

Housing Revenue Account (HRA)

Asset Management Strategy

2015-2020

# Section 1

## Introduction

This Housing Revenue Account (HRA) Asset Management Strategy (AMS) has been developed to inform the strategic medium and long-term approach to the council’s housing assets. It sets out the council’s vision for the housing stock and sets key priorities for the maintenance and improvement of the housing stock and how Medway will continue to meet the needs of the area, as well as looking at the key drivers in managing our assets. It has been specifically designed to meet the council’s planning needs under the self-financing arrangements resulting from HRA reforms. This will enable the council to improve the existing assets and to increase the supply of new affordable housing.

The council’s housing stock is one of its most valuable assets and the repair and maintenance cost is the Housing Services biggest liability. The housing stock has an existing use value (social housing) of £101,743,082 as at 1 April 2013. Making sure our properties are kept to a high standard of repair and maintenance and of an appropriate type is key to a successful business plan, as it means that we are protecting our primary source of income. It is therefore vital to have an effective asset management strategy in place to safeguard the council’s interests.

## Our Vision

To deliver the best value from our available assets through active asset management, to create sustainable communities and to continue to ensure that the housing stock meets current and future needs of residents.

## Strategic Objectives

**a) Create sustainable communities by:**

* Investing in communal areas and external surroundings of the estates (to improve appearance and discourage anti-social behaviour)
* Taking a strategic approach to energy efficiency and affordable warmth to increase the energy efficiency of new and existing housing
* Maximising the local economic benefits to Medway by delivering jobs, skills and training opportunities from housing and future regeneration investment.

**b) Continue to ensure that the housing stock meets current and**

**future needs of residents by:**

* Seeking residents’ views and involving residents in key decision making
* Agreeing the Medway Standard for accommodation and using this information to inform asset investment decisions
* Maximising opportunities for delivering additional affordable housing in Medway through public and private investment
* Determining long term priorities for investment that are financially sustainable with the resources available to ensure the council makes the best use of council assets
* Delivering high levels of resident satisfaction with planned and responsive maintenance services
* Providing residents with opportunities to be involved in delivering and monitoring of planned and responsive maintenance services
* Addressing key health and safety issues in the housing stock.

The council’s stock is generally well maintained and meets the decent homes standard. However a number of estates and homes for independent living are coming to the end of their useful life. The size and quality of accommodation available within the homes for independent living schemes, means that the vacancies cannot always be offered to those in the greatest of need, or those that the council may wish to move. In order to meet targets, the HRA are offering the homes to residents who have lower priority needs. The challenge over this period of the strategy is to continue to meet high standards, while making the most of the opportunities that the self-financing HRA reforms have presented.

## National Drivers and Local Drivers

The Housing Revenue Account covers expenditure and income relating to the council’s own housing stock. Its main source of income is rents paid by council house tenants. It is an account that is ring fenced from the council’s

General Fund with statutory guidance about the items that can be charged and credited to it. In April 2012, the funding regime for local authority social housing changed radically when the national subsidy system was abolished and replaced with a locally managed ‘self-financing’ model. Local authorities are now able to retain the rental streams from their housing assets, alongside the responsibility for managing, maintaining and improving the housing stock.

The new HRA financial regime and associated rent income base, will allow the council to develop the HRA capital programme beyond the current level of planned maintenance and newly arising investment works. In the medium term up to and including the financial year 2016/17, includes provision of a council house-building programme of £8m.

## Energy Efficiency and Affordable Warmth

A strategic approach enables the following:

* Raise awareness of energy efficiency amongst staff in the organisation, including identifying training needs
* Identify where resources can most effectively be allocated
* Secure additional resources from agencies and programmes that fund improvements in energy efficiency
* Identify opportunities to improve cost effectiveness by linking energy efficiency to other improvement or maintenance work
* Reach decisions about the prioritisation of programmes of work in which energy efficiency competes with a range of other demands on resources
* Identify how energy efficiency can contribute to broader aims (e.g. increased tenant satisfaction, re-letting voids) and other strategies
* Alleviate fuel poverty and the risks of ill health
	+ **The Code for Sustainable Homes** is the national standard for the sustainable design and construction of new homes. The Code aims to reduce carbon emissions and create homes that are more sustainable. The new council houses being built will meet at least Code level
	+ **Energy Performance Certificates** - show the energy efficiency of a home. Since 1 October 2008, it has been a requirement for all social housing providers to issue an EPC certificate each time a property is let. Each EPC is valid for 10 years from the date of issue.

