
**Health, Housing and Adult Social Care
Scrutiny Committee**

12 March 2025

Report of the Assistant Director of Housing

Asset Management Investment Plan

Summary

1. This report provides an overview of the outcome of the council house Stock Condition Survey and how the information is being utilised to influence investment plans in the coming 5 years. The report presents analysis of performance of the Asset Management function against agreed targets. This report builds on the adoption of the Housing Asset Management Plan (2023 – 2028) which was considered by Housing and Community Safety Policy and Scrutiny Committee on in July 2022 before being formally approved by Executive in December 2022.
2. This asset management plan sets out how we will invest in and plan for the future, ensuring we support safe, sustainable, affordable and good quality homes.
3. Later in the year, a comprehensive Housing report will be considered by Executive which builds on the stock condition survey, tenants feedback, and performance in respect of the Regulator's Consumer Standards. The Executive report will outline priorities for the coming year. Comments and recommendations received from the Health, Housing and Adult Social Care Committee in respect of this investment plan report will be reflected in the Executive report.

Background

4. The council own and manage around 7,500 council homes across the city. As the landlord, the council has responsibility for providing a range of services from housing management, repairs and

maintenance, to planned investment. This work is funded from the rents collected from tenants.

5. The principles of good asset management are that the right investment is made into the right homes at the right time. Where investment is made it is guided by:
 - Health and safety compliance information such as fire risk assessments and electrical checks
 - Data arising from stock condition surveys which outlines the anticipated remaining life of housing components, such as kitchens, bathrooms, windows and external doors
 - Standards set out in Decent Homes legislation
 - Feedback from tenants around priorities
6. All affordable housing providers are guided by the requirements of the Regulator of Social Housing. The release of Consumer Standards in April 2024 has provided a framework by which affordable housing providers can assess their performance, with significant emphasis on being open and transparent about priorities and challenges. The Regulator has positive expectations around holding and utilising data effectively. The commissioning of a stock condition survey in January 2024 was a significant step in updating data on council houses and informing good future investment decisions.
7. In January, the Health, Housing and Adult Social Care Committee considered two papers around asset management. The first was about empty council homes and the significant progress made in the last two years to reduce the number of void properties. The second report focused on a revised repairs policy, providing greater clarity around what tenants should expect from the council as a landlord, providing clear standards which can be used to measure performance. Following the support of Committee, this document is currently subject to a period of engagement with tenants before being taken forward for adoption once these views have been considered.

Analysis

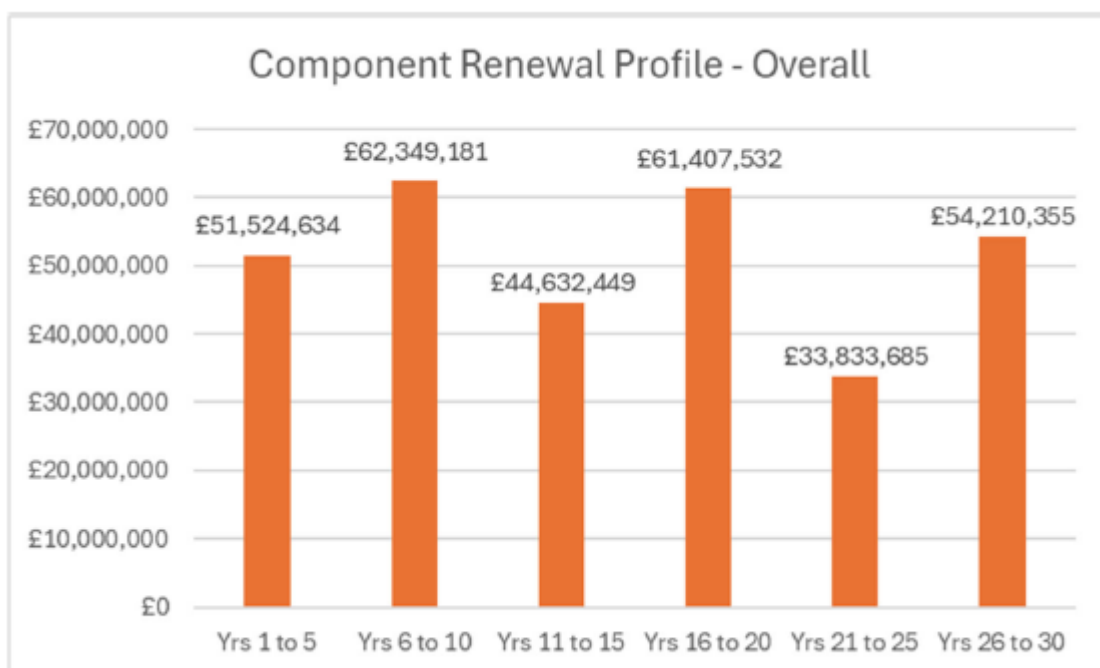
Stock Condition Survey

8. A stock condition survey was undertaken during 2024. During this time, surveys were undertaken in 87.7% of council house assets, this includes homes and communal areas. The remaining assets could not be accessed for a range of reasons. The intention is to have a

focused plan of surveying the remaining 12.3% of assets during 2025. Thereafter, 20% of assets will be surveyed each year such that stock condition survey data is updated for every asset every 5 years. This represents good practice and will provide the data to enable good investment decisions.

