



Moray Council

Housing Asset Management Strategy

2010 - 2013



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1 - INTRODUCTION, CONTEXT AND EXECUTIVE SUMMARY

This Housing Asset Management Strategy has been structured into 3 main sections :-

Part 1 – Introduction, Context and Executive Summary

Part 2 - Objectives and Strategies

Part 3 - Administrative Implementation, Monitoring and Review Processes

1.1 Introduction

- 1.1.1 The Housing Asset Management Strategy is intended to inform our tenants, members, Officers and partners, of our proposals to manage the assets of the housing service of the Moray Council, and to allow Members to decide on and agree the Policy.
- 1.1.2 The Strategy draws together information contained within the Housing Business Plan, the Scottish Housing Quality Standard Delivery Plan and the Housing Investment Plan, ensuring that the Council's stock is capable of meeting the Scottish Housing Quality Standard (SHQS) by 2015 and sustainable in the longer term.
- 1.1.3 The strategy has been prepared in the context of the Council having undertaken a housing stock Options Appraisal in 2001, and an SHQS survey in early 2006 which resulted in a decision for the housing stock to remain within control of the Council. The Council will continually review its objectives to ensure that it meets its commitment to achieve the SHQS by 2015. This strategy and the Housing Investment Plan deals with the years 2010 – 2013.
- 1.1.4 Asset Management is about the long-term planning, provision and sustainability of the Council's assets held within the Housing Revenue Account (HRA). The housing stock is a significant high value asset for the Council and its ongoing repair is important in order to maintain the asset. The property owned is worth over £400 million pounds, either as a capital asset or as revenue generating asset, therefore planning for its sustainable future is of high importance.
- 1.1.5 Moray Council has recognised the need to have an Asset Management strategy in place. The Housing Asset Management Plan is therefore intended as a tool to develop systems and processes to enable the Council to use its HRA assets efficiently and effectively.

The purpose of asset management can be summarised as :-

- *Ensuring that assets used for service delivery are fit for purpose.*
- *Improving stakeholder satisfaction with the provision of service and to improve the corporate image and how the Council is viewed externally.*
- *Ensuring affordability and value for money in the use and operation of assets.*
- *Ensuring compliance with all statutory, legislative and regulatory requirements.*
- *Developing and implementing programmes for energy efficiency initiatives that will deliver long term and sustainable reduction in energy use.*
- *Developing and implementing a planned maintenance and improvement programme that will maintain the assets to a good standard.*

1.2 Executive Summary

- 1.2.1 Moray Council is aware that effective asset management is fundamental to the successful delivery of the organisation's strategic objectives, and particularly within the context of the Housing Business Plan, Local Housing Strategy and the SHQS Delivery Plan.
- 1.2.2 The Council is aware of the condition of its stock and the related assets and is confident that these can be maintained in an effective and sustainable manner. The Council's Housing Service embraces the principles of effective asset management by :-
- *Highlighting the importance of maintaining effective stock condition and attribute information,*
 - *Continually assessing the sustainability and future options for the housing stock,*
 - *Identifying risks and issues relating to the assets and how these may be mitigated,*
 - *Establishing clear relationships between the maintenance and management functions,*
 - *Ensuring effective delivery of programmes to keep the stock in good condition and comply with relevant legislation.*
 - *Establishing frameworks for monitoring, recording and evaluating performance against agreed standards.*
- 1.2.3 This document establishes the framework within which the housing asset management function will be provided. It highlights the main component parts of the asset management function, their delivery mechanisms and their relationships to each other.
- 1.2.4 This strategy and its component parts will be overseen collectively by all managers within the Housing service and its partners to ensure that a comprehensive and holistic approach is adopted for the maintenance and management of the housing stock.
- 1.2.5 The Council's Building Services Direct Labour Organisation (DLO) functions within the Housing Revenue Account and delivers the majority of the Council's Responsive Repairs and Planned Maintenance activities through a partnership agreement between the Housing Service, Building Services DLO and Property Services.
- 1.2.6 Most of the Council's stock is in high demand, although there are small pockets of difficult to let stock, for example some of our sheltered housing. This is acknowledged and proposals are being considered to deal with the difficulties the Council has had with these properties.
- 1.2.7 Continued future investment is required to maintain the stock in good condition. The investment requirements have been identified by the stock condition surveys and highlighted within the SHQS Delivery Plan and the Business Plan.
- 1.2.8 Stock condition information is provided from the Council's stock condition database. This database is regularly maintained by updating the stock condition and attribute data from ongoing investment programmes. Robust stock condition information forms the basis of an effective strategy and allows the Council to programme investment to maintain the stock in good condition. Stock condition data has been enhanced and validated by ongoing feedback from other repairs and maintenance activities.
- 1.2.9 By regularly reviewing and updating stock database information, it will ensure that budgets and the Housing Business Plan are aligned with the requirements of the stock.
- 1.2.10 Moray Council recognises that tenants should have input into the management of the housing asset and continues to promote resident involvement through its Tenants Core Group and representation of Tenants on the Housing Sub-Committee. Tenants have been involved in the operation of the Repairs and Maintenance service and understand the

issues and challenges facing the service. Their input is invaluable and this strategy acknowledges those tenants for helping the Council in delivering this strategy.

- 1.2.11 Moray Council understands the importance of effective procurement and the requirement for good working relationships with partners, whilst delivering high standards and good value for money. The Maintenance Partnership Agreement and Service Level Agreement with Property Services both aim to ensure that all work and materials are correctly procured to maximise value for money to the authority.

