

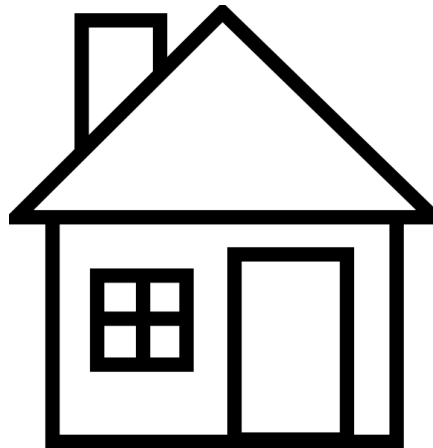


Community Services Directorate

Housing Services

Housing Asset Management Strategy

2014-2020



Last Review: <u>16/12/2013</u>	Housing Asset Management
Next Review Date: <u>14/12/2014</u>	Housing Asset Management Meeting

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EXECUTIVE SUMMARY

The Asset Management Strategy sets out Flintshire County Council's (FCC's) plan for maintaining its housing stock, taking into account the investment needs of homes across the County and the money available for improvements.

FCC commissioned a comprehensive Stock Condition Survey (SCS) in 2007, updated 2011 for the ballot purposes. A 25% representative sample of the whole stock formed the basis of the survey. A new SCS is currently being undertaken over the winter months to provide an additional 10% representative sample of the whole properties and the remaining 65% of the stock will be surveyed externally. This will provide FCC the opportunity to confirm or adjust their business plan to achieve WHQS by 2020.

Current estimates indicate that it will cost £103 million to bring all homes up to the Welsh Housing Quality Standard (WHQS). Traditional funding arrangements will give £86 million to invest leaving a current shortfall of £17 million. FCC will meet the WHQS by 2020 with either some form of prudential borrowing or further cost efficiencies and/or extended income generation.

The original strategy included a six-year plan showing how and where the available financial resources would be used to repair and improve the stock and contribute towards achieving the WHQS to ensure that the stock is effectively managed and well maintained.

The investment plan will be reviewed after the results of the new SCS are reviewed and a new seven year plan will be formulated to achieve WHQS over the period 2014-2020. FCC will review the level of resources required to deliver the new seven year plan and will ensure that adequate resources will be made available to deliver the programme of works.

The new plan will encompass other work streams beside the Kitchens, Bathrooms, Heating and Smoke Alarm projects currently being undertaken. Other work streams such as Window/Door replacements; Roof line works; Re-roofing; Re-pointing / Rendering; Paths and Fencing; environmental projects will have to be addressed to upgrade properties to the WHQS.

A new approach will be required to ensure coverage of all workstreams, ensuring FCC maximise the finances that are available. Items that need to be considered are; whole house approach to Internal workstreams (e.g. Kitchens and bathrooms together); Re-evaluate geographical areas for various work streams; Re-consider choice and size of Contractors, including FCC's in house team working on some Capital Works projects. FCC's new approach will be developed after various consultation exercises have been completed with Tenants and local Members.

Consideration will be given to the local labour market, through the Welsh Governments i2i initiative, ensuring funds incurred on WHQS expenditure will be

kept in the local economy wherever possible. FCC aim to produce opportunity for local SME's tendering directly for various work streams and larger contractors will be required to employ the local SME contractors on the larger projects. FCC aim to provide 200 local jobs and 20 apprenticeship schemes through their commitment of spending circa £100 million over all the streams of work to help achieve WHQS during 2014-2020.

FCC has a housing stock as at December 2013 of 7,417 (including maisonettes not yet demolished), 1766 garages and 94 homes in which FCC has a leasehold interest. FCC needs to implement an Asset Management Strategy to ensure that its stock meets the WHQS, within the cost constraints available and the needs and aspirations of its tenants now and in the future.

The strategy is based on the levels of funding available through the Major Repairs Allowance (MRA), Capitalised Expenditure from the Revenue Account (CERA), contributions from sales of housing land and properties. The overall investment strategy therefore is based upon the latest projections arising from resources within the existing subsidy system.

Over 59% of FCC's housing stock is houses in the form of detached, semi-detached and terraced homes; the remaining 41% of the stock consists of bungalows, flats and maisonettes. 46% of the stock was built between the years 1945 and 1965. There are a total of 346 non traditional dwellings, of which 270 (6.4%) of the stock are concentrated in the Flint area in the form of concrete high rise flats and maisonettes.

The Flint Regeneration scheme will provide an opportunity for FCC to review its housing stock within the regeneration area. A major consideration is the structural condition of the Maisonettes, in particular the Lea's and the Walks Maisonettes. In the light of the recommendations by Adams Structural Consulting Engineers who undertook a recent structural survey, decisions have been taken to demolish the Lea's and The Walks Maisonettes and working collaboratively with Local Housing providers to redevelop the area providing a mixture of housing to meet today's demographic trends. As a consequence, there will only be 270 non traditional properties left in Flint in the high rises.

FCC's Asset Management Strategy has been re-aligned to accommodate Welsh Governments initiative, ensuring all Welsh social housing providers achieve WHQS by 2020. The strategy has also been re-aligned to accommodate the Tenants overwhelming decision in the recent Ballot, voting against stock transfer in May 2012 and retaining the stock with FCC.

There are many challenges ahead due to the unstable economic situation and constant changes in legislation. All these challenges will be addressed as they appear and the Asset Management Strategy will be constantly updated to reflect any new issues that FCC are presented with.

1.0 INTRODUCTION

1.1 What is Asset Management?

“This is the activity that ensures that the land and buildings asset of an Authority is optimally structured in the best corporate interest of the Authority concerned”
(Royal Institute of Chartered Surveyors)

FCC understands asset management to be a technique for managing its stock and investment to maximise the utilisation of its land and property assets. It requires careful management of the Authority’s stock portfolio to benefit present and future tenants, including:

- Maintaining accurate and up to date information on the condition and sustainability of all properties to enable considered management decisions to be made.
- Reinvesting in dwellings and other properties in the right way and at the right time through Capital Works and routine maintenance programmes.
- Disposing of or redevelopment of dwellings/garages that are uneconomic to maintain and/or which no longer meet FCC’s strategic objectives.
- The Housing Service Priorities seek to ensure that over the next 7 years, all our Houses will be refurbished to the WHQS. Working with the private sector, Central Government and the Welsh Government in embracing new initiatives and attracting the maximum available funding.

