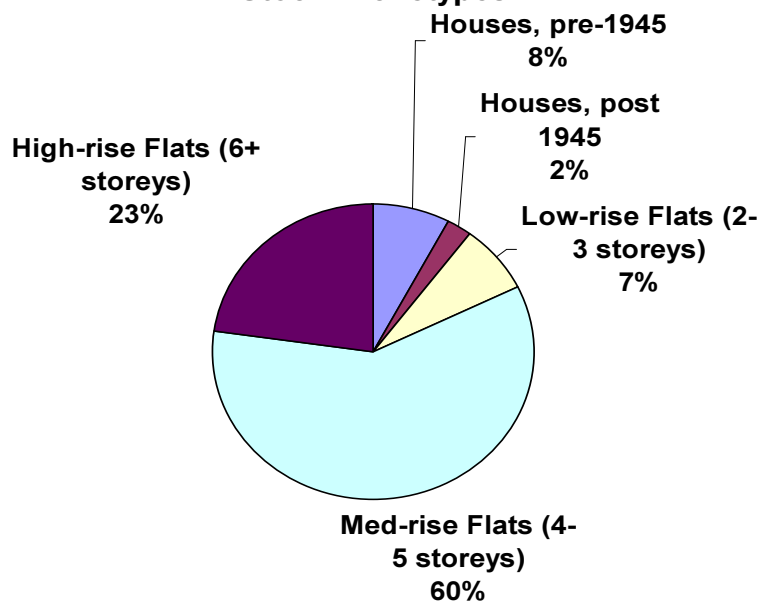
**Accommodation Type (council tenancies)**



**Stock Age**



**Stock Archetypes**





## Equalities

The Equality Act 2010 requires the Council to:

- Eliminate discrimination, harassment, victimisation and any other prohibited conduct
- Advance equality of opportunity
- Foster good relations

The public sector equality duty, known as the specific duty, also came into Force in 2011 and this specifically requires the council to:

- Set, consult on and review equality objectives
- Demonstrate how the impact on equality has been assessed
- Use the Council's procurement function effectively to further its equality objectives
- Review and report on progress on a triennial basis

In practice this will require the council to undertake a number of diverse initiatives to ensure it complies with the legislation. For instance this will range from ensuring new policy practice and procedure is impact assessed, through to regular audits of it premises to ensure public areas meet basic mobility standards.

The council wants to ensure that its residents build strong communities, develop shared values and a sense of belonging to their neighbourhood.

Therefore, the council:

- (i) Recognises that many groups and individuals may experience disadvantage because of race, religion, ethnic origin, gender, age or disability or sexual orientation and aim to treat all people fairly and with respect;
- (ii) Is fully committed to equality of opportunity for all our residents and aim to provide services which are fair and accessible;
- (iii) Values and welcome the diversity of the communities it serves;
- (iv) Fully support the principle of equality and diversity and firmly oppose all unlawful or unfair discrimination.

The Asset Management approach is being implemented in accordance with the council's policies and procedures in relation to equality and diversity and also ensures that all partners and other constructors are trained appropriately.

## INVESTMENT

### Investment principles

Investment will be prioritised using the following principles:

- Health and wellbeing of residents, including statutory requirements
- Properties which do not currently meet our minimum standard;
- Areas where refurbishment will bring regeneration, social or economic benefits to the borough;

As a further general principle, the council will examine alternatives to investment where any of the following criteria exist:

- Investment would be uneconomical;
- The asset could fulfil an alternative corporate priority;
- The asset has considerable commercial value, or other potential.

### Investment Objectives

The strategic objectives of this plan are as follows:

#### **Aspirations**

- Involve residents in meaningful liaison, and make realistic agreements on service delivery based upon available resources and resident aspirations:

#### **Communities**

- Use regeneration schemes and investment to create long-term sustainability and desirability in its communities;

#### **Affordability**

- Manage LBHF homes in an efficient, effective and affordable manner;
- Create and maintain long term investment programmes based on comprehensive stock condition data and available funding;
- Adopt a pragmatic approach to resourcing plans, including disposal.

