

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

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HOUSING ASSET MANAGEMENT STRATEGY AND BUSINESS PLAN

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Summary

This report seeks Members comments on the Housing Asset Management Strategy and informs on progress of the HRA Business Plan.

The housing stock represents one of the Council's highest value assets and its repair and maintenance is a significant liability, therefore planning for its sustainable future is important. Effective and efficient management of the housing assets plays an important part in delivering many of the Council's corporate priorities and strategic objectives and the Asset Management Strategy (AMS) provides the long term planning, provision and sustainability of assets

This report presents details of the Asset Management Strategy (shown in full at Appendix A) and outlines progress towards the completion of the Housing Business Plan.

1. Budget and Policy Framework

- 1.1 The recommendations in this report are within council's policy and budget framework.
- 1.2 The Housing Asset Management Strategy (and HRA Business Plan) sets out the strategic objectives and includes provisions for regular, planned housing maintenance works within the annual budget.

2. Background

- 2.1 Local Authorities have a number of statutory and non-statutory responsibilities in relation to housing. They act as place shapers and take overall responsibility for meeting the housing needs of their locality. At the same time there is a responsibility to make sure that the Council's resources are used in the most effective way ensuring value for money. An Asset Management Strategy will ensure that effective stock decisions can be made and responsive repairs can be minimized, and is considered to be good practice in managing housing stock.
- 2.2 The housing stock represents one of the councils highest value assets and its repair and maintenance is a significant liability, therefore planning for its sustainable future is important. Effective and efficient management of the housing assets plays an important part in delivering many of the council's corporate priorities and strategic objectives, and the Asset Management Strategy (AMS) provides the long term planning, provision and sustainability of the assets.

3. Asset Management Strategy

- 3.1 The Council should have an Asset Management Strategy which:
- Defines needs, future trends and changes influencing these,
 - Defines the stock, its condition, use and re-investment required over the next 30 years,
 - Identifies the risks and issues relating to the assets and how these may be mitigated,
 - Defines the methodologies and implementation processes for the Asset Management Strategy,
 - Establishes frameworks and templates for monitoring, recording and evaluating performance of the assets,
 - Sets out an anticipated works programme for the next 5 years,
 - Identifies the current position and sets out key actions that will maintain the condition and value of the housing stock and improve service and operational delivery.
- 3.2 The AMS will be regularly reviewed to take into account works which are completed, both planned and responsive. We will also ensure that changes in legislation and local initiatives are included in any review, including the changes to the financing regime. The AMS will be reviewed every year or sooner if changes to funding require it.

4. Housing Business Plan

- 4.1 In 2005 Medway Council produced a 30-year Business Plan for the Housing Revenue Account (HRA) covering the period 2005-34. Following on from the work that has been undertaken on the Asset

Management Strategy, officers are currently in the process of producing a five year HRA Business Plan for 2011-2016. This will provide a strategic update of the Business Plan, giving up-to-date information on the nature and condition of the housing stock, recent management performance and targets for improving the service in the future.

- 4.2 This new plan will set out the latest position regarding stock investment needs and details of the updated 30-year HRA business plan model. Its fundamental purpose is to ensure the efficient use of Medway's housing assets and it is anticipated that a first draft of the document would be available for consultation by the Summer 2011. Some duplication within the plan will exist as much is based upon the information gained as part of the development of the Asset Management Strategy.

5. Options

- 5.1 Option 1 – Do nothing

Failure to adopt a Housing Asset Management Strategy will not deliver the councils objectives and corporate priorities in the context of providing good quality housing and services in a cost effective way.

- 5.2 Option 2 – Adopt the Housing Asset Management Strategy

Adopting the principles of the asset strategy balances the economic value of the housing assets with the social and economic needs of the residents. The council is also required to comply with all relevant legislation and regulations. Adopting the strategy will ensure that key actions will be delivered that further improve service and operational delivery that also contribute to maintaining excellent housing services and the condition and value of the assets.

6 Risk Management

- 6.1 Many risks are considered within the strategy and will be subject to regular review by the Housing Asset Management Group. Some key risks have been noted below:

Risk	Description	Action to avoid or mitigate risk
Lack of direction and approach to management of asset base	Failure to adopt an asset management strategy.	Adopt Asset Management Strategy and creation of an Asset Management Group to drive out and deliver the aims of the strategy.

Lack of and ill judged investment in asset stock	Failure to identify and deal with risks associated with the implementation of the strategy	The Housing Asset Management Group will develop and maintain a risk register. The register will include mitigation and proposals and a severity impact assessment, the risk register will be reviewed on a quarterly basis.
Resident dissatisfaction	Failure to plan and advise residents on maintenance and improvements e.g. new kitchens and bathrooms.	Implement the delivery plan in accordance with the planned programme.
Council Reputation	Failure to demonstrate that Housing Stock is being managed in accordance with best practice.	Adopt and implement housing asset strategy and keep it under review. Ensure regular scrutiny by the Tenant Repairs Forum and AMG.

7 Consultation

- 7.1 The Repairs Forum has been consulted on the AMS. This group reports into the overall Tenant Scrutiny Panel, and has provided useful feedback into the process. It will also continue to monitor progress against the AMS.
- 7.2 The Overview and Scrutiny Committee is being asked to consider this strategy which will form part of the HRA business plan to be agreed by the Cabinet.

8 Financial and Legal Implications

- 8.1 The stock condition survey and associated desktop work undertaken in 2009/10 has given rise to the required cost reporting tables illustrated at Appendix 10 of the AMS. These reflect an ideal re-investment profile and are shown excluding fees and management costs. The table indicates a total 30-year reinvestment requirement of £175.1million, of which £36.4million is required within the first 5 years of the plan.
- 8.2 Currently, in line with most other local authorities, Medway does not have sufficient funds to complete all works shown in an idealized re-investment profile and it will be necessary to prioritise works in consultation with our tenants. In addition, these works will change on an annual basis as properties are inspected – for example, the number of kitchens or bathrooms needed may be less than the amount costed.

- 8.3 There is likely to be a revision to the funding tables when the self financing scheme is implemented, and the AMS will be revised at that time.
- 8.4 One of the key outputs from the AMS is the 5 Year Planned Maintenance Delivery Plan. The plan identifies what works are likely to be required, where those works are likely to be and an estimate of costs over the next five years. The programme is based upon information gained from Stock Condition Surveys (SCS) completed in 2007 and 2009/10. Of the 3056 council properties, 87% have been surveyed. The SCS information is used to generate the Decent Homes and Planned Maintenance elements of the programme.
- 8.5 The SCS identifies the remaining life of an asset or element of a building e.g. roof or kitchen based on industry standard life expectancies, therefore if the construction or installation date is known or can be estimated the year when that particular element is due for replacement can also be estimated. However, many elements last longer than expected and work will only be carried out when actually needed.
- 8.6 In addition to SCS information there are 'Health and Safety' works identified through further surveys such as Accessibility Audits and Fire risk assessments and 'Improvement' and 'Estate' works e.g. footways, highway, fences, play areas, amenity greens, nominal allowances are made for maintaining these asset areas of work.
- 8.7 The 5-year programme is included within the Asset Strategy and has identified works that are in excess of the available budgets. Therefore works have been prioritised as follows:
- All works associated with Health and Safety
 - Maintaining the Decent Homes Standard across the estate
 - Backlog and future planned maintenance works.
- 8.8 It is anticipated that works will be prioritised in line with the above until such time as additional funding is available, possibly through self-financing.
- 8.9 To assist in the prioritisation process a trend analysis of responsive works will be undertaken to identify where repairs spend is the highest, so that planned maintenance can be completed to reduce responsive spend.
- 8.10 To provide best value for money and reduce inconvenience for residents to a minimum, where budgets allow, officers will also look to combine all required works to be carried out, taking a five-year forward view. This is a dynamic process in relation to commissioning and

managing the works programme but will mean that tenants do not have continual works being carried out to their properties and that it is more convenient for them.

- 8.11 The Council has legal obligations under the Landlord and Tenant Act 1985 to keep in repair and proper working order the structure and the exterior of residential property let by it as well as certain installations for the supply of water, gas and electricity. It also has repair/maintenance duties under the Defective Premises Act 1972 and the Occupiers Liability Acts 1957 and 1954.

9 Recommendations

- 9.1 The Business Support Overview and Scrutiny Committee is asked to:
- (a) consider and comment upon the Asset Management Strategy;
 - (b) note the progress to date in development of a Housing Business Plan and request that it is reported to this committee for consideration once it has been finalised.

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Background papers

30-year Business Plan for the Housing Revenue Account (HRA) 2005-34.



Medway Council

Housing Asset Management Strategy

December 2010

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PART A

Introduction, Context and Executive Summary

Introduction

This document records the Medway Council Asset Management Strategy (AMS) for its housing assets.

Medway is an Unitary Council, located in north Kent, on the southern side of the River Thames estuary.

Asset management is about the understanding, long term planning, provision and sustainability of Medway's housing assets.

The housing stock represents one of Medway's highest value assets and its repair and maintenance a significant liability; therefore planning for its sustainable future is important.

Medway is not currently directly developing any new homes, however may do so in the future depending on the ability to secure appropriate grants.

This Asset Management Strategy should be read alongside other key documents including:

- the Medway Community Plan;
- the Council Plan;
- the Council's local area Housing Strategy;
- the HRA 30 year Business Plan;
- the Medway Regeneration Strategy; and
- the Corporate Asset Management Strategy

Frequently Asked Questions Summary

What is Asset Management?

Asset Management is about the long term planning, provision and sustainability of assets, such as houses, flats and garages.

What assets?

Medway Council owns and manages 3,056 dwellings and 196 leaseholders, 914 garages and various areas of associated land; the housing stock represents one of Medway's highest value assets and its repair and maintenance a significant liability; therefore planning for its sustainable future is important.

How do we manage these assets?

By following the principles of our Asset Management Strategy, which balances the economic value of assets with the social and economic needs of residents. Medway is also required to comply with all relevant legislation and regulations.

Why is having an Asset Management Strategy so important?

Effective asset management is fundamental to the successful delivery of Medway's objectives, within the context and allowances of its Business Plan, to deliver good quality housing and services in a cost effective way.

What is the purpose of The Asset Management Strategy?

The strategy records Medway's current position and sets out a number of key actions that will further improve service and operational delivery, in order to provide an excellent service and to maintain the condition and value of the assets.

What is in The Asset Management Strategy?

- It defines Medway's position with regard to asset management and how this aligns to core business objectives;
- It defines needs, future trends and changes influencing these;
- It defines the stock, its condition, use and required re-investment over the next 30 years;
- It identifies the risks and issues relating to the assets and how these may be reduced;
- It defines the methodologies and implementation processes for the Strategy; and
- It establishes frameworks and templates for monitoring, recording and evaluating performance.

What tools do we use to achieve effective asset management?

- Regular **stock condition surveys**, to determine requirements
- A comprehensive **Asset Management Database**, to store and maintain data
- The **Asset Management Group**, a stakeholder working group
- The **Medway Standard**, our desired specification
- A **Viability Model** – to identify high cost and/or low demand properties
- A highly skilled, motivated and satisfied **workforce**
- Resident and community **involvement**
- Performance **monitoring** and benchmarking
- A robust **Business Plan**
- Effective **procurement** of works and services
- Effective Works **Delivery Programme**
- **Close working** in partnership with all stakeholders

- Recorded **Policies and Procedures**

What are the key concepts of the Asset Management Strategy?

- To gather and maintain reliable data about the stock and its condition
- To make effective use of asset data
- To employ an officer responsible for asset management issues
- To help Medway to meet the Decent Homes Standard (by the end of 2010) and agree a local 'Medway Standard' (for 2010 and beyond)
- To undertake as much work as possible in a pre-planned way
- To undertake the least possible amount of work reactively
- To undertake limited work on void properties, unless catching-up where works have previously been refused
- To assess the viability of the housing stock
- To procure works and services cost effectively
- To deliver works and services efficiently with disruption to residents minimised
- To tackle agreed priorities on a 'worst first basis' with the health and safety of residents a priority
- To continue to explore the options for regeneration and the development (by others) of new stock to meet the housing needs of local people

The Asset Management Strategy supports the Medway vision:

“City of Medway: rich heritage, great future”

Executive Summary

Effective asset management is fundamental to the successful delivery of an excellent service that meets the organisations' objectives, within the context and allowances of the Business Plan.

This document records and represents Medway's Asset Management Strategy and sets out a number of key actions that will further improve service and operational delivery. The action plan (at **Appendix 1**) defines these objectives and timetable proposals.

Medway's key objective is to help improve the quality and condition of stock and to meet the Government's Decent Homes Standard. The current plan is to meet the Government's Decent Homes Standard by December 2010.

Medway is mindful that increases in technological requirements and the continual requirement for increasing service standards demands a proactive approach to asset management and regular re-consideration of the Business Plan allowances.

Medway has embraced the principles of effective asset management, recognises the importance associated with maintaining effective stock condition and attribute information, the assessment of sustainability and future options for poorly performing stock, effective procurement, the value of an established relationship between the maintenance and management functions, and the effective delivery of the works programmes required to keep the stock in good condition.

This document establishes the framework within which asset management operations will be provided. It highlights the component parts of the asset management function and their inter-relationship.

This strategy and its component parts will be overseen by the Asset Manager. To ensure that the staff member in this post has sufficient time to undertake this role and to plan works effectively, the staffing structure has been reviewed to facilitate a clear division of responsibility for 'planning' as opposed to 'delivery'. In this way Medway aims to encourage best use of resources, whilst allowing a continued focus on high standards of delivery.

Medway is aware of the diverse needs of the wider community, local regeneration issues and the need to ensure a joined up approach. The overall objective being to empower and enable innovation and the delivery of continuously improving, customer focused services with a long-term sustainable stock, in an efficient way.

Continued re-investment is required to maintain the stock in good condition. The re-investment requirements have been identified by the stock condition survey, as represented within the Asset Management Database (Codeman).

Revenue, or income, is limited by Government imposed constraints and will be influenced by the convergence of rents known as 'target rent' and the subsidy provided through the Housing Revenue Account (HRA) and the Major Repairs Allowance (MRA). This strategy will be reassessed once the current housing finance review is complete, as this is likely to affect the resources available.

The stock condition survey and associated desk-top work undertaken in 2009/10 has given rise to the required cost reporting tables illustrated at **Appendix 10**. These reflect an ideal re-investment profile and are shown excluding fees, management costs and VAT etc. The tables indicate a total 30-year re-investment requirement of £175.1 million, of

which £36.4 million is required within the first 5 years of the plan (all figures are exclusive of VAT, fees and management costs).

Medway does not currently have sufficient resources to deliver all of the works identified as required through the stock condition survey forecasts. Under the existing funding regime it is expected that there will be a £11m shortfall in the first 5 years of the Business Plan (from 2010/11). The programme of works that can be afforded will therefore be developed in consultation and will be recommended, reviewed and regularly monitored through the Asset Management Group.

Medway will frequently assess sustainability and re-investment priorities through a Stock Viability Model that takes account of a range of factors including demand and projected costs. This appraisal process results in individual properties being allocated a **red**, **amber** or **green** re-investment status (RAG).

A **green** status indicates that the stock classified as such is sustainable with a long term future, being of low cost and high demand. The majority of stock falls within this classification and can be included within re-investment plans without concern.

As a consequence of choice based lettings, most Council housing stock is in high demand, especially general needs family accommodation, there are however some pockets of lower demand stock (such as some sheltered dwellings with bedsit facilities) and these units are being reviewed and will be proactively managed following options appraisal.

Properties classified as either **red**, or **amber** by the Stock Viability Model will be subjected to options appraisal as part of a detailed sustainability assessment, prior to any major works being undertaken. If stock is not deemed sustainable in its current form then alternative uses will be considered (including, for example, redevelopment, change of lettings type, disposal, or conversion).

Cost information is provided from Codeman; the Asset Management Database. This system is maintained with up-to-date stock condition and attribute data. Robust stock condition information forms the cornerstone of an effective strategy and gives rise to programmes of re-investment designed to maintain the stock appropriately and in good condition. Condition data will be enhanced and validated by an ongoing programme of stock surveys and feedback from other repairs and maintenance activities.

By regularly reviewing component costs and updating the Asset Management Database, Medway aims to ensure that its budgets and Business Plan are aligned with the requirements of the stock.

The 'Medway Standard' is a local standard and is a document prepared in consultation with a wide range of stakeholders to record repairs and maintenance policies (for example the use of low maintenance products) and the materials standards that are to be adopted when procuring work.

Medway has formed an Asset Management Group. This inclusive group will assess works programmes, promote options appraisals in the context of sustainability model findings, consider wider initiatives, monitor and review performance and take ownership of the proposed Medway Standard, reassessing it from time to time in the context of the Business Plan.

Medway will continue to promote resident involvement through its Resident Engagement Strategy.

Medway has long understood the importance of effective procurement and the requirement for good working relationships with partner providers, whilst delivering high standards and good value for money. Longer term partnering relationships with contractors who view Medway as an important local customer will continue to be developed and actively managed.

Medway will encourage improvement and efficiencies in terms of cash savings and non-cash benefits, striving for continued best value and by considering collective procurement with similar organisations. Medway will aim to undertake a greater proportion of work in a pre-planned way, aiming to benefit from the potential for lower costs and improved consultation and communication.

Whilst all staff must adhere to this strategy, the Asset Manager will oversee its implementation, in conjunction with the Asset Management Group.

Context

All of the current housing stock is located within Medway. Most housing stock is located within an urban environment. Medway has benefited and continues to benefit from considerable arising from its strategic location within the Thames Gateway.

This is a popular area having excellent road and rail links in place, with London within easy commuting distance. However, unemployment levels are above average (3.8% compared to a national average of 3.6% according to the Kent County Council (NOMIS) study). The demand for homes in the region is high.

This Housing Strategy 2008 to 2011 has the following long-term vision to:

- Maximize the supply of suitable and affordable housing and meet housing need;
- Enable vulnerable people to live independent lives;
- Improve the quality and energy efficiency of housing;
- Develop Sustainable communities and promote neighbourhood renewal; and
- Promote better and fair access to housing services.

Overall Medway is not a deprived area, being ranked 150th most deprived local authority area out of 354 in England, although it has greater levels of deprivation than neighbouring local authorities in Kent and the South East, at ward level it has both some of the most affluent and some of the most deprived areas in the country. 25 neighbourhoods are in the 25% nationally most deprived areas.

Whilst property values in Medway are high, they are below the regional average, these high values have seen a decrease in the number of right to buy sales in recent years. The highest demand within the Council's portfolio is for one and two bedroom general needs rented units. The lowest demand is for sheltered accommodation with bedsit facilities.

Medway is implementing the current Government policy of rent convergence, which means that rents will continue to be monitored and adjusted to meet a prescribed target level.

The resources available to manage and maintain the stock are dictated by rental income, grant, subsidy and outgoings all as defined within the Business Plan.

Medway endeavour to continually improve efficiency whilst maintaining a high standard of service.

Over recent years there has been a number of Government initiatives and directives and perhaps at the top of the housing agenda is the requirement for social housing providers to provide 'Decent Homes'. In December 2000 the Government's Housing Policy Statement, 'Quality and Choice; A Decent Home for All; the way forward for housing', set out the strategy for ensuring that every household has the opportunity for a decent home and setting out the timetable for its achievement.

"Housing is a basic requirement for everyone. Good housing strengthens communities and provides a better setting in which to raise families. It improves health, educational achievement and employment opportunities and provides a long term asset to be passed on to future generations."

Whilst the decent homes agenda is very important to Medway, it is one of a number of issues that need to be considered in an holistic view of housing asset management, albeit within the constraints of Medway's wider objectives and funding basis.

The aspirations of tenants and leaseholders (collectively referred to as residents) have been considered in this strategy. These are far reaching and cover aspects that are included within Decent Homes but many others which fall outside the remit of this initiative. Within the constraints of the finances available, Medway therefore proposes to deliver a plan as a part of an effective and sustainable re-investment programme. This can be referred to as 'decency plus' and reflects a locally agreed approach (the Medway Standard).

Residents expect a good service, choice and value for money to be provided in return for their rents.

Medway places a high degree of importance on other initiatives such as providing services to the elderly, vulnerable people and families with children; however this high standard of service places increased pressures on Medway's resources.

Medway operates a choice based lettings system as part of Kent Homechoice.

Medway has considered the risks in adopting an Asset Management Strategy. It will be important to continue to identify and mitigate risks where appropriate, combined with delivering the aims of the organisation to ensure long-term sustainability.

Purpose of the Asset Management Strategy

The purpose of this Asset Management Strategy can be summarised as follows:

- To define Medway's position with regard to asset management and how this aligns to core business objectives;
- To define needs, future trends and changes influencing these;
- To define the stock, its condition, use and re-investment required over the next 30 years;
- To identify the risks and issues relating to the assets and how these may be mitigated;
- To define the methodologies and implementation processes for the Asset Management Strategy; and
- To establish frameworks and templates for monitoring, recording and evaluating performance.

The Asset Management Strategy fundamentally needs to balance assets and needs, as illustrated below:



In the context of social housing, Medway cannot charge open market rents and must therefore operate with a Business Plan that delivers good quality housing and services in a cost effective way; although care is needed to ensure that a balance of these factors is maintained to ensure sustainability.

The Asset Management Strategy has been structured into 3 main sections, being:

- Part A - Introduction, Context and Executive Summary
- Part B - Directional Objectives and Strategies
- Part C - Administrative Implementation, Monitoring and Review Processes

Medway has determined the current or 'as is' position regarding the housing stock and through business planning processes has also determined its long-term objectives, core business drivers and a vision for the future of the stock. These directional components have resulted in a number of initiatives and administrative processes, aimed at achieving the vision.

The process adopted in formulating this Asset Management Strategy is illustrated at **Appendix 2**. This encompasses what is considered to be best practice and fundamental to the production of a robust document.

PART B

Directional Objectives and Strategies

Vision Statement

The following Vision has been agreed by Medway Council (to 2026) following consultation with stakeholders, staff and residents:

“City of Medway: rich heritage, great future”

The vision comprises six ambitions and four key principles:

The six ambitions to be achieved up to 2026 have been identified as:

- Medway to have a thriving, diverse and sustainable economy matched by an appropriately skilled workforce and supported by a higher and further education centre of excellence;
- Every child to have a good start in life;
- Medway residents to enjoy good health, well-being and care;
- Medway to have a safe and high quality environment;
- Medway to be a place where people value one another, play an active part and have pride in their community and Medway as a whole; and
- Medway to be recognised as a destination for culture, heritage, sport and tourism.

The four key principles which underpin the vision are:

- Sustainability: will our actions work for tomorrow as well as today?
- Narrowing the gap: will our actions contribute to improving the lives of everyone so reducing the gap between deprived and more affluent areas?
- Fairness: do our actions take account of all sections of society, ensuring that everybody benefits from the regeneration of Medway? and
- Self-help: will our actions encourage people to take responsibility themselves to make things better?

This long-term vision has been developed within the context of existing strategies and plans for Medway, including the Community Plan, Medway Renaissance’s Regeneration Framework, Corporate aims and all relevant Council strategies.

Medway Renaissance was established to respond to the growth agenda for the sub-region. Medway Renaissance is a Local Regeneration Partnership that has been set up by Medway council and is funded by the Department of Communities and Local Government, through the Thames Gateway Programme. It is directly responsible for projects involving over £120million of CLG funding and in partnership with the private sector and other agencies, takes a lead role in major physical regeneration and development projects for Medway.

Core Business Objectives

Medway Council's core values are:

- **Putting our customers at the centre of everything we do; and**
- **Giving value for money.**

These core values underpin all the Council's work and its delivery of services to the people of Medway.

The Council has six strategic priorities:

- **A clean and green environment;**
- **Safer communities;**
- **Children and young people having the best start in life;**
- **Older and vulnerable people maintaining their independence;**
- **People travelling easily and safely in Medway; and**
- **Everyone benefiting from the area's regeneration.**

Following review and development of the many service areas within the division, skills capacity and leadership have increased considerably, leading to the organisation developing and improving over recent years, examples include:

- Achievement of '2-Star' (good, with promising prospects for improvement) status for strategic housing in 2010;
- BS EN ISO 9001 accreditation in some service areas;
- Investors in People accreditation; and
- A variety of performance indicators, showing improvement.

Medway Council is an outward looking organisation and are members of the Housemark benchmarking club. Medway Council aim to be in the forefront of national best practice and the delivery of excellence in housing management.

Medway is committed to:

- Providing a high standard of affordable housing;
- Providing customer focused, high quality services to residents;
- Operating a sustainable business;
- Achieving the Decent Homes Standard by December 2010 across all stock and to maintain this standard thereafter;
- Providing energy efficient and comfortable homes;
- Ensuring that all targets and local standards agreed with the residents are achieved;
- Support and contribute to the relevant strategic objectives of partner housing associations and local strategic partnerships;
- Ensuring effective communication and consultation with all stakeholders;
- Making services available and easily accessible to all the community, including 'hard to reach' groups;
- Being mindful of diversity and the requirements of residents, providing tailored services as appropriate;
- Working with and involve residents to improve service delivery;

- Maximise choice for residents in the context of achieving value for money;
- Empower and encourage residents to participate in and shape the services they receive;
- Consult on and publish clear and measurable standards for all service areas;
- Enable a motivated and focused staff through empowerment, team building, training and effective appraisal;
- Recognise the central role of staff in delivering services;
- Providing innovative, flexible and responsive housing management and maintenance services;
- Working with all partners to provide best value, quality solutions and continuous improvement across all services;
- Be an outward looking, learning organisation; and
- Use complaints and customer feedback positively to learn and improve services that deliver a high degree of customer satisfaction.

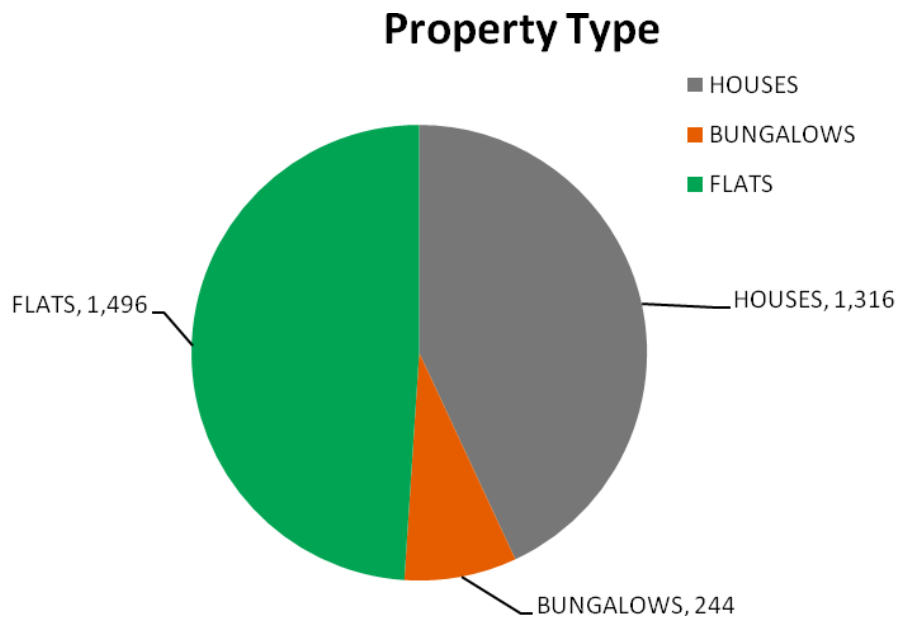
The aim of this Asset Management Strategy is to outline the strategic principles and methods to be adopted in the delivery of these aims and objectives.