1.2 Why have an Asset Management Strategy

Local Authorities have a number of statutory and non statutory responsibilities in relation to housing. There is a responsibility to make sure that FCC’s resources are used in the most effective way making sure they accord with their tenant’s aspirations and provide good value for money; incorporating robust yet flexible financial models and integrating these with the Housing Revenue Account (HRA) business plan.

This Asset Management Strategy is a live document and will be subject to an annual review incorporating any significant changes impacting over the previous year.

2.0 AIM OF THE STRATEGY

2.1 What are we trying to achieve

The Authority has a limited budget to reinvest into its housing stock. FCC's Housing Investment plan 2014/20 is committed to invest in a series of improvement Capital Works to meet statutory objectives and to reflect tenant expectation and aspirations.

A £103 million pound investment, spread out over 7 years, is required to provide home improvements that reflect tenant key priorities and achieving the WHQS.

2.2 Current Position against these objectives

Recent investment levels of approximately £10m spent annually have primarily concentrated on the original 6 year plan including packages of improvements that have included new heating installations, fitting of hard wired smoke detectors, bathroom replacements and kitchen replacements.

These packages of work have been completed over the financial years 2012/13 and 2013/14 and formed the first 2 years of the original 6 year plan.

2.3 How will we achieve our goals?

The remaining works from the 6 year plan will be integrated into a new 7 year plan to achieve WHQS from 2014 to 2020. This new plan will be developed from the results taken from the new Stock Condition Survey.

Procuring the works in partnership with other housing providers, local Authorities and utilising partnership procurement methods such as the North Wales Procurement Partnership, (NWPP), London Housing Consortium (LHC), Procure Plus or Fusion 21 Framework Agreements will ensure on going gains in efficiency and value for money.

2.4 How will we affect Local Employment?

FCC are committed to providing local jobs for the local community through its expenditure of funds spent on WHQS work. FCC aim to produce opportunity for local SME's tendering directly for various work streams and larger contractors are encouraged to employ the local SME contractors on the larger projects.

FCC aim to provide 200 local jobs and 20 apprenticeship schemes through their commitment of spending circa £100 million over all the streams of work to help achieve WHQS during 2014-2020. To help achieve this aim, FCC have adopted the i2i model within contracts for **Targeted Recruitment and Training** and will be monitored through the Community Benefits Toolkit supplied by WG. The 200 local jobs shall be **Recruited** and defined as - providing 2 persons per £1 million contract

value. Every vacancy on site including those with subcontractors, are to be notified to FCC during the contract. The 20 apprenticeship schemes shall be **Trained** and defined as - 0.2 persons (or 11 person weeks) per £1 million contract value.

3.0 STANDARDS

Government policy and statutory responsibility is an important context for the delivery of our services. There are a variety of UK and European legislation as well as national standards and regulations which impact upon our services. Some have direct and indirect influence upon the way we manage our assets.

FCC is legally obliged to maintain its properties up to an approved standard identified in the Appendices & Statutory Guidance listed at the end of this document. The key objective for FCC is for the housing stock to conform to the WHQS within the given timescale.

3.1 Welsh Housing Quality Standard (WHQS) the Welsh Government (WG) is committed to bringing all social housing up to the Welsh Housing Quality Standard by 2020 and in 2002 the National Housing Strategy for Wales “Better Homes for People in Wales” set out the Welsh Governments vision. That all households in Wales shall have the opportunity to live in good quality homes which are:

- Part 1 - In a good state of repair.
- Part 2 - Safe and secure.
- Part 3 - Adequately heated, fuel efficient and well insulated.
- Part 4 - Equipped with up-to-date kitchens and bathrooms.
- Part 5 - Well managed (for rented housing).
- Part 6 - Located in safe and attractive environments.
- Part 7 - As far as possible suited to the specific requirements of the household.

A measurement of where FCC stock currently stands in relation to achieving the WHQS. The Stock Condition Survey, which currently indicates 14 dwellings meet the standard, including 12 dwellings at Glan-Y-Morfa, Connah’s Quay and a further 10 dwellings at the same scheme that were included in 2011-2012 Capital Works programme, extends the total number of dwellings meeting the standard to 24.

4.0 PROMISES

The Choices Document presented to customers and subsequently supported for clearly set out comprehensive promises which are at the core of everything FCC will focus on over the forthcoming years.

FCC will ensure the promises are delivered and in many areas this document presently plans to exceed the promises laid out in the choices document, in particular our achievement of the WHQS.

Delivery of the landlord capital improvement programme has outperformed the targets set in the Choices document in 2012/13, through strong project management and improved tender prices and is projected to emulate this in 2013/14. The programme itself has been stretched from £11m per annum in 10/11 to £12m in 13/14 and this is expected to increase to £13m per annum for each of the next 7 years to achieve the WHQS by 2020.

HRA Capital programme 2012/13

- Heating upgrades- 600 homes planned- 1100 delivered
- Kitchen replacements- 922 planned-1100 delivered
- Smoke detectors- 884 planned- 2400 delivered
- Bathroom replacements- 56 planned- 62 delivered

HRA Capital programme 2013/14

- Heating upgrades- 600 homes promised- 1000 in programme
- Kitchen replacements - 922 promised- 1000 in programme
- Smoke detectors- 884 promised- 1000 in programme
- Bathroom replacements- 0 planned- 60 delivered

5.0 CUSTOMER INVOLVEMENT

5.1 Introduction

FCC's Resident Involvement Strategy and Action Plan have been developed with Residents, Officers and Members working in partnership.

FCC will build on its long standing commitment to work closely with the Flintshire Federation of Tenants and Residents Associations and will continue to develop its relationship by consulting on the delivery of its housing services with all residents and the federation.

The latest Tenants Winter Conference (2013) debated ideas around the new WHQS delivery programme and the results of this will be analysed and utilised for FCC's new 7 year WHQS delivery programme.

In 2013 a STAR (Survey of Tenants and Residents) was carried out and asked tenants a suite of questions. Over half of the tenants and residents felt that parking was an issue in their neighbourhood. As such, it is necessary to carry out a more detailed assessment of the requirement to improve parking in the Authority's neighbourhoods.

To what extent are any of the following a problem in your neighbourhood?

