

**REPORT TO: HOUSING COMMITTEE - 12TH SEPTEMBER 2011**

**REPORT ON: HOUSING DEPARTMENT ASSET MANAGEMENT STRATEGY**

**REPORT BY: DIRECTOR OF HOUSING**

**REPORT NO.: 412-2011**

**1. PURPOSE OF REPORT**

1.1. To report to Committee the Housing Department's Asset Management Strategy.

**2. RECOMMENDATIONS**

2.1. It is recommended that Committee approve the Asset Management Strategy and remits the Director of Housing to implement and review the Strategy as required.

**3. FINANCIAL IMPLICATIONS**

3.1. None.

**4. MAIN TEXT**

4.1. The Asset Management Strategy contained within Appendix 1 of this Committee Report sets out the Housing Department's approach to managing its Council housing and related assets. The Housing Department's Strategy is consistent with the Council's Corporate Asset Management Strategy.

4.2. Asset Management is defined within the Strategy as 'the management of physical assets to meet an organisation's service and financial objectives. Good asset management will ensure that the Housing stock meets current and future needs, including planning for investment in repairs and improvements and reviewing and changing the portfolio in response to local circumstances' and 'the management of physical property assets to ensure they contribute efficiently and effectively to the achievement of an organisation's objectives now and in the future'. (*Scottish Housing Regulator*).

4.3. The Asset Management Strategy sets out the linkages to the relevant Council Corporate Planning frameworks and the Housing Service Plan.

4.4. The Asset Management Strategy brings together information from the Housing Needs Demand and Affordability Study (Craigforth 2008), stock condition, investment, capital planning and procurement as well as the context of Regeneration Initiatives within the City to ensure that the Housing Department can make the best decisions about current and future Council housing provision in Dundee.

- 4.5. By effective implementation of its Asset Management Strategy the Council aims to ensure that it meets the housing needs and aspirations of Dundee citizens by providing quality affordable housing. It is essential that all core stock meets SHQS by 2015 and that the Council maximises rental income to the Housing Revenue Account, minimising rent loss due to void periods.
- 4.6. The Council implements high quality reactive and planned maintenance systems to ensure the housing stock is well maintained and obtains best value for tenants. The Department meets its statutory responsibilities on gas safety through its gas safety policy which was comprehensively reviewed and approved in 2009. The Department has effective mechanisms in place to manage periodic electrical inspections, water systems in Multi Storey Developments, asbestos and fire safety.
- 4.7. The Council introduced a new relet standard for void houses in 2010 and has reviewed and implemented comprehensive changes to the ways it manages void properties. At June 2011 days to let for non low demand houses had reduced to just over 62 days and for low demand housing 85 days. There was further improvement in July with days to let for non low demand houses reducing further to 57 days and for low demand housing 68 days.
- 4.8. The Council aims to tackle fuel poverty by making its houses energy efficient and providing advice and assistance through the Dundee Energy Efficiency Advice Project.

## 5. **POLICY IMPLICATIONS**

- 5.1. This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no issues to report.

## 6. **CONSULTATIONS**

- 6.1. The Chief Executive, Depute Chief Executive (Support Services) and Director of Finance and all other Chief Officers of the Council have been consulted. There were no concerns expressed.

## 7. **BACKGROUND PAPERS**

- 7.1. None.

Elaine Zwirlein  
**DIRECTOR OF HOUSING**

August 2011

DUNDEE CITY COUNCIL  
HOUSING DEPARTMENT  
ASSET MANAGEMENT STRATEGY

AUGUST 2011

# INDEX

	<b>PAGE</b>
<b>1 INTRODUCTION AND CONTEXT .....</b>	<b>6-8</b>
<b>2 AIMS AND OBJECTIVES.....</b>	<b>9-12</b>
<b>3 REVIEW OF CURRENT ASSETS .....</b>	<b>13-16</b>
<b>4 STRATEGY AND OPTIONS APPRAISALS.....</b>	<b>17-19</b>
<b>5 INVESTMENT AND IMPLEMENTATION OF PROGRAMMES .....</b>	<b>20-27</b>
<b>6 ROLES AND RESPONSIBILITIES .....</b>	<b>28-32</b>
<b>7 REVIEW AND EVALUATION.....</b>	<b>33-34</b>

## EXECUTIVE SUMMARY

The Asset Management Strategy sets out the Council's approach to managing its Council housing and related assets.

Asset Management is defined within the Strategy as 'the management of physical assets to meet an organisation's service and financial objectives. Good asset management will ensure that the Housing stock meets current and future needs, including planning for investment in repairs and improvements and reviewing and changing the portfolio in response to local circumstances' and 'the management of physical property assets to ensure they contribute efficiently and effectively to the achievement of an organisation's objectives now and in the future'. (*Scottish Housing Regulator*).

The Asset Management Strategy sets out the linkages to the relevant Council Corporate Planning frameworks and the Housing Service Plan.

The Council has had to face the challenges of a declining population within the City and falling demand and need for social rented housing. The Housing Need and Demand Study 2002 (DTZ Pbeda) predicted the need for between 18,000 and 24,000 affordable housing units within the social rented sector by 2008.

Therefore, the overriding issue within the social rented sector has been dealing with low demand and poor quality stock. The Council has done so by introducing letting initiatives, marketing and ultimately, demolition. Regeneration strategies tackling the removal of poor quality less popular housing and replacement with good quality sustainable housing, particularly housing with 3 bedrooms or larger, and meeting the needs of disabled and wheelchair users are central to addressing housing need in Dundee.

The Housing Needs and Demand Study 2009 (Craigforth) shows that the strategy implemented by the Council has ensured that housing need and demand are now much more in balance (social rented units in 2008 are 22,496). The study also shows that there is waiting list pressure for larger properties with waiting list pressure above 6 applicants per let. It is important that the Council increases provision of dwellings with 3 (or more) bedrooms. There is also significant demand for housing to meet the needs of disabled and wheelchair user households.

As a result of the credit crunch access to home ownership, particularly for first time buyers has become more difficult. The numbers of households within Dundee is predicted to grow from 68,470 by 1.7% to 2017 to 69,610. The effects of the Welfare Reform agenda is likely to have wide ranging impacts on tenants and impact on access to the private rented sector.

By effective implementation of its Asset Management Strategy the Council aims to ensure that it meets the housing needs and aspirations of Dundee citizens by providing quality affordable housing. It is essential that all core stock meets SHQS by 2015 and that the Council maximises rental income to the Housing Revenue Account, minimising rent loss due to void periods. The Council implements high quality reactive and planned maintenance systems to ensure the housing stock is well maintained and obtains best value for tenants. The Council aims to tackle fuel poverty by making its houses energy efficient and providing advice and assistance through the Dundee Energy Efficiency Advice Project.

The Council owns 12,972 core units at March 2011. The Housing Stock Condition Survey 2007 along with constant updating on completed contracts and ongoing surveys populates the Council's Stock Information Database which enables the Council to track stock condition and effectively plan investment programmes. Currently (March 2011) 35.7% of the housing stock is SHQS compliant. At this stage this is in line with other local authorities such as Fife (31-45% compliant) and ahead of East Dumbartonshire and Renfrewshire Councils (less than 30%).

The Council completed a Root and Branch Review of the Standard Delivery Plan which was reported to Housing Committee in August 2010. The Review considered, housing needs and demand, investment needs, financial planning and included extensive consultation with tenants. The review concluded that the Council is on track to meet SHQS by 2015, however, this is qualified for example by the possible shortfall in receipts from land sales. In the case of such financial shortfalls this will inevitably have implications for rents and levels of prudential borrowing. Effective risk management strategies are in place.

The Department has to deliver high quality investment programmes and does this through its procurement and partnering framework. The framework is being reviewed for 2012/13. Customer Satisfaction Surveys have shown levels of satisfaction at 98% (March 2011).

The Department delivers high quality reactive and planned maintenance via the partnership arrangement with DCS. The Tenant Satisfaction Survey (2011) demonstrates 79% satisfaction rating with the repairs service.

The Department meets its statutory responsibilities on gas safety through its gas safety policy which was comprehensively reviewed and approved in 2009. The Department has effective mechanisms in place to manage periodic electrical inspections, water systems in MSDs, asbestos and fire safety.

The Council introduced a new re-let standard for void houses in 2010 and has reviewed and implemented comprehensive changes to the ways it manages void properties. At June 2011 days to let for non low demand houses had reduced to just over 62 days and for low demand housing 85 days.

The Council has worked with the Dundee Association of Council House Owners (DACHO) to ensure that owners are involved as partners in developing strategies to effectively manage properties where there is joint ownership.

The Director of Housing reporting to the Housing Committee is responsible for the management of the Housing Department's assets. The Housing Investment Unit manages the Capital Plan and investment strategies. The Housing Management Division is responsible for reactive maintenance, re-letting void properties and gas safety.

Service standards, agreed with tenants, are in place governing consultation and information provision. Tenants are fully involved in planning the delivery of SHQS and tenants are represented on the Repairs Partnership Board. The Repairs Partnership Board is chaired by the Convener of Housing and the Depute Convener is also a member.