1.3 The Housing Stock and Local Context

- 1.3.1 All of the Council's stock and associated assets are located within the largely rural area of Moray, and the majority of the housing stock lies within the main towns of Elgin, Forres, Buckie and Keith, with 45% of the housing stock being located in the main population centre of Elgin. The other smaller towns across the area have varying concentrations of council housing. The overall population within Moray is approximately 87,000.
- 1.3.2 As at 31 March 2009 Moray Council was responsible for 5874 tenanted dwellings. The stock number are currently decreasing through right to buy sales, although sales have fallen significantly in recent years with only 68 properties sold in 2008/09. The Council has applied for, and been successful in gaining pressurised area status for a number of areas as shown below.

Pressurised Area Status List

Alves	Findhorn	Rafford
Brodie	Forres	Roths
Burghead	Garmouth	Urquhart
Dallas	Hopeman	
Dunphail	Kinloss	
Dyke	Lhanbryde	
Elgin	Lossiemouth	

- 1.3.3 The Housing Asset Management Strategy has been informed by the SHQS stock condition survey carried out in 2006, and a survey of non-traditional stock carried out in 2002. The 2006 condition survey was carried out by David Adamson & Partners, who carried out a previous stock condition survey in 1998. The condition information from these surveys has been continually updated by the Council's own staff on a central database and a specific SHQS database. By the end of 2008/09 financial year full data was available for some 75% of properties. The Council's non-traditional stock was surveyed by the MacAdam Design Partnership in 2002 and was found to be in a generally good condition, with some recommendations being made for periodic inspection of specific types.
- 1.3.4 The Council is also responsible for a number of garage blocks and garage sites, many of which are of mixed tenure, some garages having been sold to sitting tenants through the Right to Buy legislation along with their homes.
- 1.3.5 Properties are managed through four Area Housing Teams, based in Buckie, Elgin, Forres and Keith. The table below shows the main characteristics of the stock in each area.

Characteristics	Buckie		Elgin		Forres		Keith		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
House type										
House	887	62.6	1351	50.7	528	57.9	574	65.1	3340	56.8
Bungalow	375	26.4	439	16.5	158	17.3	224	25.4	1196	20.4
Flat	154	10.8	722	27.1	202	22.2	77	8.7	1155	19.7
Maisonette	0	0.0	154	5.8	23	2.5	0	0	177	3.0
Hostel	0	0.0	0	0.0	0	0.0	6	0.6	6	0.1
Age										
Pre 1919	0	0.0	0	0.0	0	0.0	3	0.3	3	0.05
1919 – 1944	218	15.4	434	16.3	121	13.3	107	12.1	880	14.9
1945 – 1964	452	31.9	678	25.4	310	34.0	264	29.9	1704	29.0
Post 1964	746	52.7	1554	58.3	480	52.7	507	57.5	3287	55.9
Type										
Traditional	1200	84.7	2570	96.4	600	65.8	853	96.8	5223	88.9
Non traditional	216	15.3	96	3.6	311	34.1	28	3.2	651	11.1
Apartments										
One	12	0.8	0	0.0	18	1.9	12	1.3	42	0.7
Two	346	24.4	785	29.5	230	25.2	224	25.4	1585	27.0
Three	684	48.3	1314	49.4	490	53.8	398	45.2	2886	49.2
Four or more	372	26.4	558	21.0	173	19.0	247	28.0	1350	23.0
Total Properties	1415	24.1	2657	45.3	911	15.5	881	15.0	5874	100.0

1.3.6 Almost 80% of the Moray Council housing stock comprises of houses and bungalows. The Elgin area has the highest proportion of flats and maisonettes, with two thirds of all stock of this type located in that area. Just over half of the stock was built post 1964. Only 11% is of a non-traditional construction type, mainly Cruden Mark I and Mark II, Dorran single storey and two storey, No Fines Concrete, Swedish Timber Style, Tee Beam and Weir Multicom. Less than a quarter of the housing stock has four or more apartments.

1.3.7 The stock is predominantly traditional, low-rise, post-war housing stock. Of the total stock, 85.11% were constructed in the post-war era. The remainder of the stock was constructed before 1945, with the majority of that stock being attributable to the inter-war years.

- 1.3.8 Houses and bungalows comprise 4536 properties, and in the main they are terraced and semi-detached. There are also 1332 flatted or maisonette properties, which are low-rise, and mainly four in a block.
- 1.3.9 Housing demand is high, and the Council's housing strategy identifies serious shortfalls in affordable housing. House prices in the area are relatively low, which reflects the low wage economy.
- 1.3.10 The Council does not have a significant problem with low demand housing stock. The Standard Delivery Plan indicated that the level of low demand housing in Moray was less than half that of the Scottish average. The Plan indicated that there were no areas in Moray where the supply of social rented housing exceeded demand and that the Council did not consider that any of its housing stock was unsustainable in the longer term as a result of low demand. In March 2008, the Council reviewed categorisation of 'low demand' and 'not low demand'. This review arose from concerns around the interpretation of Audit Scotland's guidance on this issue and from comparisons with other local authorities' interpretations arising from benchmarking through the SHBVN. As a result of this review, the housing service consider that 28 properties in the Council's stock are 'low demand' primarily due to type (bedsits) and sheltered housing outwith Elgin.
- 1.3.11 As well as having direct responsibility for its own stock, the Council manages around 50 privately owned properties used as temporary accommodation through the Private Sector Leasing Scheme. Although these properties are not owned by the Council the responsibility for some ongoing 'responsive' type repairs are the responsibility of the Council depending on the content of the lease agreed with the owners.
- 1.3.12 It is acknowledged in this strategy that the achievement of the SHQS and the Moray Standard for all of the Council's housing stock are the prime objectives. The aspirations of tenants also have to be considered by the Council within the Housing Asset Management Strategy, but it should be recognised that if the Council cannot achieve the stated aspirations it will be necessary to focus on the basic provision that maximises the satisfaction levels of our tenants.