	No Problem	Minor problem	Major Problem
Abandoned or burnt out Vehicle	97%	2%	1%
Racial or other harassment	93%	5%	2%
People damaging property	86%	10%	4%
Vandalism or graffiti	83%	13%	4%
Other Crime	82%	15%	3%
Drunk or Rowdy behaviour	76%	17%	6%
Drug use or Dealing	76%	14%	10%
Noise from traffic	74%	18%	7%
Noisy Neighbours	72%	18%	10%
Problems with pets / Animals	71%	20%	9%
Disruptive children / teenagers	66%	26%	8%
Rubbish or litter	54%	32%	14%
Dog Fouling / mess	46%	31%	23%
Car Parking	43%	26%	30%

- The biggest issues for residents are car parking with 56% finding this to be a problem to some degree, dog fouling/mess 54% and rubbish/litter 46%.
- There is almost no problem with abandoned or burnt out vehicles or with racial or other harassment.

5.2 Customer Information

The Tenant Involvement team are currently working with the Asset Management team developing systems and procedures reviewing contract specifications prior to inviting tenders. Part of this ongoing consultation process takes into account the Tenant Involvement team's comments as well as comments from the resident's satisfaction surveys from those who have had works carried out. This is done so that the Asset Management Team continuously improves its performance.

6.0 ASSET PROFILE

6.1 Introduction

Flintshire is a County in the North East of Wales. It borders the Dee Estuary to the North, Cheshire to the East, Wrexham to the South and Denbighshire to the West. FCC was formed by the amalgamation of Delyn Borough Council and Alyn & Deeside District Council in the year 1996, covering over 168 square miles. FCC owns 7,417 (including maisonettes not yet demolished) dwellings as at December 2013.

For the purpose of managing the stock, the County is divided into area's North (2533), South (2700) and East (2022), - less Maisonettes to be demolished in Flint

and Homes Shared Occupancy, with strategically located neighbourhood offices for the purpose of service delivery.

The property portfolio covers a wide geographical area across the County. The towns of Buckley, Connah's Quay, Flint, Holywell and Mold have the greater concentrations of stock, with smaller percentages located near to or within villages around the County.

6.2 Property Type

The three most common property types are:

- Traditional properties, comprising of detached, semi-detached, terraced bungalows and flats.
- Solid wall properties.
- Non-Traditional properties, Airey houses, Easi-form, Maisonettes and High Rise flats.

Percentage of property types are:

Property Type	No. of Properties	% of Stock
Houses	4353	58.6%
Bungalows	1489	20.5%
Flats	1304	17.2%
Maisonettes	271	3.7%
Total	7417	100%

6.3 Age

There is a varied age within the stock which has been split into bands

Age Band Width	No. of Properties	% of Stock
Pre 1919	120	1.6%
1919-1944	884	11.9%
1945-1965	3458	46.6%
1965-1974	1817	24.6%
Post-1974	1137	15.3%
Total	7417	100%

6.4 Non-Traditional Housing Stock

A key area of focus for stock investment decisions is in relation to the non-traditional stock that FCC owns and a breakdown of this stock is shown in the table below.

The non-traditional properties will have a significant impact upon the business plan due to the structural repair requirements to ensure they have a meaningful future

life. In addition the properties have not always benefited from routine improvement programmes.

Some of the existing non-traditional houses have already been repaired, refurbished or their sites re-developed. A summary of these types and numbers are as follows:

Property Type	Address List Numbers	Numbers Unimproved
Airey Houses	35	1
Easiform Houses	74	74
Various Timber Houses	5	1 (11 sunnyside)
Tower Blocks	3 Blocks, 270 Properties	264

Flint High-rise blocks and other non-traditional homes

The regeneration proposals for Flint town-centre do not include the three high-rise blocks and these homes will remain.

These three blocks require a range of external repairs as well as internal improvements to bring all three blocks and all the flats up to the WHQS. External repairs include:

- Comprehensive concrete repair programme
- Renewal of the mastic in the panel joints and roof finishes
- New insulated roof systems
- Overhaul of glazing
- Application of an over-cladding system to improve thermal performance and provide weatherproofing.

The cost of this external work for all three high-rise blocks is circa £3.5 million. In addition, other (non-energy related) improvements are required to individual flats to bring them up to standard.

The measures needed to improve the flats would be suitable for utility company funding. Estimates indicate that currently around £1.1million could be secured. It is recommended that a watching brief is maintained to review any increases in funding and if necessary insert the flats into the domestic energy efficiency work programme. Funding may increase or decrease over time but is expected to be available in some form and value for up to eight years.

It is recommended that heat metering is also introduced in each of the dwellings in the flats so that heat usage and billing can be managed more effectively. This would enable the heating costs to be removed from the current arrangement of being included within the service charge. This should dramatically reduce heating use by tenants reducing FCC's carbon footprint and creating more comfortable and affordably warm homes.

Of the remaining non-traditional homes, 76 require structural improvements to bring them up to standard and provide them with a thirty-year life. In addition, all these homes require a range of internal improvements to bring them up to the WHQS.



6.5 Flint Town Centre Regeneration Scheme

The plan for Flint is based around the following six strategic objectives:

1. Transform Flint's physical image
2. Reconnection of Flint's assets
3. Promote the town and its opportunities
4. To better serve the local people
5. Create economic growth through job creation
6. To embed Flint into a sub-regional tourism network



Following approval of the Masterplan and building on its work, a housing development brief was commissioned for Flint. The significant footprint of the existing maisonette blocks provides an opportunity to re-build nearly a quarter of the original medieval planned town - with new houses and streets aligning more sensitively to the original grid pattern. It is intended that the new build provision within the redevelopment will provide between 173 and 180 units dependant upon an agreed final layout. These will be made up of a mix of apartments, and 2 and 3 bedroom houses.

6.6 Deeside Regeneration Scheme

Housing Asset Management are currently working with other FCC services in a joint initiative for WG's Vibrant and Viable Places programme. If FCC are successful with the bid then substantial programmes of work can be accelerated in the Deeside area. FCC's bid aims to tackle long standing regeneration issues associated with Deeside including aims to tackle housing quality, employment, traffic issues, regeneration of the town centre and environmental improvement schemes.