9. The stock condition survey report provides information to help plan investment over a 30-year period. Based on the survey from 2024, it is estimated that investment of approximately £1.3k per property per year is required over the next 30 years. This totals £308m for all assets. This is around 15-20% higher than the average affordable housing provider and reflects the age profile and number of 'non-traditional property types' within City of York Council's stock.
10. In addition to the long-term investment ask, outstanding catch-up repair needs were identified which were estimated to cost around £190k. The survey also captured any 'Housing health and safety rating system' (HHSRS) issues. These are where there is something present within a home or its curtilage that poses a risk to health and safety. The intention is that both the catch-up repairs and HHSRS category 1 hazards (which relate to a repair) will be resolved before the end of the financial year.
11. There are two significant budget spends which directly relate to the physical condition of council homes. The first is repairs and maintenance. Much of this is a reactive service, responding to unplanned issues, such as a boiler breakdown, leaking roof, or broken kitchen cabinet door. This service delivers around 25,000 visits per year and is primarily carried out by the in-house tradespeople within Building Services.
12. The second budget spend is capital investment which is primarily, but not exclusively, delivered in a planned way. The aim of this investment is to replace items which are known to be coming towards the end of their lifespan. This includes kitchens, bathrooms, roofs, doors, and windows. Investing in the right homes at the right time should both ensure homes continue to meet Decent Homes Standards and to reduce the number of repairs and maintenance visits. Much of the capital investment work is undertaken by external contractors managed by Building Services.
13. Replacing items within a council home which are coming to the end of their lifespan is referred to as 'Component Renewal' in the stock

condition report. The graph below highlights the estimated cost of component renewals across the council's housing stock for the next 30 years.



14. This investment totals £308m over 30 years or £10.3m per year. It should be noted at this stage that a stock condition survey will not pick up on all investment needs. The survey is non-invasive and therefore other data is required, such as fire risk assessments and electrical checks, to develop a fuller picture of investment needs. In addition, the survey does not account for components failing before their expected lifespan due to fault or damage. Also, any investments to change or improve the type of accommodation such as retrofit or disabled adaptations, would be additional to the 'Component Renewal' investment.
15. In the coming financial year, 2025/26, the capital investment programme budget is £12.7. This is £2.4m above the average 'Component Renewal' investment needed per annum over the coming 30 years.
16. The graph above also highlights that investment needs fluctuate within each five-year period. This is typical and requires investment plans to smooth out the peaks and troughs over this period. This is done by bringing forward some investment when budgets allow and secondly by 'sweating' some components for longer, meaning that focus shifts to maintaining and repairing some components to ensure they are in reasonable working order beyond a typical expected lifespan for that component.

Programme of work for 2025/26

17. The budget for the capital investment programme for the 2025/26 financial year is around £12.7m of HRA investment. At the start of each year, a programme of works is identified and budget lines are created. However, throughout the year these budget headings are reviewed in light of new information and funding can be transferred from one budget line to another to respond to any changing priorities. The £12.7m of HRA investment can also be supplemented by grant funding opportunities, particularly common in relation to retrofit. Next year around £1.6m of grant is already secured and is reflected in the summary investment table below.

<u>Budget category</u>	<u>Provisional budget for 2025/26</u>
Component replacement	£7.5m
Health and safety compliance	£3.3m
Retrofit	£2.1m
Non-planned replacements	£0.8m
Staffing and surveys	£0.7m

18. As outlined above, there are plans to invest £7.5m in replacing components that are at or near the end of their expected life. This investment includes £1.8m for new kitchens and bathrooms, £1.5m for structural damp, £0.7m for window replacements, £0.3m for external doors to houses and another £0.3m for external communal door upgrades at flats, £0.6m for new roofs, and £0.15m for structural issues. This planned work replaces all components identified in the stock condition survey as needing replacement in the first year. A further £2m is set aside for upgrading homes when they become void.
19. £3.3m is earmarked for health and safety compliance works. This includes over £2m investment in responding to fire risk assessments. The remaining investment will be on renewing heating and lighting, as well as investment around lifts, asbestos removal, and water safety works. Health and safety compliance works need to be a priority for the service in the coming years. This explains the £3.3m budget allocation for the next financial year and a component replacement programme that primarily deals with those items needing replacing in the next 12 months. Investment to smooth out the spike in investment needed in years 6-10 (£62.3m) will likely commence in year 3 of the investment programme.