There is a range of government initiatives, which could be used to both generate additional income and invest in improvements to the energy efficiency of the housing stock and provide affordable warmth to Medway residents.

The green agenda is constantly changing and this tends to have a large bearing on available funding streams. It is vital that Medway Council has a structured and strategic approach to meeting green objectives, in order to maximise inward investment.

## Homes and Community Agency’s Affordable Housing Programme 2011-15

This aims to increase the supply of new affordable homes in England.

Following the award of bids from the HCA for the 2015-2018 affordable homes programme, the HCA have recently announced a further process known as continuous market engagement for the remainder of the programme, where some £800m is still available.

## Decent Homes

The Home Standard in the Social Housing Regulator’s Regulatory Framework requires the council to:

* Ensure that tenants’ homes meet the standard set out in section five of the Government’s Decent Homes Guidance and continue to maintain their homes to at least this standard. Medway currently has 100% decency, excluding refusals
* Meet the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance, if these standards are higher than the Decent Homes Standard
* In agreeing a local offer, ensure that it is set at a level not less than these standards and have regard to section six of the Government’s Decent Homes Guidance. Medway has a locally determined “Standard” that is higher than the Decent Homes Standard.

## Corporate Priorities

The Housing Revenue Account Asset Management Strategy supports the key priorities of the council’s Corporate Plan 2014/15. The key themes of the plan are:

* **Children and young people have the best start in life in Medway.** We want all children and young people in Medway to be safe, cared for, to succeed in learning and to thrive.
* **Adults maintaining their independence and live healthy lives.** We want to make it possible for people to maintain their independence and have choice over the care services they need. As part of this we want to support people making healthy lifestyle choices that benefit their longer–term wellbeing.
* **Safe, Clean and Green Medway.** We want people to be safe in Medway and equally importantly, to feel safe. Our commitment is to ensure that Medway has a safe and healthy environment by keeping the streets clean, recycling more waste, maintaining and improving access to our parks and green spaces and reducing the harm caused by drugs and alcohol.
* **Everyone benefiting from regeneration.** The council is leading a range of work to improve the lives of residents in Medway. These range from improving housing to providing sporting, learning and cultural opportunities. We are also committed to supporting our residents and businesses through these tough economic times and helping local businesses to grow and create jobs.

## Our Values

* **Putting our customers at the centre of everything we do**
* **Giving value for money**

# Section 2

## Asset Management Strategy - Purpose of the Strategy

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

* To ensure that its property portfolio is managed in a cohesive manner, that maintains homes to a high standard for our customers
* To meet all statutory and recognised good practice targets
* To target resources where they will be most effective
* Asset management is defined as the management of physical assets to meet service and financial objectives. It is concerned with:
* The overall performance of the stock portfolio and the contribution it makes to the business plan
* The way management and investment can be directed to support and improve portfolio performance
* The whole life cycle of a property, from the proposal to build, through development and maintenance and the decision and method of disposal

## The Housing Stock

The following tables and charts provide details of the housing stock as of

October 2014.

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

**Property Type Total**

Bungalow - 227

Flat/Bedsit - 1204

House - 1287

Sheltered - 286

**Grand Total 3004**

The bedroom composition of the stock is:

**No Bedrooms Total**

1 Bed - 1050

2 Bed - 1093

3 Bed - 832

4 Bed - 28

5 Bed - 1

**Grand Total 3004**

The age profile of the stock is:

**Age Description Total**

Pre 1919 - 37

1919 to 1944 - 433

1945 to 1964 - 1314

1965 to1974 - 368

1975 to present - 852

**Grand Total 3004**

In addition to the above dwellings, Medway Council is also responsible for the management of 199 leasehold flats and for a number of assets related to dwellings, for example, garage blocks, forecourts, unadopted roads, paths and street lighting. At March 2014, there were 628 garages and 108 carports.

Related assets, including undeveloped spaces, will continue to be assessed with respect to their sustainability, utility and contribution to their environment.

## Stock Condition

Key to effective asset management is good quality survey data recording the condition of our properties.

Medway undertakes a rolling stock survey to assess the condition of the housing stock, the aim of which is to inspect 20% of the stock each year.

