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Full Housing Stock Condition Survey

Report summary:

This report will outline reasons, benefits and risks associated with undertaking the proposed full Stock Condition Survey (SCS) on the EDDC housing portfolio.

The completion of a full SCS is a strategic imperative for the council. The data we will receive as a result of this complex and in-depth piece of work will enable us to:

- Produce an evidenced based 30 year Active Asset Management Strategy & delivery Programme;
- Produce a comprehensive 50 year Estate Regeneration Strategy & delivery Programme;
- Produce accurate Planned and Cyclical Works Programmes;
- Produce an accurate Housing Revenue Account Business Plan update and models;
- Achieve a significant reduction in our responsive repairs load;
- Secure improvements to the quality and futureproofing of our housing stock;
- Make efficiencies by maximising our ability to flex economies of scale;
- Fully understand the wider financial and delivery implications of our drive toward a carbon neutral housing stock;
- Better fulfil the obligations incumbent upon us as social landlords;
- Ensure compliance with all statutory and legislative implications, including those of the new Building Safety Act and the resultant inspection regime;
- Have full and meaningful 'conversations' with our tenants and communities enabling us to move forward together with EDDC's Sustainable Communities aspirations.

Recommendation:

That the Housing Review Board (HRB) recommends to Cabinet and Council that sufficient budget (as detailed in the Part B Report) be set aside to complete the full stock condition survey and a dedicated Project Management Team as described in this report.

Delegated authority be given to the Housing Service Lead in consultation with the Strategic Lead Governance and Licensing, Housing Review Board Chair and Portfolio Holder for Homes & Communities to finalise the contract documents and commence the work in accordance with the Council's constitution

Reason for recommendation:

The completion of a full and robust SCS is absolutely imperative for the strategic and economic health of both the Housing Service and the wider Council.

Without a SCS EDDC is at considerable risk of struggling to fulfil the full remit of its duty as social landlord and also to achieve its ambitions to provide a carbon neutral housing stock across the district by 2040.

Without the data from a SCS we will fail to comply with the requirements of the new Building Safety Act.

We currently do not have the information to enable us to effectively forecast and budget for the financial implications of managing our repair and maintenance obligations.

The output from the SCS will be detailed information on each property in our portfolio including components, age, condition, life expectancy, energy efficiency etc. A full database will be completed.

The EDDC membership of the South West Procurement Portal has enabled us to greatly reduce the time and cost implications of securing an appropriately qualified and experienced provider.

Use of the Portal also offers us the comfort that due diligence and value for money benchmarking is undertaken on our behalf.

Officer: Joanne Garfoot, Housing Service Lead – Acting

Portfolio(s) (check which apply):

- Climate Action and Emergencies
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Culture, Tourism, Leisure and Sport
- Democracy and Transparency
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities

Financial implications:

A stock condition survey is a vital element to influence the asset management strategy which ultimately drives the financial strategy of the HRA and its associated business plan. The 21/22 financial year's budget contains £150k for a stock condition survey which will be considerably overspent. As a final cost estimate is not yet available it is not possible for additional funding streams to be detailed, however, it is likely to be from existing and new reserves from current year underspends as detailed in the Finance Report.

Legal implications:

It is key that the contract is procured appropriately in line with the Council's constitution and that the contract wording is then approved in accordance with the Council's constitution via Legal Services.

Equalities impact Low Impact

Climate change High Impact

Risk: Low Risk; EDDC is at greater risk if we do not undertake a full SCS

Links to background information [HRB Agenda and minutes June 2017](#)

Link to [Council Plan](#):

Priorities (check which apply)

- Outstanding Place and Environment
- Outstanding Homes and Communities
- Outstanding Economic Growth, Productivity, and Prosperity
- Outstanding Council and Council Services