6.7 Sheltered Accommodation

The traditional warden support service has transformed into a Community Based Accommodation Support Service. The support service is no longer linked to tenure. There are some properties designated for the over 55 group which are not suited for this group due to design, size, location or access making them low demand properties and hard to let. There are changing expectations and lifestyles of older people will impact on the provision required. The development of a Community Based Accommodation Support Service enabling people to receive support in their own home and the development of other options for older people including Extra care may also affect demand for some sheltered properties.

Within its Housing Stock Portfolio, FCC has 55 sheltered schemes in various mixes of bungalows, flat complexes and bed-sits, which consists of approximately 40% of the total stock. Some of which are difficult to let due to there being insufficient bedroom space, lack of local services or amenities for the less mobile and inappropriately located

Unsuitable sheltered blocks could be re-designated single persons or general needs accommodation, the current occupiers being offered more suitable accommodation.

The Welfare Reform Act and the 'bedroom tax' has increased demand for one and two bed properties for the under 55 age group. Consideration around changing the designated age group for some of these properties will meet a specific housing need, increase demand for properties and make best use of housing stock.

Aspects to consider are:

- Remodelling to address design/ASB issues.

- Consultation with both present and prospective residents and implement their affordable aspirations.
- Scheme Remodelling - addition of bedrooms, Lift installation, conversion of storage areas into mobility scooter storage/charging areas.
- Compliance with the Disability and the Equality Act 2010, in particular the need to provide investment for the provision of low level access equipment, ramps and accessible taps etc.
- Ensure that the recommendations of new Fire Risk Assessments are completed.

At this strategic level there are many other influences including:

- Future demographic trends - Single occupation, living longer
- Rural transport availability - both present and future.
- Availability of other local services - Care and Repair Service
- Long term sustainability - *“providing homes that meet a variety of needs and lifestyles for now and into the future”*

6.8 Leaseholders

FCC are currently responsible for 94 leasehold properties located within the County.

Lease holders are fully consulted on any significant issues that might impinge on their rightful use and access, as required under S20 notices. These leases have been let historically on different agreements and present challenges to FCC when refurbishing blocks, issues such as window replacements, fire risk issues in communal areas are just a few of these challenges.

6.9 Garage Sites

Garages are included within FCC’s property portfolio. These are situated around various locations of the County. Curtins report on the condition of Concrete structures identified maintenance costs to the garage batteries/car parks located near Bolingbrook and Castle Heights due to corrosion of the reinforcement causing spalling of the concrete and work needs to be undertaken by a specialist contractor to maintain their integrity.

Other garage sites across the County are pre-fabricated concrete panels with up and over doors with an asbestos concrete sheet roof; some garage sites have become so dilapidated that the only viable option available is demolition, as demonstrated at Glynne Street, Connah’s Quay and Yowley Road, Ewloe.

The Housing Service is working in partnership with Valuation and Estates in order to carry out a thorough review of its garage sites.

Site plans are in the process of being developed for the 104 council owned garage sites. Once the plans have been produced, each site will be assessed to test its suitability for the following:

- To remain as a garage site
- For demolition
- Housing development
- For other uses such as community garden, play area, parking etc.

The review will be completed by the Spring and will result in a Member Workshop; participants will be invited to share their views on the development potential for each of the sites in their ward.

The results of the consultation will influence a final set of recommendations to Members in preparation for Scrutiny Committee in April 2014.

7.0 SUSTAINABILITY

7.0 Energy Efficiency in FCC's Stock

Significant work has been undertaken since 1997 to improve FCC's housing stock. Whilst there has been a steady rise in the number of homes meeting the minimum WHQS heating standard of SAP 65 it has become obvious that there are big data gaps concerning properties that fall short. The focus within the team addressing energy improvements in the Housing Service shall be to develop sufficient information to clearly identify what houses need what measures and at what cost in order to comply with the WHQS standard. Improvement needs to be seen in record keeping, stock profiling and in the operation and maintenance of the technologies being introduced especially in off gas properties. FCC has been nationally recognised for its work to improve the energy efficiency of its stock and its focus on reducing tenant's energy bills. In particular it has been recognised for its work in combining owner occupied, private rented and FCC stock in programmes which is recognised as the way to deliver best value programme for communities. Welfare reform has created a substantial challenge to FCC but through providing energy efficient homes FCC has an ability to respond swiftly and protect tenants whilst in the process supporting local labour and suppliers in a developing market.

The £1.3billion a year made available through the latest energy company obligation funding is a tool that FCC is using to achieve good value in its programmes. This funding is expected to be around for at least eight years. This provides the incentive to invest alongside the obligation of the WHQS commitment.

7.1 Statutory commitments

The WHQS dictates that every home must be adequately heated, fuel efficient and well insulated. In addition there are a number of energy efficiency components, including:

- Minimum SAP rating of 65 out of 100 must be achieved.

- Landlords should do whatever they reasonably can to minimise the cost of heating dwellings to a comfortable level.
- All cost effective opportunities to upgrade the thermal and ventilation performance of the dwelling must be taken.
- Heating systems must be reasonably economical to run and capable of heating the whole of the dwelling to a comfortable level in normal weather conditions.
- External doors and windows must be sufficiently well fitting so that they do not cause severe draughts.
- The main entrance door should not open directly into the living room.
- The hot water tank must be effectively insulated.
- Kitchens and bathrooms should have an adequate amount of mechanical ventilation.

7.2 Affordable Warmth

Affordable warmth means that a household is able to afford to heat their home to the level required for their comfort and health. Conversely, households that are unable to afford adequate heating are said to be living in “fuel poverty”.

A widely used definition of fuel poverty states that households needing to spend more than 10% of their income on fuel are classed as fuel poor and households needing to spend more than 20% of the total income on fuel are classed as severely fuel poor.

Adequate heating is generally accepted as achieving 21°C in the main living room/lounge area and 18°C in all other parts of the house. The Welsh Government remains committed to eradicating fuel poverty in all homes by 2018.

Affordable Warmth is the solution to fuel poverty. Fuel poverty occurs when Households are considered by the Government to be in 'fuel poverty' if they would have to spend more than 10% of their household income on fuel to keep their home in a 'satisfactory' condition. Households needing to spend more than 20% of their total income on fuel are classified as severely fuel poor.

It is a measure which compares income with what the fuel costs 'should be' rather than what they actually are. Whether a household is in fuel poverty or not is determined by the interaction of a number of factors, but the three obvious ones are:

- The cost of energy.
- The energy efficiency of the property (and therefore, the energy required to heat and power the home)
- Household income.