#### **Need**

- Deliver new developments and pursue the “hidden homes” and “joint venture” initiatives;

#### **Quality**

- Maintaining 100% of our stock at “Decent Homes Standard”
- Prioritise resources to ensure all dwellings meet all relevant legislative and health and safety requirements;



- Set high expectations for performance, satisfaction and value for money

**Value**

- Use partnering arrangements to drive value for money and service improvement;
- Pursue value for money, affordable investment and procurement;
- Innovate and pursue new ways of working which deliver better services, reduced costs, or deliver more for less.

## PROCUREMENT, INCOME AND VFM

### Procurement Strategy

The council has a corporate procurement strategy, but in addition to this the Housing and Regeneration Department priorities will be to:

- Carry out annual value for money reviews on high value maintenance contracts;
- Liaise with partner maintenance contractors to explore innovative procurement solutions;
- Consider all types of contract procurement to achieve best value;
- Examine supply chain management to ensure it is effective;
- Ensure expenditure reflects residents' priorities and aspirations.

### Efficient Re-procurement

The Housing and Regeneration Department has commissioned Northgate Public Services to deliver a series of Housing Revenue Account savings from a programme of market testing and other efficiency measures. These savings are to be generated by:

- Repairs and Maintenance: Based on a long term partnership approach with a sole supplier covering:
  - All responsive repairs and maintenance (except lifts);
  - All gas servicing, repairs and installations;
  - All voids work;
  - The currently in house call centre operation.
- Estate Services: Outsourcing general estates cleaning (currently covered by caretakers), sheltered domestic cleaning and the concierge service.
- Housing Management: a full review of Housing Management services building on the risk / reward work done to date with a view to identifying efficiencies to drive further cost savings. This will begin with the outsourcing of transactional services - processing rent collection and managing arrears including former tenant arrears – and continue with tenancy management for the south of the borough.

## Maximising Income

The Council has a duty to maximise the income from its assets, so that these funds can be used for reinvestment, debt reduction or appropriate housing and regeneration initiatives to meet its corporate aims and objectives. As a result, the Council will be pursuing a number of different initiatives during the lifetime of this Plan. These initiatives will include, but not be limited to, the following:

- Reduce average void period;
- Recharge 100% of legitimate costs;
- Recover the maximum amount of Service charges;
- Recover the maximum amount of Section 20 charges;
- Commercialisation, including disposal, of underused assets.

## Value for Money

The Housing and Regeneration Department is committed to providing excellent services within its limited resources. 'Value for Money' (VFM) is about improving our ability to provide better services and increased choices, whilst ensuring that the needs and priorities of our residents and leaseholders are met. The strategy for VFM requires us to identify and deliver significant efficiency savings. These VFM savings will be achieved through;

- Getting the same results using fewer resources;
- Getting better results using the same resources;
- Paying less for something but getting the same result;
- Putting in more resources and getting a much better result.

The delivery of VFM within Asset Management is through challenging management of contracts, costs, quality, processes, resident requirements and budgets. All service areas have a VFM statement and any changes requested to budgets are considered as long as they have a comprehensive VFM statement supporting the proposal. The objective is to show year on year improvement in VFM and to prove VFM in all our activities - showing a clear trail from objective through to delivery.

The priorities on Value for Money are:

- Ensure VFM is a standard item in officer and management meetings;
- Be commercially aware of market prices, to constantly review contracted prices;

- Hold regular service reviews and, where appropriate, use business process re-engineering to drive Lean efficiencies;
- Set targets for, and record, VFM savings to capture actual saving (cashable and non cashable);
- Train the Residents' Repairs Working Group to monitor expenditure and VFM.

### Energy Efficiency and affordable warmth

A key objective of the Asset Management Plan will be to incorporate energy efficiency in all new programmes wherever practically possible. This may extend to retrofit where applicable. The plan recognises that energy use in housing is a significant contributor to climate change, with 27% of all carbon emissions deriving from the domestic housing sector. As the major provider of social housing the council is acutely aware of its responsibilities. Improving overall energy efficiency, together with ensuring that all heating and insulation installations exceed minimum standards, is essential for the future maintenance of the housing stock.