The Housing Stock

The following tables and charts provide details of the housing stock at March 2010.

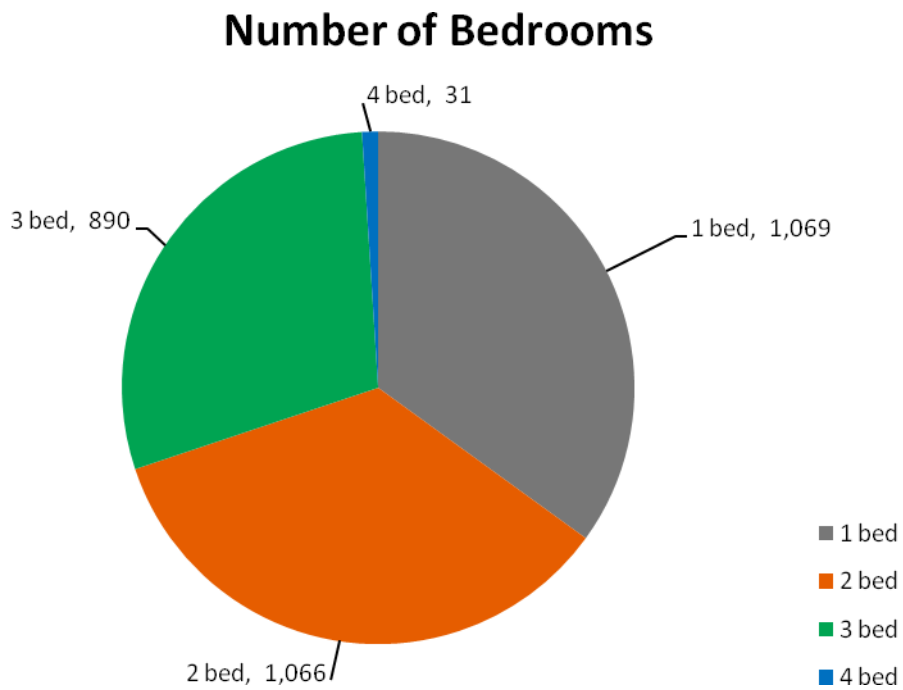
The profile of stock by property type (built form) is:

Property Type	Total
HOUSES	1,316
BUNGALOWS	244
FLATS	1,496
Total	3,056



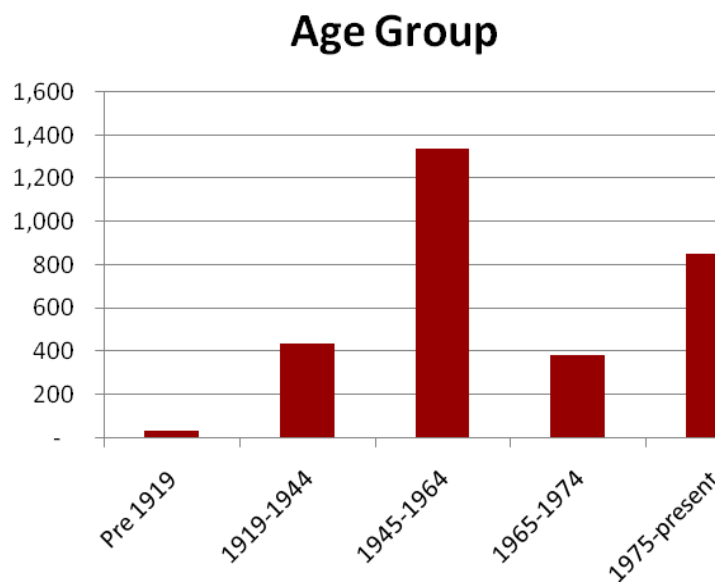
The bedroom composition of the stock is:

No. of Bedrooms	Total
1 bed	1,069
2 bed	1,066
3 bed	890
4 bed	31
Total	3,056



The age profile of the stock is:

Age Group	Total
Pre 1919	36
1919-1944	436
1945-1964	1,342
1965-1974	383
1975-present	855
Total	3,056



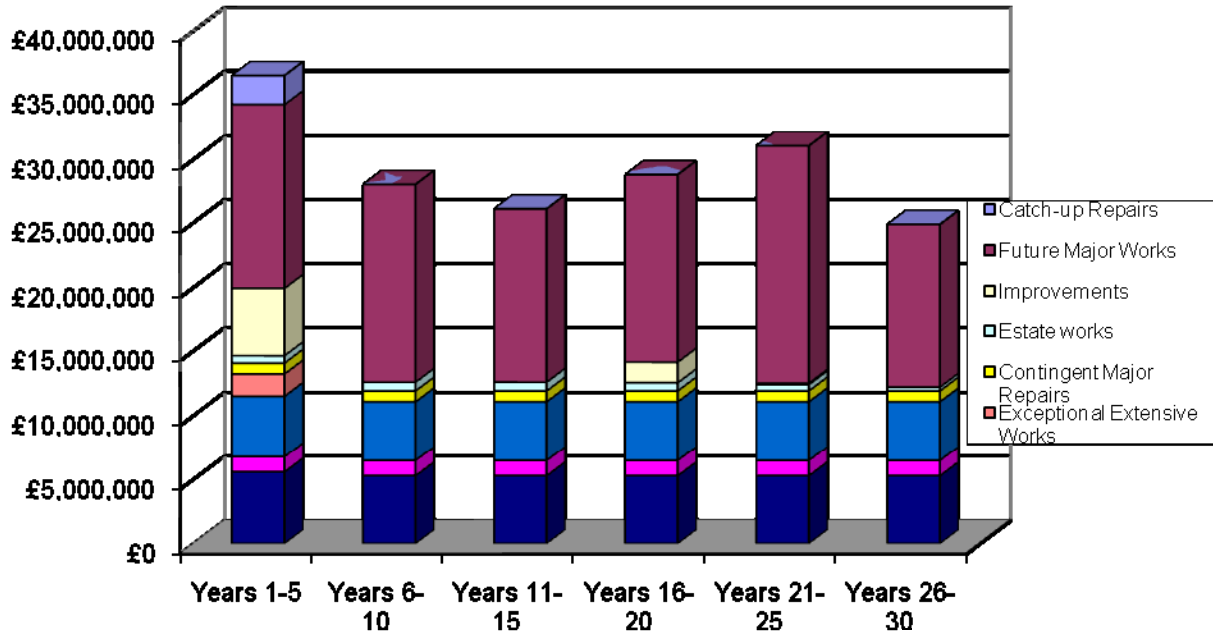
There are no high-rise or non-traditionally constructed units within the stock.

Stock Condition

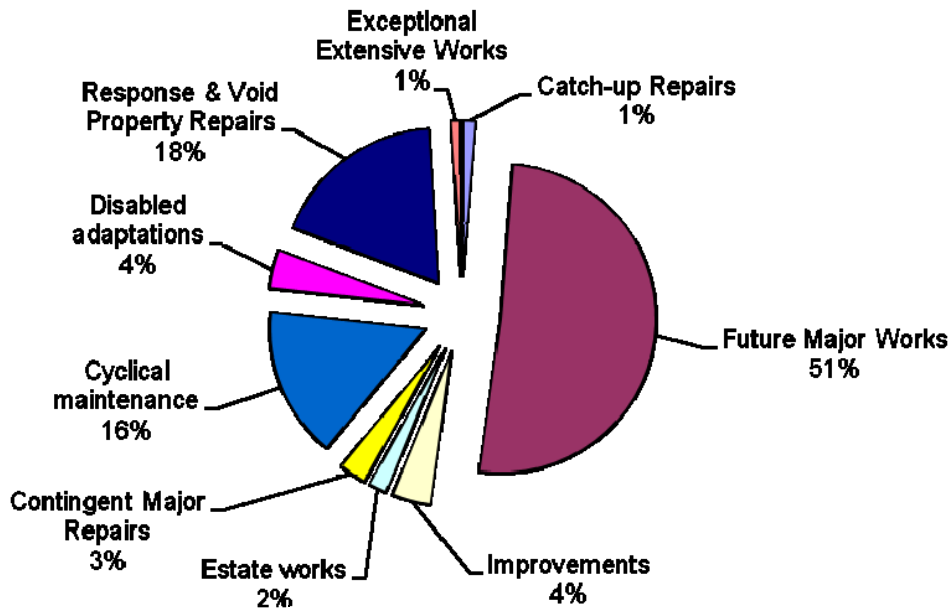
Medway undertakes a rolling stock survey to assess the condition of the housing stock. The results of these surveys have been combined with desk-top budgetary information (such as responsive repairs) to formulate the cost reporting tables illustrated at **Appendix 10**. These reflect an ideal re-investment profile and are shown excluding fees, management costs and VAT etc.

These tables indicate a total 30 year re-investment requirement of £175.1 million, of which £36.4 million is required within the first 5 years of the plan.

Total Expenditure



Years 1-30 Expenditure



The Asset Management Group is responsible for assessing all re-investment needs and priorities and for proposing a programme to deliver a logical programme of works that meet stock condition requirements; although it is noted that at present the re-investment needs exceed the available resources and thus must be balanced carefully alongside the delivery of the locally agreed Medway Standard.

Related Assets

In addition to dwellings, Medway Council is also responsible for the management of a number of assets related to dwellings, for example garage blocks and forecourts, unadopted roads and paths. At May 2010 there were 914 garages and 112 car ports.

This Asset Management Strategy does not consider any corporate stock, such as offices, depots etc.

A number of garage sites were appraised in 2006, resulting in some disposal for development and regeneration.

Related assets, including undeveloped spaces, will continue to be assessed with respect to their sustainability, utility and contribution to their environment. In some instances redevelopment (in partnership with others) or change of use will be considered to provide an appropriately balanced environment, which enhances estate appearance and provides appropriate facilities.

Where not essential to the operational delivery of housing or to the provision of future development opportunities, related assets such as roads and paths will continue to be assessed and, where possible, transferred to the appropriate adopting authority.

This awareness of the environment will assist Medway to help deliver 'decent neighbourhoods' as well as 'Decent Homes'.

Medway's housing management staff pro-actively undertake estate walkabouts jointly with residents and other stakeholders, ensure stock and estates are safe and maintained adequately.

Issues Affecting the Stock

The following key issues have been identified as requirements and as potential risks:

- 1) Decent Homes - A Government standard to be met by 2010, then maintained. This issue is discussed in more detail within the section below.
- 2) Property - Medway has developed a Stock Viability Model, including a matrix to identify low and high demand dwellings. Further details of the approach and results of these findings are included in **Appendix 8**. Medway recognises that property requires regular maintenance and that over a period of 30 years changing demographics, neighbourhood problems and other social factors will influence the re-investment required as a result of changes in demand. Medway continues to lose property through the right to buy/acquire (although this process has slowed significantly in recent years).

- 3) People and Demographics - The aspirations and diverse needs of residents and prospective residents are key to the Strategy. Residents have been involved and consulted in the development of the Asset Management Strategy. Aspirations, ethnic preferences, demographics and other social factors can significantly influence the demand for property and the resulting re-investment required. The processes for addressing this are outlined in Part C.
- 4) Aims and Objectives - There will be risks associated with the aims and objectives outlined above and how Medway operates within the community. Medway recognises the need to jointly manage and mitigate risk.
- 5) Funding – Annual Funding is detailed in the Business Plan and is reflected within the Business Plan. There are defined categories to which re-investment can be directed and also the manner in which the business will be regulated and monitored. There are significant risks associated with resource availability and also the changing nature of political directives over time. Funding could be significantly affected as a consequence of the current Government review and self-financing offer.
- 6) Community - As an important contributor to the community Medway operates with a strong sense of community spirit and with care to the effect that its day to day business has on people’s lives. There will be risks associated with other landlords and providers of social housing both in terms of general needs housing stock and other amenities.
- 7) Procurement – Care is needed to attract reliable providers that view Medway as a key client.

In determining the Asset Management Strategy each of these risk areas has been considered and has influenced Medway’s aims and objectives, with a view to ensuring long-term sustainability.

Decent Homes

Decent Homes is a Government led initiative, introduced in 2000. The Government's target is that all social housing within England should be brought up to this Standard by 31 December 2010.

Medway is committed to delivering Decent Homes, with existing funding by the 2010 deadline. Medway has programmed re-investment works in accordance with the forecasts of stock condition survey, as part of a wider programme. Decent Homes works will therefore be delivered as a by-product of effective works planning, founded from an ethos of pre-planned and programmed 'just in time renewals' as promoted by the Department for Communities and Local Government (CLG) in their Decent Homes and stock condition survey guidance.

Medway recognises that Decent Homes is a 'minimum standard' and acknowledges the CLG Select Committee 'Beyond Decent Homes' recommendation that social landlords should aspire and plan for 'decency plus'. In other words a better standard that also takes account of the views and aspirations of residents, as defined by the Medway Standard.

Medway is also mindful of the CLG Select Committee's report 'Beyond Decent Homes' and plans to monitor progress against this national standard until such time as it is replaced, whilst also considering the aspirations of residents and agreeing a local 'Medway Standard'.

The Decent Homes Standard, if followed in accordance with the strict definition, allows some failures and yet for the Standard to be met. However, Medway will take an holistic view of all the criteria under the Standard and, budget permitting, will adopt a strategy to renew components sustainably, on an individual basis as required and not solely to meet theoretical decency targets.

The stock condition survey has indicated that, as of November 2010 269 dwellings (9%) are deemed 'currently non-decent' in accordance with the Department for Communities and Local Government's (CLG) June 2006 Decent Homes Standard definition (to date there have been a number of refusals of work by residents). By excluding refusals (as is permitted by the Decent Homes Standard the amount of non-decency reduces to 8%).

The Decent Homes analysis is included at **Appendix 11**. Decent Homes' progress will be monitored regularly using the Asset Management Database.

Priority Re-investment Issues

The stock condition survey indicates that the stock requires a significant programme of work to maintain good condition over a 30 year Business Plan term.

According to the stock condition survey the highest value issues for re-investment are:

- Heating and boilers;
- Kitchens;
- Bathrooms; and
- Electrics.

The forecast of works required to meet the Decent Homes Standard indicates that the criterion in which most failures are found is that for disrepair (Criterion B). A failure in this category is realised when components are both old and in poor condition.

The profile is reflective of a stock which has benefited from past re-investment, but which still requires a further catch-up and improvement programme in order to maintain good condition.

Housing Needs

Opinion Research Services (ORS) working in partnership with Three Dragons was commissioned by Medway Council and Gravesham Borough Council to undertake a comprehensive and integrated Strategic Housing Market Assessment (SHMA). Strategic Housing Market Assessments (SHMAs) provide information on the level of need and demand for housing and the opportunities that exist to meet it.

In Medway, there is a total housing requirement up to 2026 of 15,803 homes. Of which, 3,302 are for social rent. This translates to an annual housing requirement of 183 homes for social rent (878 in total).

In May 2010, the Council joined Kent Homechoice, the choice based lettings scheme for all council and housing association homes in Kent. Medway Council maintains a register of all households who have asked to be provided with social housing. In April 2010 there were 7,929 households on the register of which 292 have been assessed as Band A, and have a high priority need.

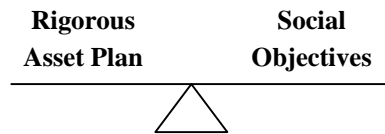
The level of housing need far outstrips supply. There were a total of 1,145 lets from the Housing Register during 2009/10. This includes 321 lets into Council stock, 327 lets to Registered Social Landlord stock and 497 to MHS Homes.

Medway works closely with other local authorities and housing associations to help deliver a 'joined up' service that is targeted at meeting the diverse needs of a wide range of people. Evidence such as local housing needs surveys is used for this purpose. Particular care is taken to ensure that new development addresses identified need in appropriate locations.

In addition to developing and reviewing regular housing needs strategies and support assessments Medway also assesses need by analysing applications for accommodation. The response to housing needs considers factors such as:

- Supply and demand;
- Fluctuations and variations;
- Needs studies and local strategies; and
- Trend analysis.

In order to produce a balanced strategy:



Housing needs within Medway are dominated by a requirement for ‘general needs’ social rented accommodation.

Most need equates to one and two bedroom accommodation, and there is also high demand for single person accommodation (non-bedsit).

The need for desirable, affordable, homes is augmented as a result of high local property prices and a shortage of affordable private rented accommodation.

There is also a requirement for flexible accommodation that can easily be adapted for an expanding family or ageing occupancy, in accordance with the principles of ‘lifetime homes’.

The local housing needs strategy reports increasing waiting lists and homelessness approaches. This emphasises the need to develop more affordable housing as well as the need to maintain existing housing assets in good condition.

Sheltered Housing

Medway Council manages 8 Sheltered housing schemes {none of which are extra care schemes}. These provide a total of 298 homes.

The national picture suggests that sheltered housing is becoming less popular, as older people are living longer, better, more active, healthier lives than ever before and want to live in ‘their own home’ for as long as possible. Much traditional sheltered housing was designed as small bedsits with shared facilities, which do not meet modern standards or expectations adding to the problem of sheltered housing being less popular. As a result, many local authorities and housing associations have experienced reducing occupancy rates and so there has been a trend of decommissioning sheltered housing schemes and redeveloping sites or using the property for other needs groups.

In Medway there is still a demand for sheltered accommodation, although there is little demand for bedsit units. Past re-investment in sheltered accommodation has been limited and several schemes are in need of upgrade and refurbishment to meet modern standards.

Medway proposes to undertake a strategic review of the sheltered housing stock by the end of 2010/11. The review will take account of the maintenance and potential improvement costs as well as the current tenant profile and demand on a scheme by scheme basis. This will enable the Asset Management Group to make informed recommendations in respect of this important aspect of the portfolio.

Priorities for inclusion will be:

- To release family housing through incentives to encourage older people occupying family homes to move to sheltered accommodation 'the under occupation scheme';
- To develop a framework for sheltered resident involvement with regular forums and focus groups to ensure the views of residents are taken in to account; and
- To review methods of working to deliver more flexible support services which can include supporting people who live in the local community along side those in sheltered accommodation.

Available options could be:

- Remodel sheltered housing schemes to ensure that accommodation meets the Decent Homes Standard, provide easy access for people with a disability and provide high quality accommodation as an incentive to encourage older people to move from family housing; and/or
- Redevelop existing sites to include a mixture of supported and general needs housing in line with local demand profile and maximise potential resources within communities.

Sustainable Re-investment

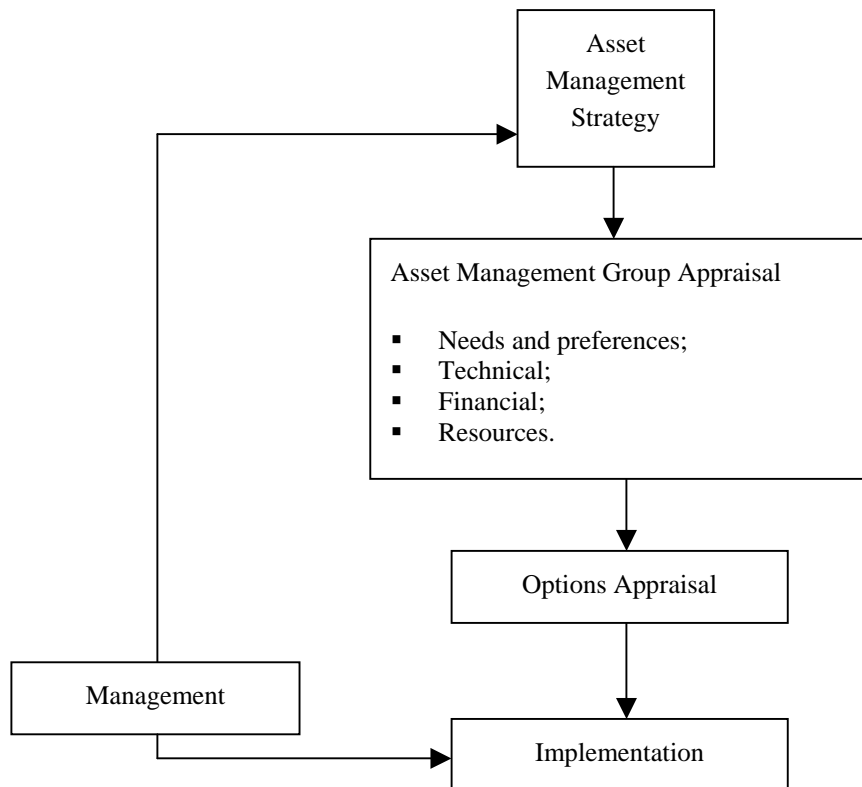
Medway recognises that care needs to be taken not to re-invest in poor performing areas at the expense of all others, nor should high risk re-investment occur without due consideration, option appraisal and piloting (on the basis that re-investment needs may not be the root cause of the poor performance).

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

The Asset Management Group has been established to assess, establish and monitor:

- Standards (the Medway Standard);
- Materials (specifications and resident choice);
- Work Programmes;
- Re-investment priorities;
- Business Plan and Business Plan integration; and
- Performance.

The Asset Management Group will analyse the performance of the stock, as illustrated below, and compare this with the re-investment requirements and target re-investment at the stock that are intermediate (peripheral) performers, with a view to making them well performing, or to identify alternative solutions for them following options appraisal.



The role of the Asset Management Group is discussed further below.

Re-investment Priorities

Priorities are identified through the Stock Viability Model (see **Appendix 8** for results). This considers range of inputs, including income, demand and projected costs. Properties are classified either as red, amber or green (RAG status):

The portfolio is divided into one of three categories:

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

Re-investment is influenced by these categories as follows:

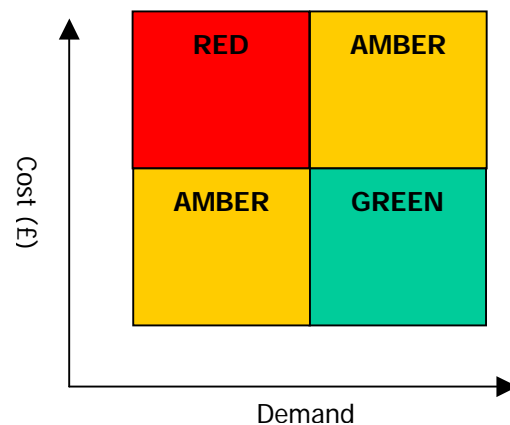
1. **Red** (on hold/under review) – No major expenditure permitted. To be maintained on an ‘essential only’ limited responsive basis, plus essential cyclical (e.g. statutory gas servicing).

2. **Amber** (under review) – No major expenditure permitted unless an options appraisal has been undertaken to assess the impact of any re-investment on future works requirements and the likely impact on demand. Otherwise to be maintained on a responsive and cyclical regime only.
3. **Green** (go ahead) – All expenditure permitted, subject to agreement of the Asset Management Group.

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

A key consideration is the aspirations of residents. Views and opinions submitted through consultation groups are used to identify their priorities. These are given a high priority when determining an approved programme of work.

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



The assessment of cost is made with direct reference to the Asset Management Database and associated reports.

Demand has been assessed with reference to housing management perception informed by void turnover rates and associated performance indicators. The assessment has taken account of the CLG's defined neighbourhood assessment criteria.

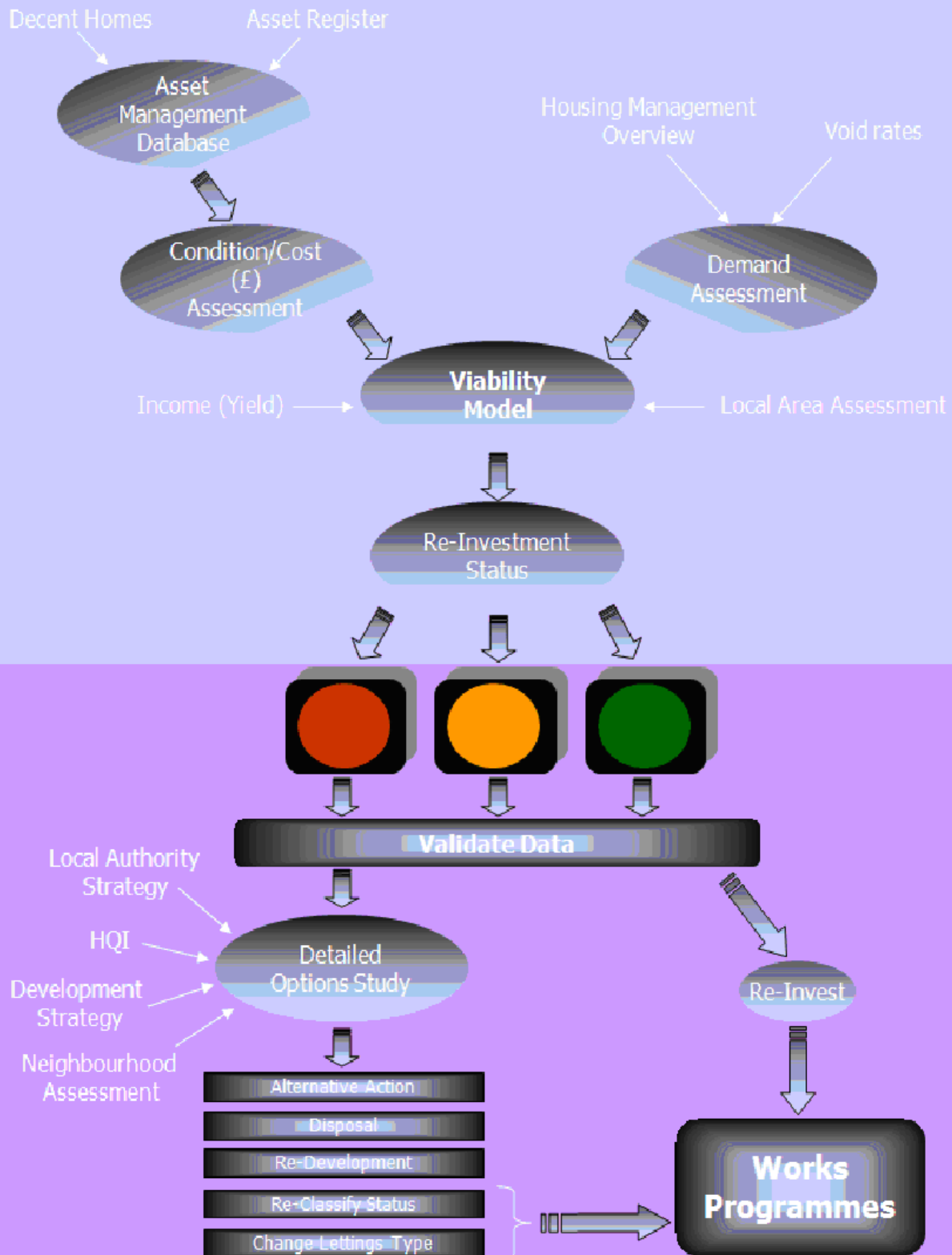
Detailed options studies take account of additional information such as Housing Quality Indicators.