7.3 SAP Rating

A stock condition survey was carried out in 2007 which gave an estimated average SAP rating of 67.9. which is within the WHQS requirement, however, the

installation of fuel efficient boilers and other measures such as fuel switching from electric heating to gas and increased loft and cavity insulation, will help to increase the SAP rating further.

Whilst the heating replacement programme is progressing this may not be enough in some properties to lift them above the minimum SAP rating of 65. Properties with solid walls or in off gas areas for example may need additional investment. The diversification of the programme for the next three years reflects this. However, the first step is to identify the stock that falls below the 65 level and identify the measures and respective cost that are needed for full compliance. A warm and comfortable home is a right of all tenants but a lot of tenants put up with homes that are cold or draughty. Time will be spent updating and reviewing records and proactively looking for these hard to treat homes.

For the last few years, FCC's Corporate Energy Unit has been estimating the SAP rating of FCC properties based on the numbers of properties receiving loft & cavity wall insulation and heating improvements as a key performance indicator. It is recommended that this function is brought back in to the Housing Service since, with the improved record keeping that is being recommended, understanding the current profile of the housing stock and having sufficient control to improve it should be a core activity of the Housing Service.

7.4 Loft and Cavity Wall Insulation

FCC's energy unit has had a budget since 2000 for installing loft and cavity wall insulation, and as of 2011/2012, nearly all suitable cavity walls have been insulated and nearly all suitable lofts have now been topped up to 250-300mm.) Properties where tenants have previously refused or where there was incomplete information in the database are being completed where possible. There are also a few properties where outstanding repairs work must be completed before insulation can be installed.

Funding has historically been available through the Energy Efficiency Commitment and Carbon Emission Reduction Target utility funding schemes to help subsidise this work. The priority now is to identify properties that haven't had the insulation installed properly and so aren't seeing the full benefit of the improvement. Whilst the numbers of these properties are few it is necessary to do this work since in some instances bad installation can lead to structural issues with the property including damp and mould growth.

7.5 Hard to treat cavities / Gas infill projects.

These cavities are still being defined by Ofgem but currently include damp cavities or cavities that are less than 49mm thick. Whilst consultation into the definition of these cavities is still ongoing there is significant funding allocated for their remediation and whilst this funding is available it is worth FCC allocating resource to coordinate an installation programme.

Additionally, there were approximately 418 'infill' fuel switches from oil, solid fuel, and mainly electric storage heaters to gas between 1997 and 2010, and the remaining circa 900 properties should be completed in 2013/17. Gas infill refers to properties that are near to the gas main but use a more expensive and more carbon intensive fuel. CESP funding of up to £1805 per property is available during 2011/12 available for gas installation for gas infill projects, and the home energy conservation officer and capital works are taking advantage of this for current and future projects.

As energy efficiency, fuel poverty, and carbon reduction measures have been Government priorities for many years, consequently there are funding sources available to assist social landlords in making energy efficiency improvements to their stock. A significant amount of funding (exact figure has been well over £300,000) has been brought in through the Home Energy Efficiency Scheme. Understanding and obtaining the different types of funding available requires a close partnership working between the Home Energy Conservation Officer and the Asset Management team.

7.6 Solid Wall Insulation/Non-Traditional Housing

Around 825 FCC properties are either solid walled or must be treated as solid walled due to having cavities unsuitable for insulation. These properties, particularly the semidetached and terraced houses, and those in off-gas areas have some of the lowest SAP ratings in the stock. It is highly unlikely that a solid walled property will meet WHQS without being insulated (or achieve a SAP rating of 65).

473 of the 825 solid walled properties are the high-rise flats and maisonettes in Flint. This leaves 352 properties that are either solid walled or otherwise unsuitable for cavity wall insulation. Currently the SAP rating of these properties varies from 50 to 60. 123 of these have now been insulated in Holywell, Connahs Quay and Dee Cottages in Flint, with the remaining properties being insulated in two phases from 2015/16 onwards.

These FCC properties have been improved from an average SAP rating of 57, below the WHQS minimum, to an average of 67. The lowest SAP rating after installing insulation is 66 whilst the maximum is 70. All of these properties therefore now meet the WHQS minimum energy efficiency standards.

Savings to tenants' bills from these schemes average £252 annually based on current costs, with total annual savings of £24,873 and an anticipated lifetime CO2 reduction of 2,539 tonnes. As a result the tenants' risk of fuel poverty has been significantly reduced.

FCC has secured added value through the service's continued success in leveraging in grant funding through the Welsh Government and Utility Company funding.

7.7 Ventilation strategy

It is important to consider ventilation alongside the installation of solid wall insulation. When solid wall insulation is applied, either internally or externally, it affects the breathability of the property and so moisture from within the property needs to be able to get out. One option of many is to install mechanical heat ventilation systems which pump out air much like an extractor fan but recycle up to 75% of the heat in that air. These products are already being installed as part of the kitchen and bathroom programme. When a property is considered for improvements ventilation is one aspect of a complex survey that is carried out but provision within programme budgets needs to be made.

7.8 Renewable Energy

The following renewable micro generation systems have been installed in FCC housing since 2007:

- 21 Ground Source heat pumps (Cilcain and Caerwys).
- 2 Air Source Heat Pumps (Trelawnyd and Cymau).
- 61 solar thermal hot water heating systems (Trelawnyd, Shotton).
- 182 Solar Photovoltaic (PV) Electric Panels Installed & Connected To the National Grid at Greenfield & Bagillt

The properties selected for heat pump installations and the first solar thermal installation in Trelawnyd were chosen primarily due to their position off the gas main (oil-fired central heating that is more expensive than gas and experienced significant price spikes in 2008 which left many with difficulty paying for deliveries) and their suitability for the installations.

In Higher Shotton, area-specific CESP and Arbed Phase 1 funding was secured for the installation of solar thermal systems in FCC properties to further reduce energy bills in the homes being improved.

In Greenfield, CESP funding has been secured to subsidise photovoltaic installations. In both Bagillt and Greenfield, the schemes qualify for feed in tariff income.

In the future more work will be done in areas not on the gas network. This means that other low carbon ways of heating homes will have to be considered. The energy programme reflects this move and shows increasing investment in heat pumps and other renewable technologies over the next three years.