The stock condition survey information is inputted into Codeman, which is an asset management software programme and is the HRA’s overriding tool for assessing and planning repair and maintenance requirements. An efficient database will provide the HRA with a number of benefits:

* Knowledge of the physical make-up and condition of our housing stock
* The effectiveness of current and previous work programmes
* The ability to develop an accurate planned maintenance programme in order to reduce reactive maintenance.
* The ability to target our priorities
* The ability to plan future Capital and Revenue requirements
* The ability to plan our financial resource requirements
* The back-up to support any Capital Funding Bids

## Medway Standard

The Decent Homes Standard was achieved in 2010 and now that this standard has been achieved the focus of the Capital Investment Programme has changed. Some of the works are necessary because they impact upon the health and safety of residents e.g. fire safety works. A significant amount of money is now being invested into this area.

Each year different numbers of properties have the potential to become non-decent again through age and worsening condition. These can be made decent quite quickly and easily through replacement or repair of the component that has failed and will be picked up via the rolling programme of works.

Medway is now in a position to maintain its stock to a higher level than Decent Homes and as such the council in partnership with its residents has developed the “Medway Standard for Accommodation”, on which future investment programmes will be based.

The Medway Standard for Accommodation has been included as Appendix A.

## Adaptations

The council has an adaptations service to enable residents in our general needs housing to continue to live independently in their home for longer. The council will continue to carry out appropriate adaptations to meet the needs of the increasing number of older people within the stock.

The asset management database is used to record adaptations and adapted properties, so that the property can be re-let to a household with similar needs or to enable recycling of the adapted systems.

The council’s new developments are built to the Lifetime Homes Standard.

This means that should someone require adaptations later in their life then this has been factored into the construction, making it easier to adapt. In addition a number of the new homes are being built to full wheelchair standard.

## Estate Appraisal/Standards

The current programme of estate environmental improvements has been limited, and has been responsive rather than planned. However, it should be possible to achieve some localised improvements that the estates and environments now require.

The council will therefore look to include the following type of improvements across the housing stock:

* Boundary treatments, to better delineate between public and private space
* New parking areas to help to alleviate problems with parking on certain estates
* Landscaping to parking areas to create separation
* Demolition of defective garages
* Both hard and soft Landscaping to estate areas and around blocks to protect privacy, encourage use of the estate areas for leisure, and to create attractive spaces people can enjoy
* Improvements to estate lighting to improve security
* Improvements to block entrance areas and
* Aim to carry out environmental improvements on one or two areas/estates per year on a planned basis involving tenants to assess priorities

# Section 3

## Strategic Priorities

Seven strategic priorities have been identified for the HRA Asset Management Strategy. These have been developed in response to the key issues for Medway, its stock and the needs of future residents.

As Medway has already achieved 100% Decent Homes Standard, four of the priorities reflect this and are focused on improving the quality of the current stock, the environment and focusing on the way in which we invest in the stock.

Alongside the priorities will be an action plan, setting out how Medway will meet its priorities and when. Progress will be monitored against the action plan, updated and revised as necessary and reported to the Asset Management Group.

The overall priorities of the Asset Management Strategy for Medway are:

* To maintain well designed repair and maintenance systems in order to keep the stock in a good state of repair.
* To maintain a well-designed database about Medway’s assets and invest in the necessary IT systems and processes to be able to use the data efficiently and effectively.
* To increase the ratio of spending on planned rolling programmes rather than reactive spending, to ensure that the housing stock and its environs are maintained and improved, so as to provide quality accommodation for existing and future residents.
* To increase the amount of environmental and cyclical maintenance, to ensure that the housing stock and its environs are maintained and improved, so as to provide a quality environment for existing and future residents.
* To deliver the best value from our assets by replacing obsolete or uneconomic assets with new or improved assets.
* To regenerate and build new council housing to meet housing need.
* To develop a long term strategy to improve the thermal efficiency of the HRA stock in order to reduce fuel poverty.

## Priority 1

To maintain well designed repair and maintenance systems in order to keep the stock in a good state of repair.

An efficient and effective repairs and maintenance system is an essential requirement of good asset management. A large part of the HRA budget is spent on repairs and maintenance and whilst the decent homes standard has been met, there remain challenges to ensure that Medway’s stock continues to be well maintained.