At present there are no plans for mass stock rationalisation or disposal, or the regeneration of estate areas. A few ad hoc disposals of high cost or low demand properties may be considered as and when appropriate.

Medway believes that acting on the views of residents will assist with improving satisfaction with the service as a whole.

The sustainable re-investment process is illustrated on the following page:

Sustainable Re-Investment Process



Repairs and Maintenance Context

The housing stock is located in an area of high demand for construction related services with relatively high resulting costs; although recent planned works procurement activity has provided good value for money solutions; there is also an intention to use progressive, low risk, term contracts in the future.

Medway recognises that care must be taken to ensure that the actual costs incurred in commissioning work to the proposed Medway Standard are reflected in the Asset Management Database and the Business Plan projections. The rates paid for completed works are regularly reviewed and benchmarked by the Asset Manager, where action is needed this is referred to the Asset Management Group.

The results of the stock condition survey indicate the need for continued future re-investment in order to meet and maintain the Decent Homes Standard and in order to maintain the stock in good condition. A backlog has also developed in cyclical works (such as redecorations) which will have to be incorporated into new programmes.

The findings of the survey reflect the age profile of the stock.

Repairs and Maintenance Principles

The need to undertake work arises either through pre-planning, or in reaction to immediate requirements. Whilst budgets for 'reactive' works (not pre-planned) can be set in advance, the precise scope and nature of the works required cannot be defined in terms of scope, location or quantity. Medway's responsive and void works budgets fall under the 'reactive' category, whereas all other work is pre-planned.

Medway propose to undertake more works using pre-planned methods with an aspiration to achieve not less than 80% pre-planned versus 20% reactive, unless the stock is new (less than 10 years old) in which case low levels of pre-planned work are anticipated.

In 2008/09 70.65% of works were being delivered in a pre-planned way.

Pre-planned work occurs under one of three budgetary headings (cyclical maintenance, improvements and planned maintenance); these are explained in more detail below.

Pre-planned contracts have several advantages including:

- Ability to be reviewed and agreed in the context of agreed re-investment priorities and via the Asset Management Group;
- Better value through economies of scale by securing better prices for components when many are ordered versus 'one off' purchases;
- Better consistency of component used, which is good for subsequent repairs and material performance assessments; and
- Helps to provide effective communication and consultation through the use of contract resident liaison staff and the issue of informative newsletters.

The requirement for cyclical maintenance, including the servicing of gas appliances, is derived from attribute and servicing records held within the Asset Management Database and Housing Management System.

The requirement for improvements or planned maintenance (component renewals) is also derived from the Asset Management Database, which has been informed by the stock condition survey. The survey was undertaken on the basis of predictions for major repairs or component renewals on a pre-planned and programmed 'just in time basis'. In other words components should not be renewed well ahead of schedule (lifecycle + assessment of actual condition), nor should they be renewed too late (i.e. when they compromise the property or when they may impose an undue burden on responsive repairs).

'Just in time' is a best practice principle promoted by the CLG in their guidance (Collecting, Managing and Using Housing Stock Information – a good practice guide).

These core principles will be met through the following actions (given by budgetary reporting category):

Responsive Repairs

Responsive repairs are issues that arise on a day to day basis, typically being small scale and of a low cost. They include work such as fixing a plumbing leak, or re-fixing a loose roof tile.

In some circumstances larger repairs are instructed through this budget, although Medway recognises the need to allocate costs to the appropriate budget and business plan projection category. Medway will minimise the amount of works undertaken through responsive repairs, in favour of adding such works to large scale planned contracts. Therefore no major works or component renewals should be financed by this budget, unless they represent an unforeseen and significant health and safety issue.

Repairs that are not Medway's responsibility or which arise through the unreasonable actions of a third party will be recharged in accordance with the Rechargeable Repairs Policy.

Through better planning Medway aims to let more works in a pre-planned way, thus moving works away from a responsive approach. This will encourage better value for money through savings in economies of scale; consistency of product and standards will also be improved through adherence to the Medway Standard and the robust monitoring processes that apply to pre-planned contracts.

To ensure that undue expenditure is avoided and that records are appropriately maintained the responsive and void team have access to the programmes of work that are derived from stock condition data. This enables them to make rational decisions about the requirement to undertake repairs and gives the ability to advise a resident (or prospective resident) that works will be undertaken within a defined time period.

Void Works

Void properties are unoccupied dwellings and typically arise when there is a change of tenancy. Void works include statutory testing of gas and electrical systems, as well as the works required to make the property fit for incoming residents.

The extent of works undertaken is defined within the Void Standard (see **Appendix 6**).

Medway wishes to minimise the amount of time that any dwelling is unoccupied in order to provide homes to those waiting faster and to maximise revenue income. Therefore turn-around (key to key) times should be as short as possible, with a target of not more than 14 days (2 weeks), although this objective, along with cost reductions, will be addressed over a realistic timetable:

Year	Void Duration	Void Cost
2011/12	4 Weeks	£1,000
2012/13	3 Weeks	£900
2013/14	2 Weeks	£800

In 2009/10 there were 354 void occurrences (a turn-over rate of 11.6%). This figure excludes mutual exchanges and reflects an upwards trend (9.7% in 2008/09 and 8.2% in 2007/08). Whilst accepting that turnover is inevitable, Medway aims, where possible, to reduce this rate. An average of 300 voids per annum is predicted from 2011 onwards.

In some instances unpopular accommodation can be hard to let and may influence the true performance targets noted above, to assist in the identification of unpopular dwellings sheltered accommodation will be reported separately. Low demand units are identified via the Stock Viability Model and will be subjected to more detailed options appraisal.

Medway promote an ‘under occupation scheme’, which incentivises tenants to move to more appropriate accommodation, Medway will also regularly test occupation rates with a view to reducing under-occupation of dwellings through the assisted relocation of tenants that no longer need large homes.

During the void period essential tests and works will be undertaken to ensure that the dwelling meets the minimum standard for housing (Housing Health and Safety Rating System - HHSRS), is safe, clean and that any residual rubbish has been cleared, subject to the recharge of the former resident.

Typically major works or component renewals shall not be undertaken during a void period and will be added to a pre-planned programme of similar works that benefit the entire neighbourhood in an even-handed way, rather than ‘pepper-potting’ works to suit re-letting. However, the void period will be used as an opportunity to catch-up any internal or disruptive works that have previously been declined by a resident, especially those works that affect the Decent Homes Standard or health and safety.

The void period will not be used as an opportunity to accelerate works to a dwelling, as costs for one-off works are less efficient than larger pre-planned contracts. Moreover Medway wishes to avoid disadvantaging existing or neighbouring residents who would not receive required works at the same time.

Void works will be the subject of a review, in the meantime the target spend for all works required to meet the void standard will be reduced to no more than £800 (plus VAT) per dwelling over time.

Prospective residents will be given information about forthcoming programmes of work and planned improvements to their homes.

To help support new residents, Medway offers a discretionary decoration voucher scheme, whereby they may obtain materials from local suppliers to improve the internal decorative order of their homes, where redecorations are needed.

Cyclical Maintenance

Cyclical maintenance comprises the regular servicing of mechanical and electrical plant (such as boilers) and painting with any pre-painting repairs.

Cyclical servicing occurs on regular pre-defined intervals, for example boiler servicing annually.

Due to the specialist nature of servicing works Medway has established a series of measured term partnering contracts to provide the required works over a number of years.

The contracts for the testing and servicing of gas appliances and electrical installations provides a valuable source of data to help inform the projected renewal for these components, servicing records are held within the Asset Management Database and/or Housing Management System.

In respect of redecoration works budgetary constraints have limited work in recent years, however a programme involving two areas are proposed:

1. External parts (such as windows, doors and render); and
2. Internal common parts (such as common stair lobbies).

To ensure that items due for renewal are not redecorated just prior to renewal no order to redecorate can be raised to redecorate if the confirmed renewal date is within 5 years 'the five year rule'.

Example:

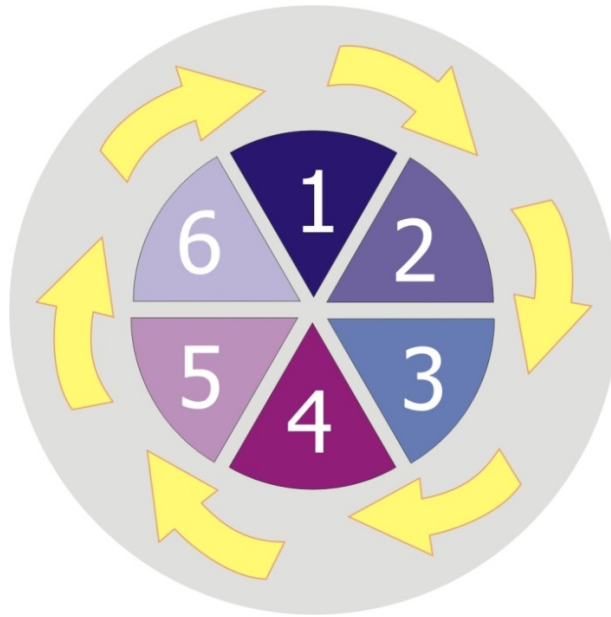
- Windows to be renewed in 3 years time = redecoration prohibited.
- Soffits and fascias to be renewed in 8 years time = redecoration allowed.

In addition to redecorations, the exterior of each dwelling will be assessed on the same 6 year cycle as part of the same contract. All minor items of un-actioned repair that could lead to a health and safety issue, or that reflect an impending responsive order, such as broken roof tiles renewed, damaged or uneven paving repaired are dealt with. This 6 year overview contract helps to ensure that the stock remains wind and weather-tight and in good overall condition. This pre-emptive planned maintenance helps to reduce the number of responsive repairs requested, to mitigate any potential health and safety problems, to reduce redecoration costs when renewals are imminent and to maximise the lifecycles of external components.

Care is however taken not to undertake any unnecessary work (or major component renewals) as part of the 'external maintenance contract'.

The external maintenance contract also provides an opportunity to update stock condition survey data and to validate the Asset Management Database's projections for major planned works (renewals).

To facilitate an even and regular distribution of work the stock is divided into 6 areas of broadly equivalent stock numbers. Work then rotates until the cycle is complete:



To ensure that geographical areas are not over-loaded with work, other major works contracts are typically off-set by 180°, for example if the external overview contract is operating in area 1, then internal works may be being undertaken in area 4.

Planned Maintenance

The majority of Medway’s expenditure occurs through large-scale planned works contracts.

Medway propose to set a target to undertake more works using pre-planned methods with an aspiration to achieve not less than 80% pre-planned, if this proves to represent a sustainable, best-value proportion.

Medway is currently reviewing its housing procurement strategy in the context of an update to Medway’s corporate procurement guidance and in good time to coincide with the completion of its current contractual arrangements. The types of planned maintenance undertaken include:

- **High-level** (roofs, chimneys, soffits/fascias/gutters etc.);
- **External Maintenance** of fabric (external cyclical and repairs);
- **Windows and external doors;** and
- **Internal components comprising:**
 - Insulation and heating;
 - Kitchens and bathrooms;
 - Electrical; and
 - Asbestos (prior to works).

When combined with the cyclical contracts, a comprehensive ‘suite’ of arrangements exist to attend to most ‘planned’ demands of the stock.

Until more details emerge about Medway's financial resources (linked to the possibility of 'self-financing' under the Government's consultative proposals), planned works will continue to be targeted at works needed for 'health and safety' and 'wind and weather-tightness', along with a continued focus on maintenance of the Decent Homes Standard. Once additional resources are obtained a more comprehensive 5 year programme will be proposed.

Medway use a term-contract approach to obtain works; this approach encourages good working arrangements with suppliers and contractors and also helps to reduce the requirement to regularly produce specifications, thus enabling works to start on site sooner and staff to concentrate upon proper planning and the key aspects of delivery:

- Health and Safety;
- Time;
- Quality, including Service Standards; and
- Cost.

Improvements

Improvements are defined as the provision of components that do not currently exist.

Some improvements are required to ensure that the Decent Homes Standard is met, including the installation of heating where none exists, or adding insulation to appropriate levels. Others may be termed 'aspirational' and include the installation of beneficial components, such as smoke detectors, or provide for other work such as environmental enhancement or the re-modelling of hard to let dwellings.

Whilst Medway wishes to undertake all improvements that are important to residents, there is not a limitless budget available, hence all applications or ideas will be collated and submitted to the Asset Management Group for prioritisation and approval along with other re-investment priorities.

Medway currently has only a limited budget available for estate improvements, projects that are identified are led by resident demand.

The programming of any estate improvements and external works that can be afforded will be designed to co-ordinate with the expenditure of partner organisations, such as housing associations, to maximise the benefits of regeneration in an area (joined-up re-investment).

Disabled Adaptations

Medway recognises their social responsibility to provide adaptations and facilities for disabled people and to comply with the requirements of the Disability Discrimination Act (DDA). These comprise minor works (such as installing hand-rails) and major adaptations. An annual budget is made to continue the provision of such work.

Other work may include improvements in accessibility to common areas of blocks and publicly accessible spaces, following an options appraisal.

Asbestos

Following the development of an asbestos policy and more recently the introduction of the Control of Asbestos Regulations 2006, Medway conduct surveys and sampling in order to update a register in accordance with the Asbestos Policy and Management Plan.

A leaflet in respect of asbestos is sent to new residents at allocation, this contains explanatory notes to help them understand the issues that affect their particular home.

At present Medway has a register based upon sampling surveys of a proportion of the stock. Further data will be collected through regular management and pre-works surveys, for all dwellings over time, and to continually manage and maintain the register, the testing programme will be undertaken in advance of works that may affect asbestos containing materials.

Asbestos containing materials are managed in accordance with the Asbestos Policy and Management Plan; this follows best practice recommendations (including HSG 264).

In principle all high risk asbestos containing materials (ACMs) will be removed where possible. Medium risk asbestos containing materials are to be removed as a first option and protected or remediated if removal is not practicable. Low risk asbestos containing materials will be managed and left in-situ pending renewal of components on programme (e.g. garage roof sheets), or left in-situ and managed when removal is not practicable, where for example textured ceiling finishes and floor tiles are retained in a property.

No work is permitted to commence without prior reference to the register. Where the register is incomplete or inconclusive testing must be undertaken, appropriate notification to the Health and Safety Executive made and the adoption of appropriate precautions by qualified, licensed, contractors.

Energy and Warm Homes

Medway believes that all residents have a right to affordable warmth and that adverse environmental impact should be reduced by the utilisation of energy efficient materials. Work is already underway to help improve the energy efficiency of dwellings (thus helping to reduce carbon emissions), which will assist with meeting the Government's proposed new Warm Homes Standard.

Where reasonable to do so, Medway aims to improve the stock to the maximum possible energy rating through the use of efficient heating and effective insulation. Medway issues residents with energy performance certificates (EPC) at change of tenancy (void/re-let, mutually exchanged, or sold).

Medway aims to increase the energy rating, measured through the Standard Assessment Procedure (SAP), of all stock to at least 60 (ex. 100), with an average target score of 75. This compares with a current average SAP 2005 score of 68.3 (at May 2010). Further SAP 2005 (RdSAP) data is in the process of being collected through the EPC process and also through regular stock condition surveys. Energy data is held in the Asset Management Database.

The selection of energy efficient materials is defined in the Medway Standard as part of the Council's carbon reduction commitment. They include for example:

- The installation of full gas central heating, or electric where no gas is available;
- The use of efficient condensing boilers (Sedbuk A);
- The installation of double glazing;
- The installation of cavity wall insulation;
- The improvement of loft insulation to at least 250mm thickness; and
- Proper insulation of hot water cylinders and pipework.

In addition Medway encourages the use of low energy light fittings and provide residents with energy saving ideas in newsletters, on its website and through other information sources.

Medway will seek grants to supplement programmes of work and energy efficiency initiatives whenever possible.

Stock Survey and Data Management

Medway has gathered stock condition data on 84% of the stock since 2005/06 and intends to survey all remaining dwellings by the end of 2010. Dwellings will then be re-surveyed as part of a rolling programme (with a target of 20% per annum).

The Asset Management Database (Codeman) is regularly validated and updated with historic works records and attribute records. This provides a comprehensive single data source for condition information, works programmes, renewals and cyclical maintenance history.

The format for gathering and maintaining survey data has been reviewed along with the functionality of the Asset Management Database to enable Medway to have the best access to modern and well maintained data, upon which planning decisions are made.

Medway recognises the importance of effective record keeping and works planning and the Asset Manager is responsible for gathering, maintaining and improving the database, free from the requirement to deliver the works as well. This places the emphasis on effective client control and supervision.

The Asset Manager has a key role on the Asset Management Group, providing information and proposing programmes based on need and logical groupings. The Asset Manager also undertakes an 'overseeing' role of the delivery teams to make sure that programmes and budgets are being adhered to and that all work undertaken is recorded, including any essential elemental renewal undertaken by the responsive and void team. The role also includes management of the Medway Standard, the asbestos register and an awareness of new initiatives and possible funding sources such as grant availability for energy efficiency schemes.

Stock condition survey data will be maintained and improved via an ongoing programme of survey inspections, on a rolling basis, by trained staff supported by external resources and feedback from contract works (such as the external cyclical overview contract and void inspections). Data is also obtained from cyclical gas and electrical testing contracts. External validation of the stock condition will also be undertaken as required.

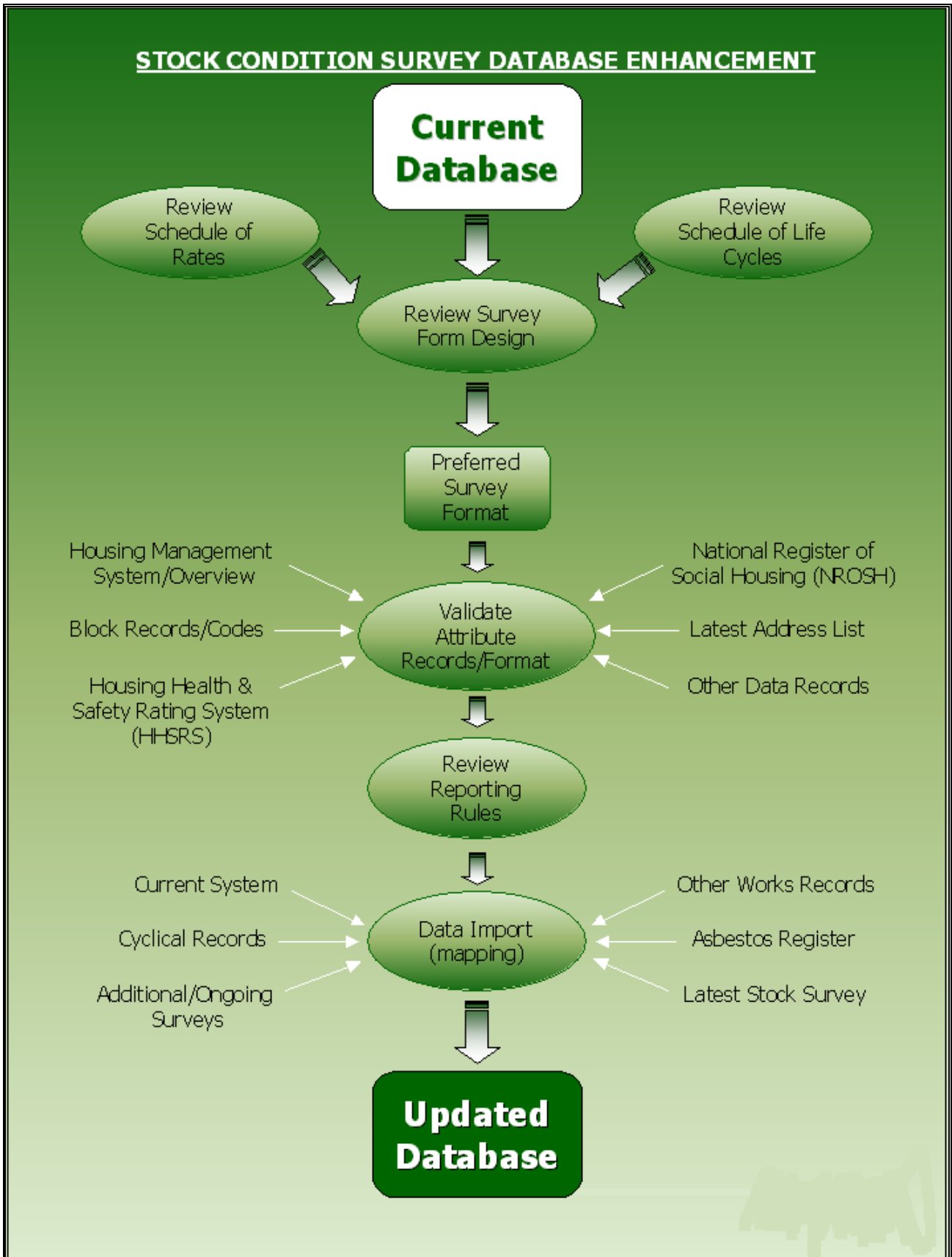
The Asset Management Database is used to provide high-level information, such as 30-year business plan forecasts, as well as detailed work programmes and proposed contract works.

No planned programmes are committed until the requirement for works has been validated on site, the property attaining 'green' re-investment status and the approval of the Asset Management Group obtained. In some circumstances the on-site validation checking process results in work being deferred to follow the 'just in time' ethos, or to respond to the defined priorities in the absence of sufficient resources.

The Asset Management Database is used to carry out regular assessments of dwellings against the Decent Homes Standard. This data will be utilised by the Asset Management Group as it monitors and reviews the portfolio of projects and progress towards Medway's objectives.

Stock survey and data management procedures have been recorded as part of a quality management system. These included procedural guides and will form the basis for the future training and development of staff.

The process adopted in enhancing the Asset Management Database is illustrated on the following diagram:



Funding Position/Parameters

The Business Plan and associated Business Plans define the resources available to Medway for the management and maintenance of the housing stock.

Following changes that have emerged following the Government's recent review of the Housing Revenue Account (HRA) and subsidy system, Medway are currently reviewing their resourcing options and anticipated future funding availability (including the possibilities of self-financing). The emerging funding streams will be aligned to a works programme (based upon agreed priorities) and monitored by the Asset Management Group.

The requirements for repairs and maintenance are assessed with reference to the forecasts of the Asset Management Database, which is informed by the stock condition survey.

Medway recognises the importance of maintaining the source data and in the associated schedule of rates and lifecycles, in conjunction with the Medway Standard and procurement results, as these directly inform the Business Plan and Business Plans.

There are a number of constraints imposed on the Business Plan, including:

- Funding availability;
- Sustainability;
- Rent levels (revenue);
- Government policy; •
Legislation;
- CLG/HCA/TSA/Audit Commission standards;
- Governance implications;
- Marketplace costs (e.g. salary levels and works costs);
- Grant availability/eligibility; and
- Efficiency targets (Gershon agenda).

Re-Investment Priorities - Proposed Schemes

Subject to the sustainability of the properties involved and the availability of sufficient resources the following schemes are proposed:

Warm Homes: This scheme aims to provide all residents with a home that is affordable to heat. Medway will fit energy efficient boilers, upgrade existing central heating systems, supply and lay additional insulation to lofts, hot water cylinders and cavity walls to reduce residents' heating bills. Medway will be helping residents maximise the benefits and grants available for energy efficiency measures and publicise energy advice to eradicate fuel poverty. Medway will carry out this work as part of its approach on sustainability.

Internal Works: Including the renewal of components such as kitchens and bathrooms, heating systems and electrical upgrades.

External Maintenance: Medway will be repairing roofs, rainwater goods, soffits and fascias. The external overview contract will maintain the external envelope and external areas in good condition, on a cyclical basis.

Safety: Medway will install and maintain smoke detectors to every home and upgrading wiring to modern standards. This scheme will ensure that the electrical systems in homes are up to date and safe. Homes should also have sufficient plug sockets to suit a modern lifestyle, following rewire. Implications arising through the Housing Health and Safety Rating System (HHSRS) will also be addressed. Fire Doors and Emergency Lighting will also be upgraded where appropriate.

Responsive Repairs: Medway will deliver a cost effective responsive repairs service to the published standards.

Cyclical Maintenance: Medway will carry out a cyclical programme of works including a 6 year rolling external repair and painting programme, annual servicing of gas appliances, servicing of mechanical and electrical (M&E) plant and equipment (including lifts and fire detection systems), and a 10 yearly programme of testing and upgrading electrical installations.

Disabled Facilities Adaptations: Medway will continue to provide adaptations, such as the provision of handrails, on a demand led basis.

Garages: Medway will continue to review the sustainability of garages and will assess, when works are required, whether to repair or dispose of the asset in accordance with the Garage Policy. If the decision by the proposed Asset Management Group is to dispose of the site it will allow the possibility of re-development.

The Medway Standard

In order to promote consistency in the work that is procured and to clearly define the aspirations of residents, Medway will record specifications, material selections and local policy standards agreed through consultation with key stakeholders. This document will represent the Medway Standard.

This document will comprise:

- 1) General standards and objectives, including broad policy statements;
- 2) An output specification, by component, for use with the non-technical stakeholders including residents and housing management staff; and
- 3) Policies.

The Standard is being developed to reflect the aspirations of residents in the context of affordability and the Business Plan.

A summary of the proposed Medway Standard may be found at **Appendix 3**.

The Standard and the costs of work arising are regularly reviewed by the Asset Manager to ensure that database predictions used to inform business planning and works programming are correct.

Project Appraisal and Evaluation

Medway must ensure that the re-investment in the housing stock provides maximum benefit and best value for residents, within sustainable parameters. Having identified the priority issues and core objectives, each of the intended investment projects must be appraised and ratified against the strategy to ensure adherence with Medway's objectives.

An appraisal and evaluation process will be developed, through which each project will be assessed. Where re-investment is determined not to be in alignment with the objectives of the Business Plan or this strategy, then alternative solutions such as redevelopment, demolition, disposal or other available route may need to be considered.

The process will be implemented by the Asset Management Group, and will include consideration of issues such as:

Technical Appraisal:

- 1) Define strategic position;
- 2) Data;
- 3) Whole life costing;
- 4) Standards;
- 5) Consultation.