The properties improved with these systems were selected primarily due to their position off the gas main (oil fired central heating which is more expensive than gas and the fuel subject to unpredictable price increases) and their suitability for the installations.

PV systems have an advantage to both tenant and FCC, the tenant receives a reduction of approximately £150 saving per annum on their electricity bill and FCC will receive a feed in tariff of approximately £1500 to £2000 for each registered property per annum for the next 25 years.

7.9 Funding Future Works

The Welsh Government estimates that over £10billion is available for investment in the Welsh Housing Stock for energy efficiency retrofitting over the next decade. Annually £1.3billion is available across the UK through the Energy Company Obligation (ECO). However, the fact that there are no geographical restrictions on how this money needs to be spent provides a threat as well as an opportunity. This is the warning issued by the WLGA who recognise that organisations in Wales will need to work hard to secure a fair share.

Accessing the funding is a complex process and carefully considered strategies are the only way to prevent higher levels of investment and benefits accumulating elsewhere in the UK.

The service has developed a strategic programme that supports both FCC's commitments and national commitments to reduce climate change, help eradicate fuel poverty and boost economic development and regeneration in Flintshire and Wales.

In 2012/13 FCC delivered energy efficiency measures to 587 homes securing sufficient external finance to exceed FCC's invest to save ratio of £1 spent for every £5 saved. This achieved average annual heating bill savings of £308 per property or £181,080 annually over all.

Over the last 16 years over 41,079 measures have been installed in FCC homes with over £7million being secured in the last few years alone to finance them. This has resulted in current heating bill savings of over £2.3million.

Over this period the average saving per measure is just over £58 reflecting the availability of lower cost installations and in particular low energy light bulbs. In the last five years the move to more expensive but more effective measures has yielded an average annual heating bill saving per measure of £244.

When considered with the work in privately owned homes and private rented sector just under £100million in energy bill savings has been achieved over the 16 year period. This is money that is now available to homeowners and tenants instead of being committed on energy bills or, in the case of the fuel poor, it is money they don't have to find to adequately heat their home.

Progress so far:

Measure	1997 to 2013	Average per year	Estimated lifetime carbon emission savings (tonnes)	Current estimated annual heating bill savings (£)	Income generator (FIT / RHI)
Roof Insulation	5,147	322	18,272	257,350	
Cavity Wall Insulation	4,032	252	56,448	544,320	
Hot Water Tank Insulation	381	24	777	17,145	
Solid wall insulation	123	8	5,843	60,270	
Double Glazing	2,709	170	36,842	460,530	
Door & Window Draught Stripping	782	49	3,597	43,010	
Boiler Replacement (Standard)	1,175	74	5,523	31,725	
Boiler Replacement/New Central Heating - Gas Condensing	2,241	140	23,584	504,225	
Fuel switch to gas	74	5	1776	27,750	
Low Energy Lights	23,422	1,464	60,897	351,330	
Mechanical heat ventilation recovery	700	44	74	38,500	✓
Ground Source Heat Pumps	21	1	672	6,090	✓
Air Source Heat Pumps	9	0	64	2,610	✓
Photo-Voltaics (PV)	187	12	5,460	37,400	✓
Solar thermal	76	4	362	4,180	✓
Total	41,079	2,566	220,191	2,386,435	

What are we doing next:

Note: Only three years ahead planned reflecting the current national UK grant funding timeframe.

Measures	2013-2014	2014-2015	2015-2016	Anticipated lifetime carbon emission savings (tonnes)	Anticipated annual heating bill savings (£)	Income generator (FIT / RHI)
Roof Insulation	80	50	50	639	9,000	
Cavity Wall Insulation	20	20	20	840	8,400	
Solid wall insulation	15	150	150	14,725	147,250	
Door & Window Draught Stripping	0	200	200	1,840	22,000	
Boiler Replacement/New Central Heating - Gas Condensing	55	50	50	2,232	46,500	
Fuel switch to gas	250	50	50	8,400	131,250	
Mechanical heat ventilation recovery	700	700	700	2,520	115,500	✓
Ground Source Heat Pumps	0	0	0	0	0	✓
Air Source Heat Pumps	20	30	50	3,200	29,000	✓
Photo-Voltaics (PV)	0	30	50	2,400	16,000	✓
Solar thermal	0	20	50	403	3850	✓
Total	1,140	1,300	1,370	37,199	528,750	

8.0 NEIGHBOURHOODS

Demand for FCC's properties will have an important influence on any decision FCC may take to invest in its stock. The demand profile obtained from analysis of the stock will form an important data source for the purpose of potential investment/non-investment decisions.

Although the majority of FCC's stock is popular, there are a number of unit types that suffer from low demand. The majority of these are in hard to let properties such as sheltered bedsits or where properties are in unpopular locations/estates.

Historically blocks such as Coppa View and Alyn Meadow have suffered from low demand, but initiatives to make the schemes more attractive have now resulted in both these blocks being fully let. Additionally the impact of Welfare Reform has increased demand for smaller properties such as bedsits which were originally in less demand.

The types of properties which now prove to be a challenge to let are 2+ bedroom flats which are above ground floor. This is because FCC avoids letting properties above ground floor to families with children. Previously the Authority would have been in a position to let these types of properties to single applicants or couples, but the impact of welfare reform has meant that many applicants now would not be able to afford these properties.

It is therefore proposed that a proportion of these properties be assessed for feasibility to re-configure the layout from two bedrooms to one bedroom, or three bedrooms to two.

Some demand issues can be addressed through consideration of amending allocations criteria such as re-designation of sheltered accommodation.

Sustainability is not just about letting properties, the rate of turnover also needs to be considered. Some works to reconfigure properties, such as Glan-Y-Morfa Court have already been carried out, and this has proven to be successful, both in terms of increasing demand, but also in reducing turnover.

The following are proposals made by the area housing teams based on their experience in managing the housing stock in recent years;

- Off street parking and pedestrian access issues.
- Security - improved lighting schemes.
- Kitchens - A number of properties have very small kitchens that would welcome extensions if funding permitted.
- Provision of Lifts - on certain blocks where access to upper floors is a problem.
- Consideration of reconfiguration of some family houses to one bed flats.
- Concerns over lack of single person accommodation.