The Housing Department works with communities by working in partnership with tenants and residents organisations, other community groups and Local Community Planning Partnerships.

The Council uses services provided by the Council's Architectural Services Division in delivering investment and repairs programmes. The Council works closely in partnership with RSLs in delivering its Asset Management Strategy.

The Asset Management Strategy has been presented to and approved by the Housing Best Value Review Group in August 2011, the membership of which includes councillors, tenants and Shelter.

## 1. INTRODUCTION AND CONTEXT

Asset management of the Council's Housing is fundamental to delivering the best Housing Service to existing tenants and citizens within Dundee who require social rented housing including dealing with homelessness in the City. The Asset Management Strategy is informed by the Single Outcome Agreement, the Council Plan, Local Housing Strategy and Housing Service Plan.

Asset management is defined as 'The management of physical assets to meet an organisation's service and financial objectives. Good asset management will ensure that the housing stock meets current and future needs, including planning for investment in repairs and improvements and reviewing and changing the portfolio in response to local circumstances', and 'The management of physical property assets to ensure they contribute efficiently and effectively to the achievement of an organisation's objectives now and in the future'. (*Scottish Housing Regulator*).

### 1.1. Links to Corporate Plans

#### **The Single Outcome Agreement for Dundee 2009-2012**

The Agreement represents the shared ambitions of the Dundee Partnership and lays a firm foundation on which community planning for the future of the city will be built.

Dundee continues to make progress on improving local environments across various geographical areas of the City through a range of innovative and effective ways. Unpopular house types have been and continue to be demolished to make way for new types of houses and local amenities more fitting to 21st Century lifestyles whilst matching expressed housing needs and aspirations. This tackles the problem of supply and demand through rebalancing the housing supply chain and improvement of existing core stock by:

- increasing the supply of quality affordable housing;
- creating more housing choice;
- contributing to sustainable and mixed communities;
- providing social housing which provides better value for the public purse;
- annually increasing the number of core social rented houses which meet the Scottish Housing Quality Standard.

The National Outcome 10 states "We live in well-designed, sustainable places where we are able to access the amenities and services we need". The Dundee city outcome sets the following objectives;

- Regenerate communities and create stable, attractive and popular neighbourhoods throughout the city.
- Dundee will have stable, attractive and popular neighbourhoods throughout the city.
- Shift the balance of care to quality caring services in the community.

#### **The Council Plan**

Almost three in ten people in Dundee live in Scotland's most deprived communities. A lower proportion of Dundee residents own their own property (53.6%) than Scotland as a whole (62.6%). Dundee has had a declining population over the past 10 years although the rate has slowed in recent years. Projections show that it is



likely the population within Dundee will continue to decline over the next decade, although the numbers of households will increase. The trend will be towards more single person and elderly households.

The Housing Need Demand and Affordability Study 2009 found that housing pressures within the housing market do not suggest that there is a significant problem of under supply of social rented housing. The greatest unmet need is for housing comprising dwellings with 3 (or more) bedrooms and to meet the needs of those households with physical disability.

Under Building Stronger Communities the Council Plan sets out the objective to;

- regenerate communities and create stable, attractive and popular neighbourhoods throughout the City.
- This will be achieved by increasing the variety and quality of affordable homes and delivering the HRA capital programme to meet the Scottish Housing Quality Standard for Council housing.

### **Sustainability**

The Council Plan also sets out the objective to develop Dundee in a way that safeguards the future of the environment in the city.

The Council will do so by reducing energy consumption in Council property and in Council housing thereby reducing the City's carbon footprint.

## **1.2. The Local Housing Strategy**

The Local Housing Strategy (LHS) reflects the priorities identified in the Development Plan as focus areas for housing investment. The areas of Hilltown, Whitfield and Greater Lochee have been identified as priorities and work on master plans for these areas have been agreed.

### **Hilltown**

The Hilltown Physical Regeneration Framework was approved in January 2008. Implementation of the Action Plan is now underway. The proposals within the Framework aim to significantly improve the physical environment of the Hilltown and create a safe and attractive neighbourhood by planning for permanent positive change. The Framework promotes opportunities for the development of new housing for sale and for rent as part of an integrated approach to improve the physical, economic and social environment of this important part of the City.

### **Whitfield**

The Whitfield Design Framework has been approved by Dundee City Council. The Framework proposes significant new housing development together with investment in improved community infrastructure such as schools, shops, open space and community facilities. The first phases of new social rented housing development have commenced in 2009. A key element of the Framework is to provide a more balanced tenure within the Whitfield area. Sites for new private housing development have therefore been identified and these are being marketed by the Council.

### **Lochee**

The Lochee Physical Regeneration Framework has been approved. The Framework focuses on the land use themes of housing, employment, transportation, retail, leisure and recreation, public realm and environment. It promotes a cohesive approach to the regeneration of Lochee by pulling together the District Centre focused "Central Lochee Development Framework/Master plan" and planning proposals for the wider area. Investment in new private and social rented housing is critical to the successful regeneration of this historic part of the City.

**Investment Outside Priority Areas** In addition to the priority areas for housing investment there is a recognition that opportunities to improve housing choice will arise in other neighbourhoods and that these opportunities should be taken to ensure that existing stable neighbourhoods do not deteriorate. Also the requirements of people with particular housing needs (e.g. community care needs) may require investment outwith the priority areas.

Development opportunities are expected to arise which are associated with demolition of council owned multi-storey blocks in Menzieshill. Opportunities to develop sites resulting from small scale demolitions and existing gap sites are also likely to arise.

### **Housing Department Service Plan**

The Housing Department Service Plan 2007-2011 aims to deliver the following objective:

- Provide good quality houses for our tenants that meet the SHQS and improve the quality of housing in the private sector.

### **Nature of the Stock**

Dundee City Council Housing Department stock consists of 12,972 core units at March 2011. The total social rented housing stock within Dundee owned by Registered Social Landlords and the Council is around 22,000 units.

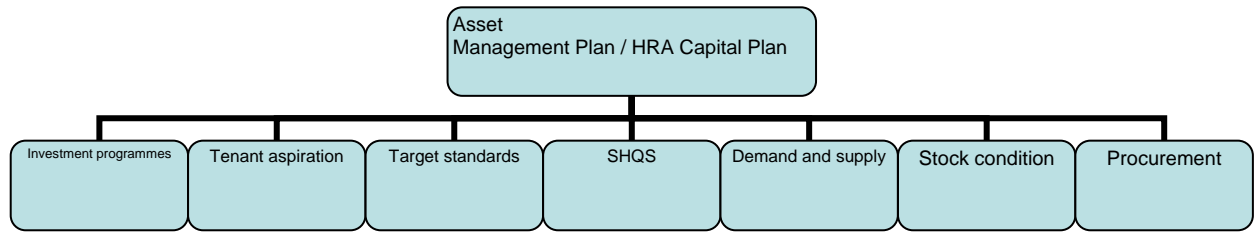
Dundee City Council stock consists predominantly of flats and maisonettes (74%), only 26% of the stock consists of houses. 14% of the stock comprises , multi storey flats and there are 3,230 sheltered units.

### **Service Delivery**

Dundee City Council delivers a comprehensive housing service from Corporate Headquarters, West and East District Offices and the Lily Walker Centre.

## 2. Aims and Objectives

DIAGRAM 1



The Asset Management Strategy brings together information from the Housing Needs Demand and Affordability Study, stock condition, investment, capital planning and procurement as well as the context of Regeneration Initiatives within the City to ensure that the Housing Department can make the best decisions about current and future Council housing provision in Dundee (see diagram 1 above).

The aims of the Asset Management Strategy are to:

To meet the housing needs and aspirations of Dundee citizens by providing quality affordable housing that meets the Scottish Housing Quality Standard.

To balance the needs/demands on the stock to minimise void periods for the housing stock and to maximise income to the Housing Revenue Account.

To identify at risk and potentially surplus housing and following discussions with stakeholders, bring forward proposals for demolition and rehousing of tenants.

To produce and implement financial and investment plans to ensure that all the Council's housing stock meets the Scottish Housing Quality Standard by 2015.

Contribute to and lead regeneration strategies for communities that include Council housing stock in partnership with stakeholders within and outwith the Council.

Repair and maintain the Council's housing stock through day to day reactive maintenance, cyclical maintenance and maintenance of specialist components, where required.

Increase the energy efficiency of the Council's housing stock in line with SHQS, the Climate Change Act and to alleviate fuel poverty as far as is practicable.

The Council will achieve these aims by:

Removing poor unpopular houses.

Using Prudential Borrowing and capital receipts to support delivery of SHQS to core housing stock.

Improving energy efficiency.

Ensure that re-provisioning by RSLs and other partners meets identified housing need.

Providing support to address residents behavioural issues and provide support and

assistance to vulnerable residents.

Improving external areas to create sustainable and safe environments.