Financial appraisal:

- 6) Funding source;
- 7) Impact of re-investment on finances;
- 8) Cash flow requirements.

Risk Appraisal:

- 9) Identify risks (internal and external);
- 10) Quantify risk (scale);
- 11) Manage risk.

Procurement

The Asset Manager is tasked with developing, reviewing and challenging comprehensive re-investment plans to ensure that those properties needing works receive them in a timely fashion. These plans are dynamic and allow for quick reaction to change as and when necessary; they are also constructed in the context of the availability of resources and agreed re-investment priorities.

The updated procurement strategy will consider the procurement options and also the availability of resources (financial and personnel). Most future contracts are likely to be let on a term basis and all will be expected to deliver demonstrable value for money (proven through benchmarking) and good standards of service.

All contract arrangements will undergo external scrutiny to ensure that best value is being achieved, and will be closely monitored at all levels, to ensure that they are delivering to the appropriate quality and service standards.

Medway is obliged to seek interested partners by advertising in the Official Journal of the European Union (OJEU), the procurement publication for major services and projects above designated thresholds.

Medway will also explore opportunities for consortium and framework procurement to assist in improving value for money through economies of scale, through regular review and benchmarking.

PART C

Administrative Implementation, Monitoring and Review Processes

This section deals with the implementation plans and methodologies for the Asset Management Strategy which have been driven by the directional components outlined in Part B.

In addition to the implementation and methodologies this section also sets out the processes for monitoring and reviewing projects within a portfolio to ensure consistency with the overall aims and objectives and alignment with the Business Plan.

Staffing Resources

Medway Council has reviewed its organisational structure to ensure its proper alignment in the context of a client orientated housing repairs and maintenance service. This includes the role of Asset Manager, the person responsible for planning of asset management activity.

The staffing structure (**Appendix 5**) differentiates the requirement for ‘planning’ versus ‘delivery’; it reflects the anticipated resource requirements to enable the implementation of the Asset Management Strategy through a range of projects. The structure that has been put in place has sufficient resources to manage all categories of work, with specialist support provided by external consultants as and when required.

Medway’s repairs and maintenance responsibility includes resident communication, consultation, contract development, tendering and administration, works identification and supervision.

Staff are encouraged to seek professional qualifications and to adopt ‘life-long learning’ as a personal development goal. Regular briefings and reviews of staff roles and responsibilities by managers helps to ensure that they remain aware, effective and focused on delivery of their key functions.

Medway aims to maximise the benefits available by collective team working, propagated by a clear understanding of objectives and individual responsibility. When identified skills gaps are addressed through targeted and relevant training. Where necessary, Medway utilises external consultancy support, especially for expert advice and validation processes.

The finances required to meet the programme are set following reference to the stock condition forecasts, the programme proposed by the Asset Management Group, consultation and are detailed within the Business Plan.

Resident Consultation and Participation

Medway continues to work hard to ensure that all residents 'have their say' in how their homes are managed and the standard to which they are maintained. The Council is committed to resident involvement in both day to day operations, such as choice of colour schemes and types of kitchen units; and at a more strategic level, with tenants' groups meeting regularly to review different aspects of the service.

The Council's Resident Engagement Strategy sets out a range of innovative opportunities for residents to get involved at all levels. These arrangements are regularly reviewed in light of the Tenant Services Authority's (TSA) requirements and recommendations.

Medway recognises that residents must play a central role in future policy setting and within the performance management framework.

Medway informs and consults with residents on a wide variety of issues, including:

- Housing Strategy;
- Service levels and standards;
- Current performance levels;
- Statements of policy and procedure;
- Regular, informative newsletters;
- The work of the Asset Management Group; and
- Details of repair and improvement projects.

Tenants are actively encouraged to participate through various mechanisms, including the 'People Bank' and roles such as 'Estate Champion'. Leaseholders are also involved in these initiatives; Medway has a dedicated Leaseholder Forum, which focuses specifically upon issues that affect them.

Medway continually reviews its resident involvement strategy and introduces new methods of resident participation, where appropriate, to give more people an opportunity to take part in the decision making process. Resident contributions are sought at both a strategic level, including at the Asset Management Group and at a project level, including project communication groups and resident choice.

Asset Management Database

Medway has implemented Codeman as the Asset Management Database. This system combines all condition data within it to provide a modern, comprehensive and easily maintainable system.

All pre-planned works records will therefore be maintained in a single system. Access to this data is available to all staff involved in the repairs and maintenance of the housing stock.

The Asset Management Database is regularly updated to ensure that the address file is consistent with the Housing Management System.

The Asset Manager is responsible for ensuring that the Database is maintained up to date, including:

- The management and improvement of survey records;
- The replacement of ‘cloned’ (extrapolated) records with ‘actual’ surveys; and
- Updating of ‘works undertaken’ records from all procurement routes.

A description of the Asset Manager’s key duties is given at **Appendix 9**.

The Asset Management Database forms the cornerstone of the Asset Management Strategy, and provides data and information for individual programmes as well as the Business Plan.

Implementation Plans and Methodologies

Information on re-investment requirements arises from the Asset Management Database. The Asset Manager reviews and maintains stock condition data and produces proposed programmes for work designed to meet the re-investment requirements of the stock, including delivery of key initiatives such as Decent Homes, within logically grouped projects.

Individual requirements and proposed programmes are then reviewed by the Asset Management Group by project appraisal and evaluation. Once agreed they form an implementation plan.

Implementation plans will shape the future of the stock and may be seen as an important sub-set of the Asset Management Strategy, providing a portfolio of projects designed to meet the requirements of the organisation’s strategy and key objectives.

Medway will develop a plan for asset management implementation that identifies the required re-investment to bridge the gap between the current and intended future condition of the stock. Part of the implementation plans will require a ‘gap analysis’ to determine the approach needed and the work required. This will be informed by data contained within the Asset Management Database and will be aligned to the overall Asset Management Strategy and Business Plan as well as Business Plans; judged against key performance criteria and the agreement of the Asset Management Group.

Issues to be considered include:

- Previous investment and other historic information relating to the particular project area;
- The aims and objectives of projects and alignment to the overall objectives of the Asset Management Strategy;
- Risk analysis in connection with each specific project;
- Details of the programme for delivery including key milestones and resources required to facilitate completion on time;
- Budgetary impact and comparison with agreed schedule of rates and the Business Plan;
- Consultation requirements and intended processes and the agreement of key performance indicators (KPIs) at the outset of the programme;
- Compliance with the proposed Medway Standard;
- On completion of the project a summary project evaluation and lessons learnt for future projects; and
- The Procurement Strategy.

Commitment to Existing Service Standards

Medway has an extensive range of customer standards and policies (all published on the Medway website) including:

- Void Standard;
- Rechargeable repairs;
- Homelessness;
- Complaints;
- Resident Engagement;
- Gas safety and servicing; and
- Anti-social behaviour.

Policies and standards are developed in partnership with residents and include reporting and monitoring arrangements. Medway will regularly review and build on these policies and procedures and ensure that relevant and achievable standards are in place for all areas of service.

Role of the Council and Service Delivery

Medway has adopted a number of policies and protocols to ensure the effective running of Housing Services, through relevant Committees and the Council. These include:

- The Council's Constitution;
- Declaration of acceptance of responsibilities;
- Register of interest;
- Financial Procedures;
- Contract Procedures; and
- Scheme of Delegation.

Medway is committed to ensuring all Members are effectively trained to undertake the duties of a Member, as detailed in the learning and development strategy for Members 2007/2011. The Committees and the Cabinet regularly monitor and review the performance of Medway through regular reports.

Performance is regularly reported to residents through the annual report and through various residents' groups, including a summary in the 'Housing Matters' newsletter and the Council web-site.

Medway is committed to a process of continuous improvement that includes regularly reviewing governance arrangements, training requirements and assessment of performance.

In summary, through good governance, the Council wish to ensure that the Housing Service is well run, remains financially solvent and sustainable, and aims to deliver services that offer value for money to the community that it serves. This is reflected within the Council's annual governance statement.

Medway embraces the six core principles of good governance, contained in the Good Governance Standard for Public Services. Good governance means:

1. Focussing on the organisation's purpose and on outcomes for citizens and users;
2. Performing effectively in clearly defined functions and roles;
3. Promoting values that underpin good governance and upholding these through behaviour;
4. Taking informed, transparent decisions within a framework of controls;
5. Developing the capacity of the governance team to be effective; and
6. Engaging stakeholders and making accountability real.

Working in Partnership

Medway is committed to working collaboratively with all stakeholders. By tackling issues in partnership and not in isolation, Medway hopes to benefit from the range of advantages that joint-working can bring.

Medway recognises that the principles of partnering (collaborative working), if correctly implemented and nurtured over time, will pay dividends by way of improving service standards, reduced requirement for administration and the reduction of direct costs through long-term relationships and economies of scale across the supply chain.

Medway will therefore apply the ethos and principles of partnering to future procurements, whilst ensuring low levels of risk, probity and value for money.

Staff and local enterprises are encouraged to recognise leadership roles within the local community.

Monitoring and Review Processes

Medway has identified the need to ensure that, as a portfolio of projects is undertaken, there are suitable monitoring and review processes in place so that the outcome of a particular initiative is closely monitored and the achievement of business objectives realised.

The process will review the actual deliverables and outcomes of a project and compare these against the objectives as set out in the implementation plan. These processes will be instigated both during and at the completion of the project through regular progress reports, meetings, feedback to key stakeholders and the Asset Management Group, and through the pre-defined project process established by Medway.

As part of the monitoring and implementation plans, there will also be risk mitigation and contingency plans in place so that when problems occur their impact on the overall delivery of an initiative is minimised. The lessons learnt from such instances will be fed back into the Asset Management Strategy to reduce the likelihood of their occurrence in future projects.

It is essential to the long-term success of the Asset Management Strategy that such lessons learnt and other information is regularly communicated between all the key stakeholder groups and that feedback from users, including residents, is considered and incorporated into future plans.

Performance Monitoring and Value for Money

Medway is committed to continuing to improve its services to residents.

A service improvement plan is in place for the whole of Landlord Housing Services and it is in the process of being implemented. The objectives tie in with the Government's Key Lines of Enquiry (KLOE) inspection process and the current efficiency agenda with the emphasis on improving services at little or no cost but by adding value for money.

Medway also undertakes regular surveys of residents and uses model questions in order to assess key services that are provided to residents. These form part of an annual report to residents. The outcome of the surveys are analysed and actions formulated that is agreed and implemented with input where appropriate from residents.

In addition, a resident involvement framework has been established. All policy formulation and review involves residents and feedback is given directly to the Divisional Management Team.

Benchmarking Performance

Medway strives to promote excellence in Housing Services provided through reviews and benchmarking with other organisations.

Regular reporting against key performance indicators (KPIs) is an integral part of Medway's working and further comparisons are sought through benchmarking locally on policy and procedural matters as well as utilising the services of the Housemark benchmarking club. Medway also measures its performance with other Councils.

Housemark analyse and publish performance data on an annual basis; this enables Medway to compare performance with a number of similar sized organisations.

Medway also use other informal benchmarking on specifications and conduct soft market testing.

Evidence of benchmarking is provided on a quarterly basis to the housing management team and Portfolio Holder as well as resident groups.

Medway will monitor good practice development and will disseminate to staff, Members and residents' representatives, regular updates on inspection reports and other good practice briefings.

Risk Management

The Asset Management Group will develop and maintain a risk register that is relevant to housing asset management. This register will include mitigation proposals and a severity impact assessment, the risk register will be reviewed not less than quarterly.

The major risks that are included within the overall register include:

- Failure to obtain sufficient financial resources to meet the re-investment requirements of the stock;
- Failure to procure and administer contracts that deliver good value for money;

- Inappropriate design and specification of materials;
- Re-investment in stock that is not viable;
- Failure to provide sufficient staff resources to manage asset management and the delivery programme;
- Failure to collect, manage and maintain relevant stock condition data (including records of works completed);
- Corruption of the stock condition data held within the asset management database;
- Re-investment costs in excess of the budgetary allowances (e.g. reactive and void works budgets);
- Expenditure upon items that are not included within the business plan;
- Expenditure upon cyclical maintenance just prior to the component being renewed (within the 5 year rule period);
- Expenditure on components (on average) in excess of the schedule of rates (and therefore the business plan allowances); and
- Specification of components that do not meet the anticipated lifecycle.

Performance Intervention

Medway undertakes regular risk reviews which are monitored by Members and the portfolio holder. The risk management register has been put together over a number of years with the involvement of the Corporate Management Team, as well as operational managers. Part of the strategy is the Business Continuity Plan which clearly sets out what would be the course of action in the event that the main Medway Council office was to become inoperative. In addition, there are well documented risk implication considerations in each report that is considered by the Corporate Management Team and reported to Members on a quarterly basis.

Medway has a clear programme of audit reviews both internal and external. As well as focussing on financial aspects, specialised audits are undertaken in areas that Medway identifies as having any potential weaknesses. This represents a proactive approach of prevention rather than cure that mitigates the need for intervention management.

There is a comprehensive set of procedures setting out how Medway Council is controlled and run. Included within these are a number of measures whereby intervention can be speedy and appropriate to deal with specific issues. The Chief Executive has delegated authority to intervene into matters when necessary.

Asset Management Group

Medway has formed an Asset Management Group (AMG).

In summary, the activities considered by the Group include:

- Development, review and frequent re-evaluation of the 'Medway Standard';
- Prioritisation of works for years 1 to 5;
- Analyse the need profile versus stock with a view to identifying any shortfalls and subsequent options to resolve the issues (e.g. develop);
- Sustainability assessment;
- Options appraisal;
- Formulation, evaluation of, and agreement to, proposed re-investment programmes;
- Project appraisal and evaluation;

- Production of implementation plans; and
- Exploration of ‘wider action initiatives’, regeneration, environmental improvements and their funding through grants.

Stakeholders included in the Group are:

- Assistant Director of Housing and Corporate Services
- Head of Landlord Services
- Asset Manager (Head of Repairs)
- Delivery Manager (Head of Building and Design)
- Resident Representatives (up to 3)
- Senior Housing Accountant
- Housing management/lettings staff member
- Strategic Housing staff member
- Specialist Advisor (Ridge), as required

The Group has a mandate to agree standards and establish logical programmes of work designed to meet the requirement of the stock, based on the recommendations of the Asset Manager. Requirements should go beyond those that are purely technical and thus should take into account of other factors that contribute to effective asset management. The Group are kept informed through accurate data sources, including the Asset Management Database, and through these make informed business planning decisions, subject to budgetary availability, including:

- What (which components)
- When (the programme sequence)
- Where (which dwellings or related assets)
- Why (does/should the money be spent at all? – sustainability analysis)
- How (procurement strategy)

The involvement of housing management is important from a lettings perspective. Care needs to be taken not to re-invest in poor performing areas at the expense of all others. Nor should high-risk re-investment occur without due consideration, option appraisal and piloting. Condition related needs may not be the root cause of the poor performance.

The Group formally analyse the performance of the stock, compare this with the re-investment requirements and to target re-investment at the stock that is an intermediate (peripheral) performer, with a view to making it performing well. This process is informed through the Stock Viability Model (red/amber/green) analysis process.

The aspirations of stakeholders including residents are a key consideration, questionnaires and consultation groups are used as a useful method of identifying their priorities. Paying attention to the views of residents assists with improving satisfaction with the service as a whole.

The terms of reference for the Asset Management Group may be found at **Appendix 7**.

Monitoring

An action plan has been developed to clearly set out how the strategy will be delivered (see **Appendix 1**).

This plan is:

Specific
Measurable
Agreed
Realistic
Time Bound

Whilst the Asset Manager has the key responsibility for the delivery of the Asset Management Strategy, the action plan also identifies the individual responsible for leading on each area of the strategy.

Progress against the targets in this strategy will be added to service plans and monitored, as follows:

1. Through Assistant Director Quarterly Monitoring Reports (ADQ);
2. Through the Divisional Plan;
3. Through specific service plans;
4. Through performance and development reviews (PDR) with staff;
5. Through monthly financial monitoring;
6. By the Asset Manager in April of each year, with the first review to take place in April 2011;
7. By the Asset Management Group on a 6 monthly cycle, with the first review taking place in April 2011; and
8. By the Assistant Director for Housing and Corporate Services in monthly 'one to one' meetings with the Asset Manager.

Future of the Asset Management Strategy

Medway recognises that the Asset Management Strategy is a dynamic document that will develop over time and not remain static. Implementation of programmes of work, changing needs, and the realisation of business objectives will require the Asset Management Strategy to be 'live'. It will therefore continuously evolve over time.

The strategy will adapt to a number of influences, including:

- Changing need;
- Changes in legislation and regulation;
- Changes in aspirations;
- Changes in corporate objectives; and
- Changes in funding regimes.

The Asset Management Strategy will be formally updated annually alongside each revision of the Business Plan.

There are a number of future improvements to the Asset Management Strategy that Medway will seek to implement, these are summarised in the action plan (**Appendix 1**).

Appendices



Appendix 1 - Action Plan

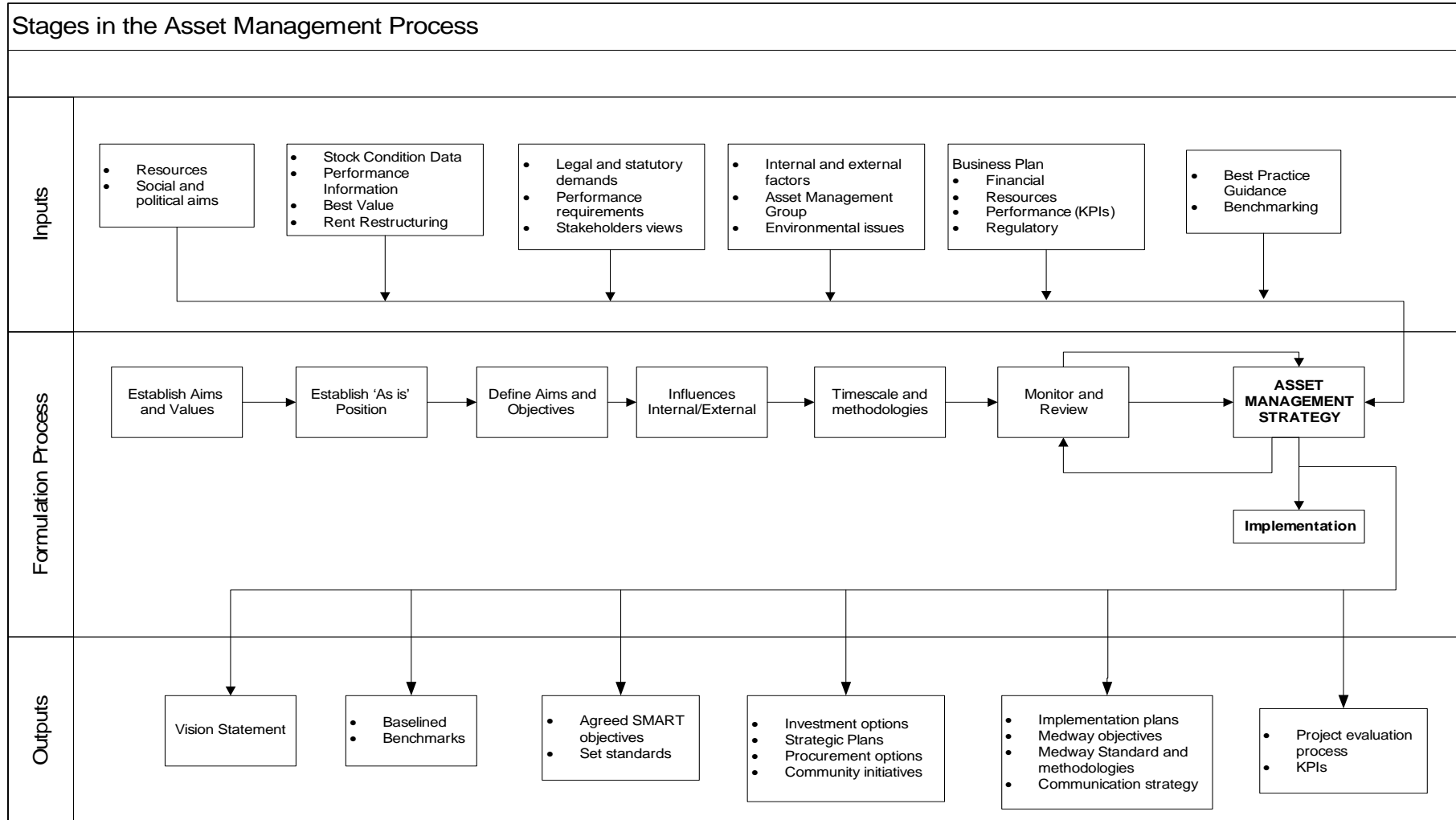


Housing Asset Management Strategy

Action Plan - The key actions arising from this strategy include:

Action	By Whom
Create and train Asset Management Group	Medway
Approval of the Asset Management Strategy (AMS)	Cabinet
Adopt the AMS	Medway Staff and Managers
Use the AMS as the basis for training for all relevant staff/stakeholders to ensure that it becomes embedded within the organisation	Medway Managers
Provide remaining stock condition surveys (100%) and update Codeman/Tables	Asset Manager
Develop and implement a project appraisal and evaluation procedure	Asset Management Group
Review and implement high level 'Medway Standard'	Asset Management Group
Commission/provide detailed 'Medway Standard'	Asset Manager
Review and improve the procurement strategy (housing specific)	Asset Manager
Continue to commission management/pre-works asbestos surveys of dwellings and add to the asbestos register, consider creation of term contracts for surveying/removal	Asset Manager
Monitor and reduce where possible the levels of responsive/void expenditure	Asset Manager
Test under-occupancy rates and promote 'Homechoice'	Asset Management Group
Increase the proportion of works carried out in a pre planned way	Asset Manager
Commission and conduct sheltered housing review	Medway
Research and obtain grants where possible (including energy, insulation, bulbs etc.)	Asset Manager
Develop resident priorities questionnaires and consultation groups	Asset Management Group
Use the outputs from the Asset Management Database (stock condition survey) to inform future planned maintenance programmes	Asset Manager/Asset Management Group
Develop a risk evaluation and management matrix	Asset Management Group
Using the outcomes of the Viability Model, identify unsustainable properties and undertake detailed options studies	Asset Management Group
Review this Strategy and associated documents regularly (not less than once a year) and with reference to the Business Plan	Asset Management Group

Appendix 2 - Stages in the Asset Management Process



Appendix 3 - Medway Standard - Summary Version

Medway Standard Summary Format

Medway undertakes a significant programme of repairs and maintenance to its housing properties each year.

One key objective of this work is to meet the Government's Decent Homes Standard (DHS). According to the Standard, a 'Decent Home' must meet the following four criteria:

- A. Meets to the current statutory minimum standard for housing (HHSRS);
- B. Is in a reasonable state of repair;
- C. Has reasonably modern facilities and services; and
- D. Provides a reasonable degree of thermal comfort.

The Government stresses that the Standard is a minimum that is to be attained and also that a landlord's delivery plans should be sustainable.

Medway believe that residents deserve a higher standard than 'Decent Homes' and aim to deliver the Medway Standard (over and above the Decent Homes Standard), albeit in a sustainable way that delivers value for money.

Medway's approach to asset management, including the important functions of effective 'planning' and 'delivery', is defined within its Asset Management Strategy.

The preferred material types that Medway will use to deliver the programme of works are defined within its Preferred Materials Specification.

Medway is aware that not all residents will want work undertaken in their homes and where health and safety, or structural condition is not jeopardised will respect this wish; further details may be found within the Refusals Policy.

In summary, Medway Standard includes:

1. Listening to the requirements and wishes of residents;
2. Consultation with residents about the works to be undertaken in their homes, including items of choice;
3. Keeping rents within the Government's target range;
4. The provision of an effective responsive repairs service;
5. The delivery of an agreed void standard;
6. Undertaking regular cyclical servicing and testing, to help maintain condition and the safety of residents;
7. The use of good quality, durable and low maintenance products;
8. An 'external overview' (like an 'MoT') of all dwellings on a 6 year cycle to undertake all the external redecoration and repairs required;
9. All rented dwellings to be brought up to the Government's Decent Homes Standard by the end of 2010;
10. All dwellings to be free of any 'Category 1' (Severe) HHSRS hazards as soon as possible after identification;
11. When visited by the internal works programme, where budgets allow, all works that are required by the 5 year programme (internally) will be

- undertaken at the same time, helping to avoid repetitive visits and keeping costs down;
12. Both internal and external works programmes will deal with any minor unreported repairs whilst the contractor is on site, where appropriate;
 13. Where renewed, a bathroom will be installed complete with sanitaryware, wall tiles, floor coverings and redecoration (with resident wall and floor colour choice);
 14. Where renewed, a kitchen will be installed complete with units, worktop, wall tiles, electrics, floor coverings and redecoration. Residents will have a choice of kitchen units, worktops, floor covering, paint colour and tiles, as well as having a hand in the layout design process;
 15. New kitchens and bathrooms will be fitted with extract ventilation where required;
 16. Where renewed, windows will be double glazed, to 'Secured by Design Standards';
 17. Where renewed, doors will be double glazed composite, or PVCu units, to 'Secured by Design Standards';
 18. Where a boiler is changed a new energy efficient unit will be fitted along with thermostatic radiator valves (where these are not already fitted);
 19. A hard wired mains smoke detector will be installed to every dwelling's hallway and landing when electrical systems are renewed or upgraded;
 20. Where needed, additional electrical sockets will be provided when a property is rewired, or within a kitchen when it is renewed, to meet modern living requirements;
 21. Common parts of flats and estate areas will be improved, with residents taking the lead on identification of suitable projects to be delivered through a 'challenge fund' that will be managed by the Asset Management Group;
 22. Loft and wall insulation will be provided to current Building Regulation Standards, where required to be improved; and
 23. Whilst planning work, the requirements of the resident in terms of aids and/or adaptations required will be assessed and, wherever possible, incorporated into the works.

3 November 2010

Appendix 4 – Housing Procurement Strategy



Medway Housing Procurement Strategy

December 2010

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Executive Summary

This document records the strategy for procurements relating to the housing stock owned and managed by Medway Council.

The strategy has been produced following an evaluation of procurement options and covers all work types including:

- Planned works (e.g. component renewals, such as kitchens and bathrooms);
- Improvements (e.g. provision of new components, such as smoke detectors and loft insulation);
- Responsive and void works (e.g. minor repairs and work in vacant properties); and
- Cyclical maintenance (e.g. painting and servicing).

It covers items such as:

- Contract forms;
- Number of contracts;
- Contract durations;
- Local market conditions/contractor capability;
- Pricing mechanisms; and
- Works grouping.