To assist in energy efficiency on the home, the council's investment programme will pursue the following initiatives:

- (i) Incorporating practicable energy efficiency improvements in all maintenance and Improvement programmes
- (ii) Increasing the average energy rating of the housing stock
- (iii) Creating and implementing an Affordable Warmth Strategy
- (iv) Providing training, advice and information for residents as to the most efficient and effective use of their heating systems.
- (v) Investigating the use of renewable technologies
- (vi) Working with the Government agencies, energy companies and its maintenance partners to bid for external funding for renewable technologies and energy efficiency initiatives
- (vii) Exploring the practicalities of implementing a Retrofit programme

The lack of adequate heating and insulation can have a detrimental effect on the fabric of the building and potentially the health and wellbeing of residents. Condensation and damp that are often present in poorly heated and insulated homes can not only damage resident's furnishings but can lead to rotting windows and structural decay. This will in turn require more money to be invested in the property in order to repair the damage. Preventing this will not only help our residents but also encourage them to stay longer in their homes resulting in a reduction in the number of void properties.

The Asset Management Plan aims to ensure that all residents can achieve and maintain healthy and comfortable temperatures at affordable costs. Affordable

Warmth is a necessary solution to the problem of fuel poverty. The council's investment programme will pursue the following initiatives:

- (i) Raising the profile of energy awareness among staff and other stakeholders and co-ordinating an effective strategy.
- (ii) Ensuring that energy awareness and advice reaches the most vulnerable residents, encouraging benefit uptake and maximising household income.
- (iii) Implementing the Affordable Warmth Strategy within our own housing stock through the effective use of energy efficient products and specifications, and regularly reviewing and updating these.
- (iv) Taking advantage of the competitive fuel supply market on behalf of low income consumers, ensuring residents have access to energy advice and efficient domestic appliances
- (v) Publishing and publicising the Strategy to key partners
- (vi) Providing relevant training to technical and front-line staff
- (vii) Regularly considering energy issues at Management and Team meetings
- (viii) Maintaining a dialogue with other local authorities and specialist agencies
- (ix) Presenting an annual report on delivered Energy initiatives
- (x) Facilitating the provision of timely advice on saving energy to residents
- (xi) Identifying vulnerable groups who may require specific advice, sign-posting these to specialist agencies
- (xii) Updating and regularly reviewing our property investment programmes
- (xiii) Achieving improved SAP ratings for individual properties through effective energy programmes
- (xiv) Reviewing the specifications for the repair and renewal of building components and services to achieve energy efficiency gains wherever practicable and cost-effective
- (xv) Ensuring all properties are insulated to the prevailing standards
- (xvi) Applying practicable and cost-effective renewable energy measures
- (xvii) Maximising internal and external funding sources to deliver energy efficiency improvements that will reduce tenants' fuel bills
- (xviii) Working with partners to give residents access to the most competitive energy suppliers

- (xix) Raising awareness of the running costs of appliances and encouraging the purchase of more efficient appliances

### Environmental Sustainability

The council is committed to limiting the environmental impact of its activities as well as ensuring that its contractors have robust environmental policies and use environmentally friendly products wherever possible. As part of its commitment to wider Climate Change and Carbon Reduction the council will work with its maintenance partners to develop their ISO 14001 accreditation.

To address issues of environmental sustainability, the councils investment programme will pursue the following initiatives:

- (i) Reviewing the type of materials specified, with the aim of rationalising material components and the use of more sustainable products;
- (ii) Work with maintenance partners to reduce waste and encourage recycling from all maintenance activities.

## SERVICE PRIORITIES

### Responsive Repairs

The priorities for the responsive repairs service are:

- Maximising “right first time” repairs;
- Consulting with residents and leaseholders about the way the repairs service should be delivered to continually improve the service;
- Achieving high levels of resident satisfaction and performance;
- Ensuring reported repairs are diagnosed correctly by the Call Centre;
- Providing a flexible appointment response repairs service the which meets residents’ needs;
- Getting the job done right first time, or completed as quickly as possible;
- Carrying out as many repairs as possible under planned maintenance;
- Minimising the number of emergency repairs;
- Re-charging repairs to third parties who wilfully neglect or damage council property;
- Minimising variation orders and ensuring all claims for payment are validated.
- Visiting every tenanted property each year;
- Achieving statutory compliance.

### Planned Maintenance

The priorities for the planned maintenance service are:

- Shift the balance of expenditure in favour of planned maintenance over responsive repairs
- Programme work to provide best value and achieve high levels of resident satisfaction;
- Deliver energy saving targets;
- Environmental improvements, such as Sustainable Drainage.