## **2.1. Meeting Housing Need**

Following on from the Housing Need and Demand Study 2002 (DTZ Piedad) the SHQS Standard Delivery Plan (2006) set out the problems of low demand and poor condition within some of the Council housing stock, over 1,900 units were earmarked for demolition.

The Council is implementing this demolition programme to remove unpopular poor quality housing and replace this with good quality low density 3 bedroom and larger accommodation and houses to meet the needs of wheelchair users.

The Housing Need Demand and Affordability Study (2009) at that time found that due to the strategy deployed by the Council supply and demand for social rented housing within the City are broadly in balance.

The Council works closely with other stakeholders both within and outwith the Council including the Scottish Government and RSLs to ensure that Regeneration programmes, demolition programmes and new build meet the housing needs for the citizens of Dundee. The current LHS targets the provision of up to 200 social rented housing units per year. It has not been possible to achieve the target.

The Council recognises that increasingly new models for providing affordable rented housing such as mid market rent under the National Housing Trust will be important in contributing to high quality, energy efficient new homes for rent.

## **2.2. Providing Good Quality Housing**

We want to ensure that there are stable, attractive and popular neighbourhoods throughout the city.

Over 2010/11 and 2011/12 the Council has purchased 33 new council houses, developed 69 new build units (including 32 wheelchair units) and converted a further two units back to residential use. Work will begin later in 2011/12 on construction of a further 12 new build flats. All of the Council new build has been built to ensure sustainability and high energy efficiency standards reducing fuel consumption, carbon emissions and alleviating fuel poverty.

The Council is continuing its investment programme to ensure that core housing stock meets SHQS by 2015, spending £16m per year to 2015. A Root and Branch Review of the SHQS Standard Delivery Plan has been completed and approved by Housing Committee in August 2010.

In terms of meeting the 'safe and secure' elements of the Standard the Council has experienced difficulties in installing secure entry systems due to the difficulties in engaging owners in mixed tenure blocks and in response has developed the Tenement Management Scheme to permit installations on the basis of majority voting.

An individual houses programme ensures that where existing tenants have refused improvements at the time of the main improvement contract that these properties are modernised when the tenancy is terminated and the property is void.

To improve energy efficiency, meet NHER ratings required for the SHQS, to address fuel poverty and reduce carbon emissions the Council is installing gas central heating systems fuelled by energy efficient condensing boilers and insulating properties. The Dundee Energy Efficiency Project works with tenants across all sectors to assist tenants and address fuel poverty.

The Council is partnering with British Gas under the Community Energy Saving Programme to deliver district heating and insulation schemes for multi storey blocks at Dallfield assisting in the alleviation of fuel poverty for some of the most vulnerable groups within the City.

The Council delivers an External Cyclical Maintenance Programme to proactively maintain external and communal elements of its houses.

### **2.3. Ensuring Value for Money**

Due to the factors outlined such as the ongoing demolition programme the Council has a relatively high level of loan debt within the HRA - £157 M at March 2011. The Council still has to repay loan charges on debt for properties demolished and requires to increase prudential borrowing in order to meet the costs of the investment programme to meet SHQS by 2015.

The Council is also utilising capital receipts from land sales, last in block sales and right to buy sales to finance the SHQS investment programme. Due to the impact of the credit crunch land sales are not currently meeting anticipated targets. Both this and the need to ensure value for money within the HRA on an ongoing basis necessitates finding savings within the HRA where possible and also additional prudential borrowing in the short term.

The Dundee Federation of Tenants' Associations (DFTA), a Tenant Focus Group and tenants by participating in Tenant Conferences have fully participated in the SHQS Root and Branch Review, review of the annual HRA capital plan and in annual rent setting processes. The risks associated with partly financing delivery of SHQS from capital receipts has been fully explained and is understood by the DFTA and the tenants. This has been achieved by modelling the implications of additional prudential borrowing and consequent implications for rent increases.

### **2.4. Well Maintained Stock**

The Council delivers an External Cyclical Maintenance Programme to proactively maintain external and communal elements of its houses.

The Council's annual budget for day to day reactive maintenance in 2011/12 is £7.5 M, the service is delivered under a Partnership Agreement with Dundee Contract Services.

In a recent tenant satisfaction survey (2011) 79% of our tenants expressed that they were satisfied or very satisfied with the repairs and maintenance service.

Gas safety in Council Housing is also managed under the partnership with DCS.

### **2.5. Sustainable Strong Communities**

The Council's Regeneration Strategy focuses on holistic regeneration solutions with masterplanning and effective community engagement to ensure poor housing

conditions, poverty, employment and community empowerment are tackled. Currently the Council is working in partnership with HOME Scotland in Mill o Mains, Sanctuary in Ardler and will be bringing forward proposals for selecting partners to work on planning regeneration within the Hilltown.

The Housing and City Development Department work closely together in the planning of and delivery of regeneration strategies. Through these strategies we aim to address tenure balance in local communities where there has tended to be a predominance of social rented housing to ensure that there are sustainable well balanced communities comprising owner occupation, shared equity, mid market renting and affordable housing for rent.

The Housing Department works with and engages communities by working in partnership with tenants and residents associations, other community groups and Local Community Planning Partnerships. Focus groups of tenants are used as a mechanism for engagement in specific reviews and service improvement teams.

Dundee City Council adopts a proactive position to addressing anti social behaviour. The Dundee Community Safety Partnership ensures that a comprehensive multi agency approach exists to tackle anti social behaviour. The Anti Social Behaviour Team located within the Housing Department delivers the Anti Social behaviour Service working jointly with Tayside Police and Environment Services.

We work in partnership with Social Work Department to meet the challenges presented by an increasingly aging population, with those aged over 65 within the City predicted to grow to 25% by 2031 and the proportion of those aged 85 or over growing significantly. It is anticipated that this will present increasing challenges in future years. Seventy five percent of Social Work Department spend is on the most vulnerable elderly people.

### 3. REVIEW OF CURRENT ASSETS

#### 3.1. Housing Stock Profile

Date	Housing Revenue Account No. of lettable Houses	Core Stock
1 April 2005	16,527	
31 March 2011	13,379	12,972

Of the 13,379 houses let and generating rent, 174 have already been declared surplus for demolition and will not be re let once they become void. 45 new build houses (2009/2010/2011) are included in the above core stock figures.

233 houses are potentially at risk of being declared surplus for demolition. 54 are sheltered houses which are difficult to let and have specific structural issues. 118 general needs houses are within Mill o Mains where an adopted Masterplan proposes their demolition and replacement with lower density social rented houses by an RSL over the next 5 years, subject to availability of funding.

A submission by Angus Housing Association has been made to the Innovation and Investment Fund 2011/12 relating to a 40 general needs houses within Whitfield (Ormiston Crescent) where it is proposed that 24 are refurbished; 16 demolished and 8 new houses built. Should this funding not be approved it is probable that the Council will have to reconsider the long term options for this stock.

Twenty one general needs houses in Butterburn Square, a mixed tenure deck access block is currently experiencing anti social behaviour problems and a strategy to address the issues is being developed.

The remaining 12,972 units are considered as Core Stock.

#### 3.2. Core Stock

##### Housing Mix

82% of houses are let as general needs housing, 17% are let as sheltered houses, 1% let as fully adapted disabled persons houses. There are also a small number of houses which are let as Homeless Network properties.

##### Size of dwelling

The majority (64%) of the properties held on the Housing Revenue Account are flatted accommodation. Cottage type properties comprise 26% of the stock and 10% are maisonettes or multi-storey flats.

##### Age of Construction

62% of houses were built up to and including 1950; 30% were built between 1951 and 1971; and 8% have been built since 1972.

##### Construction Type of Houses

66% of the stock has been identified as being traditional construction type. The remaining 34% are either semi-traditional or non traditional construction. Within the

non traditional housing stock 14% are multi-storey flats.

#### **Other H.R.A. Assets**

Various additional assets are held on the Housing Revenue Account. These assets generate income however there are responsibilities attached to sustaining and maintaining these.

<b>Other Assets at 31 March 2011</b>	<b>Number</b>	<b>Number generating rent</b>
*Lock-up garages	831	566
*Garage sites	128	95
Parking Bay(s)	12	
Lock-up bothy/store	6	
**Shops/Industrial Units	149/5	
Sheltered housing lounge/communal facilities	37	
Operational Land - miscellaneous leases	15	13
Land- surplus ex council house sites	36	
Operational Office Buildings	2	

\*A review of lock ups has been undertaken and an action plan developed for implementation which will remove lock ups on sites declared as surplus, other sites will be improved for re-let.

\* \*\*Shops/Industrial Units are managed by the Council's City Development Department who retain part of the income to cover maintenance and repair works. The Housing Revenue Account receives the balance of rental income.



### 3.3 Other Housing Account Assets

Assets at 31 March 2011	Number	Number generating rent
Travelling People's Site's	20	20 pitches
Homeless People's Operational Office building/accommodation	1, including 26 flats	26 flats
West District Housing Office		
East District Housing Office		

### 3.4 Housing Stock Condition

#### Data capture methods

##### Stage 1

In 1999 Dundee City Council commissioned a 10% stock condition survey, undertaken by external consultants. An additional survey of 30% was commissioned in 2007 as concerns were expressed about the validation of the results of the earlier survey and the small sample size. In addition to the main Stock Condition Survey an NHER level one survey was carried out as a separate exercise in order to establish energy efficiency of the stock and to identify those houses that fall below the minimum level of NHER 5.