To meet these challenges the council has recently put in place a new repairs and maintenance contract for five years with the option to extend to 10 years from September 2014. The contractor will maintain well-designed repair and maintenance systems to ensure the stock is kept in a good state of repair and continues to meet required standards**.** This includes having the following systems in place:

* An efficient and effective responsive repairs service
* An efficient and effective voids service that acts as preventative maintenance and minimises rent loss during void periods
* Effective compliance programmes to meet asbestos, fire safety and other health and safety requirements
* A cyclical maintenance programme that reduces the need for responsive repairs
* A planned investment programme to ensure that housing stock continues to meet the decent homes standard.

### Responsive Repairs

These are revenue funded works that are carried out when components fail and cannot wait to be undertaken during a planned investment programme. Residents report repairs through the call centre managed by the contractor who arrange for this to be attended too. Repairs are categorised according to the urgency of the job, and this determines the target time for the job to be completed.

### Voids

Void properties are unoccupied dwellings. This generally occurs when a property is being re-let through termination of the previous tenancy. Void works include statutory testing of gas and electrical systems, as well as the works required to make the property fit for in-coming residents.

Work to void properties is carried out in accordance with the Voids and Re-let

Standard. This standard generally provides a new tenant with a fit for purpose, “decent home” to start their tenancy.

### Regulatory and Statutory Compliance

The council has several key legal obligations to its residents related to regulatory and statutory compliance. These are:

* Asbestos management
* Fire risk management
* Legionella risk management
* Gas Safety
* Landlord and Tenant Act1985 Section 20 sets out our repair obligations
* Right to Repair
* Health and Safety Act 1974
* Defective Premises Act 1972
* Decent Homes Legislation
* Electrical Testing

The council has management plans for all statutory requirements, and will continue to monitor and review these plans for performance and robustness. For asbestos, the council has an Asbestos Management Plan and Asbestos Guidance and Procedures Manual that are designed to meet the council’s legal obligations. The council has a database of communal asbestos and sample surveys of asbestos inside of properties, including drawn surveys. The contractor can see this information when ordering work, so it can be shared with the operatives carrying out the work.

The council has an active fire safety investment programme; this compliments a fire safety management plan. A fire safety strategy is being finalised, which includes the responsibility of neighbourhood services and housing management team members to identify and manage fire risks arising from resident behaviour (e.g. unsafe use of storage areas).

For legionella, there is a database of components where this poses a risk (e.g. water tanks) and a programme of cyclical testing.

The council has a programme of annual gas servicing. All tenants must provide access for gas servicing and the council has a target of 100% completion rate. A 100% record has been maintained over the past three years. These effective processes give maximum protection to residents, the council and contractors.

In addition to developing rolling programmes, STG who carry out the stock condition surveys, also carry out a risk assessment using the Housing Health and Safety Rating System (HHSRS) as standard practice. This will identify any other issues within a tenant’s home that may require attention. This could also trigger a review of the investment needs of the property.

### Cyclical Maintenance

Cyclical maintenance is the regular servicing of mechanical and electrical equipment (such as lifts) and the regular inspection and decoration of internal and external areas.

Cyclical maintenance enables economies by replacing components before they fail, thus reducing responsive repairs or future requirements for planned maintenance. Regular inspection enables problems to be identified and planned for. In addition, regular decoration enhances the appearance and value of our assets contributing both to residents satisfaction with their homes and estates.

The council currently has cyclical servicing programmes for:

* Lifts
* External decoration
* Fire safety equipment
* Water testing and management (Legionella testing)
* Gas appliance servicing
* Electrical testing to sheltered units
* Electrical testing to common areas, streetlights and residential units.

### Planned Investment programmes

The council has already met the Decent Homes Standard. However the

Decent Homes Standard is a minimum standard and does not reflect the potential for higher levels of investment.

The council aims to meet a higher locally defined ‘Medway Standard for Accommodation, which is set out in appendix A, when it invests in its stock and which should be used when planning investment programmes. This sets life cycles for key components such as windows, kitchens and bathrooms.

However, it goes beyond this to look at standards for energy efficiency, improvements to communal areas and how any investment programme can improve neighbourhood facilities and the local environment, such as better car parking, and lighting.