The options review concluded that the existing partnering contract should continue, subject to good quality and value for money being demonstrated, with prices that fall within benchmark expectations. Noting the duration of an effective OJEU compliant procurement, agreement of strategy details and the commencement of re-procurement activity should commence no less than 12 months before the expiry date of the existing contract.

Future re-procurement of these contracts should consider separation of repairs and voids and M&E servicing activities as distinct lots, with planned works let on a whole house (internal and external) basis, alternatively a separation of external cyclical redecoration works would also be acceptable (this can be achieved through the use of lots). Contracts should be awarded directly to appropriately sized and experienced contractors, using standard forms of contract, for a period of 4 years with an option to extend by a further 2 years.

This procurement strategy aims to bring about benefits to Medway through the use of modern procurement techniques providing enhanced value for money.

Typically Medway will remain the contracting party (the Employer) and the Contract Administrator.

All works are currently undertaken by external (outsourced) providers. Medway does not utilise a Direct Labour Organisation (DLO).

The following summarises the key aspects of the Housing Procurement Strategy:

Contracts are to be drafted and let upon the **JCT Measured Term Contract (MTC) 2006**, with a non-binding partnering charter that encourages collaborative working. In order to obtain a suite of commonly based contracts ideally only one form of MTC should be adopted, this will assist with staff awareness and training.

Contracts for 'one off' specialist works (such as installing a new lift) are to be drafted using the JCT Intermediate Form of Contract (IFC) 2005, or the JCT Minor Works Form 2005 (only where there is no contractor's design).

The **duration** of MTC contracts will be for an initial term of **4 years** with the option to extend by up to a further 2 years (subject to specified performance criteria being met).

A number of procurements will be undertaken for planned works, based upon a single provider for both **external works** (including redecoration) and **internal works**.

Procurements will be subject to relevant Medway's **Financial Regulations** and **Standing Orders** and will be advertised in compliance with EU rules via the Official Journal of the European Union (**OJEU**) where required by the financial limits that apply.

Contract specifications are to be drafted relevant to the procurement in question and should ensure a high degree of **cost certainty**. Suitable methods include the use of pricing matrices, schedules of rates and lump sums.

Specifications must adhere to the **Medway Standard**.

The principles of effective **collaborative working** (partnering) shall be applied when drafting and administering contracts.

All contracts will be subject to the application and use of **Key Performance Indicators (KPIs)**; these will be agreed and applied to each contract as appropriate.

Procurement **risk** shall be assessed in advance of all procurements, reviewed and mitigated wherever possible.

This strategy should be **reviewed regularly** alongside the Asset Management Strategy.

Medway will assess the benefits of **consortium procurement** where this has the potential to provide better value for money, whilst achieving the Medway Standard. Typically consortium rates will be used to provide benchmark information and comparisons with Medway's direct procurements.

A **Register of Contracts** is to be maintained for all procurements.

Introduction

This strategy document has been developed by Ridge to provide a framework within which Medway procurement activities will be undertaken for planned, responsive and void repairs and cyclical maintenance. Medway is a housing stock retaining Local Authority.

In the course of the next five to ten years Medway will be undertaking a significant re-investment programme to the housing stock to help maintain the Government's Decent Homes Standard and to meet the Medway Standard.

To achieve its objectives Medway will undertake a series of procurements to enable works programmes to be effectively delivered. This strategy sets out the methodology to be used.

The Housing Procurement Strategy is intended to provide additional details relevant to the housing stock. It is intended to supplement and not to replace the Council's Corporate Procurement Strategy.

The requirement for work (and therefore procurements) will emerge from the works programme as derived and recommended by the Asset Management Group (AMG). The works programmes shall be derived from the Asset Management Database (Codeman), which is informed by a regular sample stock condition survey.

Effective procurement is required to help Medway provide a high standard of service and to deliver ongoing works programmes.

All procurement strategies carry a level of risk, some more than others. This strategy document aims to deliver least risk solutions, high standards of service and best value.

This strategy should be read alongside the Asset Management Strategy, adopted by Medway, which provides additional detail and context.

Housing Procurement Strategy Objectives

Medway wishes to align its procurement functions clearly and more closely with its duties under value for money and modern construction procurement techniques. These are the principles contained in the reports 'Rethinking Construction' and 'Accelerating Change' by Sir John Egan as well as other reports such as those produced by Byatt and Latham, referred to collectively as 'modern procurement'. Medway will work collaboratively with any contractors that are appointed.

This strategy should be delivered by developing the existing procurement and purchasing function:

- Held by the Head of Building and Design;
- Who develops and implements the Housing Procurement Strategy;
- Who reviews and (where necessary) recommends amendments Medway Contract Procedure Rules, Standing Orders and Financial Regulations; and
- Who produces comprehensive guidance to the staff engaged in procurement and purchasing on behalf of Medway.

The Assistant Director of Housing and Corporate Services will oversee the procurement function relating to housing activity.

Staff responsible for housing procurements shall identify risks associated with proposed contracts. The staff members shall report to the Head of Building and Design regularly indicating how such risks shall be managed.

The key strategy objectives are:

- To award contracts on the basis of best value for money, not necessarily cheapest bid, based upon life-cycle costing, quality of service, references and experience wherever possible;
- To ensure that purchasing and procurement are fully aligned with (or within) the allowances of the Business Plan (as defined by the stock condition survey schedule of rates);
- To establish a forward housing procurement plan;
- To continue working in-house and in partnership with other organisations in order to progress the development of a centre of expertise for procurement and project management;
- To consider the benefits of consortium procurement where appropriate, subject to the delivery of the Medway Standard at competitive rates;
- To maintain a register of contracts;
- To provide training, support and guidance to staff involved in purchasing and procurement;
- To use best practice procurement and purchasing techniques and processes to maximise buying power;
- To work within an ethos of partnership and co-operation to continually improve service standards and enhance the well-being of residents, partners and the environment;
- Notwithstanding the requirement to use low maintenance products, to deliver Medway environmental and sustainability policy objectives by the use of sustainable materials and goods, the reduction of waste and the increased use of recyclable and recycled materials;
- Where standard forms of contract are available and are suitable for the purchasing of goods or the procurement project being considered, they should be used in preference to bespoke contracts;
- To ensure that appropriate consultation with stakeholders (including residents) is undertaken; and
- To ensure that contracts are sealed as appropriate.

General Strategy Requirements

The procurement and purchasing solutions adopted must ensure that best value is achieved by ensuring the engagement of appropriately sized contractors that will view Medway as an important customer.

Procurement will be lead by in-house technical resources, under the supervision of the Head of Building and Design, with support from external consultants provided whenever particular expertise is required, or extra resources are needed, or for the improvement of internal competencies.

Materials specified shall comply with the requirements of the Medway Standard.

Before undertaking any procurement, a feasibility and options appraisal shall be undertaken to determine the risks attached to each option, to assess the mitigation of such risks, and the impact upon the Medway Business Plan.

Where appropriate, consideration shall be given to the use of local providers, small and medium sized enterprises (SMEs), voluntary sector providers and black and minority ethnic (BME) providers.

All Medway staff involved with procurements for housing must follow this strategy unless an exception is sought. Any exception required must detail the reasons why it is necessary to operate outside the direction of the strategy and have attached a risk assessment that details the likely risks associated by such divergence and an explanation of how the risks may be managed or mitigated.

The use of local, appropriately sized, contractors to deliver the work programmes is encouraged, provided that any procurement is undertaken in full compliance with EU Procurement Directives, UK legislation and contract procedure. The use of locally employed personnel to undertake the work is encouraged and tenderers shall be required to provide evidence of their intended strategy to encourage local labour and sub-contractors to be involved in the delivery of work programmes, together with details of proposed training and staff development schemes.

All future major work programmes (component renewals) must be let through pre-planned procurements and not undertaken through a responsive repairs contract. This should help to achieve best value and the benefits of economies of scale, reduced through-life costing and best supply chain management. In most instances the materials supply chain should be managed direct by contractors.

Works of a similar nature should be packaged together in one programme or contract, regardless of who holds the budget, so that economies of scale can be achieved. Where required, appropriate coding mechanisms should be agreed so that costs can be attributed to the correct budget.

Works records detailing the extent and nature of work carried out at each property within a work programme shall be maintained within the Asset Management Database (Codeman).

Procurement Types

Procurements may be required to provide the following types of work:

- Planned
- Responsive and Voids
- Cyclical Maintenance

Planned works should be commissioned within the following component groups:

Internal Works:

- Kitchens
- Bathrooms
- Boilers
- Heating distribution
- Loft insulation
- Rewiring (including CCU)
- Electrical upgrades
- Electrical heating

External Overview:

- Cyclical 'MoT' for external components
- External redecorations and associated repairs
- Gutter cleaning
- Minor repairs (paths, fences, HHSRS etc.)
- Render repairs
- Re-pointing repairs
- Windows
- Doors
- Roof coverings
- Roof structure repair
- Flashings
- Chimneys
- Soffits/fascias
- Rainwater goods

One contract for each of the groups above is considered likely to generate the best value for money, with the exception of internal and external works where the extent of the programme is such that one contractor for these lots combined may be considered (or awarded both lots if successful in competition). The scale of the programme anticipated is too low to justify consideration of more than one provider per lot.

One-off or **specialist works** contracts are likely to include technically complex or specialist works that are best awarded to specialist contractors, these are often hard to specify generically under a term arrangement and which may require leaseholder contribution (via s.20); they may include works such as:

- Lift renewals or major overhaul
- Acoustic insulation
- Thermal insulation (where contractor grant may be available)

- Concrete repairs
- Over-cladding
- Drainage works
- Door entry system installation
- Fire alarm installation
- Digital TV upgrades
- Security works
- CCTV
- Estate improvements
- Major adaptations
- Etc.

Responsive and void works have different requirements to planned activities. A nationally recognised composite schedule of rates (such as NHF) should be used to define and order repair works. To maintain a 'suite' of contracts any new procurement should adopt the JCT MTC form.

The amount of works undertaken when a property is void, or when a responsive repair is requested shall be minimised.

Cyclical maintenance (other than the planned redecoration works identified in the external overview group above) typically relates to specialist servicing activities and should therefore be let as separate MTC contracts to specialist contractors as appropriate. Works will include:

- Gas appliance servicing and breakdown repair
- Lift servicing
- Water quality
- Fire equipment/alarm servicing and repair
- Door entry system servicing and repair
- Lightning conductor servicing and repair
- Etc.

Subject to budgetary availability, minor and ad-hoc repairs are to be undertaken within the external fabric overview contract. This should assist with dealing with unreported repairs and reducing the overall level of responsive repairs orders.

The testing for **asbestos** (Management Surveys and Pre-Works intrusive inspections) will be let as a separate contract. A separate contract will be established for the removal or remediation of any asbestos deemed necessary.

Form of Contract

Most contracts are to be let on a term basis using a standard form of contract which is tried, tested, and well understood by the marketplace. In most circumstances the JCT Measured Term Contract 2006 with a partnering charter should be used (including programmes of planned component renewal, responsive and void works, and cyclical maintenance).

In some circumstances where the volume of work is not sufficiently large or where the work can be fully defined and completed in less than one year, a lump sum contract may be used. In these circumstances either a JCT Minor Works 2005 or JCT Intermediate Form 2005 may be used, if any element of contractors design is required then the appropriate Intermediate Form should be used.

Contracts shall be let directly with works providers and not with management contractors.

Contract Duration

Term contracts should be let for a period of 4 years with an option to extend by a further 2 years. The contracts anticipated are not deemed to be a 'frameworks' under the EU Procurement Directives (2006).

Although contracts are to be commissioned on a longer-term basis, break clauses and 'no works guarantees' shall be retained.

Anticipated programme levels may be given to contractors for illustrative purposes only and may not be guaranteed.

Typically Medway will remain the contracting party (the Employer) and the Contract Administrator.

EU Directives

Procurement shall be undertaken in accordance with EU Procurement Directives and advertised with the Official Journal of the European Union (OJEU) where appropriate or as required.

In most instances a 'restricted procedure' shall be adopted, typically with between 5 and 8 tendering organisations sought following the evaluation of pre-qualification questionnaires (PQQ).

Leaseholder Consultation

Where works (especially those to common parts and the exterior of blocks) are undertaken, an evaluation of the presence and liabilities of leaseholders shall be undertaken before tenders are sought.

Leaseholders affected by work must be appropriately consulted in accordance with the obligations of their lease and the Landlord and Tenant Act (s.20 in particular).

The Medway Standard

The Medway Standard document will provide the technical and aspirational basis for the work programmes to be delivered and specifies the nature of materials and workmanship to be provided by contractors appointed to undertake the work programmes. All future works are to be procured in accordance with the requirements of this Standard.

Contractor Relationships and Measurement

Good, non-confrontational relationships are to be developed with contractors in a spirit of partnership, mutual co-operation, to ensure the delivery of Medway objectives to a high and continually improving standard.

Medway and their professional advisors shall remain responsible for assessing the condition of dwellings and proposing the programmes of work.

Relationships with contractors shall be developed to enable those providing the works to take a lead in the work phase operations, including the design phase of certain work programmes (e.g. kitchen upgrades). This involvement should not place an excessive burden upon the contractor but should be used to maintain a positive relationship with residents, to improve customer satisfaction, to deliver continuous improvement in the quality of the finished product, to drive cost efficiencies and reduction of administration of contracts.

To encourage economies of scale typically only one contractor shall be appointed to deliver each contract type; however, only where appropriate, and depending upon the size of programme envisaged, to enable flexibility and to reduce the risk of failure two or more contractors may be appointed to undertake the work required under a term agreement. In such circumstances the performance of each contractor shall be directly compared with the other and common workshops shall be held to manage the contracts and to encourage the use of common supply chains.

Applications from appropriate groups of local contractors should be considered, provided that the application is lead by a single contractor who takes full responsibility for all liaisons, payments etc. (i.e. the use of local sub-contracted labour under the supervision and management of a single local contractor). In this way the use of good local SMEs is further taken into account on larger procurements.

Work ordered under contracts should be dependant upon performance, measured against mutually agreed key performance indicators (KPIs); in such circumstances consideration shall be given to reducing the number of contractors to the minimum necessary to deliver the programme of work following performance review over time.

An effective method of selection of contractors, monitoring and reporting of performance during and after completion of the contract is to be adopted for each procurement.

KPIs shall be developed to reflect the most important aspects of a particular work programme for the purpose of demonstrating continuous improvement, value for money and for reviewing a contractor's performance on regular basis (not less than once every 6 months). These KPIs shall be benchmarked against other appropriate peers.

Satisfactory performance must be demonstrated and recorded and approved by the Asset Management Group before any action is taken in regard to extending existing contractual arrangements (if allowed for in the original tender arrangements). Unsatisfactory performance should also be reported to the Asset Management Group following which there may be a reduction of work, or termination of the contractor's employment (to be allowed for in the original tender arrangements).

Electronic Business

Electronic business solutions shall be used where possible.

e-procurement offers opportunities to improve the environmental and social performance of an organisation and that of its supply chain.

Strategy Compliance

Medway require that, through the Housing Procurement Strategy, its staff ensure that all future procurement and purchasing documentation, arrangements and contracts recognise, understand and support Medway policies with regard to equal opportunities, health and safety, the environment, customer care, local employment and sustainability with the outcome that consultants, contractors and suppliers are required to support this objective.

All staff engaged in the procurement or purchasing of goods and services apply the highest standards of probity in their dealings with contractors and suppliers.

Medway adherence to a sustainable procurement strategy is a public statement of its commitment to the environment and social responsibility and should be pursued by all stakeholders.

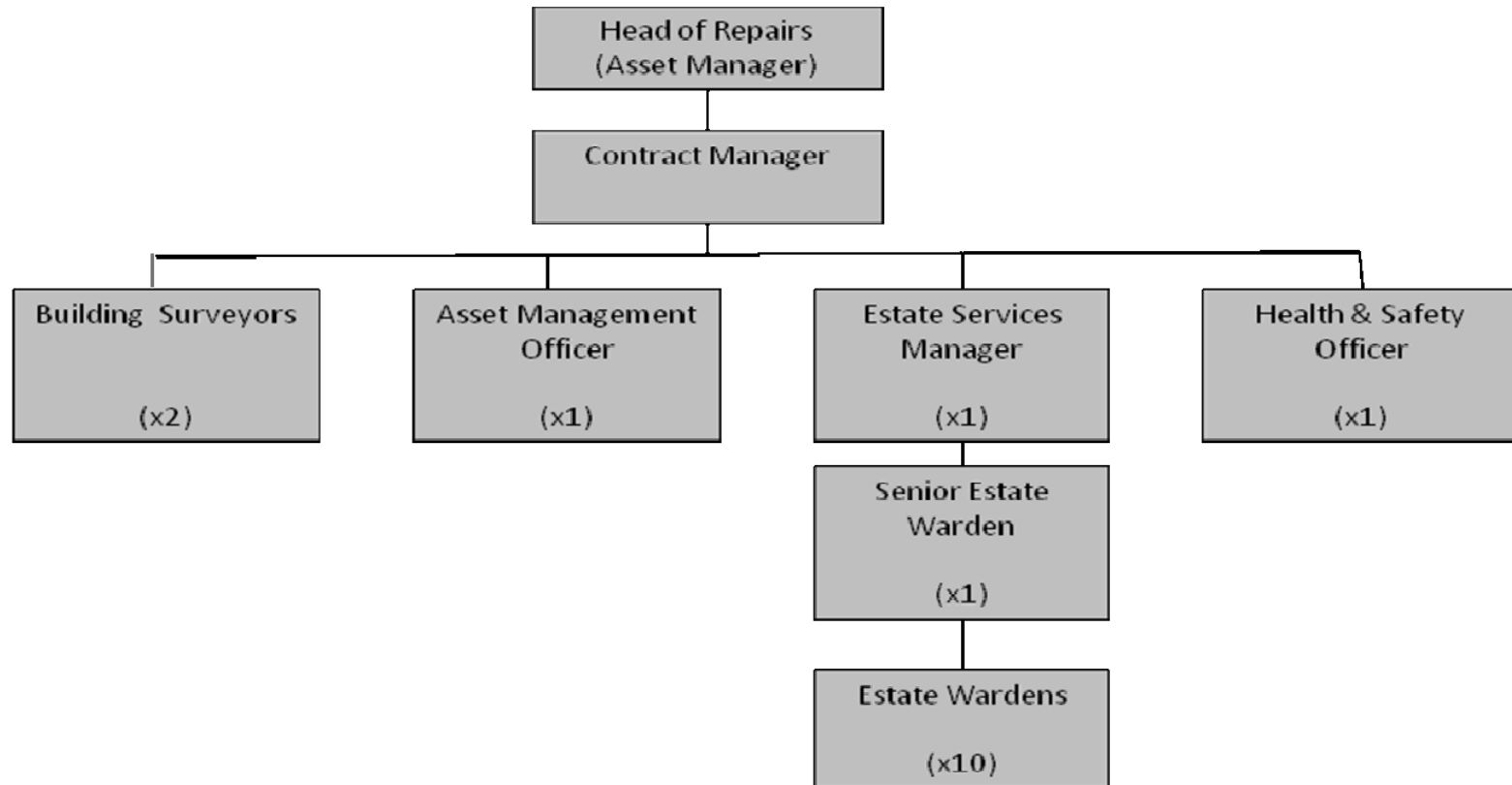
Staff engaged in the procurement or purchasing of goods and services shall undertake appropriate consultation with service users and providers prior to inviting tenders or entering into negotiations with providers.

No significant deviation from this strategy is permitted unless a full report detailing the reasons for deviation, the impact and risks associated with the variation to policy and the outcomes expected has been received and approved by the Assistant Director of Housing and Corporate Services

This strategy shall be reviewed regularly (not less than once a year) alongside the Asset Management Strategy and Business Plan.

Appendix 5 - Repairs and Maintenance Staff Structure

Medway Housing Asset Management Staff Structure





Appendix 6 - Void Standard

Medway Council Void Standard 2010		
Element	Sub Element	Work Details
Overall	Photo Evidence	<ul style="list-style-type: none"> Housing Officer to provide photographic evidence of missing or damaged elements Contractor to provide photographic evidence to support any variation orders over £100.00 Housing Officer to fill in Property attributes sheet and supply to HMST/Asset information officer (provide photographic evidence)
External	General	<p>Remove all furniture, builders' rubble, and general rubbish from garden</p> <ul style="list-style-type: none"> All vegetation to be cut and left to no longer than 300mm (excluding established shrubs and small trees etc) Fill in fishponds ensuring adequate top covering of soil
		<ul style="list-style-type: none"> Demolish and remove all greenhouses from gardens (unless request to leave in situ)
	Pathways	<ul style="list-style-type: none"> Make safe all paths and steps, carrying out repairs as required. All paving should be firmly bedded
	Steps	<ul style="list-style-type: none"> Repair cracks that may present a trip hazard
	Satellite Dishes	<ul style="list-style-type: none"> To be left in-situ if safe. Remove aerials and dishes where unsafe and in dangerous condition
	Fences	<ul style="list-style-type: none"> Repair/replace missing panels and rotten areas. Make panels, posts and gates secure and safe (photo evidence always required if not on original specification) Renew damaged concrete panels
	Walls	<ul style="list-style-type: none"> Remove graffiti Make good pointing and cracks to render on external walls
	Garden	<ul style="list-style-type: none"> Cut grass and remove from the site Cut back overgrown bushes and remove cuttings from the site
		<ul style="list-style-type: none"> Remove unsafe structures i.e. unsafe sheds, brick built screens (unless asbestos, which are to be reported to Medway Council on discovery) Authorisation required prior to removal
	Roof	<ul style="list-style-type: none"> If there is evidence of leaking, carry out roof repair and report to Medway Council. Repair or replace cracked, slipped or missing roof tiles and slates, felt or flashing repairs/replacement. Unblock obstructions in gutters and fit drains with covers Renew loft hatch and frame if missing

		<ul style="list-style-type: none"> • Repair/replace leaking gutters. (Authorisation required if not on original spec) • Unblock outlets • Repair cracks to asphalt as required
		<ul style="list-style-type: none"> • Cut and provide keys to communal entrance doors as required
	Balconies	<ul style="list-style-type: none"> • Remove rubbish
	Doors	<ul style="list-style-type: none"> • Replace locks to external doors and make doors secure (also include shed doors where appropriate) • Renew locks if missing or damaged or no keys supplied from previous tenant • Carry out minor scarf repairs as required to door and frame
Internal	Cleanliness	<ul style="list-style-type: none"> • Remove all food and domestic appliances left by previous tenant including cooker, microwave and washing machine, fridge and freezer • Remove all rubbish, including rubbish from the loft • Clean dirty windows and window frames • Remove sellotape, blue tack and safety pins from the walls • Wipe over light fittings and switches • Clean skirting boards and the front of radiators, removing marks and grease • Sweep floors and wash down tiled floor surfaces, paying particular attention to dirt in corners. • Remove all signs of dampness and mould on all areas, using an anti-fungal solution • Remove deposits of dust, grease and cobwebs from all surfaces • Wash down and clean all painted timber material within property including cills, skirtings, doors, and architraves • Clean all work surfaces, internal and external cabinets and drawers with an appropriate cleaner
	Floors	<ul style="list-style-type: none"> • Remove all carpets, including under lays and floor coverings, remove laminate flooring in flats • Repair/replace floor tiles where damaged or lifting (following asbestos test results) • Make good floor screed as required • Repair/replace rotten or damaged floorboards and joists • Repair/replace uneven floorboards
	Walls	<ul style="list-style-type: none"> • Remove very damaged wallpaper • Remove/blank out graffiti • Repair holes to plaster, minor decorating cracks may remain • Wash down and disinfect mould and mildew from walls • Carry out plaster renewal if required up to 25sqm per property where severely blown or damaged
		<ul style="list-style-type: none"> • Repair/replace damaged or missing skirting boards
	Doors	<ul style="list-style-type: none"> • Remove tile surround and hearth, brick up, ventilate and make good plaster and skirting where back boiler / fire has been removed • Repair/replace latches and handles if damaged or missing • Repair/replace doors if missing or damaged • Make good small holes and leave ready to decorate

		<ul style="list-style-type: none"> • Repair/replace frame as required
	Stairs	<ul style="list-style-type: none"> • Repair/replace damaged treads and risers • Repair/replace handrail and spindles or ranch rails • Repair/replace newel post as required
	Windows	<ul style="list-style-type: none"> • Replace all cracked and broken glass • Repair/replace window furniture i.e. locks, stays, sashes, cockspurs. Repair frames as necessary
	Electrics	<ul style="list-style-type: none"> • Install sockets so that there are at least 4 double socket outlets with a minimum of 2 above worktop height in kitchen and 2 double socket outlets in living room and dining room. This may vary depending on the size of the kitchen • Repair/replace sockets and switches if cracked or covered with paint • Screw down any sockets or switches, which are loose from the wall • Secure all wires. Loose cables should be clipped and made safe • Where mains powered smoke detectors are not fitted, fit mains powered paired optical smoke detectors • Test and provide a passed NIC EIC electrical certificate for property. To include all necessary repairs to achieve a pass standard (rewires to be funded separately but NIC confirmation cert required prior to agreement). If the certificate shows the electrical work is unsatisfactory then a minor works installation certificate will be provided to show what works have been carried out • Any code 3 recommendations will need further investigation
Kitchen	General	<ul style="list-style-type: none"> • Clean all work surfaces, internal and external cabinets and drawers with an appropriate kitchen cleaner • Renew mastic seal between tiles and worktop/sink if damaged • Ensure that the property has an electrical cooker point fitted • Fit connecting pipes for washing machine feed and waste • Remove polystyrene tiles from ceiling or walls and make good
	Sink	<ul style="list-style-type: none"> • Clean all sink areas with appropriate kitchen cleaner, removing residue • Check taps are working and repair if needed • Fill and check waste pipes and leave in good working order
	Units	<ul style="list-style-type: none"> • Install units if there are less than one wall unit and one floor unit • Secure all loose unit doors • Adjust all drawers so that they are able to open and close freely • Repair/replace worktops and units if they are beyond repair (as per specification)
	Floor	<ul style="list-style-type: none"> • Repair/replace floor tiles where damaged or lifting (following asbestos test results)
Bathroom / WC	General	<ul style="list-style-type: none"> • Repair/replace taps so that they are free from leaks and drips and in good working order • Securely fit bath, basin and WC • Check that all water supplies and waste pipes are free from leaks • Supply and fit slide bolt to door
		<ul style="list-style-type: none"> • Replace batten lamp holders with a vapour proof light fitting

	Bath/Shower	<ul style="list-style-type: none"> • Remove all scale and dirt • Replace chain and plug if missing • Secure bath panel and replace if missing (following asbestos test) • Remove shower curtain • Check taps and shower are working and repair/replace if required • Fill and check waste pipes and leave in good working order • Renew bath if there are rust spots or chips below the waterline or if the bath is beyond cleaning
		<ul style="list-style-type: none"> • Repair chips to enamel if above water line
	Basin	<ul style="list-style-type: none"> • Replace chain and plug if missing • Clean, remove dirt and scale to bath, basin and pan
	Floor	<ul style="list-style-type: none"> • Repair/replace floor tiles where damaged or lifting (following asbestos test results)
	WC	<ul style="list-style-type: none"> • Clean, remove dirt and scale to cistern and pan • Secure toilet seat • Replace cracked cistern, toilet seat, pan, bath or basin



Appendix 7 - Terms of Reference for the Asset Management Group



Medway Council Housing Asset Management Group

Terms of Reference

October 2010

Mission Statement

“To facilitate and oversee the effective asset management of the housing stock managed by Medway Council, including programme delivery, with input from all relevant stakeholders”

Objectives of the Asset Management Group

The core objectives of the Asset Management Group (AMG) are:

- To provide a forum where key stakeholders can meet and openly discuss asset management issues;
- To provide a focal point for both inputs and outputs of the repairs and maintenance decision making process;
- To act in the best interests of the assets in an holistic local context;
- To identify and manage risk;
- To review the Asset Management Strategy (AMS) not less than once a year;
- To prompt and review inputs into the Group (such as condition data reports for example);
- To consider the priorities for work programmes in the context of obligations, policies, stock condition and viability;
- To formulate and monitor re-investment programmes;
- To consider the impact of re-investment decisions across Medway;
- To establish and articulate interdependencies between teams, to ensure a 'joined-up approach';
- To develop, review and regularly re-evaluate the Medway Standard;
- To ensure that all proposals are sustainable and affordable within the context of the Business Plan;
- To ensure that external objectives (such as the Decent Homes Standard) are met;
- To set the parameters for and to assess the outputs of the Viability Model;
- To undertake options appraisals in respect of red and amber category stock, as defined by the Viability Model;
- To make recommendations to the Cabinet for action, following options appraisal, for stock that is considered unsustainable in its current form;
- To explore wider action initiatives and their associated funding options (such as grant funding for example);
- To regularly review and monitor the budget and actual expenditure incurred in undertaking programmes of work;
- To provide reports to the Cabinet and other stakeholders on the most effective and best value expenditure strategy for future work and the progress of current programmes;
- To regularly review and monitor the delivery of programmes of work and measure these against planned milestones and performance indicators;
- To devise and agree tools for measuring and benchmarking the performance of the delivery of programmes of work;
- To facilitate wide resident consultation and to ensure effective and timely communication with these clients;
- To consider the aspirations of residents and how the programmes of work can meet these;
- To consider and provide recommendations in terms of any 'challenge fund projects' such as environmental improvements;
- To listen to the views and proposals of all stakeholders; and
- To communicate proposals, strategies and policies to all stakeholders so that they understand how matters are being addressed.