The Stock Condition Survey data is presented in the form of a Stock Information Database (SID), and the data was used to clone the remaining stock. This cloning was carried out on the basis of sample stratas identified through house type, construction and location.

##### Stage 2

Since the initial data capture updates have been made to specific elements based on more recent surveys commissioned by the Council undertaken by internal and external sources. These include:

- Full Citywide Roof and Roughcast Condition Surveys.
- Ongoing Concrete and Non Traditional Property Surveys.
- Annual Gas Maintenance records.
- Rewire Surveys- Periodical Surveys.
- Dundee Community Energy Partnership Survey.
- NHER Ratings (EPC's).
- Inspection of specific elements by DCC qualified personnel.

##### Stage 3

On completion of works carried out as part of the Housing Department's Capital Investment Programme or re-let works, relevant elements are updated to reflect the works carried out.

##### Stage 4

Increasing the number of sample surveys and validation of existing data through deployment of in-house surveying resources and considering a dedicated surveyor resource.

#### Objective

The Council recognises the need to improve knowledge of the condition of our core housing stock and will move towards a 100% database over time.

## Stock Information Database (SID)

SID provides a up-to-date summary of the condition of the core housing stock, in particular the data associated with passes/fails in respect of the Scottish Housing Quality Standard (SHQS). SID is also capable of providing scenarios for different compilations of data sets of the strata to aide planning and funding profiles. This allows different stated permutations of data to be used to create scenarios of differing investment options. A Schedule of Rates and Element Lifecycle Replacement Cycles have been developed in association with the Councils Architectural Services Department. These have been loaded into SID to influence the scenario outputs.

## Core Housing Stock Condition

The SHQS Delivery Plan as submitted to the now Scottish Government in June 2006, advised that at 31st March 2006, 10,926 (84.25%) dwellings were considered to be below the standard.

The Council's submission to the Scottish Housing Regulator Return for 2010/11 shows that at 31st March 2011, 8,463 (65%) dwellings are considered to be below the standard.

## Current Failures

Criteria		Failures
Below Tolerable Standard	0	
Free from Serious Disrepair	1,167	
Energy Efficiency	3,381	Inefficient heating systems
Modern Facilities and Services	5,962	Mostly kitchens and bathrooms
Healthy, Safe & Secure	8,134	Lack of controlled entry
Dwellings failing one criteria	4,786	
Dwellings failing two or more criteria	3,677	

## SHQS Investment Plan

The current delivery plan proposes to ensure that all stock meets the SHQS standard by March 2015 and/or will be exempt or held in abeyance at that time.

#### 4. **STRATEGY AND OPTIONS APPRAISALS**

The Council utilises and applies the following data in appraising and carrying out options appraisals on its housing stock.

##### 4.1. **Housing Needs Demand Study**

The Council commissioned research for Assessing Housing Need, Demand and Affordability in the greater Dundee housing market area in 2008 with the results reported to Committee in 2009. The consultants also undertook an assessment of annual housing need within Dundee using the Scottish Government's Housing Need and Demand Assessment guidance to formulate their conclusions.

The implications from the Housing Need Demand and Affordability Study were fed into the SHQS Root and Branch review. The Study highlighted the need to retain more of Dundee's population over the medium to longer term. Dundee is expected to see an increase in numbers of smaller households of between 1.75% and 4.9% between 2007-2022. An analysis of stock performance of various properties across the city, which included the remaining multi-storey blocks, indicated that there are no significant differentials between weighting applied to turnover and demand factors for the multis, compared to others. Applicants on the waiting list continue to include these localities within their preferences and whilst the type of house might not be their preferred choice, their locality and closeness to amenities, etc does sustain a demand for them. Waiting list trends also support, at least in the short-term, that the waiting list is unlikely to reduce and that these houses are sufficiently popular to warrant their medium-term retention. Therefore, the revised SHQS Delivery Plan acknowledges that the multi-storey stock in Lochee and at Dallfield have an intermediate life beyond 2015. Provision will be made in the SHQS Investment Plan to bring these houses up to the standard as far as is practicable by 2015. However, the Council does not intend to carry out works which will not provide value for money such as cladding/thermal insulation and will be seeking exemptions on specific elements of the SHQS unless external funding can be sourced as is the case at Dallfield MSD.

The Study highlights that the greatest waiting list pressure is for larger properties with pressure ratios for this accommodation being above the 6 applicants per let. Therefore the Study concludes that it is important to increase the provision of dwellings with 3 (or more) bedrooms. The Council also has significant demand for wheelchair housing.

##### 4.2. **Stock Assessment**

The Stock Information Database (SID) developed by consultants employed to update two earlier house condition surveys, was then provided to the Council to assist in the establishment of a 100% housing stock database, especially for the provision of measuring and recording progress in achieving the Standard. The Council has been replacing 'cloned' information with survey information gathered as an actual record of failure.

The Stock Information Database (SID) is updated on a regular basis with all elements which have been brought up to standard from ongoing projects. These include all work undertaken since 2006 on Heating Replacement, Kitchen and Bathroom Replacement, External Cyclical Maintenance and Controlled Entry, both upgrades and installations. Energy Performance information is being updated within the database following heating projects and relet inspections.

Surveys undertaken on roof condition have been used to reflect this within the database. It is planned to undertake the same exercise with render survey information. Investigations are also underway to update the database following major repair works and relet inspections (Lettings Standard).

#### 4.3. **Stock Viability**

The Council has devised a robust methodology for assessing stock viability, the matrix compares management information and investment requirements. Annual turnover, demand, maintenance and investment requirements are weighted to provide an overall picture of performance. The weighting is as follows:

Turnover - 1 point per 2% of turnover.

Demand - 1 point per offer made before property is allocated.

Repairs and maintenance costs - 1 point per £500 spend.

Investment - 1 point per £1,000 spend required.

This information is collated to obtain an overall scoring. Lower scoring indicates more potential viability, higher scoring indicates potentially less viable the stock. The outcomes from the stock classification provide indicators for dialogue with relevant officers managing the stock, District Manager and Lettings team and consultation with residents.

#### 4.4. **SHQS Review**

A review of the 2006 SHQS Standard Delivery Plan (SDP) submitted to Communities Scotland in 2006 was completed and approved by Committee in August 2010. This review was undertaken partly due to the requirements of the approval of the initial SDP. Given that the SDP was assessed as being high risk the Council also wanted to review progress and ensure risks to the delivery of the SHQS can be managed appropriately.

The review was undertaken in conjunction with the Dundee Federation of Tenants Associations and tenant focus groups supported by TIS (Tenant Information Service) as independent tenant advisers. The review examined in detail housing need and demand information, stock condition and performance and the stock information database, HRA finance, prudential borrowing and capital receipts.

The Review commenced in 2008 and was reported to Housing Committee in August 2010. The review considered:

- Stock profiles including needs and demand for the Council's housing stock.
- Investment needs of the stock.
- Financial plan.
- Consultation.
- Risks to delivery of the Standard.

The conclusions from the Review were that the Council is still on track to meet the SHQS by 2015, however this is qualified by the number of risks to delivery that are still apparent, for example the possible shortfall in receipts from land sales.

These risks are being monitored on a regular basis and if realised plans will be produced for mitigation. In the case of financial shortfalls this will inevitably have implications for rents and levels of prudential borrowing. Any changes will be closely scrutinised and discussed with tenants before implementation. The Housing

Department continues to meet on a quarterly basis with DFTA and Tenant Focus Group to discuss progress towards meeting SHQS. The financing of SHQS delivery is discussed further with tenants in annual rent consultations.

#### 4.5. **Sales Strategy**

The Council has adopted a policy of selling flats where these are the last in a communally owned block subject to assessment of whether such flats if on the ground floor would meet the needs of applicants with disabilities. This minimises Council management of mixed tenure blocks, releases the Council from liability for mutual common repairs and realises capital receipts to assist in delivery of SHQS and Council new build.

The Council sells properties under the Right to Buy Schemes again realising capital receipts to assist in delivery of SHQS. Where owners of former Council houses are interested in buying additional miscellaneous land within housing developments the Council will sell land as appropriate.

Where the need arises and following options appraisal the Council will also consider sales of properties in particular situations where this is justified and represents value for money.

The Housing Department owns significant land where demolitions of Council housing has occurred. The assumption is that receipts from sale of such land is used to finance achievement of SHQS.

#### 4.6. **Neighbourhood Regeneration**

The Council is currently delivering regeneration initiatives with partner organisations in identified priority areas in Mill o Mains, Whitfield and the Hilltown.

In Hilltown 4 multi storey blocks will be demolished in July 2011, along with associated Low Rise dwellings this has meant removal of 606 units. The regeneration aims to replace these with around 240 lower density housing units for rent, ownership and shared equity.