The benefit of this approach is that it is proactive, as it anticipates failure rather than responding to a failing unit. It will also improve quality of life for residents, as rather than need to have multiple factors fail, it means individual components can be replaced when they need to be. In addition, it allows the council to be clearer to residents about when they can expect certain elements to be renewed.

## Priority 2

To maintain a well-designed database about Medway’s assets and invest in the necessary IT systems and processes to be able to use the data efficiently and effectively

Robust data and IT systems will be essential to ensuring that all the council’s other asset management priorities can be met.

A key part of this is the Stock Condition Survey information. This will be updated through a rolling programme of carrying out surveys on 20% of the stock each year. Accurate data is essential to maintain a successful 30-year HRA business plan.

Asset management information is recorded on Codeman and the Asset

Management Team are responsible for maintaining this data. It is important that data is inputted accurately on to the database in order that the council understand the condition of the stock, to enable the team to drive out future rolling programmes of work and provide timely and accurate information into the business plan.

## Priority 3

To increase the ratio of spending on planned rolling programmes rather than reactive spending. To ensure that the housing stock and its environs are maintained and improved so as to provide quality accommodation for existing and future residents

Medway is now in a position to maintain its stock at a higher level than Decent

Homes, and one that includes the external environment as well. To this end, the council has developed a Medway Standard for Accommodation, which encompasses the Decent Homes Standard on which future investment programmes will be based.

This standard will meet all current statutory, regulatory and health and safety requirements and for the maintenance of the decent homes and Medway

Standard for Accommodation across the stock.

The standard will be implemented through rolling programmes commencing in

2016/17. In order to support the planning and delivery of this programme, a three-year budget for capital, cyclical and planned maintenance works will be set.

Planned maintenance allows Medway to replace before failure; ensuring stock continues to meet standards. It is also more efficient, saving money in comparison to routine responsive repairs.

Medway achieved the Decent Homes Standard in 2010 (excluding waivers).

The investment was centred on internal improvements through kitchen and bathroom renewal and now we need to redress this balance and allocate more resources into environmental improvements of the estates. There is room for discretion in setting the investment standard for the council’s stock and the timing of investment after taking account of statutory, regulatory and related requirements.

The standard adopted, strikes a balance between funding for the development of additional housing and for investment in the existing stock.

A central feature of the Medway Standard for Accommodation is the delivery across the stock of rolling programmes of fire risk assessment works, pitched roof replacements, roof line replacement, external doors, rewiring replacement, and where required, kitchens and bathrooms.

The main elements of the Medway Standard for Accommodation are as follows:

* Decent Homes – To maintain the Decent Homes Standard across the stock, including the programmed renewal of kitchens and bathrooms.
* Health and Safety – To prioritise the maintenance of health and safety standards, including the completion of a major programme of fire safety improvements over the first three years of the strategy.
* Programmed Renewals – To replace all key building elements including roofs and doors at the end of their economic life.
* Energy Efficiency – To undertake targeted energy efficiency works, with the support of additional external funding, to reduce fuel poverty.
* Mechanical and Electrical – Timely renewal of communal and dwelling heating systems and a five year cycle of electrical testing and rewiring works across the stock.

The stock investment will be funded through the Housing Revenue Account from a combination of capital and revenue expenditure. The projected costs have been developed from information held in Codeman and over the first five year period have been moderated by Medway’s analysis of pricing for relevant works through the maintenance contract entered into with Mears and the efficient packaging of delivery achieved by the council’s procurement team.

The average expenditure per unit equates to £33,160 per unit over a 30-year period (excluding disabled adaptation, fees and inflation), which put the investment requirement very much within expected benchmarks for the type of stock within Medway. As a result of the council’s efficient repairs contract and commencement of a rolling programme of works, it is expected that the expenditure figure per unit will decrease over time.

The graph below demonstrates the required capital expenditure (which excludes disabled adaptation, fees and inflation).



The graph below demonstrates the capital expenditure (in the thick red vertical bars) for each year including inflation. The available resources are shown (using the thin blue horizontal line).



## Priority 4

To increase the amount of environmental and cyclical maintenance, to ensure that the housing stock and its environs are maintained and improved, so as to provide a quality environment for existing and future residents.

Enhancing the estate environment. Over recent years the majority of the expenditure in Medway’s estate environments has been responsive in nature. Communal areas, garages and parking areas, play facilities; bin storage areas and the like have received limited capital investment. The new Medway Standard for Accommodation therefore, includes funding for investment to improve and maintain these areas in a good state of repair.