### Cyclical Maintenance

The priorities for the cyclical maintenance service are:

- External surfaces of the property that require an applied finish to maintain its weather tightness (on a five to seven year cycle, as appropriate for the property type);
- Landscaping and grounds maintenance;
- Effective maintenance of mechanical and electrical plant and equipment;
- All statutory servicing requirements.

### Void's (Capital and Revenue)

The priorities for the voids service are:

- Minimise void turnaround times to make the properties available for letting, and reduce void loss;
- Carry out essential repairs to re-let the property quickly, and carry out all others in agreement with the incoming resident;
- Recharge repairs to parties who wilfully neglect or damage council properties;
- Provide a clean, safe, secure home in reasonable repair for incoming residents.

### Non-domestic HRA Assets

Whilst residential dwellings make up the majority of the councils HRA (Housing Revenue Account) holdings, it does also have interests in a number of other non-domestic housing assets such as garages, sheds and miscellaneous building. Some of these assets generate income, others could be considered to be a liability. The council will review these assets as part of its commercialisation plan. These assets will be periodically reviewed to determine the best course of action from the following list:

- Leave as is – do nothing, and review at later date;
- Investment, including refurbishment, remodelling;
- Consideration of alternative uses;
- Redevelopment, both internal and by others;
- Disposal of either the properties or the site;
- Asset rationalisation, including transfer to other organisations.

### General Fund Properties

Whilst most of the work of the HRD relates to assets in the HRA it also holds a number within the General Fund. These assets will be reviewed annually to determine the best course of action from the following list:

- Leave as is – do nothing, and review at later date;
- Investment, including refurbishment, remodelling;
- Consideration of alternative uses;
- Redevelopment, both internal and by others;
- Disposal of either the properties or the site;
- Asset rationalisation, including transfer to other organisations.

### Leaseholders

The council is committed to expanding homeownership opportunities through the Right to Buy and other low cost home ownership products for its tenants. Through these initiatives and subsequent sales the council currently has a valued relationship with over 4,400 leaseholders and nearly 200 freehold or shared ownership owners. The priorities for the services will be:

- To undertake works in a timely and considerate manner, whilst ensuring that leaseholders receive maximum value for money;
- To support, work with, and encourage leaseholders in their collective “Right to Manage” by selling residual freehold interests to leaseholders where no social tenancies remain in a block;
- To minimise leaseholder charges through effective planning and implementation of works that can demonstrate good value for money;
- To improve communication and consultation with residents, in particular leaseholders, collating the results of views on the necessity, deliverability, and affordability of works;
- A clear strategy for prioritising and programming works that will cover the period from pre-planning through to post contract and recovery of costs;
- To explore the practicality of offering to leaseholders access to our contractors services for the undertaking of works which are outside of the councils obligations (e.g. kitchen modernisation)
- To deliver all repairs, maintenance, improvement and adaptation services to the highest possible service standards and to recoup from

leaseholders and shared ownership parties 100% of the recoverable costs, inclusive of any administration fee and VAT.

### Sustainable Communities and Regeneration

The council wants to create a borough where hard-working local residents, on modest and middle incomes, can fulfil their housing aspirations and buy a local home for a reasonable price. Local authorities have a key role to play in unlocking new housing growth through effective asset management. The borough has one of the highest proportions of social housing in London with around 34 per cent socially rented compared to a West London average of 21.5 per cent. However, just over two per cent of the borough's housing is 'intermediate' low cost homes to buy. The council is determined to redress the balance and prioritize the following objectives:

- Deliver Major Economic and Housing Growth;
- Tackle Economic and Social Polarisation.

### London Plan "Opportunity Areas"

The council have three London Plan 'Opportunity Areas' in the Borough: Old Oak (HS2); White City, and Earls Court – more than any other borough in London. These are set to deliver 20,000 new homes and 60,000 jobs. In addition to the input into the "Opportunity Areas", the council is using proactive asset management and identifying further opportunities for housing and job growth.