2 - OBJECTIVES AND STRATEGIES

2.1 Strategic Objectives

2.1.1 The Single Outcome Agreement, Housing Service Development & Improvement Plan, the Local Housing Strategy, and the Scottish Housing Quality Delivery Plan provide the main focus of work undertaken in the Housing Service. Within the context of these documents, the strategy seeks to ensure that the housing stock meets the requirements of both our existing tenants and our future tenants, some of who may be vulnerable and need the assurance of a warm, safe and secure home. This fundamental basic provision enables all the other elements such as health and social support, education, job security etc, to be provided to our tenants. It is therefore recognised that the 'bricks and mortar' gives the basis of a secure home for tenant's basic needs.

2.1.2 The Housing Service Development & Improvement Plan identifies the issues within the strategic priority for housing. This can be found at **APPENDIX I**. The Housing Service Development & Improvement Plan ensures a co-ordinated approach to a range of issues, which are also cross cutting across different departments of the Council.

2.1.3 The Housing Service Development & Improvement Plan in turn informs a range of other service and section plans that are more focused on the particular areas of service delivery, but which ensure compliance to the overall objectives of the council.

2.1.4 The Council has clear aspirations for the provision and maintenance of the housing stock, and attained the following grades following inspection by the Scottish Housing Regulator, who published their report on the Council's Housing Service in January 2009 :-

Housing Management	A
Asset Management	B
Homelessness	C

2.1.5 The Housing Services has prepared an Asset Management Improvement Plan to deal with the issues that arose during the inspection by the Housing Regulator.

2.1.6 The Housing Service also seeks to ensure that it learns from other organisations, and is a member of the Scottish Housing Best Value Network.

2.1.7 As part of the overall aims and objectives of the Asset Management Strategy the Housing Service wishes to :-

- Provide a high standard of affordable housing;
- Provide a customer focused, high quality service to residents;
- Achieve the 'Scottish Housing Quality Standard' by the deadline of 2015 across the stock and to maintain this standard thereafter;
- Provide energy efficient and comfortable homes;
- Ensure effective communication and consultation with all stakeholders and partners;
- Make services available and easily accessible to all tenants;
- Work with and involve residents to provide excellence in service delivery;
- Encourage tenants and other residents to participate in and shape the services they receive;
- Promote equality and diversity in all aspects of service provision;
- 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 ERDP;

- Provide innovative, flexible and responsive housing management and maintenance services;
- Work with all of its partners to provide best value, quality solutions and continuous improvement across all services;
- Use complaints and customer feedback positively to learn and improve services that deliver a high degree of customer satisfaction.

2.2 Related Assets

2.2.1 In addition to dwellings, the Housing Service is also responsible for a number of assets related to dwellings, for example unadopted roads and footpaths, garages, garage sites and play areas.

- Unadopted Roads and Footpaths - The Housing Service presently has a large number of roads and footpaths within HRA ownership that are currently unadopted. Ongoing day-to-day repairs to these roads and footpaths are funded from the Response Repairs Budget, with larger scale improvement projects being funded from the Planned Maintenance Budget where these are considered appropriate.
- Garages and Garage Sites - The Housing Service presently manages 809 garages and 429 garage sites spread over a number of locations. A large majority of these garages are of precast concrete panel construction with asbestos roof sheeting. All garages have been surveyed for asbestos containing materials, and are re-inspected on a regular basis. A number of garages have been sold to tenants under the Right to Buy legislation, and this causes some issues where improvements or upgrading are being proposed in terraced blocks. An annual budget is included in the Response Repairs budget for ongoing maintenance of garages, with a separate annual Planned Maintenance Budget for improvement and upgrading works to both garages and garage sites.
- Play Areas – There are presently 36 play area sites under HRA management, now mostly located within mixed tenure housing developments. Ongoing repairs are normally funded through the Response Repairs Budget, with a separate Planned Maintenance Budget for improvement and upgrading works carried out in conjunction with Land & Parks.

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

2.3 Issues Affecting the Stock

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

- Scottish Housing Quality Standard - The Scottish Government standard for all social housing in Scotland, to be met by 2015 then maintained thereafter.
- The Moray Standard – A higher standard that the Moray Council wishes its stock to attain by 2015.
- Stock Levels – Moray Council continues to lose property through the right to buy, although this process has slowed in recent years due to levels of affordability, changes in right to buy thresholds and pressurised area status.

- People and Demographics - The aspirations and needs of both existing and prospective tenants are key to this strategy. It is crucial that tenants are involved and consulted whilst the Asset Management Strategy is implemented, as there is risk associated with their ability to exercise choice in terms of property type, tenure and location. Aspirations, preferences, demographics and other social factors can significantly influence the demand for the property and the resulting re-investment required. This is particularly relevant to the potential future demand for sheltered accommodation. Moray has a large elderly population, and it is part of this strategy to recognise the ongoing investment needs to cater for this client group.
- Funding – Investment funding is currently provided through the Housing Revenue Account (HRA), Capital Receipts from house sales and a level of Prudential Borrowing in accordance with the Council's Business Plan.
- Procurement – The majority of the Investment Programme is delivered through the Council's own Building Services DLO, with other works procured in accordance with financial regulations and European legislation.