In Mill o Mains a partnership with HOME Scotland is delivering Phase 1 of a phased demolition and new build programme to remove unpopular flatted blocks with lower density family housing for rent as well as housing for shared equity and sale. Phase 1 currently on site involves the construction of 74 houses.

In Whitfield HOME Scotland and Angus Housing Associations have recently built new family housing on brownfield sites. A new Primary School is under construction and a new Life Services Centre is planned. A new Spine Road crucial to the redevelopment of the area was completed in May 2011. The Housing Department is currently marketing brownfield sites for housing.

## **5. INVESTMENT AND IMPLEMENTATION OF PROGRAMMES**

### **5.1. How Do We Deliver?**

#### **5.1.1. Ongoing capital programme**

The department's asset management strategy for its stock involves all aspects of managing our property portfolio and establishes the framework to ensure investment is directed to meeting the Scottish Housing Quality Standard (SHQS) by 2015 as a minimum standard.

In addition to day to day repairs the department has an ongoing capital programme as well as planned and cyclical maintenance.

The capital programme for 2011/12 to 2015/16 was agreed by the Policy and Resources Committee on 24 January 2011. The estimates were configured in line with a revised SHQS Standard Delivery Plan agreed in June 2006 and amended following a Root and Branch Review of the Delivery Plan that was agreed by Housing Committee in August 2010. All programmes are subject to SHQS criteria in order that Council houses in the core stock meet the standards by 2015. A summary of the approved HRA Capital Plan is contained in Appendix 1.

A new build programme is underway to increase the supply of council housing. A number of houses are/will be built to full wheelchair accessible standard in order to respond to an increasing demand for such housing, and there is an ongoing programme of disabled adaptations following recommendations for these from Social Work Department Occupational Therapists.

#### **5.1.2. Priorities for investment**

The ongoing problem of low demand for parts of the Housing stock has been addressed through applying a range of initiatives generated to offer the best sustainable solution dependant on the particular factors associated with the stock. Some of these initiatives have been highly successful in turning unpopular stock into sustainable long term lettable properties and the Council will continue to promote opportunities for long term sustainability of stock through such initiatives in the future whenever these options are deemed Best Value and are practicable. However in some instances the only practical solution is demolition of the stock.

Despite the Council's attempts to sustain such housing it has been necessary to declare some stock as surplus to requirements either due to low demand and associated unsustainable social or physical influences or under neighbourhood masterplans designed to create sustainable neighbourhoods offering a choice of quality, sustainable and affordable houses generated to meet future needs and aspirations. To this end 254 houses have already been declared surplus and a further 322 houses have been identified as potentially surplus to support the delivery of approved masterplans.

The level of potential at risk stock identified within the Financial Viability Study in 2004 indicated that most of the remaining multi-storey properties not already designated as surplus stock would need to be declared surplus due to substantial investment required to bring them up to the Scottish Housing Quality Standard. However the Housing Needs, Demand and Affordability Study 2009 highlights that there is a need to seek to retain more of Dundee's population over the medium to

longer term.

Therefore the revised SHQS delivery plan acknowledges that the multi-storey stock in Lochee and at Dallfield have an intermediate life beyond 2015.

### 5.1.3. **Performance and expenditure vs budget**

Performance and expenditure are measured against the budget and reported monthly at a Housing Capital Investment Management Team meeting, chaired by the Housing Strategy Manager and attended by representatives from Finance, Architectural Services, Engineers and Housing. The end of year report is discussed by the SHQS Project Board and is included in the department's Performance Report.

### 5.1.4. **Quality**

There are a number of ways in which the quality of work to maintain our assets is set and monitored. In relation to the capital programme this starts with procurement, i.e. how we select the contractors who deliver the programme. These works are currently procured using partners who have been on board since around 2003 and there have been benefits in terms of price and quality over that period. The Council has a number of partnering contractors who are used to carry out the work including our in-house contractor, Dundee Contract Services. Annual market testing is also undertaken by issuing work via competitive tender so that the market is continually tested and the Council can ensure that it is delivering best value in programme delivery. In order to obtain best value the Council seeks to ensure that the appropriate balance of cost and quality is achieved in line with agreed service delivery standards.

However, the current partnering procurement framework has been in place since 2003 and four years is considered to be the longest for framework agreements unless in 'exceptional circumstances'. In order to ensure transparency and value for money in procurement a review of the procurement process is underway for implementation in 2012/2013 and maintained until the end of the SHQS programme in 2014/2015 with an option for a further year to take it to four years.

An appropriate proportion of the work (30-40%) will be allocated to Dundee Contract Services (DCS) and a framework of partnering contractors will be set up to carry out the remaining work. These contractors will be chosen following a compliant advertising and selection process. This will be a two stage process - first stage to evaluate quality and DCS will participate in this to ensure they match the levels of the selected contractors. The second stage will bring in the pricing element and based on this the framework contractors will be chosen. The work allocated to DCS will be negotiated in line with the market prices obtained thus confirming best value for the Council as required by Standing Orders.

Our current partners are Dundee Contract Services and McGills with additional contractors as and when contracts are procured by competitive tender. All contractors must abide by our Code of Conduct for Contractors which sets out minimum standards that they must comply with. The Housing Department itself has Service Standards for capital contracts and planned and cyclical maintenance which specifies the performance expected by Housing and contractors.

In addition tenants' views are sought through Customer Satisfaction Surveys for all capital contracts and through Tenants' Focus Groups for specific issues.

The department has also gone through procurement exercises for the central heating boilers and for kitchen units. These are for use on the capital contracts, day to day repairs and relet works. Two manufacturers were selected for boilers and two for kitchen units, and a large part of the assessment was on the quality rather than just cost.

All of these measures are designed to ensure that the standard of materials and work is constantly improving, and that the views of tenants are taken into account. Performance is monitored at an on site level (using Key Performance Indicators), at Cluster meetings (Quality and Design, Client and Monitoring & Evaluation) and the SHQS Project Board, as well as the Housing Capital Investment Management Team.

#### **5.1.5. Compliance with legislation**

A primary focus of our Asset Management Strategy is ensuring the stock complies with relevant regulatory requirements (e.g. SHQS and standards on gas safety, asbestos, and electrical safety). This is done by:

- carrying out pre contract asbestos surveys
- implementing agreed planned maintenance programmes such as Periodic Inspections
- annual gas servicing of gas boilers
- regular testing and disinfection of water systems to prevent contamination by legionella bacteria
- regular servicing of passenger lifts
- regular servicing of stairlift installations
- regular fire risk assessments

#### **5.1.6. Customer focus in planning, standards, choices and delivery**

As described in section 5.1.4. Quality, the department has developed, with the assistance of tenants and service users, service standards for complaints, customer care, Dundee Energy Efficiency and Advice project and Major Housing Improvements and Repairs (amongst others). In addition, tenants were involved on the selection board for kitchen unit manufacturers, and focus groups of tenants have taken place to follow up on issues raised by the Customer Satisfaction surveys.

For the Root and Branch review of the Scottish Housing Quality Standard delivery plan regular meetings were held with a focus group comprising tenants from the Dundee Federation of Tenants Associations and from other Registered Tenant Organisations. The tenants were supported by an independent advisor from Tenant Information Scotland.

The Tenant Participation Officer team are looking at how to involve more tenants in the Client Cluster.

Regular Customer Satisfaction Surveys are undertaken after each capital contract and for the disabled adaptation programme.

As some of the capital projects affect owners of previous council housing, meetings are held on a regular basis with the Dundee Association of Council House Owners



(DACHO). A service charter has been signed by both the department and DACHO.

## 5.2. Lifecycle Planning

There are two main routes for planning the investment programme. Traditionally it was based on lifecycle, and, in particular, the length of time since the last work of a similar nature took place. In Dundee, council housing was built in developments (and phases within developments) over the years, and there are approximately 250 of these. This means, for example, that within a small area there may be several developments all built at different times. Therefore it has been difficult to plan work on a geographical basis.

However, considerable work has been done on a 'Ready Reckoner' which details every development and dates when capital programmes are due (e.g. roofs, heating, kitchen and bathroom, windows, rewire etc). This allows for consolidation of projects within an area to minimise site establishment costs and travel time for housing officers.

In addition to this programmes take into account information obtained from a stock condition survey and Stock Information Database (SID). The stock condition survey was commissioned in 2007 and was carried out by John Martin Partnership. It covered 30% of the housing stock stratified in such a way that the remaining 70% of the stock could be cloned from the information gathered. The results of the survey were considered in 2008 and investment planning to meet SHQS was revised to meet the priorities identified.

In addition to a stock survey, an ongoing stock information database was provided, capable of being updated property by property in order that progress towards meeting the SHQS could be tracked by the Housing Investment Unit.