The Earls Court regeneration scheme is the biggest new project in the capital since the Olympics and will give approximately an additional £99million a year boost to the local area. The Developer intends to redevelop 57 acres of land, including the Earls Court Exhibition Centres, Lillie Bridge London Underground Depot and the West Kensington and Gibbs Green housing estates. The "Farrell masterplan", is centred on the concept of building four villages and a high street, and will also comprise:

- Re-provision of 760 homes for existing residents
- Construction of 7,500 new homes, including approximately 1,500 new affordable homes
- Creating 9,500 new permanent jobs;
- Creating 36,000 construction jobs;
- Generating a £99m boost to the local economy per year;
- Building new shops, offices, leisure facilities, public open space, a new school, healthcare centre and community centre;
- Making significant funds available for reinvestment in the wider borough

As part of the White City Opportunity Area, approximately 93 acres of potential development land anchored by the BBC, Imperial College London and Westfield London. The vision is to build thousands of new homes and jobs, creating a housing-led mixed use area. The area will also become a focus for creative industries and innovation with thousands of jobs to be potentially created through the entertainment, biotechnology and high-tech industries led by the BBC and Imperial College London.

- Westfield has received outline planning permission to:
  - Build up to 1,522 homes, which will be potentially available for existing residents who require a transfer;
  - Expand the shopping centre, providing £20million in community benefits.
- Imperial College London secured planning approval for their development which will:
  - Create 3,150 jobs;
  - Deliver £8million in community benefits.

Old Oak Common was named as southern England's key High Speed 2/Crossrail interchange. The council in partnership with three neighbouring authorities and the Mayor of London is developing an Opportunity Area Planning Framework for Old Oak and the wider Park Royal area, which will set out the regeneration ambitions and framework for future developments in the area. The "Farrell masterplan", is centred on the concept of building four villages and a high street, and will also comprise:

- 10,000 new homes;
- 40,000 jobs;
- £2,900m GVA output (£400m net to London).

## New Initiatives – Hidden Homes and Joint Venture Vehicle

Hammersmith & Fulham Council is now building homes for the first time in 30 years. In 2011, the Council established a local housing development company structure which has created a major opportunity for the Council to deliver housing and regeneration outcomes using its own land, under its own leadership. The first phase of developments (mainly conversions and infill developments) is underway, and the first site was completed in May 2012. It is anticipated that in the first two years of the programme 30-50 new homes will be built through the local housing company. The affordable properties are being sold at discounted market value so that people living or working in the borough can find a way to get onto the property ladder.

The Council is at the Invitation To Negotiate (ITN) stage of an OJEU procurement process to appoint a private sector partner who would form a housing and regeneration Joint Venture with the Council for a period of 15 years. Two Opportunity Sites with a GDV of £65m and a development capacity of 200 homes have already been identified to be taken forward by the Joint Venture and it is anticipated that further sites with a total GDV of a further £135m will be identified once the private sector partner has been appointed. It is anticipated that the contract award will be made in January 2014 and that starts on site will be made in early 2015. In addition to providing funding and enabling sites to come forward for development, this vehicle will result in increased financial returns to the Council.

Arising from a review of existing land holdings, a number of sites were identified as potential "Hidden Homes". Development with Rational House is intended to deliver a total of over 100 homes, with a return to the council in terms of land value and retained equity in Discount Market Sale (DMS) properties. To support this, a bid of £2.5 - £3m was made against the Mayor's £100 m Housing Covenant Fund to support Low Cost Home Ownership, submitted to the GLA on in November 2012.

## MANAGING RISK

### COMPLIANCE, HEALTH AND SAFETY

The council has developed appropriate plans and programmes to meet the organisation's statutory obligations and best practice on housing health and safety. The priorities for Health and Safety include, but are not limited to, the following:

- Identifying and managing all risks associated with being a landlord:
- Housing Health and Safety Rating Systems - Housing Act 2004;
- Gas Installations - Gas Safety (Installation and Use) Regulations 1998;
- Asbestos, - Control of Asbestos Regulations 2012;
- Electrical safety and testing - Electricity At Work Regulations 1999;
- Legionella – L8 Approved code of Practice (ACOP) & Control of Substances Hazardous to Health Regulation 2002;
- Fire Safety - Regulatory Reform (Fire Safety) Order 2005;
- Passenger Lift - Lift Regulations 1997.

### Risk Management

The council operates a corporate risk register and within that framework the Housing and Regeneration Department operates its own specific risk register in the context of direct management responsibility for nearly 18,000 properties. Risks are assessed annually, and a risk management plan seeks to reduce and mitigate identified risks. The Asset Management Plan identifies many risks and opportunities to the organisation as it involves such substantial resources and has a considerable impact upon the council's legal, financial and reputational standing.