2.4 The Scottish Housing Quality Standard and the Moray Standard

- 2.4.1 The Scottish Housing Quality Standard was introduced in 2004, and all social housing in Scotland must be brought up to this Standard by 2015. The focus for Moray Council is to ensure that it is committed and able to deliver the SHQS by this deadline and then maintain the Standard thereafter. This will be done by programming investment works in accordance with both the condition and lifespan of the various elements from the stock condition survey. Moray Council recognises that the SHQS is a 'minimum standard' and aspires to achieve a higher level of provision within its own Moray Standard.
- 2.4.2 The 2006 stock condition survey indicated that, 3660 dwellings (55.7%) were deemed to fail the SHQS. As at 31 September 2009 this had reduced to 1755 dwellings (30.08%). Future maintenance programmes are planned in order to maintain properties in an acceptable condition, and deal with potentially failing properties by tackling failing building elements based upon their life and condition.
- 2.4.3 The Scottish Housing Quality Standard has 40 elements within five housing quality criteria. The standard requires all dwellings to:
- Meet the tolerable standard;
 - Be free from serious disrepair;
 - Be energy efficient;
 - Be equipped with modern facilities and services; and
 - Be healthy, safe and secure.
- 2.4.4 Against these five quality standards the following information was found during the SHQS House Condition Survey. The performance in relation to the SHQS detailed in this section did not take account of investment works that were being carried out in financial year 2004/05.
- Tolerable Standard - All of the Moray Council's dwellings were assessed as being above the tolerable standard.

- **Serious Disrepair** - The general repair condition of the stock was good. 5890 (89.7%) showed no repair defects to primary or secondary building elements; 678 (10.3%) exhibit repair defects and failed the standard. Elemental failure was almost equally split between primary disrepair (374 dwellings) and secondary disrepair (397 dwellings). The main secondary element programmes related primarily to chimney stacks, rainwatergoods, external wall finishes, windows, access doors, and damp-proofing.
- **Energy Efficiency** - To meet the energy efficiency requirements of the standard properties must be effectively insulated, efficiently heated and offer a minimum NHER rating of 5. The energy efficiency performance of the Moray Council stock was, and still is extremely high. All dwellings are effectively insulated where appropriate and with the exception of 56 properties (0.9%), all properties offered full house central heating. The average NHER for Council Housing stock was measured at 6.7, considerably above the Scottish local authority average of 4.9. 5711 properties (87.0%) met the energy efficiency requirements of the SHQS. 857 properties (13.0%) were non-compliant.
- **Facilities and Services** - The SHQS requires that properties offer modern facilities and services. These include bathroom and kitchen amenities in good and useable condition, adequate kitchen storage, safe kitchen working arrangements and sufficient kitchen power outlets. 4546 properties (69.2%) met the standard in 2004. The remaining 2022 properties (30.8%) failed the standard. The failure rates were very much dominated by single failures on kitchen power provision (1769 properties 26.9%).
- **Healthy, Safe and Secure** - 1110 dwellings (16.9%) failed to meet the health, safety and security provisions of the SHQS. Principal programmes for improvement indicated from the survey included common area lighting and individual dwelling access door security.

2.4.5 Overall, 3660 properties or 55.7%, failed to comply with the requirements of the Scottish Housing Quality Standard, with the remaining 2908 properties (44.3%) complying with the standard. The results from the Council's Survey are similar to the failure rates derived from the Scottish House Condition Survey 2002 published by Communities Scotland. These indicate that in Moray, 54% of properties in the social rented sector failed the SHQS.

2.4.6 Of the 3660 dwellings failing to meet the standard, 2337 dwellings (63.9%) registered a single quality element failure. A further 887 dwellings (24.2%) registered two quality defects only. Against a possible maximum failure of 40 quality elements, 6 element defects represent the highest failure of any dwelling within the Council's housing stock.

Summary of Failures

2.4.7 The following table illustrates the failure rate on each individual criteria at the date of completion of the survey report, and as at 30 September 2009.

Quality criteria	SHQS Element	Number of properties failing the SHQS as at 31 March 2005	Number of properties failing the SHQS as 30 September 2009
Tolerable Standard	Tolerable standard	0	0
Serious Disrepair	Primary element repair	374	190
	Secondary element repair	397	339
Energy Efficiency	Cavity insulation	0	0
	Roofspace insulation	0	0
	Tank & pipe insulation	0	0
	Central heating provision	56	17

Quality criteria	SHQS Element	Number of properties failing the SHQS as at 31 March 2005	Number of properties failing the SHQS as 30 September 2009	
	NHER rating	844	738	
Amenity & comfort	Bathroom condition	0	0	
	Kitchen condition	0	0	
	Kitchen storage	371	121	
	Kitchen safety	199	86	
	Kitchen sockets	1769	527	
Healthy, Safe & Secure	Lead free pipework	0	0	
	Mechanical ventilation	60	0	
	Noise insulation	0	0	
	Smoke detectors	0	0	
	Electrical systems	0	0	
	Gas systems	0	0	
	Common access	199	33	
	Common lighting	305	102	
	Access doors	574	24	
	Door entry systems	97	10	
	Common rear access doors	103	9	
	Total Property Failings		5348	2196

2.4.8 Based on the patterns and types of failures identified by the consultants who carried out the survey, the costs to achieve the SHQS were estimated at £3.385m, an average expenditure per property of £925.

This can be broken down across the Housing Quality criteria as follows:

Quality Criteria	Defective Properties (No.)	Total Cost	Average Cost	% of Total Cost
1. Tolerable Standard	0	0	0	0%
2. Serious Disrepair	678	£1,833,924	£501	54.1%
3. Energy Efficiency	857	£112,000	£31	3.3%
4. Facilities/ Services	2022	£938,300	£256	27.7%
5. Health/ Safety/ Security	1110	£500,440	£137	14.9%
TOTAL	3660	£3,384,664	£925	100%

2.4.9 The costs are strongly affected by the need to eliminate primary and secondary disrepair elements and 54% of expenditure will be required in this area.