The demand for housing can be banded into High, Medium and Low. The major conurbations being of higher demand down to the more rural areas in the low demand banding. The current data shows the demand in each category as follows:

High Demand 46.77% of the housing stock
Medium Demand 37.80% of the housing stock
Low Demand 15.42% of the housing stock

8.1 Built Environment for Sustainable Neighbourhoods

“Sustainable Development is based on the idea that the quality of people’s lives, and the state of our communities, is affected by a combination of economic social and environmental factors. It challenges single-issue thinking, as people do not see their quality of life in terms of ‘a good environment’, a thriving economy’ or ‘social equality’. It is about all of these things and more. By understanding the links between the environment, the

economy and equality it is possible to develop integrated lasting solutions, based on harmony". Flintshire Housing Strategy 2012-2017

9.0 FINANCIAL INVESTMENT

9.1 Annual Budget for WHQS works and other planned maintenance to 2020

A strict interpretation of the data arising from the current level of surveys of WHQS works and planned maintenance needs over the next 7 years indicates an annual budget requirement in the order of £15m per year including fees and VAT but excluding inflation costs.

9.2 Asset Management Plan 2014/2020

The financial plan looks at the resources required to meet the expenditure on our properties over the next 7 years. This includes expenditure on:

- Responsive repairs (including voids).
- Gas servicing.
- Cyclical painting and repairs.
- Reinvestment including meeting and keeping the WHQS.
- Based on stock condition information of the properties, currently 24 dwellings of FCC's stock comply with the WHQS. To meet the requirements of WHQS the financial plan will include the initial capital expenditure required to meet the standard, but will also include the required expenditure to maintain the WHQS standard.

The highest cost components requiring replacements (excluding VAT, fees and excluding inflation) over the next seven years are:

Components	Current Remedial Costs (excl VAT & Fees)
Kitchens/Bathrooms/Heating	£51.1m
Roofs	£10.5m
Doors and Windows	£ 4.2m
Building Structure	£ 5.3m
External Works	£ 8.8m
Off Gas provisions	£ 5.0m
Asbestos	£ 5.5m
Environmental	£ 7.4m
Fees	£ 5.8m
Circa Total	£103.6

9.4 Financial Resources

FCC will, as part of the business planning/budget setting process, make available financial resources to deliver approved Asset Management Plans. Where a decision to divest in properties is the preferred option (sale) any financial benefit from the

sale will be ring fenced (where legislation allows) for reinvestment into the remaining stock.

For the 7 year period commencing April 2014, the Authority has identified an investment need (based on stock condition information) of £103, which equates to an annual investment need of £15m including works to the high rise flats and demolition of the maisonettes in Flint and excluding £31m for responsive and void repairs.

FCC through its budget planning process will set aside sums to deliver the approved Capital Works Programme. Where there is a shortfall during any year, between resources allocated and those required, FCC will investigate other possible sources of funding.

Current spending of the housing stock includes:

- Routine repairs and general day to day maintenance. This includes reactive repairs, works to empty homes prior to reletting, annual servicing of electrical, gas equipment and other cyclical work such as external painting. Annual investment amounts to approximately £7.9 million per annum on this type of work.
- Major improvement works; Major improvement works are carried out when component parts of a dwelling need to be replaced.
- A programme of improvements is decided upon using the data extracted from the stock condition survey, Officers and Members local knowledge. The annual spending is currently approximately £12 million pounds.

The Housing Asset Management Strategy is a live document and will be updated on a regular basis to reflect changes in legislation and funding, this will usually be annually.

10.0 DELIVERY

FCC are currently in year 2 of the original 6 year pre-ballot WHQS delivery programme. It is the intention to continue with year 3 of this original programme while FCC digests the information that will be gathered from the current Stock Condition Survey. FCC will formulate a new 7 year plan (from 2014 to 2020) showing what works will be completed in each year and in which areas of the County.

To date, FCC's original 6 year plan concentrate primarily on the Internal workstreams of the delivery programme, as this was what Tenants supported for to be dealt with first. FCC have to complete work to the following 4 workstreams (consisting of individual elements) to comply with the WHQS;

- Internal workstreams - Kitchens, Bathrooms, Heating, Re-wires, Smoke Alarms etc.

- Envelope workstreams - Roofing, Chimney work, Roofline works (Gutters, fascias etc), Windows / Doors, Re-pointing / re-rendering etc.
- External workstreams - Fencing, Paths etc
- Environmental workstreams - Estate wide projects to include off street parking and larger environmental projects.

FCC will be looking at the potential cost savings of grouping elements together within a workstream, such as kitchens and bathrooms being completed at the same time. The advantage of this is less contractor management costs and less FCC management costs trying to effectively administer those contracts. If FCC were to maintain all individual elements as single contracts and tried to complete all those individual elements within the 7 years, then FCC management costs will not be compatible within FCC's business plan. Currently FCC's business plan has an allowance of 6% management fees; if all individual element approach were adopted then FCC's fees could be as high as 15%. This could potentially cost another £9 million in management fees alone over the 7 year period.

FCC will also be formulating new ideas around geographical areas in lieu of the current system of working in almost every ward area each year and only completing one or two streets within those areas each year. It is more cost effective to group more streets together within slightly larger areas. However, it is FCC's intention that some elemental or workstream package of works will be completed in all areas in each financial year. The Geography of those areas can be divided into the following or any combination of the areas after consulting with all parties concerned;

- East and West area.
- North / South and East areas.
- Split into 5/6 large town cluster areas.
- Follow street scene areas, 13 in total.

FCC will continue to utilise existing frameworks and look for new frameworks to help procure contractors for the delivery programme. FCC will procure large PLC type contractors through this process and FCC will continue to invite local SME's to tender for smaller schemes of work ensuring that the local labour market is involved in WHQS expenditure.

FCC will work closely with other Local Authorities maximising our buying power through collaborative working and procuring joint contracts. FCC are working closely with WCBC in various initiatives including; collaborative Energy contracts and verification of each other housing stock for WHQS compliability.

FCC will also look at the possibility of utilising the DLO in the capital works expenditure programme, delivering smaller schemes similar in size to the SME workforce.

FCC's existing responsive repair service is carried out by an in-house workforce consisting of over 100 trade's staff. Work is completed and priced based on a

Schedule of Rates. FCC seeks to reduce reactive maintenance expenditure by investing in the stock through Capital Investment Programmes as part of achieving WHQS.