A number of key risks have been identified which relate directly to asset management:

- Failure to bridge any funding gap' identified in the finalised 30 year building cost model;
- Failure of partner contractors to deliver service improvements and efficiencies;
- Failure to maintain homes to a reasonable standard;
- Failure to deliver regeneration on estates;
- Failure to promote sustainable communities;
- Failure to develop new homes, or additional units;
- Failure to meet legislative compliance.

Actions to address these risks are detailed in the risk register. The plan is reviewed and discussed quarterly by the Department's Asset Management & Property Services Management Team. Necessary action is determined, agreed, and implemented to minimise/eradicate any risks as far as practically possible

### Resource Prioritisation

The key resource priorities are follows:

- Ensure the programme is fundamentally affordable with available resources;
- Identify and develop potential new business opportunities;
- To reduce responsive maintenance costs;
- Make better use of existing resources;
- Target expenditure to reflects residents' priorities and aspirations;
- Explore all inward investment opportunities i.e. additional prudential borrowing, energy efficiency grants etc;
- Reduce waste and ensure limited resources are effectively used;
- Disposal of unsustainable or high cost properties.

### 30 Year Business Cost Model – Based on validation work completed to date

We have recognised from reviews undertaken that the asset data held within Codeman, the existing database, was not entirely robust. Therefore, in order to provide a reliable foundation for the 2013-2016 Asset Management Plan, we commissioned Lambert Smith Hampton (LSH) and Pennington Choices to undertake a review and validation of the stock condition data. In future years it is intended that additional validation exercises will be undertaken on samples of stock to ensure the data remains accurate.

Set out below is the latest draft 30 year forecast which is based on the validation work that has been undertaken to date, supplemented with additional information not subject to survey e.g. lifts, disabled adaptations, cyclical works.

Further work over the coming weeks and months will seek to refine the information to satisfy a number of important, and often competing, practical and financial objectives, namely:

- To achieve a reasonable overall uniformity of annual expenditure
- To give a reasonable balance of trade inputs year by year



- To prevent unnecessary repeat visits to individual properties
- To achieve a logical relationship to the paint cycle

Based on the validation work completed, LSH believed that the Savills dataset from the 2009 survey, while having some issues and gaps, was of a standard which was satisfactory to form the basis of a draft forecast. The issues which were identified and needed to be investigated and resolved were looked at via additional validation surveys.

Additionally, the dataset behind the 30 year forecast did not include all of the works that the Council undertook since 2009. This data was collated and uploaded into the dataset and will continue on an on-going basis

Moving forward, a robust process is being put in place to capture future works and surveys that are undertaken and then reflect this in the stock condition dataset. This is critical to the on-going ability to business plan and to make financial decisions. Additionally, while the Council has some knowledge about the costs associated with other aspects of its maintenance needs, apart from that identified in the stock condition survey, this is currently fragmented and there is a need to pull existing information together, to scope cost investment need and to include these maintenance costs as part of investment planning.

A key priority for the Asset Management Plan is to ensure that the programme is affordable. Therefore, as work proceeds and any significant changes occur projections will be revised, if there are any significant variances then a further full report will be produced in conjunction with finance and the Asset Management Plan will be revised accordingly