- 2.4.9 In addition to the costs to achieve the standard, costs will also be incurred to prevent property deterioration below the standard in the period up to 2015/16. The consultants estimate these costs to be an additional £4.958m, which equates to an average cost per property of £3,298.
- 2.4.10 The total cost of achieving the SHQS and maintaining the standard until 2015/16 is estimated at £8.343m. This is made up of the £3.385m to achieve compliance and £4.958 to retain compliance. Across the whole housing stock, the cost of achieving and maintaining properties to the SHQS can be summarised as £1,270 per dwelling.
- 2.4.11 The results of the stock condition survey confirm the need for continued future investment in order to meet and maintain the SHQS and in order to maintain the stock in good condition.
- 2.4.12 The findings of the survey reflect the general age profile of the stock, noting that most stock was constructed post war, especially in the 1950's – 1970's. However, there is a range for the stock from early 1900's to the late 1980's, and within this there are a range of non-traditional types which present their own unique challenges for asset management.
- 2.4.13 In 2002, the Council commissioned a survey of its non-traditional stock by McAdam Design Partnership, Civil and Structural Engineers, and the report was made available to the SHQS consultants to assist in the stock condition survey report. The report concluded that none of the houses inspected had any serious structural defects, but recommended that annual checks should be carried out to ensure that non traditional house types remain weather-proof. Structural checks for particular properties should be carried out within 10 or 15 years time dependent on house type.
- 2.4.14 The Moray Housing Standard currently aims for a higher standard of provision than is required within the SHQS. The main areas of difference between the SHQS and the Moray Standard relate to enhanced electrical provision, increased levels of loft insulation and increased kitchen unit & workspace provision. The table below shows the current level of failures against the agreed MHS criteria.

Moray Housing Standard Criteria	% compliance 2004	% compliance 2008	% compliance 2009
Safety and Security	7.50	91.60	92.27
Energy Efficiency	37.20	87.94	88.69
Amenity and Comfort	0	64.52	68.80
Structure and Fabric	79.30	99.32	99.69
External Environment	76.20	99.27	99.86

- 2.4.15 A large number of failures in 2004 under the Safety & Security criteria related to the lack of electrical inspection certificates. The Council is making continued progress in this area through the implementation of a regular inspection regime to ensure that properties are inspected under specific inspection contracts (approximately 300 per year) or following major works such as heating or kitchen replacements. In relation to the Amenity & Comfort criteria, increased investment in the Council's kitchen replacement programme has enabled the Council to make substantial progress under this element of the Moray Standard.

2.5 Repairs and Maintenance Principles

- 2.5.1 The need to undertake work arises either through pre-planned programmes, or in reaction to immediate requirements. Whilst budgets for 'responsive repairs' works can be set in advance, the precise scope and nature of the works required cannot be defined in terms of

scope, location or quantity. The Council's responsive and void works budgets fall under the category, whereas the majority of other work is pre-planned.

2.5.2 The Council is mindful of current good practice that recommends a threshold of 70% planned expenditure against 30% responsive expenditure. It has undertaken several projects to reduce the ongoing responsive repairs work such as the installation of low maintenance PVCu windows and a higher standard of external doors, renewed boilers and central heating systems with more energy efficient types and carried out electrical testing, rewiring and plumbing renewal programmes.

2.5.3 Pre-planned work occurs under a range of budgetary headings under Cyclical and Planned maintenance.

Pre-planned contracts have several advantages including:

- Better value through economies of scale by securing better prices for components when many are ordered versus 'one off' response type purchases;
- Better consistency of standard components used, which is good for subsequent repairs and material performance assessments; and
- Better service delivery to tenants with forward planning taking place on when work will be carried out to a property.

2.5.4 The need for cyclical maintenance, including the servicing of gas appliances, is derived from ongoing servicing records.

2.5.5 The requirement for improvements or planned maintenance component renewals is derived from databases which have been informed by previous stock condition surveys.

2.6 Investment Priorities

The investment priorities will reflect the key elements of –

- Response and void repairs
- Estate Works
- Cyclic maintenance
- Planned Maintenance
- Other investment.

Responsive and void repairs

2.6.1 This relates to reactive maintenance to houses and garages as well as repairs to empty houses. The service provided is detailed within the Council's Response Repairs Policy and Void Management Policy. Responsive repairs are issues that arise on a day to day basis, typically being small scale and in the majority of cases, relatively low cost. The Building Services DLO carry out these tasks and a major review of the delivery of this service took place during the Best Value Review of the Maintenance Partnership.

2.6.2 Larger repairs are normally undertaken through planned contracts, again the majority of which are carried out through the Building Services DLO, or otherwise through specific specialist contractors as required. It is not intended that major works or component renewals should be financed by the response repairs budget, unless they represent an unforeseen and significant health and safety issue.

2.6.3 Repairs that are not the responsibility of Moray Council, or which arise through the unreasonable actions of a third party will be recharged accordingly.