Historically, the council’s investment in the housing stock has been informed by stock condition surveys and based on an elemental approach to life expired components. The opportunities afforded by self-financing enable a more holistic approach to be developed. Our intention is to put more emphasis into improving the environment. In 2015 we will be embarking on a new approach based on looking holistically at our estates.

Based around geographical areas, this estate improvement approach will use information from repairs, housing management and stakeholder engagement, to develop a clear understanding of the strengths and weaknesses of an area and to develop a long term vision for the area as a whole. This process will entail the evaluation of properties, communal areas, blocks and the public realm and propose an approach to the improvement of the area as a whole. The council will start to develop this approach and consult with residents on a rolling programme of works, with a view to piloting the approach on one estate during 2015. Once finalised, these plans will be used to update the capital and revenue investment plans and to inform repair and maintenance programmes.

## Priority 5

To deliver the best value from our stock with replacing obsolete or

Uneconomic stock with new or improved assets.

The objective is to improve the overall performance and composition through selective disposal of units and re-investment. Where units are not economic to retain because of the extent of investment required, or where the units are of poor quality, a Stock Viability Appraisal will be undertaken to identify whether disposal rather than retention is the most advantageous option. This appraisal takes account of a number of factors including:

* Financial performance of the unit
* Quality of the development
* Demand and management impact

A review of the HRA’s landholding will be undertaken and small parcels of land within the portfolio that are either redundant, or are causing a drain on the maintenance budget, will be considered for disposal.

## Priority 6

To regenerate and build new council houses to meet housing need.

The Council will undertake a programme of new build housing and to pursue approaches to maximise affordable housing development to meet housing need.

The first programme is the provision of new homes on former HRA garage sites. Detailed planning permissions have been granted on 10 garage sites, which will provide 23 homes, ranging from one-bedroom bungalows to a five bedroom family house. The construction contract was awarded in June 2014 and the homes will be completed and come into management during 2015.

The second programme will involve the appropriation of a General Fund site on the former Gillingham College site (Beatty Avenue) to provide 32 affordable bungalows to rent. It is anticipated that this will commence during the middle of 2015 with completion reached towards the end of 2016.

A number of other surplus HRA garage sites are being looked at. However, it is not anticipated that too many further opportunities will be forthcoming within this portfolio.

The council will need to look at its existing estates and replace poor quality estates with higher quality developments and potentially provide additional affordable housing. Proposals for a programme of estate regeneration will be investigated.

Estate regeneration is complex and requires a considerable amount of resources to bring them forward. Detailed feasibility studies will be developed to examine the estates potential to be regenerated and the financing and delivery options evaluated.

There are a number of investment sources available to the council and these are being explored. This includes:

* Using the existing HRA headroom as we are presently doing, however the capacity of the HRA to fund further development is currently limited by the fixed debt cap. In the short term, HRA funding for new development has been fully taken up by the existing programme.
* Bidding for grant funding from the HCA.
* Investigating innovative sources of funding and delivery structures.

## Priority 7

To develop a long term strategy to improve the thermal efficiency of the

HRA stock, in order to reduce fuel poverty.

For council tenants in particular, fuel poverty (where households spend more than 10% of their income on heating their home to an adequate temperature) is a key issue especially in a time of rising utility bills. The cost to residents of any sustainability improvements must be a key factor when deciding on whether to proceed with the work.

New technology that is installed will also need to be financially sustainable; otherwise the council runs the risk of installing technology that cannot be maintained in the long term.

The HRA were successful with obtaining funding through the Energy Company Obligation (ECO) for 292 properties that received energy efficient measures before work came to an end in April 2014, when Enterprise (our delivery partner) announced that it was formally withdrawing from the ECO programme. This withdraw was replicated by all ECO providers as a result of proposed changes to the ECO programme announced by government.

The future of funding towards energy efficiency measure is both uncertain and complicated. Medway Council will continue to work as a partner on the Kent and Medway Sustainable Energy Partnership (KMSEP) to enable the HRA to maximise the knowledge in this area and where possible, lever funding into the stock.