Element	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Bathroom	0	234	188	329	281	1,255	6,191	7,413	9,910	18,746	44,548
Communal	1,033	1,286	1,237	1,876	1,438	4,505	4,609	2,792	4,007	3,234	26,016
Doors	1,735	1,753	1,872	1,703	1,922	2,645	1,834	3,332	3,497	1,541	21,834
Electrics	0	986	927	869	1,066	4,386	4,642	7,582	9,106	17,816	47,381
External Environment	1,581	821	1,105	858	1,256	4,216	1,967	1,554	2,276	3,926	19,560
External Features	2,837	2,774	1,951	967	1,694	4,675	3,046	3,364	3,222	4,041	28,570
External Walls	1,499	1,517	1,698	542	694	12,631	8,534	5,513	1,272	1,164	35,064
Heating & Hot Water	2,845	3,071	3,249	3,058	3,732	21,475	17,663	17,396	22,289	18,800	113,578
Kitchen	0	2,340	1,787	1,700	1,701	6,888	15,552	18,715	24,227	12,083	84,993
Outbuildings & Garages	77	79	169	78	82	109	82	235	158	277	1,347
Roof	1,110	1,168	2,590	959	1,656	2,978	6,927	8,259	8,348	2,668	36,665
Safety & Security Measures	462	483	462	155	160	2,102	1,116	759	2,102	1,116	8,916
Windows	3,575	3,183	3,324	2,981	2,209	4,131	1,064	2,894	8,130	3,297	34,788
<b>Sub-Total LSH</b>	<b>16,755</b>	<b>19,698</b>	<b>20,557</b>	<b>16,075</b>	<b>17,890</b>	<b>71,997</b>	<b>73,228</b>	<b>79,808</b>	<b>98,543</b>	<b>88,710</b>	<b>503,260</b>
Cyclical Decs/Repairs	7,286	7,286	7,286	7,286	7,286	36,429	36,429	36,429	36,429	36,429	218,571
Lift modernisation	4,488	4,488	4,488	4,488	4,488	2,900	770	2,600	2,340	20,940	51,990
Lift component renewal	200	200	200	200	200	1,000	1,000	1,000	1,000	1,000	6,000
Disabled Adaptations	800	800	800	800	800	4,000	4,000	4,000	4,000	4,000	24,000
Voids	2,700	2,500	2,500	2,500	2,500	12,500	12,500	12,500	12,500	12,500	75,200
Capital repairs	1,325	1,325	1,325	1,325	1,325	6,625	6,625	6,625	6,625	6,625	39,750
M&E ad hoc capital	150	150	150	150	150	750	750	750	750	750	4,500
Planned repairs	500	500	500	500	500	2,500	2,500	2,500	2,500	2,500	15,000
Asbestos	50	50	50	50	50	250	250	250	250	250	1,500
Fire Safety	1,500	1,000	1,000	1,000	1,000	2,500	2,500	2,500	2,500	2,500	18,000
Water tanks	450	350	350	350	350	1,750	1,750	1,750	2,500	2,500	12,100
Warden call system	500								550		1,050
New controlled access	150	150	150	150	150						750
Booster Pumps	200	200	200	200	200	1,000	1,000	1,000	1,000	1,000	6,000
Estate lighting	150	150	150	150	150	500	500	500	500	500	3,250
Communal TV systems	0	250	250					4500			5,000
Boiler monitoring systems	525								525		1,050
Lift monitoring systems	600							250	600		1,450
Minor Estate Improvements	270	270	270	270	270	1,350	1,350	1,350	1,350	1,350	8,100
Estate Improvement Programme	220	220	220	220	220	1,100	1,100	1,100	1,100	1,100	6,600
Carbon reduction plan	400	400	400	400	400	2,000					4,000
Other Environmental	735										735
CCTV	250	250	250	250	250	1,250	1,250	1,250	1,250	1,250	7,500
IT	250	250	250	250	250	1,250	1,250	1,250	1,250	1,250	7,500
Regeneration/Decent Homes	362										362
Brought Forward/Unforeseen	500	500	500	500	500	2,500	2,500	2,500	2,500	2,500	15,000
<b>Sub-Total H&amp;F add-ons</b>	<b>24,561</b>	<b>21,289</b>	<b>21,289</b>	<b>21,039</b>	<b>21,039</b>	<b>82,154</b>	<b>78,024</b>	<b>84,604</b>	<b>82,019</b>	<b>98,944</b>	<b>534,958</b>
Project Management/fees	2,066	2,049	2,092	1,856	1,946	7,708	7,563	8,221	9,028	9,383	51,911
<b>Grand Total</b>	<b>43,381</b>	<b>43,036</b>	<b>43,938</b>	<b>38,969</b>	<b>40,875</b>	<b>161,858</b>	<b>158,814</b>	<b>172,632</b>	<b>189,590</b>	<b>197,036</b>	<b>1,090,130</b>
Annual	43,381	43,036	43,938	38,969	40,875	32,372	31,763	34,526	37,918	39,407	36,338
5-Year catch-up smoothed	37,037	43,291	43,291	43,291	43,291						

**NB. Years 2 onwards are base costs and exclude inflation and the impact of stock movements. These factors are applied within the HRA Business Plan model.**