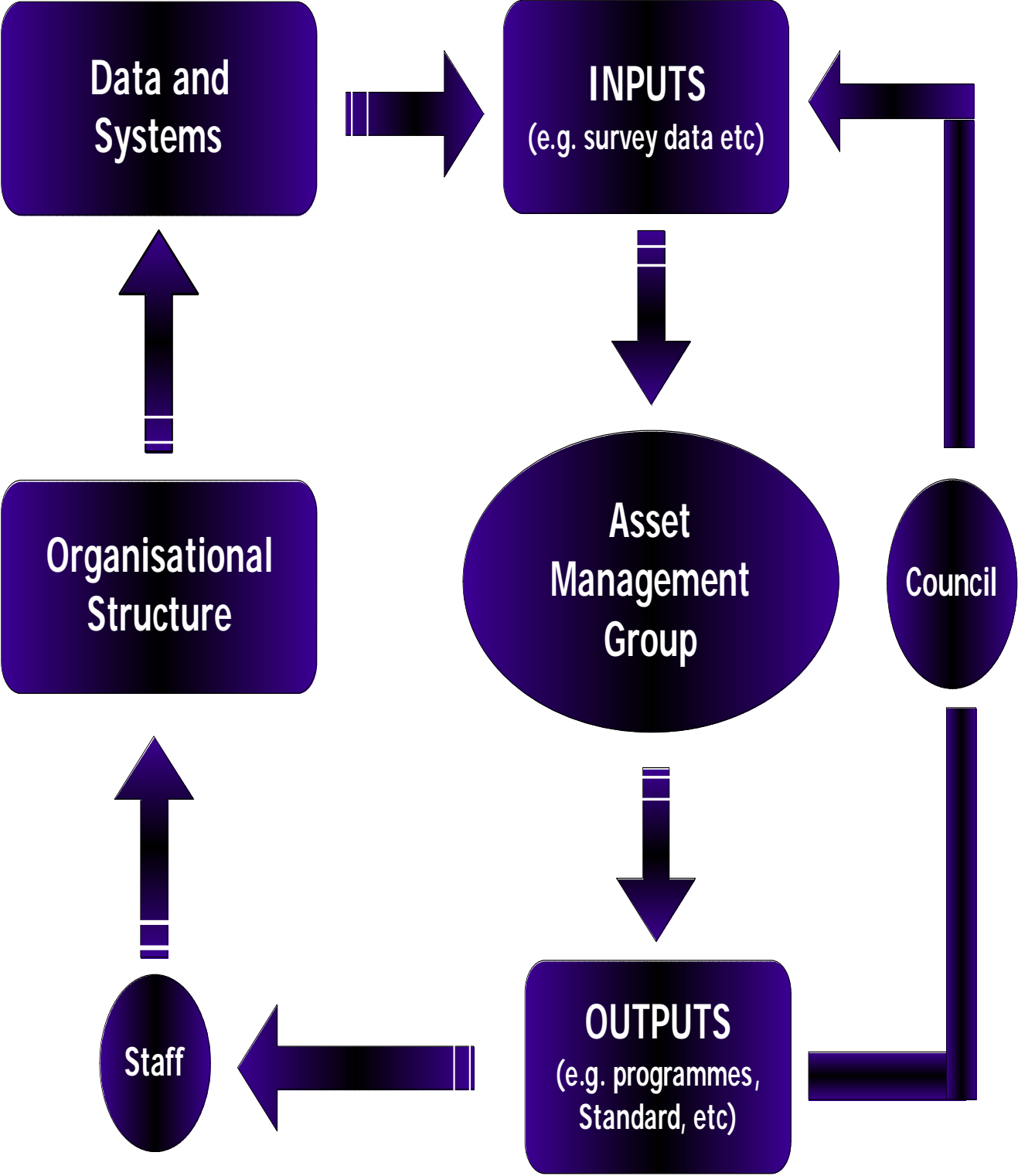
Summary of Asset Management Group Objectives and Function

The Asset Management Group exists in order to provide a forum to discuss and make recommendations in respect of housing asset management issues in an inclusive and even-handed way. The Group should not be influenced by political aspirations and should act only in the best interests of the assets and their users.

The Group should assess all inputs and in particular should use up-to-date stock condition survey data, as this forms the cornerstone of any successful asset management system. Inputs should be used to make informed decisions about re-investing in the stock (noting that investment relates to the initial provision of a new asset).

The recommendations of the Group (outputs) should then be approved by the Cabinet for implementation (delivery) by staff.

Principles of the Asset Management Group



Members of the Asset Management Group

Suggested Members of the Group are:



Including:

- Assistant Director of Housing and Corporate Services
- Head of Landlord Services
- Asset Manager (Head of Repairs)
- Delivery Manager (Head of Building and Design)
- Resident Representatives (up to 3)
- Senior Housing Accountant
- Housing management/lettings staff member
- Strategic Housing staff member
- Specialist Advisor (Ridge), as required

Key Milestones

The Group should establish key milestones as it develops its scope and agenda. These should include Business Plan aspirations, timetables for re-investment, and to provide a 'base line' against which progress and value for money can be monitored.

The Group members should also agree regular meeting dates, which should be communicated across the team together with any deadlines for data or submissions that may be needed for consideration at meetings.

Scope of the Asset Management Group

The Group will be instrumental in the effective implementation of all planned programmes of work and will make informed business decisions including:

- What – which elements will be included within programmes of work;
- When – development of a logical and integrated programme and sequence of work;
- Where – precise location of dwellings or related assets affected by intended programmes of work;
- Why – robust business case for expenditure on particular programmes of work; and
- How – suitable and best value procurement strategy.

All members of the Asset Management Group shall act as a 'conduit' for information both into the Group and also back to their teams, forums or consultative groups.

It is the responsibility of the AMG Chair to represent the Group at, and present to its reports to the Council and relevant Committees.

Asset Management Group Processes

The Group will require a number of inputs in order to be able to make informed business planning decisions. The inputs are illustrated on the diagram, included at AMG Appendix I, and include a number of data and policy documents from a variety of sources within the organisation.

Accurate and up to date data is key to the Group's ability to take informed business planning decisions and therefore measures should be taken to ensure that processes are adopted to gather and maintain this information. This will include technical reports on the condition of properties and recommendations for repair, renewal or disposal, together with recommendations for the development or purchase of new accommodation.

The resultant outputs from the Group will provide the organisation with clear and robust processes and documents that inform team members of the strategy and policies surrounding planned programmes of work. The diagram at AMG Appendix II illustrates the typical outputs expected from the Group.

Dependencies

The decision making process will require up to date and robust information regarding the stock. It is therefore essential that this information is collated and maintained by the organisation and can be interrogated and presented in a format which informs the decision making process. There is a clear dependency on the Asset Manager and their role in providing this information.

The Asset Management Strategy is a key reference document and provides additional detail.

The Group will require other information from a variety of sources, which will need to be provided in a timely manner and in the correct (agreed) format.

The mandate for the Group will need to be effectively communicated and adopted by the team with 'buy-in' from all stakeholders.

Next Steps

There are a number of key steps that will need to be undertaken to promote and assist the commencement of the Group's role, such as data collation and agreeing the format of its presentation. There are also other standards and policies that need to be finalised for consideration in the decision making process.

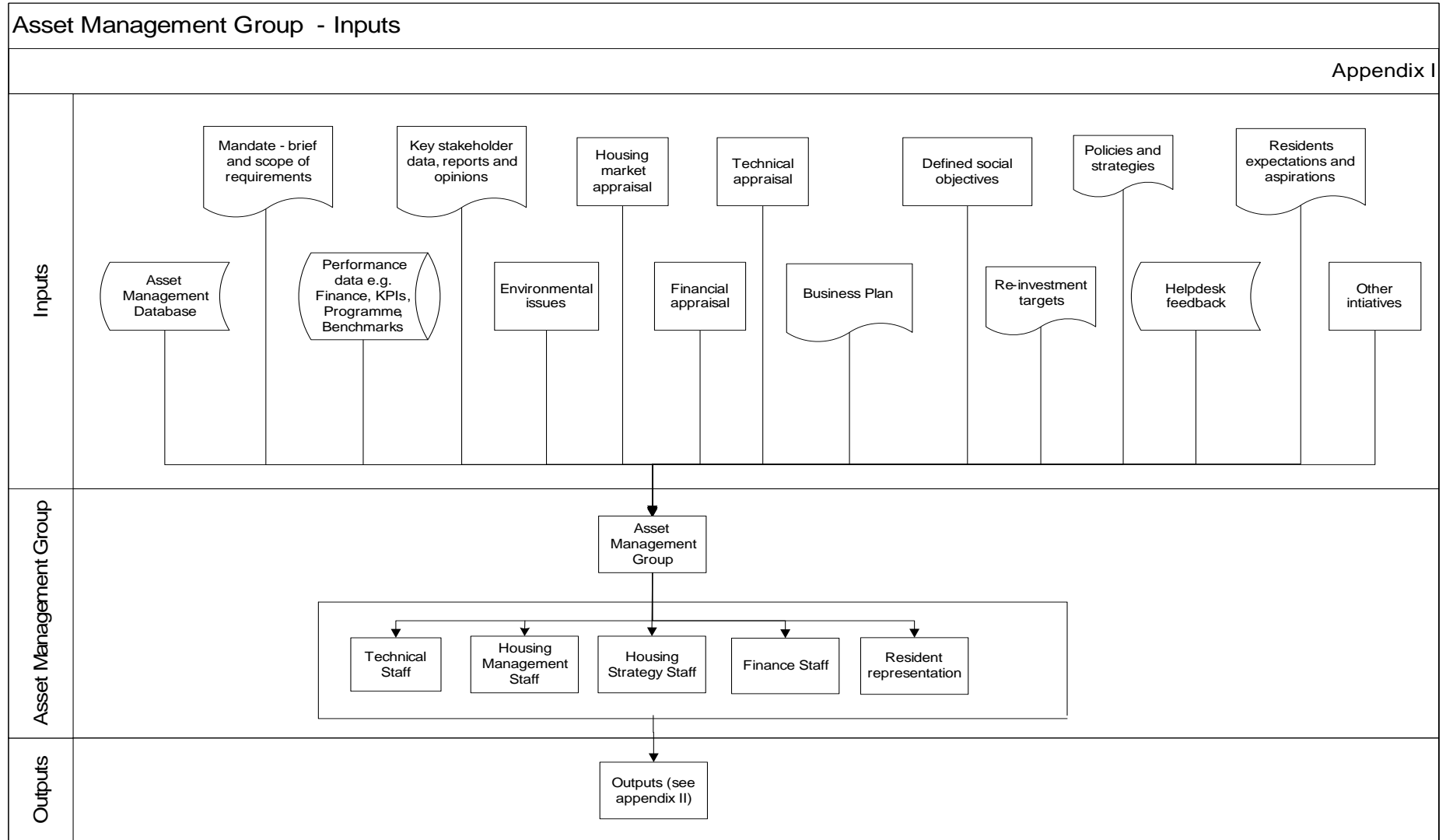
Some of the outline steps required for the planning and implementation stages of the set up of the Group are illustrated in the diagram at AMG Appendix III.

Exclusions

The mandate and role of the Group should clearly set out any areas that are not within the scope of the Asset Management Group. These should be clearly articulated team members within the organisation and other stakeholders.



AMG APPENDIX I ASSET MANAGEMENT GROUP – INPUTS

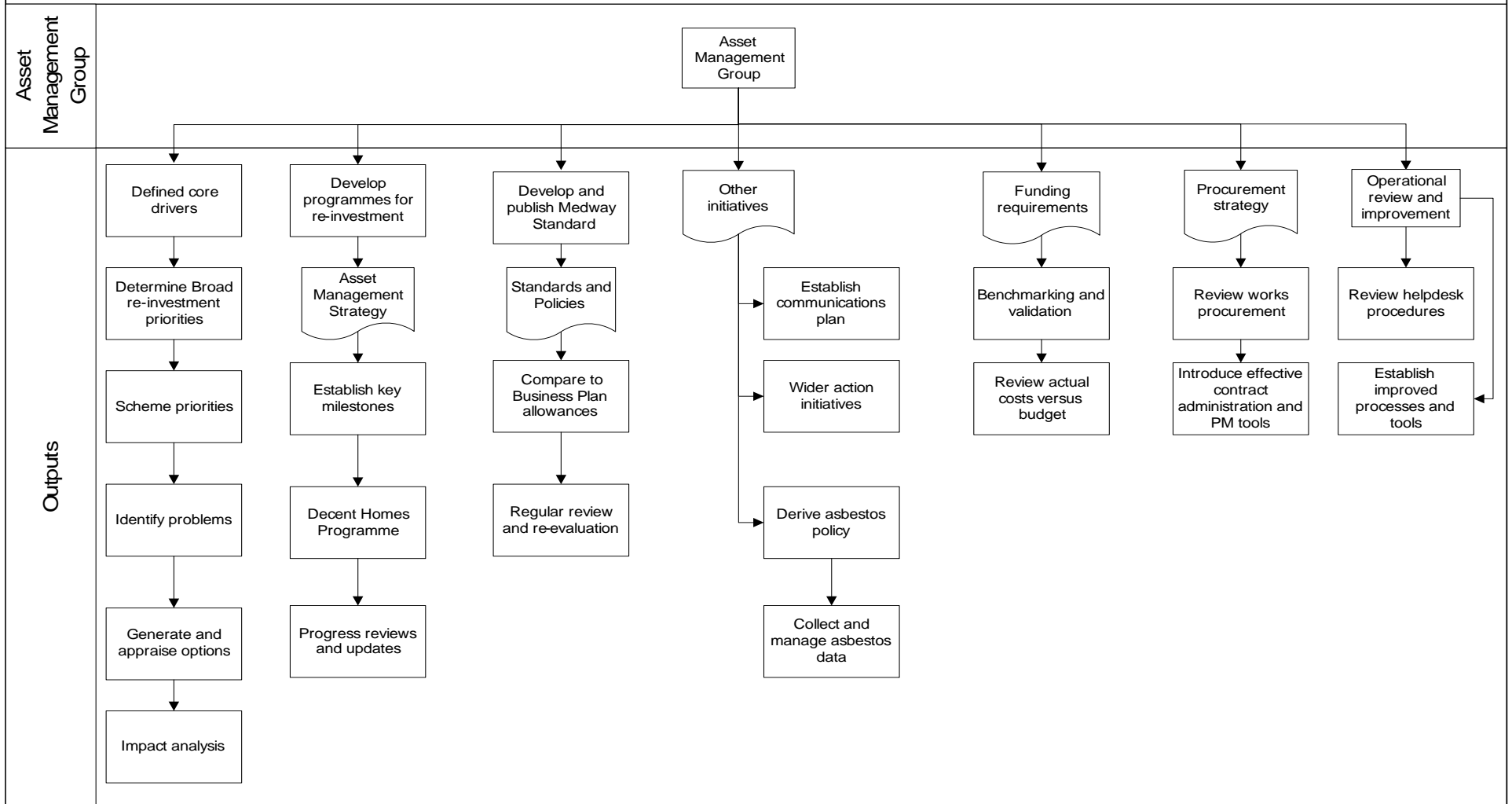




AMG APPENDIX II ASSET MANAGEMENT GROUP - OUTPUTS

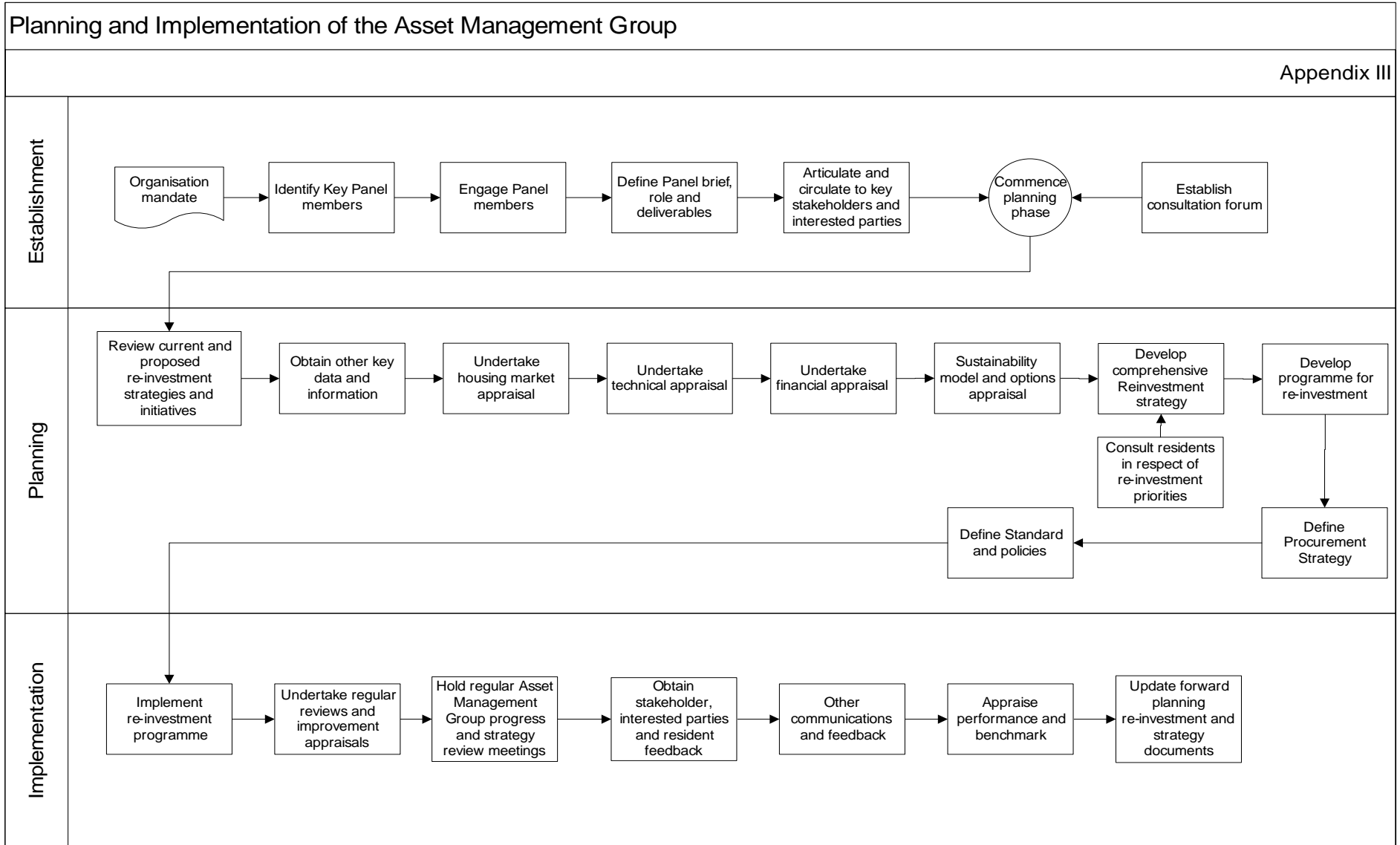
Asset Management Group - Outputs

Appendix II





AMG APPENDIX III PLANNING AND IMPLEMENTATION OF THE ASSET MANAGEMENT GROUP



Appendix 8 - Viability Model Results

**MEDWAY COUNCIL
VIABILITY MODEL SUMMARY SHEET**

Demand Score	Count
1	759
2	732
3	1,119
4	269
5	172
Total Count	3,051

Total Cost Years 1 to 30	Count	Cost	Cost Per Unit
1			
2	2,701	£70,847,846	£26,230
3			
4	277	£10,052,561	£36,291
5	73	£3,409,189	£46,701
Totals	3,051	£84,309,597	£27,633

Combined RAG Status	Count	Cost	Cost Per Unit
1			
2	2,296	£61,041,920	£26,586
3			
4	510	£16,218,500	£31,801
5	245	£7,049,177	£28,772
Totals	3,051	£84,309,597	£27,633

Graphs

	Code
Up to £34,000	1 to 3
Between £40,000	4
Over	5

Yield Status	Count
Viable	3042
Cause for concern	4

Demand Status

Cost Status

Combined Cost and Demand Status

Enter cost banding parameters (£) in the grey cells above

Appendix 9 – Asset Manager – Suggested Key Tasks

Suggested Key Tasks for the Asset Manager include:

Stock Condition Surveys

- Setting a detailed programme for stock condition surveys
- Dividing the stock into appropriate sub divisions so as to ensure statistical accuracy and ensuring that sub divisions are inserted into the database to allow local reporting (e.g. by patch, estate, etc.)
- Managing the day to day collection and input of survey data
- Undertaking regular spot checks in respect of the quality and accuracy of the data being collected
- Undertaking data validation routines in respect of the data being input including line by line reviews and range checks (e.g. is there more than one kitchen in a property? Is any spot price more than £1,000? etc.)
- Coach, mentor and retrain stock surveyors as required, to maintain a high level of accuracy
- Record and maintain the essential 'quality assurance' methods in written form as part of a quality system development (Surveyors' Guidance Notes)
- Monitor progress of surveys against programme

Database Management

- Select and action appropriate cloning only where appropriate (e.g. those internals of a block that could not be accessed from a unit in the same block that was inspected), with an aim to replace this data with 'real' survey results in time (use voids as an opportunity to gather data on hard to access units, but only once any repairs have been completed)
- Ensure that photographs are correctly labelled and appended to the asset management database
- Obtain and add any drawn information to the asset management database (e.g. CAD drawings/plans, etc.)
- Ensure that the address list is accurate, correctly structured and up to date (regularly cross reference with the housing management system)
- Ensure the 'parent/child' relationship for blocks (BUPRNs) to dwellings (UPRNs)
- Locate and populate the actual year of construction field for every property
- Locate and populate the number of flats in a block field for each block
- Locate and populate an asbestos present yes/no/presumed field following reference to the asbestos register (only answer yes/no if a physical test has been undertaken or if the property was constructed post 2000)
- Review all accurate/reliable information relating to planned works completed in the last 10 years, interpret these to answers in the survey form design and populate the database accordingly
- Review all relevant cyclical data and populate the database accordingly (e.g. date of last cyclical re-decoration, etc.)
- Review the void records for the last 10 years and 'unearth' any 'planned' type works that can populate database fields. Take care not to include partial works, only account for significant 'whole' elements (e.g. complete kitchen renewal, complete bathroom renewal, complete rewire, etc.)
- Review the responsive records for the past 10 years and 'unearth' any 'planned' type works that can populate database fields. Take care not to include partial works, only account for significant 'whole' elements (e.g. boiler renewals, door replacements, etc.)
- Gather and populate the database with reliable energy rating results
- Record and maintain the essential 'quality assurance' methods in written form as part of a quality system development (Database Maintenance Guidance Notes)
- Develop methods and protocols for communicating any future responsive, void, cyclical or planned works that will impact on the stock condition survey data, these should be converted to managed processes (added to the quality system) and implemented

- Regularly update the database according to details of work undertaken (no less frequent than monthly)
- Review and audit the inter-team communication processes and produce reports on their efficacy
- Monitor the work of other teams (e.g. are planned works being undertaken though the responsive/void contract - if so why?) and produce regular performance reports

Development and Production of Planned Maintenance Programmes

- Develop logical procurement groups for elements (e.g. undertake works to the roof coverings, chimney, soffits and rainwater goods all at the same time) and apply these principles to the database according to the '5 year rule' (that is group works that need to be done within 5 years of each other) and a 'just in time' ethos
- Modify the database contents to produce logically timed programmes, within the '5 year rule', within dwellings (e.g. boiler and heating distribution at the same time if required) and within areas (e.g. by street for contract management efficiencies)
- Derive draft plans of work according to the database
- Attend the Asset Management Group and discuss the draft programmes, amending as necessary

Programme Delivery and Monitoring

- Develop, in conjunction with the delivery teams, key performance targets and develop efficient and effective monitoring arrangements
- Assess, mitigate and help to manage risk
- Monitor the programmes and produce regular reports in respect of the same
- Continually maintain the database in an up to date state, taking account of accelerated and deferred programmes as well as work completed (to say practical completion)
- Obtain a list of all current related assets and liabilities (e.g. unadopted roads, sewage treatment plants, etc.) and give these a unique reference number (URN) and add them to the database. Arrange for them to be surveyed and results input into the database
- Assess grant funding availability and obtain appropriate grants (e.g. cavity wall and loft insulation)
- Consider 'wider action initiatives', such as local regeneration projects and plan works programmes to have the greatest impact
- Produce outputs and reports as required
- Develop and monitor the Medway Standard and Preferred Materials Specification and review on a regular basis with the delivery teams and Asset Management Group
- Contribute to the development of procurement arrangements with the supply chain, in conjunction with the delivery teams
- Contribute to the development and implementation of monitoring arrangements in relation to the efficiency and effectiveness of the supply chain, taking into account costs and service standards
- Update the Procurement Strategy as required and seek approval for any changes from the Asset Management Group

Appendix 10 – Stock Condition Survey Report Executive Summary and Tables

Medway Council

Stock Condition Survey Information

Summary Tables (Option 1 - Revision A)

Date Revised:	16/09/2010
Issue date:	16/09/2010
Total Stock	3,056
Garage count (plus 112 car ports and 27 spaces at Vidal Manor)	914
Base date for costs	1st Quarter 2010
Forecast period:	2010 to 2039
Rates include preliminaries (added to Rand base rates)	
Rates exclude fees, VAT, management costs etc.	