New council homes will be built to achieve a minimum of level three for the code for sustainable homes. However, much of the council’s stock is thermally inefficient despite decent homes work and improving thermal efficiency will be a challenge and resource intensive. A key priority will be to develop a longer-term strategy to improve thermal efficiency.

A minimum Energy Performance Certificate (EPC) rating should be set for council stock. An EPC gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years. From 2018 new regulations will mean that the council will not be able to re-let properties that are below EPC level E. It is proposed that by 2018 the council aims to achieve an average of level C. A property that is below the EPC rating of C from 2018 should then be reviewed as part of the options appraisal process.

A key action will be to review the EPC ratings of these properties and investigate the options for bringing them up to standard. The council will need to find provision within the investment programme for some limited energy efficiency works, funding for which not only allows us capacity to begin to address this significant and emerging issue, but also allows us to be proactive to capture further external funding in this area.

# Section 4

## Risk Management

Evaluation of risk is an important part of effective asset management. Major decisions about the future use of the asset base in the absence of risk assessment, may have a long-term detrimental effect on the sustainability of communities and financial viability of the business plan.

The council will review the impact and probability of specific risks materialising and will also evaluate the control arrangements that are in place for managing and minimising current and emerging risks. These are updated in light of changing circumstances.

A copy of the risk register has been included as Appendix C.

# Section 5

## Business Plan Financial Summary

The council will prioritise and programme capital improvement projects over a

30-year period. This will be established as part of the HRA business planning

process to forecast expected expenditure and income

# Section 6

## Appendices

Appendix A – Medway Home Standard

# Appendix A –Medway Standard for Accommodation

The Government’s Decent Homes Standard was introduced in July 2001. It was designed to create a ‘minimum standard’ of housing across all Local Authorities and Registered Social stock; Landlords. The deadline for bringing all stock up to Decent Homes Standard was 31st March 2011.

The Council has undertaken programmes of work over the years to carry out replacements of building elements and whilst the Council has met the Decent Homes target, a key part of the strategy will be maintaining the stock to this standard or above.

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. Medway Housing Service successfully achieved the Decent Homes target set in 2010 for all council owned stock. Medway believe that tenants deserve a higher standard than ‘Decent Homes’ and aim to deliver the Medway Standard, over and above the Decent Homes Standard in a sustainable way that delivers value for money.

Inside your home

* **Kitchens 20 year cycle:** Modern fitted Kitchen units with space for appliances, food preparation, safe flooring, tiling and extractor fan
* **Bathrooms 30 year cycle:** Modern Bathroom with shower, tiling and extractor fan
* **Electrical Systems 30 year cycle with 5 year testing**: Modern wiring including adequate supply of sockets, and consumer unit
* **Central Heating**; Full controllable central heating system.

## Your Health, Safety and Security

* **Health:** Disabled Adaptations, in the home where this has been referred by the Occupational Therapy Service, safe steps, paths and handrails
* **Safety:** Hardwired smoke alarms, CO Detectors, Annual gas service, removal of asbestos, fire prevention works,
* **Housing Health and Safety Rating System** All dwellings to be free of any ‘category 1’ HHSRS hazards as soon as **p**ossible after identification
* **Security:** Window and door locks, front or side gates

## Energy Efficiency

* **Double Glazing:** high quality PVCu windows with secure locking handles
* **Energy Efficiency:** All homes to have energy efficient boilers, draught and sound proofing and roof/cavity/wall insulation (where cost effective)

## Improving Communal Areas

Package to include: Secure Door Entry to communal flats, C.C.T.V. and modern lifts for sheltered housing, communal aerial upgrades, safe flooring and security in communal areas and compliance with the Disability Discrimination Act.

## Improving Your Neighbourhoods

Package to include: Improved car parking Improved lighting, fences and walls, improved maintenance and communal facilities to be developed in consultation with residents.

## Your Housing Services

* Improved repairs service including appointments
* Improved levels of grounds maintenance and estate management services

## Other Maintenance

* Roofs/Chimneys 60 year cycle: Safe and watertight including rainwater goods
* Fascia, Soffits, Guttering and Down pipes 30year cycle.
* Doors 40 year cycle: Secure and modern GRP type entrance doors to ‘secure by design’ standard
* 5 Year rolling cyclical decoration programme to improve the look of our estates.
* 5 Year rolling garage improvement programmes, including decorations and repairs.

**All programmes are subject to funding & condition surveys.**