20. There will be significant investment into retrofit in 2025/26. This includes around £1.6m of investment into Alex Lyon House and Honeysuckle House, which is entirely grant funded. In addition, £0.5m is set aside as potential match funding for future retrofit grant funding opportunities. Should additional grant not be forthcoming, this funding will be utilised for non-grant funded retrofit works.
21. £0.8m has been set aside for non-planned capital expenditure. It is estimated that £0.3m of this will fund replacement kitchen and bathroom components that fail before their expected lifespan and have become damaged beyond repair. £0.3m has been budgeted to respond to major damp works which are not currently present or known. The final £0.2m is to deal with any unknown structural issues.
22. The remaining £0.7m of capital expenditure pays for staffing costs and surveys, including the 2025/26 element of the stock condition survey as well as things such as structural and damp surveys.
23. Should any funding from the 2024/25 capital programme be underspent, this will be rolled into the 2025/26 programme, providing greater capacity to invest further into council homes.

Performance

24. The 2023-28 Housing Asset Management Plan contains a number of targets on which to measure performance. Many of these are calculated on the 1st April each year and sent to the Regulator of Social Housing. Therefore, the information below represents a snapshot in time and does not reflect the year end position that will formally be reported to the Regulator. The performance position at this time last year is also presented for context and to aid understanding.

<u>Performance measures</u>	<u>Target</u>	<u>Current snapshot position</u>	<u>Position at this time last year</u>
Compliance with Decent Homes Standard*	100%	98.1%	95.1%
Properties with valid Gas Safety Certificate	100%	99.9%	99.7%
Properties with valid Electrical Inspection Certificate	100%	65.4%	51.8%
Repairs completed within target time	90%	84%	80.7%
Repairs completed on first visit	92%	83%	71.4%
Average number of days to re-let a property	28 days	45 days	80 days

*measured at the end of each financial year

25. The table above highlights an improving position against some of the measures of success outlined in the Asset Management Plan. This improvement needs to continue in order to meet the target position for the service. It is hoped that by the end of the Plan period that the service will be meeting its objectives as summarised above.

Investment in Staff

26. The Building Services team is an ageing workforce and investment is needed to ensure the trades teams are fully trained and supported for the long term. In 2020, a five-year apprentice plan was created. Since that time around 10 apprentices have been taken on, all have become qualified tradespeople. Upon qualifying, many have replaced existing tradespeople when they have retired. A new apprentice plan is being developed. This will include heating and electrical engineers and multi-trade workers to help us deliver more completed jobs on the first visit. In addition, to these more traditional apprentice roles, the team are also exploring apprenticeships around retrofit and contract management.
27. Resource has been placed into a Housing Training Officer in recent years. Much of this work has focused on developing a training matrix and supporting all trades to ensure they are both up to date on essential training and have access to opportunities to improve their skills and knowledge. In the last year a number of Building Services staff have received formal training on retrofit coordination and assessment, SAP assessments, retrofit installation, and the servicing of air source heat pumps. It is intended that as capability grows more works will be delivered by in-house trades people, reducing reliance on external contractors.

Options & Analysis

28. As this report is for information, there are no options and related analysis to consider.

Council Plan

29. The provision of safe and healthy council homes aligns with the Core Commitments of the Council Plan, including:

- a. **Affordability** – council homes are some of the most affordable in the city and support residents who need them most.
- b. **Climate** – providing homes which are thermally comfortable and energy efficient reduces emissions and the contribution to climate change.
- c. **Health** – a safe and healthy home provides a platform from which to thrive.

Implications

30. There are no implications for members to consider as there are no decisions to make as it is a report for information.

Risk Management

31. Whilst there are no direct risks associated with this report – given the size and volume of activities in the Asset Management Plan, a range of risks could impact on the delivery of the plan including skills, prices, data available and so on. These risks and mitigations were identified in the original Plan report in December 2022, and major financial and project management risks are being monitored at directorate and corporate level.

Recommendations

31. Health, Housing and Adult Social Care Committee are asked to note:
 - The outcome of the stock condition survey;
 - Existing performance against targets; and
 - The proposed investment plan
32. Any recommendations received will be incorporated into the comprehensive Housing Executive report which will consider priorities for the coming year.

Contact Details

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Report
Approved



Date 3 March
2025

Wards Affected:

All ☒

For further information please contact the author of the report

Background Papers:

2023-2028 Housing Asset Management and Energy Efficiency Retrofit Plan – Executive – 15 December 2022

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=13293&Ver=4>

Abbreviations

HRA – Housing Revenue Account

HHSRS – Housing Health and Safety Rating System