Based on updated SCS data and desk top budgets provided by Medway Council

Notes	Date
General	
Based upon Base Position Tables	15/06/2010
C'Up	
FMW	
Imps	
Estate Works	
Unadopted roads budget added	15/06/2010
Garage blocks and car port counts corrected following Rand error (incl' prelims)	16/09/2010
Play area renewal cost assumption added 12 @ £20k evenly spread over 30 years	16/09/2010
CMR	
EEW	
DDA works budget added	15/06/2010
Fire safety budget added	15/06/2010
Legionnaires works budget doubled	15/06/2010
Cyclical	
External redecorations budget increased to benchmark	15/06/2010
Gas servicing adjusted to 3* levels	15/06/2010
DAs	
Adaptations increased to benchmark levels	15/06/2010
R&V	
R&V allowances reduced to benchmark levels	15/06/2010
No gas repairs assumed	15/06/2010

COST SUMMARY (Option 1)

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5 Total	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total	% of total	Cost per Unit per Annum (30)	Cost per Unit per Annum (5)
Catch Up Repairs	£448,566	£448,566	£448,566	£448,566	£448,566	£2,242,830						£2,242,830	1%	£24	£147
Future Major Works	£2,991,112	£4,168,600	£2,264,132	£2,143,018	£2,711,326	£14,278,188	£15,465,163	£13,479,725	£14,669,797	£18,539,473	£12,664,365	£89,096,711	51%	£972	
Improvements	£1,059,128	£1,059,128	£1,059,128	£1,059,128	£1,059,128	£5,295,640	£0	£0	£1,596,952	£100,000	£0	£6,992,592	4%	£76	
Estate works	£56,186	£93,552	£82,792	£110,831	£227,358	£570,720	£676,183	£677,075	£632,226	£486,756	£287,864	£3,330,824	2%	£36	
Contingent Major Repairs	£168,398	£168,398	£168,398	£168,398	£168,398	£841,992	£841,992	£841,992	£841,992	£841,992	£841,992	£5,051,950	3%	£55	
Exceptional Extensive Works	£115,000	£445,000	£410,000	£380,000	£380,000	£1,730,000	£0	£0	£0	£0	£0	£1,730,000	1%	£19	
Sub-Total	£4,838,391	£6,383,244	£4,433,016	£4,309,942	£4,994,777	£24,959,370	£16,983,337	£14,998,792	£17,740,966	£19,968,221	£13,794,221	£108,444,906	62%	£1,183	
Cyclical maintenance	£943,041	£943,041	£943,041	£943,041	£943,041	£4,715,205	£4,590,205	£4,590,205	£4,590,205	£4,590,205	£4,590,205	£27,666,230	16%	£302	
Disabled adaptations	£240,000	£240,000	£240,000	£240,000	£240,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£7,200,000	4%	£79	
Responsive Repairs and Void Works	£1,222,715	£1,150,000	£1,075,000	£1,050,000	£1,050,000	£5,547,715	£5,250,000	£5,250,000	£5,250,000	£5,250,000	£5,250,000	£31,797,715	18%	£347	
Total	£7,244,147	£8,716,285	£6,691,057	£6,542,983	£7,227,818	£36,422,290	£28,023,542	£26,038,997	£28,781,171	£31,008,426	£24,834,426	£175,108,851	100%	£1,910	
Average per dwelling per year	£2,370	£2,852	£2,189	£2,141	£2,365	£2,384	£1,834	£1,704	£1,884	£2,029	£1,625	£1,910			
% of total	4%	5%	4%	4%	4%	21%	16%	15%	16%	18%	14%	100%			

Base date of survey

1st Quarter 2010

30 Year Average per unit = £ 57,300

Total number of properties: 3,056

Note:

Figures exclude VAT, fees and management costs.

CATCH-UP REPAIRS

	Year 1	Year 2	Year 3	Year 4	Year5	Total	% OF TOTAL
Alarms: Smoke Detectors	£1,949	£1,949	£1,949	£1,949	£1,949	£9,744	0
Bathroom: Additional WC	£3,136	£3,136	£3,136	£3,136	£3,136	£15,680	1
Bathroom: Suite	£95,543	£95,543	£95,543	£95,543	£95,543	£477,714	21
CO Detectors	£403	£403	£403	£403	£403	£2,016	0
Damp and Condensation	£20,966	£20,966	£20,966	£20,966	£20,966	£104,832	5
Electrics: Consumer Unit	£5,018	£5,018	£5,018	£5,018	£5,018	£25,088	1
Electrics: Rewire	£9,722	£9,722	£9,722	£9,722	£9,722	£48,608	2
Heating: Boiler	£54,947	£54,947	£54,947	£54,947	£54,947	£274,736	12
Heating: Room Heating	£2,330	£2,330	£2,330	£2,330	£2,330	£11,648	1
Heating: System	£15,501	£15,501	£15,501	£15,501	£15,501	£77,504	3
Int Floor Structure Lower (Defects Only)	£605	£605	£605	£605	£605	£3,024	0
Int Floor Structure Upper (Defects Only)	£941	£941	£941	£941	£941	£4,704	0
Int Stair Construction (Defects Only)	£762	£762	£762	£762	£762	£3,808	0
Int Wall Structure Lower (Defects Only)	£1,344	£1,344	£1,344	£1,344	£1,344	£6,720	0
Int Wall Structure Upper (Defects Only)	£605	£605	£605	£605	£605	£3,024	0
Kitchen: Suite	£127,398	£127,398	£127,398	£127,398	£127,398	£636,992	28
Plumbing: CWST	£222	£222	£222	£222	£222	£1,109	0
Plumbing: F&E Tank	£0	£0	£0	£0	£0	£0	-
Plumbing: HWST	£750	£750	£750	£750	£750	£3,752	0
Ventilation Units	£2,822	£2,822	£2,822	£2,822	£2,822	£14,112	1
INTERNAL SUBTOTAL	£344,963	£344,963	£344,963	£344,963	£344,963	£1,724,815	77
Chimney	£3,562	£3,562	£3,562	£3,562	£3,562	£17,808	1
Damp Proof Course Works	£61	£61	£61	£61	£61	£305	0
Doors: Patio	£470	£470	£470	£470	£470	£2,352	0
Ext Doors: Flat Entrance	£812	£812	£812	£812	£812	£4,059	0
Ext Doors: Front	£7,712	£7,712	£7,712	£7,712	£7,712	£38,559	2
Ext Doors: Rear	£9,779	£9,779	£9,779	£9,779	£9,779	£48,897	2
Ext Wall: Balcony	£40	£40	£40	£40	£40	£202	0
Ext Wall: Canopy	£1,008	£1,008	£1,008	£1,008	£1,008	£5,040	0
Ext Wall: Construction	£0	£0	£0	£0	£0	£0	-
Ext Wall: Finish	£2,085	£2,085	£2,085	£2,085	£2,085	£10,427	0
Ext Wall: Lintels	£2,576	£2,576	£2,576	£2,576	£2,576	£12,880	1
Ext Wall: Porch	£0	£0	£0	£0	£0	£0	-
Ext Wall: Spalling Brickwork	£224	£224	£224	£224	£224	£1,120	0
Ext Works: Boundary/Retaining Walls	£7,688	£7,688	£7,688	£7,688	£7,688	£38,438	2
Ext Works: Driveways	£0	£0	£0	£0	£0	£0	-
Ext Works: Fencing	£634	£634	£634	£634	£634	£3,170	0
Ext Works: Front Paths	£200	£200	£200	£200	£200	£999	0
Ext Works: Rear Paths	£38	£38	£38	£38	£38	£190	0
Fascia and Soffit	£7,056	£7,056	£7,056	£7,056	£7,056	£35,280	2
Garage Door Frames	£0	£0	£0	£0	£0	£0	-
Garage Doors	£0	£0	£0	£0	£0	£0	-
Garage External Joinery	£0	£0	£0	£0	£0	£0	-
Garage Flat Roof	£0	£0	£0	£0	£0	£0	-
Garage Rainwater Goods	£0	£0	£0	£0	£0	£0	-
Garage Walls	£0	£0	£0	£0	£0	£0	-
Garages	£0	£0	£0	£0	£0	£0	-
Rainwater Goods	£8,669	£8,669	£8,669	£8,669	£8,669	£43,344	2
Roof: Construction	£0	£0	£0	£0	£0	£0	-
Roof: Covering Features	£1,165	£1,165	£1,165	£1,165	£1,165	£5,824	0
Roof: Interim Repairs	£448	£448	£448	£448	£448	£2,240	0
Roof: Primary Covering	£17,024	£17,024	£17,024	£17,024	£17,024	£85,120	4
Roof: Secondary Covering	£7,022	£7,022	£7,022	£7,022	£7,022	£35,112	2
Site Ext Works: Boundary/Retaining Walls	£0	£0	£0	£0	£0	£0	-
Site Ext Works: Driveways	£0	£0	£0	£0	£0	£0	-
Site Ext Works: Fencing	£0	£0	£0	£0	£0	£0	-
Site Ext Works: Paths	£0	£0	£0	£0	£0	£0	-
Site Works: Other	£0	£0	£0	£0	£0	£0	-
Soil and Vent Pipe	£1,837	£1,837	£1,837	£1,837	£1,837	£9,184	0
Store Doors	£0	£0	£0	£0	£0	£0	-
Stores & Outbuildings	£417	£417	£417	£417	£417	£2,083	0
Windows: Double Glazed	£0	£0	£0	£0	£0	£0	-
Windows: Single Glazed	£18,480	£18,480	£18,480	£18,480	£18,480	£92,400	4
EXTERNAL SUBTOTAL	£99,007	£99,007	£99,007	£99,007	£99,007	£495,033	22
Common Alarms	£0	£0	£0	£0	£0	£0	-
Common Boiler	£0	£0	£0	£0	£0	£0	-
Common Door Entry	£2,856	£2,856	£2,856	£2,856	£2,856	£14,280	1
Common Electrics	£0	£0	£0	£0	£0	£0	-

Common Electrics - Rewire	£0	£0	£0	£0	£0	£0	-
Common Floor Finish	£60	£60	£60	£60	£60	£302	0
Common Heating Distribution	£0	£0	£0	£0	£0	£0	-
Common Primary Door	£0	£0	£0	£0	£0	£0	-
Common Secondary Door	£0	£0	£0	£0	£0	£0	-
Common Tanks	£0	£0	£0	£0	£0	£0	-
Lifts	£0	£0	£0	£0	£0	£0	-
Other Communal Services	£1,680	£1,680	£1,680	£1,680	£1,680	£8,400	0
COMMON PARTS SUBTOTAL	£4,596	£4,596	£4,596	£4,596	£4,596	£22,982	1
HHSRS	£0	£0	£0	£0	£0	£0	-
HHSRS SUBTOTAL	£0	£0	£0	£0	£0	£0	-
Total	£448,566	£448,566	£448,566	£448,566	£448,566	£2,242,830	100
% of Total	20	20	20	20	20	100	

Note:

Figures exclude VAT, fees and management costs.

IMPROVEMENTS

Improvement Type	Survey/ Provision	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5 Total	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	TOTAL
Environmental Improvements	Provision	£150,000	£150,000	£150,000	£150,000	£150,000	£750,000	£0	£0	£0	£0	£0	£750,000
Technology/Innovations	Provision	£120,000	£120,000	£120,000	£120,000	£120,000	£600,000	£0	£0	£0	£0	£0	£600,000
Bedsit Conversions	Provision	£228,000	£228,000	£228,000	£228,000	£228,000	£1,140,000	£0	£0	£0	£0	£0	£1,140,000
Sheltered Unit Scooter Stores	Provision	£20,000	£20,000	£20,000	£20,000	£20,000	£100,000	£0	£0	£0	£100,000	£0	£200,000
Alarms: Smoke Detectors	Survey	£52,739	£52,739	£52,739	£52,739	£52,739	£263,693	£0	£0	£263,693	£0	£0	£527,386
CO Detectors	Survey	£52,926	£52,926	£52,926	£52,926	£52,926	£264,628	£0	£0	£264,628	£0	£0	£529,256
Common Alarms	Survey	£890	£890	£890	£890	£890	£4,452	£0	£0	£4,452	£0	£0	£8,904
Common Door Entry	Survey	£20,085	£20,085	£20,085	£20,085	£20,085	£100,425	£0	£0	£100,425	£0	£0	£200,850
Heating: Extent	Survey	£8,736	£8,736	£8,736	£8,736	£8,736	£43,680	£0	£0	£1,680	£0	£0	£45,360
Roof Insulation	Survey	£93,542	£93,542	£93,542	£93,542	£93,542	£467,712	£0	£0	£0	£0	£0	£467,712
Ventilation Units	Survey	£192,415	£192,415	£192,415	£192,415	£192,415	£962,074	£0	£0	£962,074	£0	£0	£1,924,148
Wall Insulation: Cavity	Survey	£116,211	£116,211	£116,211	£116,211	£116,211	£581,056	£0	£0	£0	£0	£0	£581,056
Wall Insulation: Solid	Survey	£3,584	£3,584	£3,584	£3,584	£3,584	£17,920	£0	£0	£0	£0	£0	£17,920
TOTAL		£1,059,128	£1,059,128	£1,059,128	£1,059,128	£1,059,128	£5,295,640	£0	£0	£1,596,952	£100,000	£0	£6,992,592

Note:

Figures exclude VAT, fees and management costs.

ESTATE WORKS

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Garage Blocks (914 Nr)	£17,186	£34,552	£43,792	£51,831	£188,358	£335,720	£439,839	£421,971	£374,546	£203,580	£30,016	£1,805,672
Car Ports (112 Nr)	£0	£0	£0	£0	£0	£0	£1,344	£20,104	£22,680	£48,176	£22,848	£115,152
Garage Forecourt Repairs & Renewal	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Sheltered Common Rooms	£2,000	£2,000	£2,000	£2,000	£2,000	£10,000	£10,000	£10,000	£10,000	£10,000	£10,000	£60,000
Play Areas	£12,000	£12,000	£12,000	£12,000	£12,000	£60,000	£60,000	£60,000	£60,000	£60,000	£60,000	£360,000
Play area renewal	£0	£20,000	£0	£20,000	£0	£40,000	£40,000	£40,000	£40,000	£40,000	£40,000	£240,000
Trees	£10,000	£10,000	£10,000	£10,000	£10,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£300,000
Unadopted Roads and Paths	£15,000	£15,000	£15,000	£15,000	£15,000	£75,000	£75,000	£75,000	£75,000	£75,000	£75,000	£450,000
Sewerage plant and equipment	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total	£56,186	£93,552	£82,792	£110,831	£227,358	£570,720	£676,183	£677,075	£632,226	£486,756	£287,864	£3,330,824

Note:

Figures exclude VAT, fees and management costs (such as grounds maintenance and cleaning).

CONTINGENT MAJOR REPAIRS

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Drainage	£13,163	£13,163	£13,163	£13,163	£13,163	£65,817	£65,817	£65,817	£65,817	£65,817	£65,817	£394,900
Mains Supplies	£10,525	£10,525	£10,525	£10,525	£10,525	£52,625	£52,625	£52,625	£52,625	£52,625	£52,625	£315,750
Fire Safety	£11,750	£11,750	£11,750	£11,750	£11,750	£58,750	£58,750	£58,750	£58,750	£58,750	£58,750	£352,500
Structural Works	£47,960	£47,960	£47,960	£47,960	£47,960	£239,800	£239,800	£239,800	£239,800	£239,800	£239,800	£1,438,800
Asbestos	£85,000	£85,000	£85,000	£85,000	£85,000	£425,000	£425,000	£425,000	£425,000	£425,000	£425,000	£2,550,000
Non-Traditional Stock Structural Repairs	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total	£168,398	£168,398	£168,398	£168,398	£168,398	£841,992	£841,992	£841,992	£841,992	£841,992	£841,992	£5,051,950
% of Total	3%	3%	3%	3%	3%	17%	17%	17%	17%	17%	17%	100%

Note:

Figures exclude VAT, fees and management costs.

EXCEPTIONAL EXTENSIVE WORKS

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5 Total	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
DDA Works	£50,000	£50,000	£30,000	£0	£0	£130,000	£0	£0	£0	£0	£0	£130,000
St Albans Blocks (Overcladding 88 flats)	£0	£330,000	£330,000	£330,000	£330,000	£1,320,000	£0	£0	£0	£0	£0	£1,320,000
Fire Safety Upgrades	£50,000	£50,000	£50,000	£50,000	£50,000	£250,000	£0	£0	£0	£0	£0	£250,000
Mains Services and Plumbing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Legionnaires Upgrading Works	£15,000	£15,000	£0	£0	£0	£30,000	£0	£0	£0	£0	£0	£30,000
Ext Wall: Lintels	£18,368	£18,368	£18,368	£18,368	£18,368	£91,840	£0	£0	£0	£0	£0	£91,840
Ext Wall: Structural Problems	£47,219	£47,219	£47,219	£47,219	£47,219	£236,096	£0	£0	£0	£0	£0	£236,096
	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Total	£115,000	£445,000	£410,000	£380,000	£380,000	£1,730,000	£0	£0	£0	£0	£0	£1,730,000
% of Total	7%	26%	24%	22%	22%	100%	0%	0%	0%	0%	0%	100%

Total number of properties:

3,056

Note:

Figures exclude VAT, fees and management costs.

CYCLICAL MAINTENANCE

	Programme frequency (years)	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Door Entry Maintenance		£28,000	£28,000	£28,000	£28,000	£28,000	£140,000	£140,000	£140,000	£140,000	£140,000	£140,000	£840,000
Door Entry Maintenance (Sheltered)		£930	£930	£930	£930	£930	£4,650	£4,650	£4,650	£4,650	£4,650	£4,650	£27,900
Lift Maintenance		£3,520	£3,520	£3,520	£3,520	£3,520	£17,600	£17,600	£17,600	£17,600	£17,600	£17,600	£105,600
Lift Maintenance (Sheltered)		£13,942	£13,942	£13,942	£13,942	£13,942	£69,710	£69,710	£69,710	£69,710	£69,710	£69,710	£418,260
RPP/Painting		£400,000	£400,000	£400,000	£400,000	£400,000	£2,000,000	£1,875,000	£1,875,000	£1,875,000	£1,875,000	£1,875,000	£11,375,000
Central Heating Servicing		£330,000	£330,000	£330,000	£330,000	£330,000	£1,650,000	£1,650,000	£1,650,000	£1,650,000	£1,650,000	£1,650,000	£9,900,000
Central Heating Maintenance (Sheltered)		£24,751	£24,751	£24,751	£24,751	£24,751	£123,755	£123,755	£123,755	£123,755	£123,755	£123,755	£742,530
Emergency Lighting		£56,700	£56,700	£56,700	£56,700	£56,700	£283,500	£283,500	£283,500	£283,500	£283,500	£283,500	£1,701,000
5 year Electrical Tests		£36,600	£36,600	£36,600	£36,600	£36,600	£183,000	£183,000	£183,000	£183,000	£183,000	£183,000	£1,098,000
Legionella Prevention (Sheltered)		£14,322	£14,322	£14,322	£14,322	£14,322	£71,610	£71,610	£71,610	£71,610	£71,610	£71,610	£429,660
Fire Ext. Maintenance		£13,000	£13,000	£13,000	£13,000	£13,000	£65,000	£65,000	£65,000	£65,000	£65,000	£65,000	£390,000
Fire Ext. Servicing (Sheltered)		£3,759	£3,759	£3,759	£3,759	£3,759	£18,795	£18,795	£18,795	£18,795	£18,795	£18,795	£112,770
Servicing Extractor Fans (Sheltered)		£5,743	£5,743	£5,743	£5,743	£5,743	£28,715	£28,715	£28,715	£28,715	£28,715	£28,715	£172,290
PAT Testing		£1,774	£1,774	£1,774	£1,774	£1,774	£8,870	£8,870	£8,870	£8,870	£8,870	£8,870	£53,220
Internal Decs to Sheltered Schemes		£10,000	£10,000	£10,000	£10,000	£10,000	£50,000	£50,000	£50,000	£50,000	£50,000	£50,000	£300,000
Total		£943,041	£943,041	£943,041	£943,041	£943,041	£4,715,205	£4,590,205	£4,590,205	£4,590,205	£4,590,205	£4,590,205	£27,666,230
Average per dwelling		£309	£309	£309	£309	£309	£309	£300	£300	£300	£300	£300	£302
% of Total		3%	3%	3%	3%	3%	17%	17%	17%	17%	17%	17%	100%

Total number of properties: 3,056

Note:
 Figures exclude VAT, fees and management costs.

DISABLED ADAPTATIONS

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
All Aids and Adaptations	£240,000	£240,000	£240,000	£240,000	£240,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£7,200,000
Total	£240,000	£240,000	£240,000	£240,000	£240,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£7,200,000
% of Total	3%	3%	3%	3%	3%	17%	17%	17%	17%	17%	17%	100%

Note:

Figures exclude VAT, fees and management costs.

RESPONSIVE AND VOID

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Response repairs	£822,715	£800,000	£775,000	£750,000	£750,000	£3,897,715	£3,750,000	£3,750,000	£3,750,000	£3,750,000	£3,750,000	£22,647,715
Void repairs	£400,000	£350,000	£300,000	£300,000	£300,000	£1,650,000	£1,500,000	£1,500,000	£1,500,000	£1,500,000	£1,500,000	£9,150,000
Total	£1,222,715	£1,150,000	£1,075,000	£1,050,000	£1,050,000	£5,547,715	£5,250,000	£5,250,000	£5,250,000	£5,250,000	£5,250,000	£31,797,715

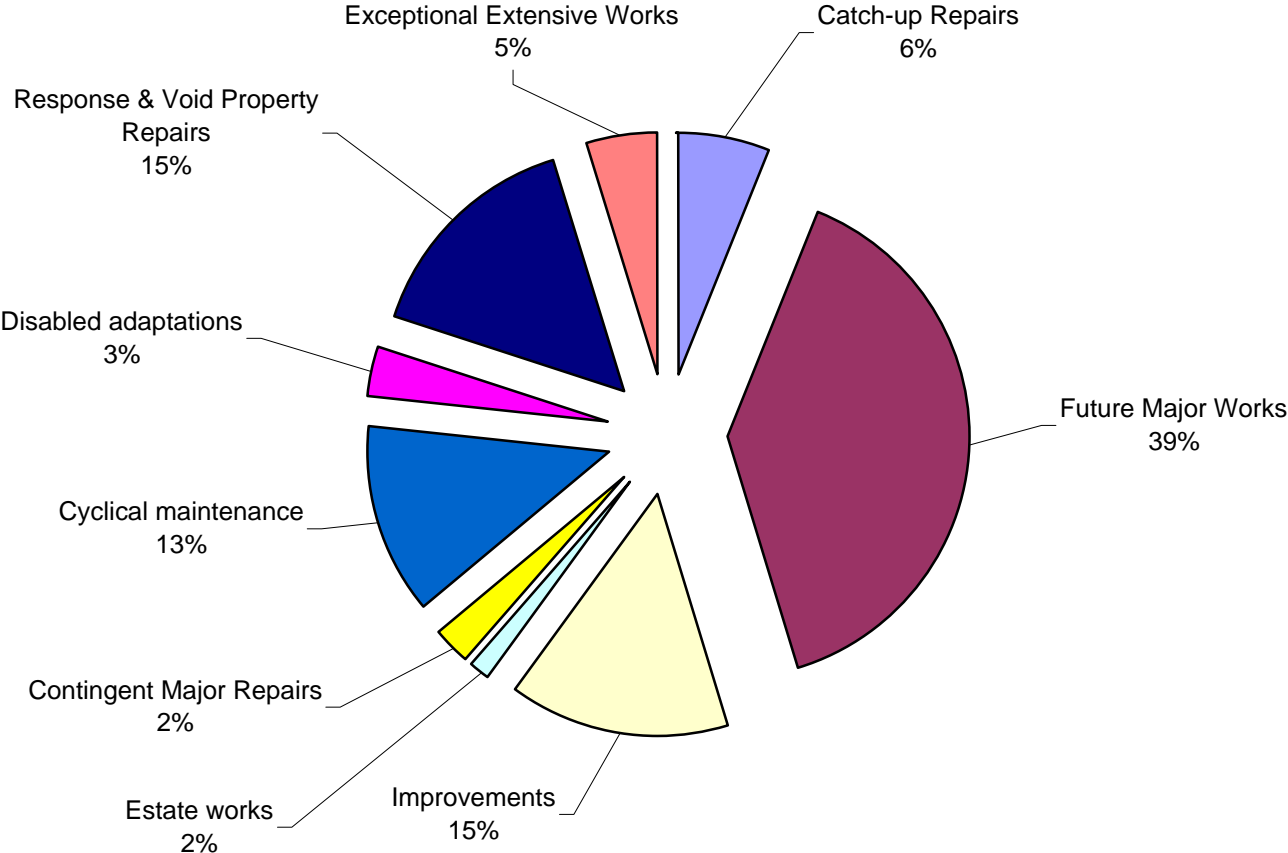
Average per unit per year	£400	£376	£352	£344	£344	£363	£344	£344	£344	£344	£344	£347
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Total number of units: 3,056

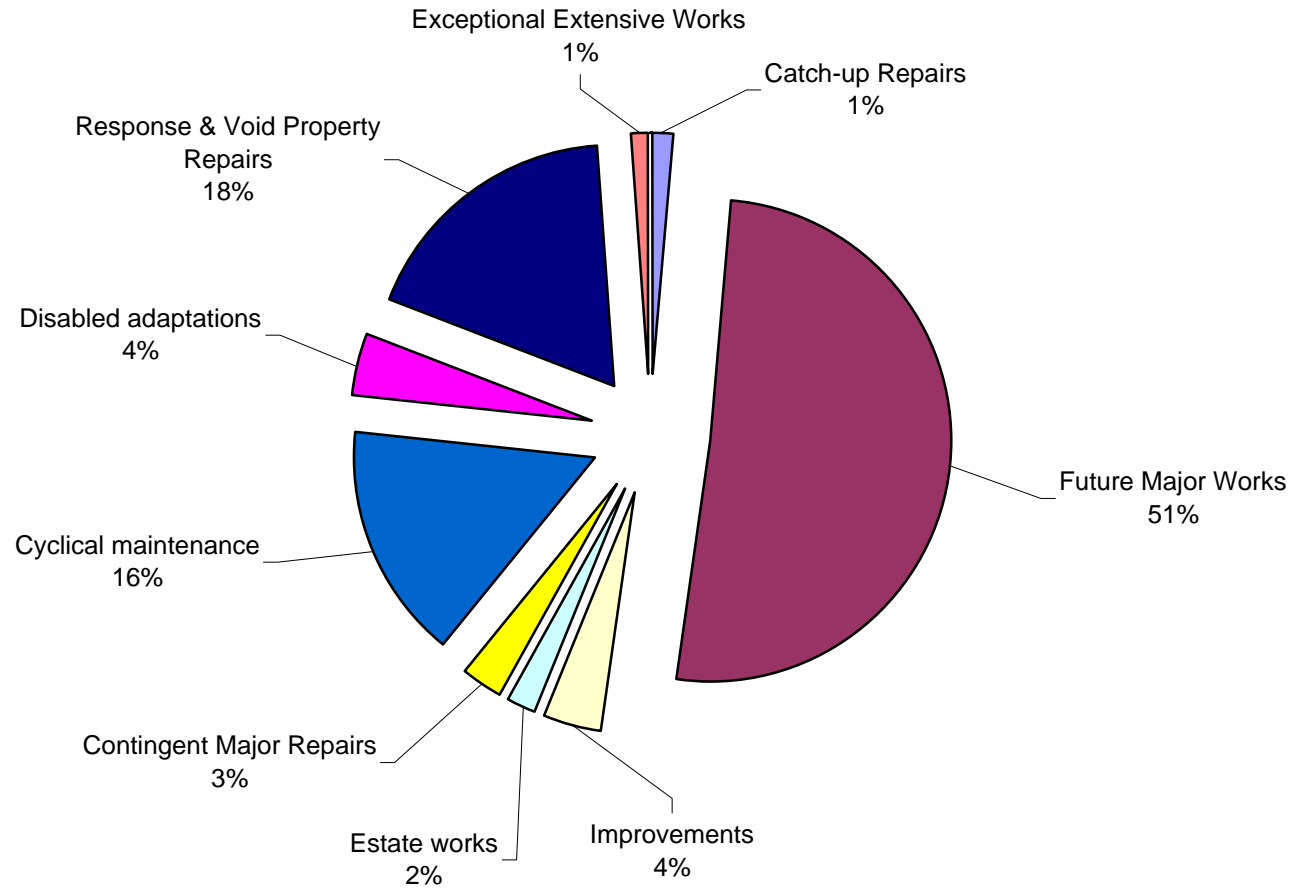
Note:

Figures exclude VAT, fees and management costs.