The voids team, disabled adaptations team and the capital works team are also working much more closely together in terms of carrying out improvement works to WHQS standards. The collaboration between the newly formed in-house adaptations team and capital works ensures that adaptations are now being completed to WHQS standard and contributing towards the improvement targets.

10.1 Planned Maintenance

In terms of asset management, one of the principal areas for consideration is co-ordination of materials used in improvement works to ensure long life replacement availability for ease of repair together with an evaluation of costs-in-use (i.e. life cycle costing) to ensure best long-term value.

This principle will be developed through data gathered from framework agreements and data sharing with Travis Perkins, FCC's preferred stores provider. The results will inform and direct FCC's Capital Works programme and Maintenance strategy in the use of materials.

10.2 Alignment of repairs with Capital Programme

To avoid unnecessary maintenance expenditure, it is of primary importance to ensure that all maintenance works are fully co-ordinated with the capital works programme and that responsive versus planned repairs are properly categorised.

This will be achieved utilising Capita 'Open Housing' - Capital Works - Scenario planner and Service modules. The core data held on the computer system will assist in managing the capital programme. Capita Open Housing makes the necessary information available to all users as a central information sharing tool.

FCC are currently reviewing the existing software to ensure that future reporting mechanisms are substantial and robust enough to project financial data for 30 year projections on its housing stock. Other software system manufacturers are being reviewed and compared with our existing Capita IBS system to ensure FCC's Asset Management Software systems are capable of being sustainable for the future.

10.3 Cyclical Maintenance

The cyclical maintenance programme includes:

- A seven year external painting programme to address approximately 1000 properties annually. The programme includes the painting of internal communal parts to flatted accommodation. The painting of the garages is also included under this programme.

- Gas servicing ensures that all gas appliances are serviced on an 11 month cycle to ensure FCC meets its statutory responsibility the work is carried out by the In-house DLO Team
- Smoke detector servicing is carried out on an annual basis. Over the next six years it is intended to service approximately 1200 smoke detectors per annum. A ten year replacement programme runs concurrently with the servicing replacing life expired units to ensure that every property is protected up to a minimum standard of LD3 - alarms fitted in escape routes only e.g. hallways and landing/s.
- Periodic Electrical Testing - installations to all dwellings are checked for safety on a ten year cycle. This ensures that every property attains a level of safety as required by the National Inspection Council for Electrical Installation Contracting (NICEIC) and is the UK's consumer safety organisation. This testing is maintained throughout the installations expected life of forty years and subsequently informs the whole house rewiring programme.

10.4 Reactive Maintenance

FCC's responsive repair works are currently carried out by the Housing Asset Management In-house DLO Team.

The introduction of a mobile working and late evening response is aimed at improving the efficiency of the reactive repair system, as operatives can receive work through hand held devices, with a wide range of benefits which includes better planning of their workload and travel time.

FCC's aims to reduce reactive maintenance expenditure, by investing in the stock through capital projects, such as upgrading kitchens and bathrooms with an emphasis on quality and reliability of the materials used. This approach aims to reduce future maintenance costs as high specification materials give a greater reliability and lifespan.

10.5 Vacant Properties

FCC has a void turnover of circa 5.27% of its properties per year (560) this compares with the average void times for Welsh social Housing Providers.

To maximise rental income, void properties must be returned to the rental stream as quickly as practicable and systems are being developed to streamline the process. Properties that are included in the capital improvement programme and subsequently become void during the course of the contract will be addressed by the relevant contractor on an agreed rapid turnaround basis and completed within two weeks of being advised.

10.6 Out of Hours Service

The Housing Asset Management Service currently provides an out of hours service accessed via Care Connect, based in Conwy County Borough Council's Call Centre. This service enables tenants to request/report emergency repairs or incidents 24/7 - 365 days.

10.7 Gas Servicing

FCC has introduced a formal procedure for the successful management of servicing heating appliances. Housing Asset Management are currently introducing measures to improve the quality of its maintenance service that will include repairs by appointment, extended working days and Saturday morning appointments.

10.8 Asbestos Management.

The 'Control of Asbestos Regulations' (CAR) April 2012 requires duty holders to:

- Take reasonable steps to find materials in premises likely to contain asbestos and check their condition.
- Presume that materials contain asbestos unless there is written evidence that they do not.
- Make a written record of the location and condition of asbestos and presumed asbestos containing materials (ACMs) and keep the record up to date.

In order to meet its statutory obligations under CAR, FCC records the existence of asbestos in dwellings on Capita 'Open Housing Asbestos module' putting effective risk management systems into place, developing a suitable program of asbestos re-inspections.

Housing Asset Management also undertake specific asbestos surveys for all capital projects, the results of which are included with the pre-construction information, in accordance with the Control of Asbestos Regulations 2012 and The Construction (Design and Management) Regulations 2007 (CDM).

10.9 Risk of Legionella

FCC have appointed Hertel Maintenance to manage and record all communal sites that have an associated risk of legionella. The risk of Legionella affects 3 sites that Housing Services manage.

10.10 Fire Risk Assessment

FCC is compelled by the Regulatory Reform (Fire Safety) Order 2005 to maintain the fire safety arrangements. Properties with common parts must be assessed periodically for 'fire risk' to ensure the continual compliance with the legislation.

There is an ongoing budgetary commitment in the Capital Works programme to ensure all required locations meet the standard of the ‘fire safety order’.

10.11 The Disabled Discrimination Act 1995, DDA, element of the Disability and the Equality Act 2010,

The Disabled Discrimination Act as amended in 2005, places an obligation on FCC to make reasonable adjustments for disabled people so that they do not face difficulties accessing buildings. Savills have undertaken a survey of all FCC’s stock with common areas. Works are being actioned in line with the action plan prepared by Savills. Costs are included for the ‘high priority’ issues in the Capital Works programme with the medium and low priorities being addressed during the following years to enable FCC to meet its obligations under the act.

10.12 Communal TV Upgrades

Many of FCC’s grouped dwellings - e.g. sheltered complexes, block of flats - enjoy the provision of a communal TV distribution system fed from single aerial points.

This has been upgraded in recent years, so that all existing dwellings on a communal system have access to a digital aerial connection. The equipment used is serviced through the installer Stanley Security Solutions who are responsible for the upkeep and maintenance of 2500 homes within the County through a long term maintenance agreement with the company.