- 2.6.4 To encourage efficiency and a better service Moray Council has adopted the use of a standard schedule of rates. The change to these rates has brought real benefits to the workforce and the office based staff as it has helped to reduce repair action time, administration and management costs, whilst providing an auditable pre-priced expenditure trail, aimed at delivering best value.
- 2.6.5 Void properties are unoccupied dwellings and normally arise when there is a change of tenancy, however there can be other circumstances such as abandonment or death. Void works include statutory testing of gas and electrical systems, as well as the works required to make the property fit for incoming residents and meet the Council's agreed letting standard. The Council's Standard is attached as **APPENDIX VI**.
- 2.6.6 During the void period essential tests and works are undertaken to ensure that the dwelling is statutorily fit, safe, clean, and that any residual rubbish has been cleared. On final inspection the void property must meet the Council's letting standard.
- 2.6.7 To help support new residents, Moray Council offers a decoration voucher scheme, whereby they may obtain materials from local suppliers to improve the internal decorative order of their homes.
- 2.6.8 The response repairs budget has remained static over the past few years, to reflect the reduction on the housing stock, offset by inflation. In response to pressure on this budget in 2005/06 and 2006/07, the budgetary provision was increased in 2007/08 and has been maintained at the same level on a continuing basis. The response repair service has again come under pressure in more recent financial years, part of which has been brought about by the reduction in house sales. This issue is being looked at collectively by Housing Management at present to review the existing provision for response repairs and consider any changes to approach in the delivery of the service which may be appropriate to deal with these pressures.
- 2.6.9 The Moray Council will continue to deliver a cost effective responsive repairs service to the published standards.

Estate Improvements

- 2.6.10 Estates Improvement work relates to Tenant Forum Budgets, estates improvements, garage upgrades, play area upgrades, asbestos management and other miscellaneous works.
- 2.6.11 A wide range of works are carried out in this area, many of which related to the associated assets rather than the housing stock itself. Many of the initiatives improve tenant safety both within their homes and surroundings, provide safe access to homes.

Cyclic Maintenance

- 2.6.12 Cyclical maintenance mainly comprises the regular servicing of mechanical and electrical plant (such as boilers) and the external painting of properties together with pre-painting repairs. We will carry out a cyclical programme of works including a 6 year rolling external repair and painting programme which will include door and window servicing where required, annual servicing of gas appliances, bi-annual servicing of smoke detectors and a programme of testing and upgrading electrical installations.

- 2.6.13 The vast majority of Cyclic Servicing is carried out by the Council's Building Services DLO, through the Maintenance Partnership Agreement
- 2.6.14 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 on a central database.
- 2.6.15 The Moray Council will continue with a cycle of electrical safety checks to all the stock 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 lighting and power outlets to suit a modern lifestyle.
- 2.6.16 The budget for Cyclic Maintenance was increased in 2009/10 as the Council's Planned Maintenance Programme progresses, and impacted on the number of the types of heating units, fans, CO detectors etc to be maintained. A future requirement will be to service and maintain the Air Source Heat Pumps now being installed as part of the Council's heating replacement programme.

Planned Maintenance and Improvements

- 2.6.17 Planned Maintenance and Improvement refers to works to bring properties to the Scottish Housing Quality Standard, to maintain them to this standard and to bring properties to the Moray Housing Standard.
- 2.6.18 Some improvements are required to ensure that the SHQS is met, including the installation of heating where none exists, or adding insulation to improve energy efficiency of dwellings to appropriate levels. Others also include the installation of beneficial components, such as smoke detectors, or provide for other work such as environmental enhancements. The Moray Council will continue installing new kitchens and bathrooms and will upgrade associated plumbing facilities to ensure properties meet the SHQS.
- 2.6.19 Moray Council aims to provide all residents with a home that is affordable to heat. We will continue to fit energy efficient boilers, renewable heating systems, upgrade existing central heating systems, supply and lay additional insulation to lofts, and complete installation of double glazed doors and windows to reduce residents heating bills. We will be helping residents maximise the benefits and grants available for energy efficiency measures and publicise energy advice to eradicate fuel poverty.
- 2.6.20 Many improvements required for the SHQS are now being undertaken as part of the Investment Strategy, and the Council is confident that it can meet both the SHQS and the Moray Standard by 2015. Kitchen and bathroom refurbishments are progressing well following targeting of dwellings with multiple SHQS failures, and other essential SHQS failure work in a number of other areas has also been completed.
- 2.6.21 We will consider the investment required in respect of the non-traditionally constructed stock, and continue to monitor the properties to ensure that medium to long term condition is good.
- 2.6.22 Some of the more aspirational standards such as new fencing and gates also form part of this Asset Management Strategy. There is a relatively small budget available for estate improvements, and this is an area that could improve the environment in which people live. However, this strategy acknowledges that the fabric of the housing stock must be the priority for the Council.

2.6.23 The Business Plan also allows for major component replacements each year and the majority of this expenditure relates to doors, windows and roofing. The Moray Council will continue to renew roofing, external wall finishes, rainwater goods, soffits and fascias using its own DLO or specialist contracted companies.

Other Investment

2.6.24 The Council also makes financial provision for the adaptation of its properties to meet disability needs and for its enabling role.

2.6.25 Moray Council recognises its responsibility to provide adaptations and facilities for disabled tenants. These comprise of minor works such as installing hand-rails or grab-rails, as well as major adaptations. An annual budget is allocated to continue the provision of such work and in 2008/09 this budget amounted to £0.550m. This budget is currently under pressure due to demand exceeding budget and we are intending to continue working closely with our colleagues in the Occupational Therapy section to adopt creative solutions to problems.

2.6.26 We will continue to provide adaptations, such as the provision of handrails, on a demand led basis. However, more major work will seek to consider all possible solutions in conjunction with the Occupational Therapy Section and within the Policy and Protocol for the Provision of Adaptations in Council Properties.

2.7 Asbestos

2.7.1 Following the development of an asbestos policy and the introduction of the Control of Asbestos at Work Regulations 2002, Moray Council undertook surveys and sampling to allow a register to be maintained and management plans adopted.