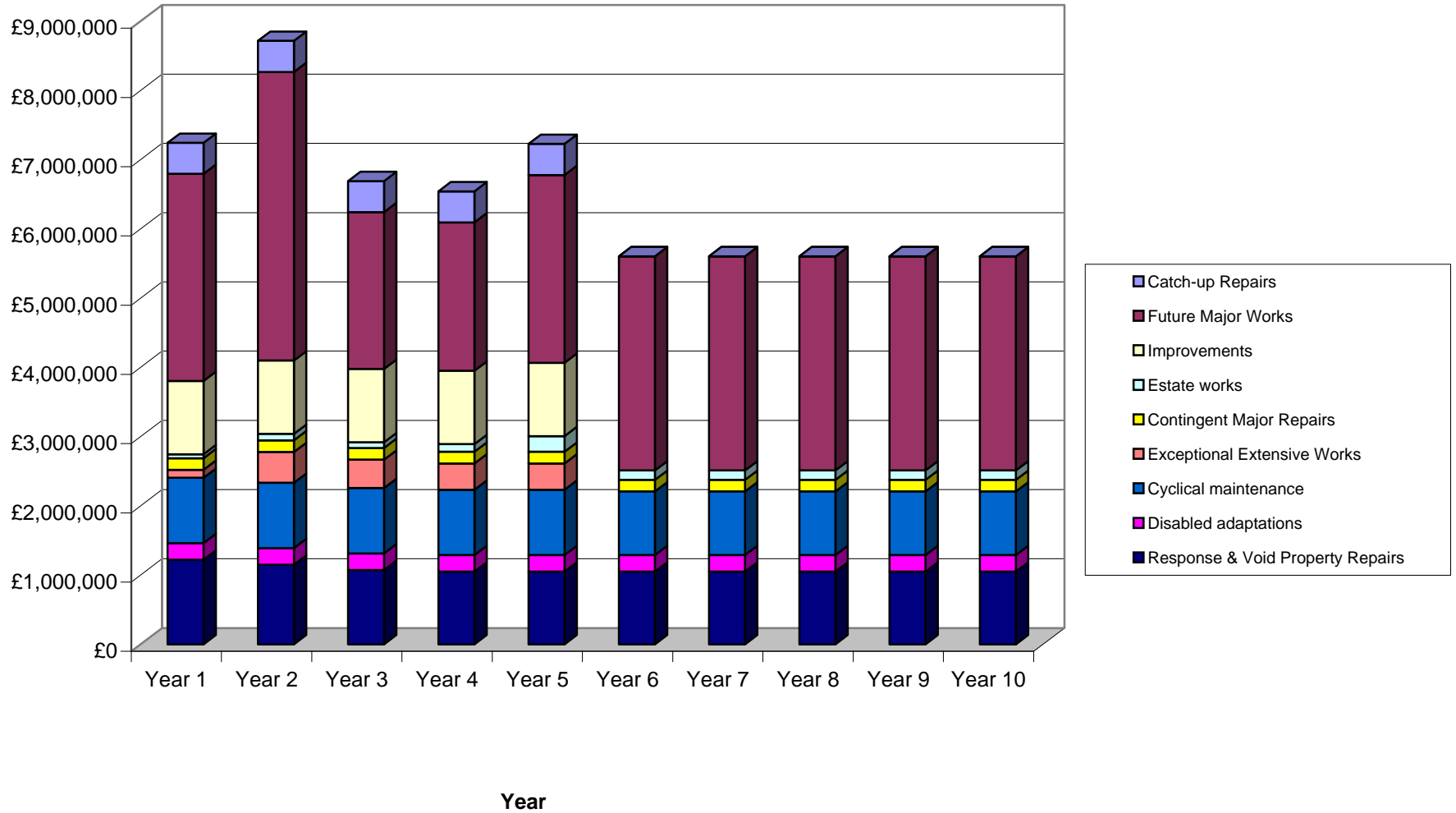
Years 1-5 Expenditure



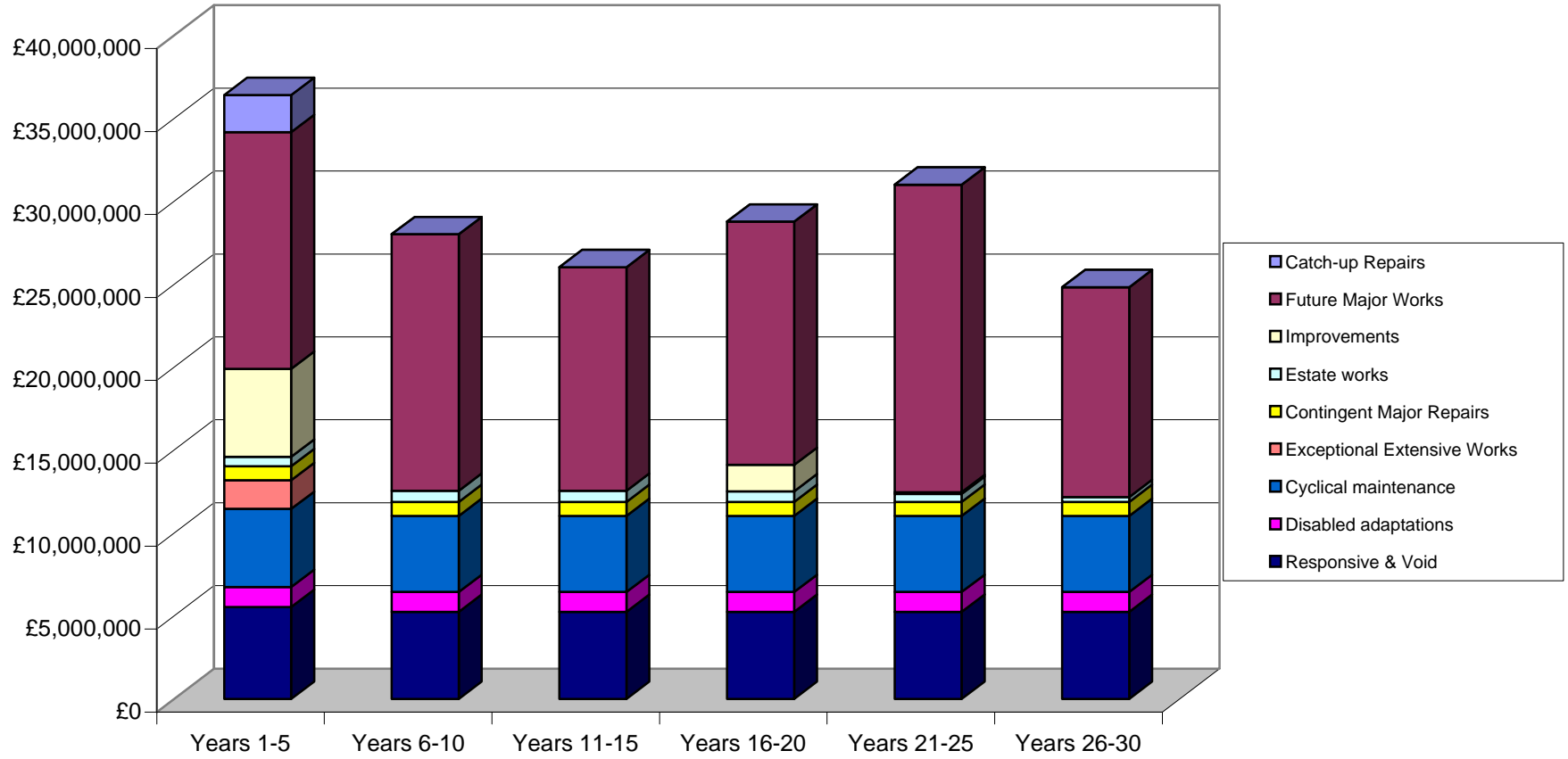
Years 1-30 Expenditure



Expenditure Years 1-10



Total Expenditure



	Years 1-5 Total	Years 1-30 Total	
Catch-up Repairs	£2,242,830	£2,242,830	£0
Future Major Works	£14,278,188	£89,096,711	£74,818,523
Improvements	£5,295,640	£6,992,592	£1,696,952
Estate works	£570,720	£3,330,824	£2,760,104
Contingent Major Repairs	£841,992	£5,051,950	£4,209,958
Cyclical maintenance	£4,715,205	£27,666,230	£22,951,025
Disabled adaptations	£1,200,000	£7,200,000	£6,000,000
Response & Void Property Repairs	£5,547,715	£31,797,715	£26,250,000
Exceptional Extensive Works	£1,730,000	£1,730,000	£0
Total	£36,422,290	£175,108,851	£138,686,562
<i>check:</i>	£36,422,290	£175,108,851	
Average per dwelling per year	£2,384	£1,910	

Total number of properties: 3,056
 Tenanted properties -
 Leasehold properties -

Note:
 Figures exclude Fees and VAT

Cost category	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Years 6-10
Catch-up Repairs	£448,566	£448,566	£448,566	£448,566	£448,566	£0	£0	£0	£0	£0	£0
Future Major Works	£2,991,112	£4,168,600	£2,264,132	£2,143,018	£2,711,326	£3,093,033	£3,093,033	£3,093,033	£3,093,033	£3,093,033	£15,465,163
Improvements	£1,059,128	£1,059,128	£1,059,128	£1,059,128	£1,059,128	£0	£0	£0	£0	£0	£0
Estate works	£56,186	£93,552	£82,792	£110,831	£227,358	£135,237	£135,237	£135,237	£135,237	£135,237	£676,183
Contingent Major Repairs	£168,398	£168,398	£168,398	£168,398	£168,398	£168,398	£168,398	£168,398	£168,398	£168,398	£841,992
Exceptional Extensive Works	£115,000	£445,000	£410,000	£380,000	£380,000	£0	£0	£0	£0	£0	£0
Cyclical maintenance	£943,041	£943,041	£943,041	£943,041	£943,041	£918,041	£918,041	£918,041	£918,041	£918,041	£4,590,205
Disabled adaptations	£240,000	£240,000	£240,000	£240,000	£240,000	£240,000	£240,000	£240,000	£240,000	£240,000	£1,200,000
Response & Void Property Repairs	£1,222,715	£1,150,000	£1,075,000	£1,050,000	£1,050,000	£1,050,000	£1,050,000	£1,050,000	£1,050,000	£1,050,000	£5,250,000
	£7,244,147	£8,716,285	£6,691,057	£6,542,983	£7,227,818	£5,604,708	£5,604,708	£5,604,708	£5,604,708	£5,604,708	£28,023,542

£36,422,290

check: £ 36,422,290 £ 28,023,542

Cost Category	Years 1-5	Years 6-10	Years 11-15	Years 16-20	Years 21-25	Years 26-30	Total
Catch-up Repairs	£2,242,830	£0	£0	£0	£0	£0	£2,242,830
Future Major Works	£14,278,188	£15,465,163	£13,479,725	£14,669,797	£18,539,473	£12,664,365	£89,096,711
Improvements	£5,295,640	£0	£0	£1,596,952	£100,000	£0	£6,992,592
Estate works	£570,720	£676,183	£677,075	£632,226	£486,756	£287,864	£3,330,824
Contingent Major Repairs	£841,992	£841,992	£841,992	£841,992	£841,992	£841,992	£5,051,950
Exceptional Extensive Works	£1,730,000	£0	£0	£0	£0	£0	£1,730,000
Cyclical maintenance	£4,715,205	£4,590,205	£4,590,205	£4,590,205	£4,590,205	£4,590,205	£27,666,230
Disabled adaptations	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£1,200,000	£7,200,000
Responsive & Void	£5,547,715	£5,250,000	£5,250,000	£5,250,000	£5,250,000	£5,250,000	£31,797,715
Total	£36,422,290	£28,023,542	£26,038,997	£28,781,171	£31,008,426	£24,834,426	£175,108,851

Reporting Category	Total Cost Years 1 to 30	Average Cost Per Unit 30 Years	Average Cost Per Unit Per Annum
Catch-up Repairs	£2,242,830	£734	£24
Future Major Works	£89,096,711	£29,155	£972
Improvements	£6,992,592	£2,288	£76
Estate works	£3,330,824	£1,090	£36
Contingent Major Repairs	£5,051,950	£1,653	£55
Exceptional Extensive Works	£1,730,000	£566	£19
Cyclical maintenance	£27,666,230	£9,053	£302
Disabled adaptations	£7,200,000	£2,356	£79
Responsive & Void	£31,797,715	£10,405	£347
Total	£175,108,851	£57,300	£1,910

Appendix 11 – Decent Homes Analysis

**MEDWAY DECENT HOMES MODEL
DECENT HOMES SUMMARY REPORT**

4Q 2010 (Refusal Data Used)

Last Updated 06/12/10 10:15

	Property Count		Costs			
	Year 1	Years 2 to 2010	Year 1		Years 2 to 2010	
	No. of Non Decent Homes	No. of Non Decent Homes	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only

	Property Count	
	Year 1	Years 2 to 2010
	No. of Non Decent Homes	No. of Non Decent Homes

Total Number of Properties	3,057						
Properties that Fail at Any Time	240						
Non Decent Properties	240	-	5,078,077	415,854	-	-	-

	8%	
	8%	0%

Reason	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
HHSRS	-		-	-	0%	
Thermal comfort	30		90,260	90,260	1%	
Modern facilities	66		419,150	51,925	2%	0%
Disrepair - key components	155		273,667	273,667	5%	0%
Disrepair - non-key components					0%	0%
Kitchen Costs			2,632,500			
Bathroom Costs			1,662,500			

	0%	
	1%	
	2%	0%
	5%	0%
	0%	0%

	Failures Count				Costs			
	Year 1		Years 2 to 2010		Year 1		Years 2 to 2010	
	No. of all DH Compliance Failures	Min. No. of Works for DH Compliance	No. of all DH Compliance Failures	Min. No. of Works for DH Compliance	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only

Total Costs (All DH Compliance Failures)	5,078,077
Total Costs (Minimum DH Compliance)	415,854

HHSRS	-	-			-	-		
Thermal comfort								
Central heating	22	22			88,000	88,000		
Roof insulation	8	8			1,600	1,600		
Cavity wall insulation	2	2			660	660		
Modern facilities								
Modern kitchen	675	-	-	-	2,632,500	-	-	-
Modern bathroom	665	-	-	-	1,662,500	-	-	-
Inadequate kitchen	275	44			226,875	36,300		
Location of bathroom	47	5			38,775	4,125		
Noise	295	19			147,500	9,500		
Common areas	12	4			6,000	2,000		
Disrepair - key components								
Wall Structure	-	-			-	-		
Wall finish	-	-			-	-		
Roof construction	-	-			-	-		
Roof finish	31	31			82,847	82,847		
Chimneys	14	14			18,480	18,480		
Windows	12	12			7,920	7,920		
Doors	42	42			31,020	31,020		
Boilers	46	46			87,400	87,400		
Gas fires	-	-			-	-		
Storage heaters	-	-			-	-		
Wiring	23	23			46,000	46,000		
Disrepair - non-key components								
Kitchen	54	-			210,600	-		
Bathroom	36	-			82,000	-		
Heating distribution	-	-			-	-		
Kitchens and Bathrooms Total Costs								
Kitchen					2,632,500	-		
Bathroom					1,662,500	-		

**MEDWAY DECENT HOMES MODEL
DECENT HOMES SUMMARY REPORT**

4Q 2010

Last Updated 06/12/10 10:17

	Property Count		Costs			
	Year 1	Years 2 to 2010	Year 1		Years 2 to 2010	
	No. of Non Decent Homes	No. of Non Decent Homes	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only

	Property Count	
	Year 1	Years 2 to 2010
	No. of Non Decent Homes	No. of Non Decent Homes

Total Number of Properties	3,057						
Properties that Fail at Any Time	269						
Non Decent Properties	269	-	5,384,374	481,602	-	-	

	9%	
	9%	0%

Reason	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
HHSRS	-		-	
Thermal comfort	31		94,260	94,260
Modern facilities	70		427,400	55,225
Disrepair - key components	180		332,114	332,114
Disrepair - non-key components				
Kitchen Costs			2,745,600	
Bathroom Costs			1,785,000	

	0%	
	1%	
	2%	0%
	6%	0%
	0%	0%

	Failures Count				Costs			
	Year 1		Years 2 to 2010		Year 1		Years 2 to 2010	
	No. of all DH Compliance Failures	Min. No. of Works for DH Compliance	No. of all DH Compliance Failures	Min. No. of Works for DH Compliance	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only	Cost of All DH Compliance Failures	Cost of Minimum DH Compliance Only

HHSRS	-	-			-	-		
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Thermal comfort	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
Central heating	23	23	92,000	92,000
Roof insulation	8	8	1,600	1,600
Cavity wall insulation	2	2	660	660

Modern facilities	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
Modern kitchen	704	-	2,745,600	-
Modern bathroom	714	-	1,785,000	-
Inadequate kitchen	285	48	235,125	39,600
Location of bathroom	47	5	38,775	4,125
Noise	295	19	147,500	9,500
Common areas	12	4	6,000	2,000

Disrepair - key components	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
Wall Structure	-	-	-	-
Wall finish	-	-	-	-
Roof construction	-	-	-	-
Roof finish	34	34	98,934	98,934
Chimneys	17	17	22,440	22,440
Windows	12	12	7,920	7,920
Doors	42	42	31,020	31,020
Boilers	62	62	117,800	117,800
Gas fires	-	-	-	-
Storage heaters	-	-	-	-
Wiring	27	27	54,000	54,000

Disrepair - non-key components	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
Kitchen	57	-	222,300	-
Bathroom	44	-	100,000	-
Heating distribution	-	-	-	-

Kitchens and Bathrooms Total Costs	Year 1	Years 2 to 2010	Year 1	Years 2 to 2010
Kitchen			2,745,600	-
Bathroom			1,785,000	-

Total Costs (All DH Compliance Failures)	5,384,374
Total Costs (Minimum DH Compliance)	481,602

Appendix 12 – Five Year Delivery Plan

MEDWAY HOUSING - 5 YEAR PLANNED MAINTENANCE DELIVERY PLAN



	Backlog	Year 1 (current)	Year 1 plus backlog	Year 2	Year 3	Year 4	Year 5		
NB - All Decent Homes has been brought forward by 1 year									
Available Budget			£5,168,000	£3,300,000	£3,300,000	£3,300,000	£3,300,000	£18,368,000	
PRIORITY WORKS									
Health and Safety									
H&S	Asbestos	£0	£80,000	£80,000	£80,000	£80,000	£80,000	£400,000	
H&S	Electrical Tests	£0	£120,000	£120,000	£0	£0	£6,300	£132,600	
H&S	Legionella risk ass remedial	£0	£50,000	£50,000	£0	£0	£0	£50,000	
H&S	Lifts Mountevans/Woodchurch/St Marks	£0	£25,000	£25,000	£25,000	£0	£0	£75,000	
H&S	DDA	£0	£55,000	£55,000	£55,000	£55,000	£55,000	£275,000	
H&S	Internal mains smoke detectors	£0	£52,840	£52,840	£52,840	£0	£0	£105,680	
H&S	Fire Safety issues ie sheds for mobility scooters	£0	£50,000	£50,000	£0	£0	£0	£50,000	
Voids									
Voids	Capital contribution towards voids	£0	£100,000	£100,000	£80,000	£60,000	£50,000	£340,000	
Decent Homes									
DH	Wall finish	£0	£12,650	£12,650	£23,353	£115,335	£85,745	£301,653	
DH	Chimneys	£0	£22,440	£22,440	£35,640	£36,960	£81,840	£209,880	
DH	Roof coverings	£0	£62,452	£62,452	£35,100	£214,422	£270,498	£1,182,176	
DH	External doors	£0	£26,730	£26,730	£4,070	£2,145	£45,760	£109,230	
DH	Windows	£0	£10,560	£10,560	£4,620	£0	£0	£25,740	
DH	Electrical supply	£0	£142,000	£142,000	£42,000	£54,000	£84,000	£502,000	
DH	Heating Boiler	£0	£159,600	£159,600	£119,700	£115,900	£115,900	£672,600	
Sub total			£969,272	£557,323	£758,762	£875,043	£1,271,159	£4,431,559	
Contingency @ 10%			£96,927	£55,732	£75,876	£87,504	£127,116	£443,156	
Fees @ 12%			£116,313	£66,879	£91,051	£105,005	£152,539	£531,787	
Total Priority Works			£1,182,512	£679,934	£925,690	£1,067,552	£1,550,814	£5,406,502	
Residual Budget (available budget minus priority works)			£3,985,488	£2,620,066	£2,374,310	£2,232,448	£1,749,186	£12,961,498	
PLANNED MAINTENANCE									
PM	Roof coverings (Flat pitched and canopies)	£17,556	£14,619	£32,175	£21,736	£17,446	£20,669	£28,930	£120,956
PM	Chimney structure and finish	£6,160	£21,560	£27,720	£23,870	£25,410	£26,970	£38,940	£142,910
PM	Fascia/soffit/bargeboard/gutter/downpipe	£89,062	£105,876	£194,938	£261,264	£234,256	£272,780	£331,678	£1,294,916
PM	Primary and secondary wall finish	£2,046	£1,056	£3,102	£5,390	£2,948	£8,250	£3,465	£23,155
PM	Windows	£70,290	£2,310	£72,600	£51,150	£18,480	£31,350	£24,750	£198,330
PM	Private Balcony	£3,850	£0	£3,850	£4,400	£6,600	£10,450	£6,050	£31,350
PM	Bathrooms and WC	£500,250	£495,100	£995,350	£655,450	£383,200	£249,850	£324,150	£2,608,000
PM	Kitchens	£733,200	£897,000	£1,630,200	£1,045,200	£741,000	£280,800	£269,100	£3,966,300
PM	Doors	£733,200	£137,995	£871,195	£187,605	£81,785	£59,015	£53,735	£1,253,335
PM	Paths and Hard Standings	£2,584	£28,944	£31,528	£13,805	£7,924	£12,681	£32,623	£98,561
PM	Primary Boundary walls	£95,450	£78,545	£173,995	£54,050	£29,785	£47,035	£62,215	£367,080
PM	External fences and gates	£9,123	£62,940	£72,063	£104,037	£26,107	£41,377	£58,883	£302,467
PM	Garages	£4,290	£57,985	£62,275	£54,340	£62,205	£23,595	£47,825	£250,240
PM	Electrics	£50,400	£114,000	£164,400	£258,800	£62,800	£50,400	£114,800	£651,200
PM	Boilers and Heating Distribution	£155,700	£195,300	£351,000	£479,600	£287,100	£310,400	£438,300	£1,866,400
IMP	Improvements	£0.00	£1,080,596.00	£1,080,596	£1,080,596	£1,080,596	£1,080,596	£1,080,596	£5,402,980
EST	Estate Works	£0	£56,186	£56,186	£93,552	£82,792	£110,831	£227,358	£570,719
MR	Contingent to Major Repairs	£0	£83,398	£83,398	£83,398	£83,398	£83,398	£83,398	£416,990
EW	Exceptional Extensive Works	£0	£90,587	£90,587	£420,587	£420,587	£420,587	£420,587	£1,772,935
Sub Total			£5,997,158	£4,898,830	£3,654,419	£3,141,034	£3,647,383	£21,338,824	
Contingency @ 10%			£599,716	£489,883	£365,442	£314,103	£364,738	£2,133,882	
Fees @ 12%			£719,659	£587,860	£438,530	£376,924	£437,686	£2,560,659	
Total Planned Maintenance			£7,316,533	£5,976,573	£4,458,391	£3,832,061	£4,449,807	£26,033,365	
Budget Shortfall (Planned maintenance minus residual budget)			-£3,331,045	-£3,356,507	-£2,084,081	-£1,599,614	-£2,700,621	-£13,071,867	