However, the Regulator identified that there were serious risks that could undermine the progress of the Council to meeting the SHQS in 2015. One of these risks was insufficient information being held on the investments needs of the housing stock due to the low sample size and high percentage of cloning from the stock condition survey. As a result of this a commitment has been given as part of the Improvement Plan that we will move towards a 100% database through time. This will happen in any event as capital programmes are input on completion, in-depth survey information on elements such as roofs are input, and links to the corporate repairs system are developed. In addition, the department will examine the potential to employ an in house building surveyor to validate our existing survey results and to carry out further sample surveys. The role of the surveyor would be to carry out sample surveys and to determine whether elements identified as failing are valid or not. This work would allow improved updating of the SID database to ensure greater accuracy in the compliance figure.

## 5.3. Planned and Cyclical Maintenance

As well as the capital programme there is a budget agreed for Planned Maintenance that covers external cyclical maintenance, surveys and repairs to multi-storey blocks, concrete surveys and repairs, timber treatment, common stairs, laundry equipment (in the multi-storey blocks), water pumps and soil stacks. Although some of these projects do not directly address SHQS elements they are required to maintain the department's assets.

## 5.4. Relets

The department has developed a Void Management Procedure and relet standard in order to maximise the use of the Council's housing stock by minimising the time properties stand empty to reduce rent lost, repair expenditure and the number of refusals.

- 5.5. To achieve this Relet Officers will be required to ensure that properties are in, or brought to a standard of, good condition - including the standard of cleanliness; that the property offers a safe and secure environment for the prospective tenant; and that property is let within a minimum timescale. The relet inspection is carried out to a set specification. At the time of the inspection a decision is made on the extent of the work required.

5.5.1. **Properties not released for Relet repairs**

**Major Repair** Where properties are in very poor condition, possibly as a result of vandalism, a major repair may be required. In these circumstances the property will be inspected for a second time by the Voids Supervisor, with a representative from DCS. A decision will be taken as to whether the property is a major repair job, and an approximate timescale for completion agreed.

**New Kitchen** Some properties may require to have a new kitchen fitted, so that the property complies with SHQS. The logging of a new kitchen will e-mail our suppliers, JTC Kitchens, highlighting to them instances where the house is the same type that they have previously surveyed. Typically this should take no more than 10 days, including initial survey, manufacture and delivery.

**Last House in Block** Under current Council policy, the Council may exercise the option to sell a house rather than re-let it if the property is the last one in a block.

**Major Capital Works** Some properties may require significant modernisation work to the fabric of the building prior to the re-let work being done.

5.5.2. **Properties released to DCS for Relet Repairs**

Upon completion of relet inspection a relet job is logged and placed in the holding queue. Each day the Voids Supervisor decides, depending on the number of DCS man hour works already in progress, which relet jobs are released to DCS. This is based on a pre-determined number of weekly permissible hours agreed between DCS and Housing management.

Once the property is released to DCS the re-let work will commence after any clearance or special cleaning, if it is required.

Re-let repairs will then be carried out on the property, in line with the repairs identified in the inspection(s) with reference to the Re-let Standard. Small repairs will be subject to a 'Fast-Track' procedure that should only take a few days. An overall target of 21 days has been set for the completion of all relet repairs. This target also includes clearing out, carrying out repairs and decoration, and final clean.

The re-let for some houses may be delayed as DCS is awaiting materials - these cases will be agreed between the Voids Supervisor and the DCS Supervisor, and will also be subject to daily review.

When the last trade has been completed in the house, the property will be entered

in to the Repairs System as 'Last Trade Complete'.

This will trigger the following actions:

- Labourer Clean.
- Decoration, if required. Decoration will be organised by DCS, using sub-contractors if necessary.
- A final clean of the property will take place, and the suited lock will be removed. Keys for the lock fitted will be sent to the Lettings Centre.
- The Lettings staff will commence the offer process.

## 5.6. **Gas Servicing**

### 5.6.1. **Gas Servicing Policy**

The Housing Department has developed a Gas Servicing Policy which outlines the Housing Department's approach to Gas Safety Management. This policy is delivered under the Repairs Partnership Agreement in liaison with Dundee Contract Services.

This policy supports the requirements of The Gas Safety (Installation and Use) Regulations 1998, statutory instrument 1998 No 2451. Any amendments, revisions and changes to this legislation will take precedence over this policy.

### 5.6.2. **Gas Safety Checks and Servicing**

The Housing Department will, on an annual basis, arrange for a gas safety check to be undertaken on all the gas boilers within the housing stock. The programming of this safety check will be undertaken at 9 months. This is to ensure that all properties are checked within the statutory 12 months.

For the convenience of the tenants, the Council will undertake a maintenance service at the same time as the gas safety check. The work is carried out by Dundee Contract Services (DCS) and all DCS Gas Engineers will be Gas Safe registered and carry both their Gas Safe Registration and Council ID card.

The Housing Department will initially attempt to make contact with the tenant via phone (or any other media). If unsuccessful, a personal visit by a Gas Engineer will be undertaken (cold call). Thereafter, a series of letters will be sent to the tenant encouraging contact for an access arrangement. Ultimately, if no contact is made, the tenant will be scheduled for a forced entry.

If a tenant has repeatedly ignored the Housing Department's efforts to arrange a gas safety check appointment, a forced entry will be arranged. This action is undertaken under clause 5.12 of the Tenancy Agreement which states:

"It is your responsibility to allow access for annual inspections of gas appliances that have been provided by us".

### 5.6.3. **Timer Units**

The Council will install a service timer to properties under certain conditions:

- A forced entry.
- New boiler installation.

- At the discretion of a Housing Officer.

The timer is designed to disable the use of the boiler if a safety check has not been undertaken by the anniversary date of the previous check. The timer is set by the Gas Engineer at the time of the safety check.

Timers are set at 11 months from the date of the last check. This is to ensure activation of the disable function before the anniversary date.

#### 5.6.4. **Audit**

The gas process will be audited on an annual basis by an external agent.

- 300 safety checks will be subject to a quality audit.
- The gas process will be audited by DCS internal audit arrangements for their quality assurance system.
- The DCS administration of the gas function will be audited as part of their Gas Safe Registration.

#### 5.6.5. **Performance Monitoring**

The gas safety check process will be subject to regular performance monitoring by both the Housing and DCS Departments. Statistical information will be submitted to the Repairs Service Management Board on a monthly basis.

#### 5.7. **Procurement Issues**

Refer to section 5.1.4 for the department's procedures for procurement for heating, kitchen and bathroom projects.

#### 5.8. **Health and Safety**

In addition to the capital programme, the estimates include projects to ensure the department meets Health & Safety requirements and complies with legislation. These projects include safety checks (gas, periodic inspections, water systems etc), annual servicing, asbestos management and fire safety measures.

#### 5.9. **Specialist Maintenance**

Specialist Maintenance work is required for many Council properties on a lifecycle and reactive Maintenance basis. Specialist maintenance includes such items as CCTV cameras, washing machines in MSD developments and sheltered lounges, maintenance of controlled entry systems, maintenance and repair of warden call systems in sheltered housing, and the more routine tasks such as the regular cleaning of bin chutes at Multi storey blocks. Some of this work is so unique in its nature that only one or two contractors can provide a service, however where the input required is more generic and of a larger scale then we will seek to procure contractors primarily through the open tender route.

#### 5.10. **Housing for those with Particular Needs**

As described in previous chapters the Council has a variety of Housing within its stock which caters for those with special housing needs. In the normal course of events any cyclical improvement or repair work on this stock will be carried out in line with the mainstream housing within the same development. There is however a dedicated kitchen replacement scheme for houses that are built or adapted for

people who use wheelchairs and other adaptations are also carried out at the same time. The Council spends up to £1m per annum on adaptations to its own stock for disabled people, the vast majority of this following recommendation from occupational therapists from the Social work department. Over the past 2 financial years Housing for wheelchair users has also formed part of the Councils New build programme; these houses are built alongside others that have been designed for lifetime needs.

#### 5.11. **Owner Issues**

The Council has former council house owners within its estate who still have a mutual interest in works that the Council carries out. This can be a major project such as a Roof renewal or a day to day repair on a mutual element in the block. At the present time all mutual repairs are charged back to owner occupiers in line with their rateable value share in the block. The exception to this is day to day repairs and maintenance for which there is no system for recharging. It is however a priority that such a system be developed that allows for these re-charges to commence. The Housing Investment Unit works closely with our Private Sector Services Unit to deliver grants to those owners of ex council housing stock that undergo improvement and repair contracts for which they will be recharged as mutual owners of common areas. The Tenement Management Scheme has been introduced to maximise installation rates of controlled entry systems in mixed tenure common closes. Under this scheme majority voting enables the Council to install controlled entry systems. Grants are available within the Scheme of Assistance for the installation of Secure entry systems to common closes.

#### 5.12. **Factoring**

The Council does not currently provide a factoring service for owners. The Council in conjunction with DACHO is considering the issues surrounding the development of a factoring service.

#### 5.13. **Photovoltaic Panels**

The Council is embarking on a Tendering exercise to provide Photovoltaic panels to approximately 1,000 units of its suitable housing. This Tender is framed around the "Rent a Roof " model where the successful Contractor takes all the risk for supply, fit , and maintenance of the systems. These panels convert sunlight into electricity which provides an amount of free electricity to the tenant and dependent on the results of the tendering process a rental payment for the roof of each house and the potential for a profit share from the Feed in Tariff which will accrue to the Housing Revenue Account. There is also the possibility of further Community benefits as part of the deal.