2.7.2 All common areas of properties have now been inspected. The register is based upon type 2 testing of common areas, with a sample of properties of similar type being subjected to visual survey and sampling of possible asbestos containing materials (ACM).

2.7.3 Asbestos containing materials will be managed in accordance with the Housing Section's asbestos policy and management plan, and the Control of Asbestos Regulations 2006.

2.7.4 In principle all high-risk asbestos containing materials 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. shed roof sheets, high levels fascias), or left in-situ and managed when removal is not practicable, where for example textured ceiling finishes and thermoplastic floor tiles are retained in a property.

2.7.5 Our own trained workforce will not undertake any works where there is a doubt about the type of material being worked upon before first checking the Asbestos Register. Where appropriate notification to the Health and Safety Executive would be undertaken and specialised works are carried out by suitably qualified and licensed contractors.

2.7.6 It is recognised that the cost implications of removal of asbestos are very expensive and where high risk asbestos is found there could be difficulties in funding the work though clearly it would be a priority for the Council. Indications are that the Council stock does not

have a large amount of high risk asbestos, which will lend itself to a more managed approach. A budget of £0.025m is currently set aside to deal with Asbestos related issues.

2.8 Energy

- 2.8.1 The Moray Council believes that all residents have a right to affordable warmth, particularly when we are housing some of the most vulnerable people in society. Additionally, under the Council's obligation under the Home Energy Conservation Act (HECA), the Council also considers that the adverse environmental impact should be reduced by the utilisation of energy efficiency initiatives such as the installation of renewable heating systems. Where reasonable to do so, Moray Council aims to improve the stock to the maximum possible energy rating through the use of efficient heating and effective insulation. Moray Council has made major strides in this direction with all properties having cavity wall insulation where appropriate and double glazed windows and doors. The majority of stock has loft insulation to at least a thickness of 150mm and the Council promotes the use of efficient condensing boilers and thermostatic controlled radiator valves.
- 2.8.2 It is intended to increase the energy rating of properties, measured through the National Homes Energy Rating (NHER) Procedure wherever possible. At present the average NHER rating of council stock is 6.7, which is in excess of the target of 5.0 as contained in the Council's HECA submission.
- 2.8.3 Where appropriate Moray Council seeks grants to supplement programmes of work on energy efficiency initiatives whenever possible.

2.9 Legionellosis

- 2.9.1 The Moray Council will take a proactive approach to Legionellosis Risk Management.
- 2.9.2 All properties which are to remain void for a period in excess of 2 weeks will be drained down and a range of legionellosis prevention work undertaken to reduce the risk of exposure to both Council operatives and new tenants.
- 2.9.3 Legionellosis prevention measures to hostels and sheltered housing complexes, including common areas, tanks etc will be carried out by specialist contractors.

2.10 Housing Business Plan

- 2.10.1 Projected income and expenditure is reflected in the Housing Business Plan. The Housing Business Plan takes account of many factors including income (revenue) and expenditure requirements and is the main driver behind the funding available to the Housing Service on an annual basis.
- 2.10.2 The Housing Asset Management Strategy sets out the priorities for investment in the stock.
- 2.10.3 The requirements for repairs and maintenance are assessed within the Investment Strategy with reference to the SHQS requirements, which has been informed by the stock condition survey. Additionally, the importance of maintaining and updating the source data is acknowledged, as this directly informs the Housing Business Plan.
- 2.10.4 The Housing Business Plan is reviewed annually and will therefore be reviewed during 2010/11, with reference to the Housing Asset Management Strategy.

2.11 Procurement

- 2.11.1 A significant proportion of the work undertaken in maintaining the housing asset is carried out by the Council's Building Services DLO. It is accepted that the importance of ensuring that we are comparing the delivery and cost of this repairs service to establish that the tenants and the Authority are getting value for money in accordance with the improvement plan set out as part of the Best value Review. It is intended to continue benchmarking the service to ensure that the DLO is competitive. Should the service fail to be competitive, the Council has demonstrated that it is prepared to make robust arrangements to ensure value for money is achieved.
- 2.11.2 All external contracts are tendered to comply with the Council's financial regulations and current procurement legislation. This process always ensures that we are achieving best value for the work.

3 – IMPLEMENTATION, MONITORING AND REVIEW

This section deals with the implementation plans and methodologies for monitoring and reviewing the Housing Asset Management Strategy, which have been driven by the components outlined in Part 2.

3.1 Resources

- 3.1.1 Moray Council's repairs and maintenance responsibility includes resident communication, contract development, tendering and administration, works identification and supervision. Planned maintenance is the largest budget area within the Investment Strategy and has the greatest impact on the tenant. Consequently, it is acknowledged that significant input is required with tenants to ensure this critical part of the service operates effectively.
- 3.1.2 Staff are also encouraged to seek professional qualifications and to adopt ongoing professional development. Regular briefings, reviews of staff roles and responsibilities and continuing ERDP's by managers helps to ensure that all staff remain aware, effective and focused on delivery of the key functions within their sections. When identified, any skills gaps are addressed through targeted and relevant training.
- 3.1.3 The finances required to meet the annual programme are set based on information from the database system, meeting the SHQS and the Moray Standard, as well as historical costs on responsive repairs and voids.

3.2 Resident and Tenant Consultation and Participation

- 3.2.1 Moray Council works hard to ensure that all tenants and residents are involved in how their homes are managed and to the standard to which they are maintained, this includes choice in colours and styles in kitchen refurbishments and replacement doors for example. We seek to maximise tenant involvement in the service through the Tenant's Core Group and the Housing Sub-Committee.
- 3.2.2 The Council regularly consults with tenants and provides information on a wide variety of issues including:
 - Information on service levels and agreements;
 - Information on current performance standards;
 - Policy and procedures;
 - Regular newsletters;
 - Information on reports, minutes and agendas of the Council's committees;
 - Details of repair and improvement plans.
 - Regular updates and information on the council's website

Tenants are actively encouraged to participate through the 'Tenants Voice'.

- 3.2.3 Residents in mixed tenure estates are consulted on wider issues that may affect them directly or indirectly. Owner-occupiers who may be included in improvement programmes are dealt with under the Council's Common Repairs Policy

3.3 Asset Management Databases

- 3.3.1 The Council acknowledges that its current database provides sound data on which to build investment programmes, but does not provide a fully comprehensive range of linked management data. Proposals are being implemented to move towards integrating the stock condition data within the current housing management system, which includes an asset management module. This should bring benefits to modelling and profiling stock and delivering effective programmes as well as integrating with responsive repairs. All planned works as well as responsive repair records will therefore be maintained in a single system.
- 3.3.2 Moray Council has gathered stock condition data for a number of years on a rolling programme based on an original sample survey (20%) of the stock undertaken in 1998 by David Adamson & Partners. The stock information is held on a stand-alone database (SPSS) which provides a comprehensive record of work to each dwelling. However, it is recognised that the system does not meet our current requirements as it does not interface with our Housing Repairs System. It is intended that the existing data will be incorporated within the current Housing Management System. The benefit of this is that the asset management database will link directly with all the work taking place to an individual property and provide detailed and accurate management data. It is acknowledged that such a system is a pre-requisite to achieve effective data management.
- 3.3.3 The current SPSS database is used to provide high level strategic information, as well as detailed work programmes and proposed contract works.
- 3.3.4 The current SPSS database system forms the cornerstone of the Housing Asset Management Strategy, and provides data and information for individual programmes as well as the Housing Business Plan. We are endeavouring to survey 100% of the stock (currently around 75%), which will provide good quality, detailed stock data on which to set up and deliver programmes for future years. In recognition of the importance of such a database, the Council is currently considering the incorporation of existing data within the main integrated housing management IT system (Northgate *i-World*).
- 3.3.5 No planned programmes are committed until the requirement for works has been validated on site. Ongoing surveys and data collection ensure that prime data sources are increasingly accurate.

3.4 Implementation and Monitoring

- 3.4.1 The Council reviews and maintains stock condition data and produces proposed programmes for work based on this to meet the investment requirements of the stock, including delivery of key initiatives such as SHQS.
- 3.4.2 The programmes are scheduled over the course of the following financial year and monitoring takes place through regular programming meetings to ensure that:
- Programmes are keeping to timescale and that slippage is not occurring.
 - Programmes are keeping to budget and that possible overspends or underspends are managed to enable remedial action to take place.
 - Tenant satisfaction is monitored to ensure we are not compromising on the service being delivered.

- 3.4.3 Monitoring of progress is also reported regularly to both the Communities Committee and the Housing Sub Committee.
- 3.4.4 It is essential to the long-term success of the Housing Asset Management Strategy that reviews take place to understand lessons learnt and what could have been improved. The reviews will be regularly communicated between all the key stakeholder groups and partners and will ensure that feedback from users, especially tenants, is considered and incorporated into future plans.

3.5 Performance Monitoring and Best Value

- 3.5.1 The Moray Council has embraced Best Value and carried out a review of the Maintenance Partnership which was completed in 2008. A new partnership has been entered into between Housing, Property Services and Moray Council Building Services DLO which will run from 1 April 2009 until 31 March 2014. The Maintenance Partnership covers Planned and Response Maintenance, Gas and Solid Fuel Servicing and the Provision of Disabled Adaptations to Council Dwellings.
- 3.5.2 The Maintenance Partnership documents set out a number of Performance Indicators, which will be monitored, evaluated and reviewed on an ongoing basis at the regular scheduled partnership meetings and at the annual Partnership Review Meeting.
- 3.5.3 The Moray Council also undertakes regular surveys of residents (at least every 3 years) and uses model questions in order to assess key services that are provided to residents.

3.6 Benchmarking Performance

- 3.6.1 It is recognised that benchmarking is an important part of the monitoring and review process, and it is particularly relevant where a council has its own Building Services DLO. The importance of the need for continual benchmarking has been highlighted in the Maintenance Partnership Best Value Review improvement plan.
- 3.6.2 As stated in 3.5 above, there is regular reporting against key performance indicators (KPIs) and the performance is monitored on a regular basis. The Council intends to access different benchmarking clubs (both regionally and nationally) to ensure the service can be properly gauged against other similar services.

3.7 Performance Intervention

- 3.7.1 Risk assessment is an integral part of the Asset Management Strategy. As well as focussing on financial aspects, audits should be considered in areas to identify any potential weaknesses. This represents a proactive approach of prevention rather than cure that mitigates the need for intervention management.

Issues that will require to be carefully monitored include:

- Performance against agreed key performance indicators;
- Effectiveness in dealing with performance shortfalls;
- Tenant satisfaction levels;
- Progress towards meeting the SHQS;
- Complaints handling.

A Risk Register is attached as Appendix VII.

3.7.2 The Moray Council recognises that this Housing Asset Management Strategy is a document that will develop over time and not remain static. Implementation of programmes of work, changing requirements, and the assessment against objectives will require the Housing Asset Management Strategy to be a live document. It will therefore continuously evolve over time.

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

- Changing needs;
- Changes in legislation and regulations;
- Changes in tenant aspirations;
- Changes in corporate objectives; and
- Changes in funding.

3.7.4 The Housing Asset Management Strategy will be reviewed and updated on a yearly basis alongside the Housing Business Plan.