## 6. ROLES AND RESPONSIBILITIES

This section provides the context to the structures that are in place to manage the City's Housing Assets in a way that ensures optimum performance, value for money, and provides the best possible service for those using the service, the tenants of the housing stock. It will provide information on the structures that ensure good and efficient governance. The various partnerships that are in place will be outlined and the methods and scope of consultation with tenants and others will be discussed. In addition to this the day to day input of various council departments, Registered Social landlords and other agencies are touched on.

### 6.1. Structure

Responsibility for Asset Management of the Housing departments stock is directed through both the Housing Strategy and Housing Management wings of the operation. Housing Strategy is broadly responsible for the investment in the stock through capital programmes and the implementation of individual projects that are part of this programme. At present the core function of Housing strategy is to ensure that all the City Councils housing stock is SHQS compliant by 2015. The Housing strategy division is also responsible for regeneration strategies in housing estates through a range of activities along with other landlords and agencies, it also administers the sale of land on the Housing revenue account and council houses through both the right to buy and sales of last remaining houses in mutual blocks.

The Housing Management division is responsible for the day to day management of assets including lettings, day to day repairs, and discharging the Councils homelessness responsibilities. The day to day Housing Management responsibilities are divided geographically into East and West offices whilst the Housing strategy division is based in the City centre and operates citywide.

### 6.2. Governance

Ultimately the Housing Committee oversees the asset management of the councils housing stock. It agrees overall policy such as the Local housing strategy, SHQS delivery plan, and also agrees yearly update on the rolling 5 year Capital investment plan (Housing Capital Estimates). In terms of SHQS compliance the Scottish Housing Quality Standard Project Board oversees progress towards compliance, monitors installation progress on individual criteria, monitors expenditure, borrowings, and levels of receipts from land sales and council house sales. Crucially the Board also measures and monitors risks to compliance through a risk matrix mechanism designed to give early warning on areas where underperformance may undermine progress towards meeting the Standard. Membership of the Board is the Director of Housing, the Director of Finance, and the Director of Environment.

At the same level but dealing with day to day repair and Housing revenue expenditure is the Repairs Partnership Board and the Repairs Management Board, the former involving tenants and housing staff and the latter headed by the Director of Housing and the Director of Environment. The Repairs Partnership Board is chaired by the Convenor of Housing and the Depute Convenor of Housing is also a member. Both these groups track repairs performance, discuss policy issues arising from the service, and help to identify priorities for capital investment.

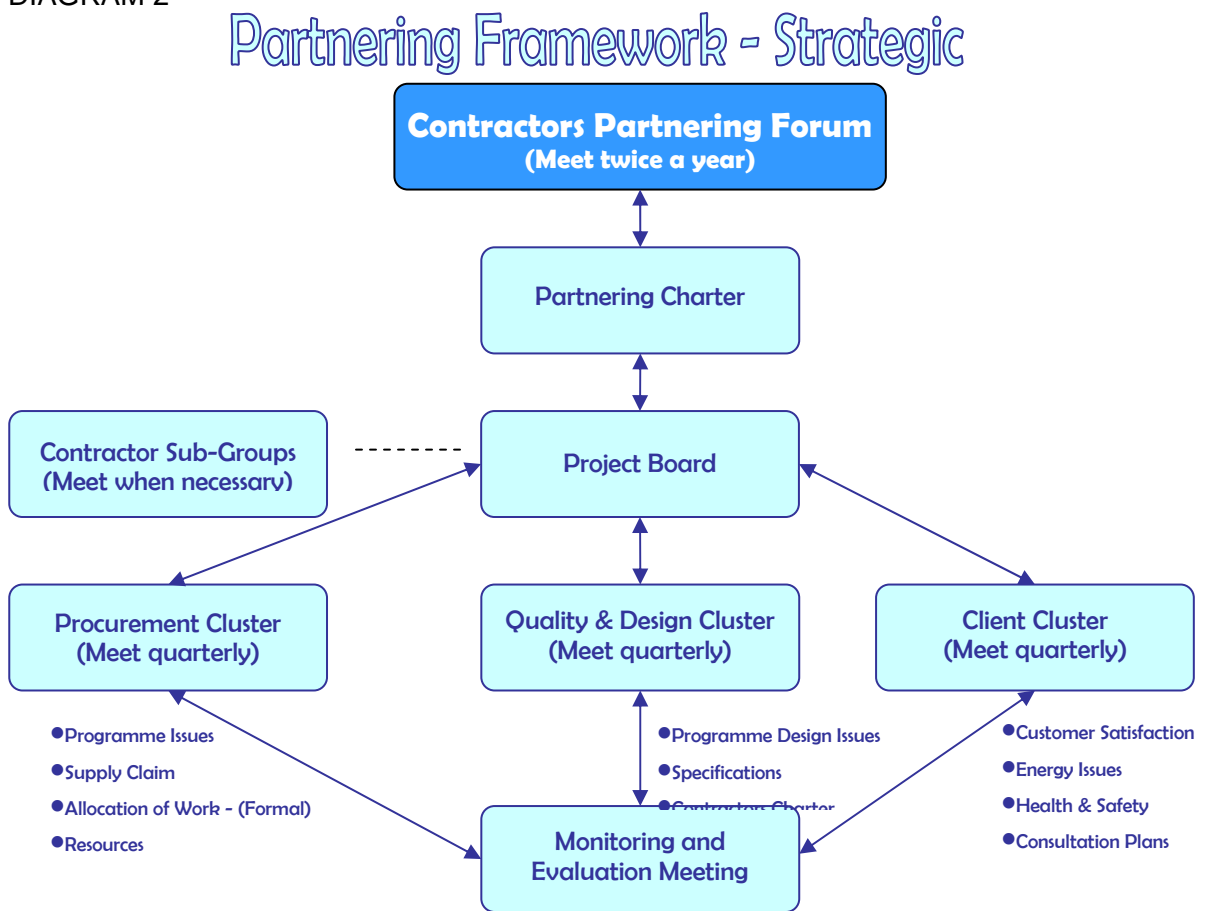
The Housing Department Management Team regularly meets to discuss performance on all aspects of the Housing service, the bulk of these discussions will involve Asset management in one form or another either through Repairs,

improvements, lettings, SHQS progress and others. Performance is measured through ten key objectives each with SMART targets. Performance is also measured at Division and Unit level with each Unit having a set of measurable actions that relate to the departmental objectives.

A further group whose remit is to track project progress and expenditure is the Housing Capital Investment Management Team (HCIMT) this group includes representatives from the Housing Department, Architectural Services, Finance Department, and the City Engineers, and is chaired by the Housing Investment Manager. The aim of the group is to ensure that Capital expenditure utilises all available budget in any given financial year without moving into a situation where the budget overspends.

### 6.3. Partnerships

DIAGRAM 2



As part of the Councils procurement arrangements for projects within the SHQS Delivery plan a partnering framework has evolved which services both the Heating installation and the Heating, kitchen, and Bathroom replacement programme. This programme consists of some 1,500 houses per annum and is responsible for a spend of around £10 -12m per annum. At the present time the partnership has the following membership;

- DCC Housing Department Housing Investment Unit
- Two partnership contractors (DCS and McGill)
- Architectural Services department

- Tenant participation officers

The purpose of the Partnership is to carry out projects to the best possible quality for the best possible value to all involved. The partnership is overseen by a board which meets quarterly and is the umbrella group for a number of clusters which meet on a regular basis in order to direct and manage the day to day and strategic direction of the partnership. The various clusters are;

- Procurement (tracking costs, developing unit rates, allocating projects)
- Quality (Strategic and operational, supply chains, specifications, site meetings)
- Client ( Customer satisfaction, Contractors code of conduct, information standards)
- Monitoring and evaluation ( Measuring the success of the partnership, costs, defects, time)

These clusters report back on progress and issues to each Project board meeting where new initiatives can also be discussed and agreement made to pilot for feedback to future meetings.

In terms of overall Asset management the Partnering framework has been of great value for all involved. For Contractors it provides certainty and continuity of work with an opportunity to plan with and work with the council. For tenants it brings increased quality of work with less disruption in a shorter timescale, and for the council all of the above with significant decreases in the amount of time devoted to dealing with tenant complaints, decreases in the amount of administration by not going out to tender for every job, and increased customer satisfaction from tenants demonstrated by improved results in customer satisfaction surveys since the advent of the partnership.

The existing framework has evolved since 2001 and there are arrangements in place to re-tender this framework for a period of 3 years starting in financial year 2012/13.

The day to day repairs service is also administered by way of a Partnership. This is the Repairs partnership and is between the council and it's direct labour organisation Dundee Contract Services. The Partnership directs and monitors the repairs service and also has responsibility for the External Cyclical Maintenance programme.

#### 6.4. **Consultation/Information**

Consultation is undertaken at all levels within the Asset Management function. At a macro level the progress towards SHQS and consequent Capital Plans and Investment needs are discussed on at least an annual basis with the Dundee Federation of Tenants Associations. Consultation is also ongoing with a Tenants focus group on all aspects of SHQS progress and planning, and decisions on direction are taken with the focus groups agreement. The Repairs Partnership Board is chaired by the Convenor of Housing and has tenant membership. There are plans for representation on the Heating/Kitchen/Bathroom Partnering framework. Recently Tenants have been involved in the assessment process that led to the appointment of two kitchen manufacturers to the framework as part of the supply chain.

At Project level there are Service standards agreed that govern the consultation and



information process before , during, and after capital contracts. Some examples of this process are;

- At least six months prior notification of projects ( up to 3 years on Roof programmes)
- Regular briefing of Registered tenants groups on programmes in their areas
- Display portacabins for kitchen and bathroom programmes
- Tenant information packs as agreed through the Service standards
- Brochures provided by Contractors as part of the Kitchen/Bathroom programme.

Through the process of reviewing progress towards SHQS compliance ( Root and Branch Review) two Tenants Conferences were held in order to gauge opinion on key issues. The conferences consisted of presentations and breakouts on key areas and were fundamental in allowing the completion of the review. Conferences like this will be replicated in other areas of service delivery.

#### 6.5. **Technical Services**

The Council uses in house expertise to design and administer its Capital contracts and fees are payable for this service which is included in the Capital Plan budgets.

Projects will typically require a Contract Administrator, a Clerk of Works, and a CDM representative. This will ensure that works are planned and executed to standards expected by the Council.

Quantity surveyors are also employed to measure and value work undertaken and to pay contractors sums due.

There is also a wider role for Technical services in supporting the Partnering framework by organising procurement, ensuring value for money, overall budget monitoring, and ensuring quality standards.

Other functions carried out by Technical services in relation to Asset management include, Feasibility studies, survey work, building condition surveys, and benchmarking with comparable providers.

#### 6.6. **Registered Social Landlords (RSLs)**

In terms of the Cities overall Asset management strategy Housing associations play a pivotal role through contributing to re-provisioning of Social rented housing in the city thus playing a major role in regeneration activities.

They are major partners in developing Housing strategy and policy for the city and are involved in many joint initiatives with the City council housing department including leasing of and management of accommodation for young single homeless, night shelters, and other special needs initiatives in the city.

The availability of suitable development opportunities from the City councils land bank is crucial to the building of affordable housing and also provides an income for the council to reinvest in its own stock.

Nomination rights are afforded to the council for any new houses built by RSLs and for relet turnover.

#### 6.7. **Private Sector Services Unit (PSSU)**

This unit operates within the Council's Housing department and provides the following services;

- Grants for private owners for improvement /repair work
- Grants for improvement /repair work to owners of ex council housing
- Landlord registration service
- Oversees Houses in multiple occupation
- Care and repair service

These functions help to ensure that the councils assets both social rented and in the private sector do not fall into significant levels of disrepair and assists owners who might otherwise not be able to live in a wind , watertight, and safe house.

#### 6.8. **Staff Resources**

As evidenced elsewhere in this document considerable resource is dedicated to the management and maintenance of Housing assets in the city. These staff in themselves are an asset without who many of the activities and benefits previously mentioned would not be possible.

## 7. REVIEW AND EVALUATION

This section of the plan will outline the methods by which the strategy is monitored, evaluated, and reviewed to ensure continuous improvement. This will touch on the overall Partnering framework, methods of gauging customer satisfaction and how the results of these processes are fed back into future actions.

### 7.1. Partnering Framework

The framework oversees all aspects of the Capital programme that relate to internal improvement projects. In our experience these are the projects that are most difficult to execute in a manner that meets both the organisations goals and the occupiers' needs and aspirations.

The structure of the framework has been detailed elsewhere in the strategy but for the purposes of review and evaluation the Project board will oversee the process with the Client cluster and Monitoring and evaluation cluster providing the background information and analysis.

The Client cluster is responsible for the commissioning and evaluation of customer satisfaction surveys that relate to the work that the framework is responsible for. The surveys are concise and are carried out by the contractor who has carried out the work immediately following completion of the works. The vast majority are carried out face to face with the remainder carried out as phone surveys either by the contractor or in some instances by the Housing Investment Unit Contact team. The results of these surveys are analysed and reported back to the client cluster with any recommendations for future actions. In recent surveys these have included, the setting up of display portacabins for kitchen and bathroom fitments for tenants in the kitchen and bathroom programmes, a recommendation that a separate satisfaction survey be carried out to gauge satisfaction with contractors response to any defects that may arise, and proposals for improved communications on site between contractors and tenants.

Following the introduction of this methodology customer satisfaction has risen from 81% to 95 % in the space of 3 financial years.

The Monitoring and Evaluation cluster is responsible for measuring the performance of the partnership It is presently developing a range of tools to enable meaningful conclusions to be reached, some of these are:

- Analysis of defects by contract and contractor
- Analysis of cost by contract of housing services and other support services
- End to end measurement of predicted site time against actual
- Measurement of agreed maximum price against outturn costs
- Measurement of cost of allowances predicted against outturn (decoration, decants etc)

The aim of the monitoring stated here is that we the council is always self aware, the Partnering frameworks performance and the range of tools deployed should give early warning of any areas of performance that may give cause for concern. The framework is also able to demonstrate continuous improvement in its performance by its use of customer feedback to improve the service.

Much the same methodology is used by the Repairs Management Partnership in its appraisal of ongoing performance with regard to the overall Repairs and

Maintenance service. A range of Key performance indicators are utilised and benchmarking information from other Authorities and organisations is used for comparison purposes. This information is also documented in the monthly Housing Department Performance Report as is other management information on Lettings, Void management, and Arrears collection.

Customer feedback is gathered in a number of ways, these include;

- Customer satisfaction surveys
- Focus Groups
- Tenant Conferences
- Discussions with the Tenants federation and other Tenants organisations
- Feedback from the Annual Housing News

Customer Satisfaction Surveys are used to assess the Departments performance across the Housing Service both by Service area and generically , results from these surveys are discussed at Partnering forums and are used as a basis for improving customer service following the " you said we did" principle.

Following surveys Focus Groups are often invited from those that took part in the survey to look at some of the issues raised in more detail. This in turn enables the Council to fine tune its service with its customers aspirations. In general these are short life focus groups which include for example tenants who have just benefited from a Capital project. More permanent Focus groups are also in place and an example of this is the SHQS Delivery Focus group which oversees progress towards SHQS compliance in the city.

Regular Tenants Conferences have also been held to discuss and drive Policy on issues such as the route to SHQS compliance and the Review of the Housing repairs partnership, other events are held on an annual basis such as the yearly rent review process.

Performance information and other newsworthy items are reported in the annual Housing News which is delivered to every tenant in the City. Feedback on issues raised as a result of this are fed back into the process of continuous improvement.

## **7.2. Capital Estimates**

The Council plans its Capital programme on a lifecycle basis and this has been explained in detail earlier in this report, for the purposes of Council agreement the Capital programme is reported each financial year as an ongoing 5 year plan. as well as lifecycle planning this gives the opportunity for a review of any investment needs on an annual basis and for inclusion of any urgent or unforeseen projects. The Capital estimates are discussed in detail with the SHQS Focus group before a final draft is agreed and reported to committee.

## **7.3. Review of the Plan**

It is envisaged that this Plan is subject to regular review and will be updated to take account of any changes in direction in Policy or Strategy. The plan will be resubmitted to the Council for agreement in line with the timescales for the Local Housing Strategy.

## **RELEVANT DOCUMENTATION**

Dundee City Council Single Outcome Agreement

Dundee City Council Development Plan

Dundee City Council Local Housing Strategy

Dundee City Council Housing Service Plan

Dundee City Council Plan

Housing Need Demand and Affordability Study 2009

SHQS Root and Branch Review

Strategy for Managing Low Demand Property

Procurement Policy

HRA 5 Year Capital Plan

Housing Stock Excel Spreadsheet

Voids Procedure

Dundee City Council

## HOUSING HRA CAPITAL PLAN 2011-16

PROJECTED CAPITAL RESOURCES	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
1. Capital Expenditure Funded from Borrowing	19,671	15,134	13,300	9,756	9,642
2. Capital Receipts - Council House Sales	2,887	3,000	2,870	2,975	3,049
3. Capital Receipts - Land Sales	3,200	3,200	4,405	5,805	1,800
4. Capital Receipts - Sale of Last House in Block	800	800	850	850	850
	26,558	22,134	21,425	19,386	15,341
5. Slippage at 15% on SHQS Expenditure only	2,882	-	-	-	-
<b>TOTAL PROJECTED CAPITAL RESOURCES</b>	<b>29,440</b>	<b>22,134</b>	<b>21,425</b>	<b>19,386</b>	<b>15,341</b>
Note: Council House Sales	75	75	70	70	70
Average Selling Price	£38,500	£40,000	£41,000	£42,500	£43,560