1. Why we need a Stock Condition Survey

- 1.1 At EDDC we are very fortunate to have a social housing portfolio of some 4200 homes. As with most Local Authorities much of our housing stock is now somewhat aged and in need of constant attention. We have never before undertaken a 100% stock condition survey, so this will give us total clarity on our property portfolio for the first time in EDDCs history.
- 1.2 Currently we have limited information about both the fabric of the buildings and the condition of the components within them.
- 1.3 This makes it practically impossible for us to effectively and efficiently plan our cyclical and planned maintenance programmes, we simply do not hold the required information within our systems. As a result we rely heavily on a relatively expensive responsive repairs programme to meet our tenants housing repairs needs in a timely manner.
- 1.4 It also prevents us being able to accurately forecast our housing maintenance spend and maximise the benefits of the Integrated Asset Management Contract.
- 1.5 The benefits gained from completing a SCS do not stop with the savings and efficiencies we will make through being able to effectively plan our pipeline works programmes.
- 1.6 The positive outcomes we will be able to achieve, using the data that will flow from the SCS are huge and wide-ranging, it will facilitate a complete sea change in our approach to managing not only our entire housing provision and the land it's built on, but also how we work with and alongside tenants to support the building of truly sustainable communities for the future.

2. Why we need it now

- 2.1 The Council has ambitious and laudable aspirations to move toward a carbon neutral housing stock by 2040. The SCS will give us the information we require in order to be able to retro-fit the most economically advantageous green homes technologies into each home, based on the specific fabric of each building.
- 2.2 Having a clear understanding of which technologies offer the biggest benefits for each of our homes will enable us to bulk order and install, ensuring that we can maximise savings through economies of scale. This will lead to improved homes, quality of life and greatly reduced fuel costs for our tenants.
- 2.3 Sitting alongside this there is the release of Central Governments, Social Housing Decarbonisation Fund (SHDF) in 2022. In order to position ourselves to be able to submit a strong bid for funding, to support our 'Green Homes' works programme, we need to have a complete understanding of our housing portfolio including current EPC data on all individual homes. We have included these data requirements within the specification of the SCS.

2.4 To furnish ourselves with the information needed to submit a strong evidence based bid for the SHDF, we are recommending the SCS be undertaken and completed within one year. The SCS will also capture all HHSRS risks and hazards and all the compliance data required to bring us in line with the new Building Safety Act.

2.5 We have procured and are successfully managing a large and complex Integrated Asset Management Contract with Ian Williams, however, we are not currently able to maximise the benefits and savings we can achieve through such a partnership, as we don't have the data we require to efficiently plan our pipeline programmes.

3 Active Asset Management and Estate Regeneration

3.1 There is an expectation that the SCS data will show that it may not be economically viable for us to bring a statistically significant number of our current homes up to carbon neutral standards. So the data will be used to develop a long term 50 Year Estate Regeneration Strategy that will sit alongside and compliment a 30 Year Asset Management Strategy.

3.2 Running a programme of Estate Regeneration will allow us to maximise our land assets and make good use of our Right to Buy receipts as they can be used to partly fund any re-developments where we are able to increase the density of social housing units on a given piece of land.

3.3 In the longer term using the Right to Buy receipts in this way will also ensure we are gaining housing stock that is already 'green' rather than our current acquisition programme which means we are purchasing properties knowing we will need to retro-fit later to bring them up to the required standard.

3.4 Active Asset Management and Estate Regeneration is a very long term strategy, it is most certainly not a quick fix. It also requires a skill set and knowledge base that we don't currently possess in house in sufficient numbers. However, it would enable us to incrementally update / divest / demolish and rebuild our housing stock making it fit for the 21st Century and beyond.

4 Building Safety Act

4.1 Following the tragic Grenfell Fire a White Paper was presented to government detailing a new set of legislation backed housing and landlord safety delivery standards.

4.2 These standards are almost entirely data driven and in order to be compliant we will be required to hold, monitor, review and submit data about our housing stock that we historically didn't collect and so currently do not have within our Open Housing System.

4.3 The only way of capturing this broad and detailed range of information in a timely manner is by engaging a specialist external agency such as Currie & Brown to complete a SCS for us.

4.4 Once the SCS is complete the responsibility for keeping this key information database fully up to date will then come 'in house' and be delivered as a cyclical stock review programme by the Property and Asset surveyor team.

4.5 There will be an 'Ofsted' style inspection regime over seen by the Building Safety Regulator that sits alongside the new Act and again this will require us to evidence our ability to maintain the required standards using data that we have in our systems except we do not currently have what we would require to pass an inspection within our systems. Our current data is out of date in places and incomplete at best.

5 Technology Support and Data Capture

- 5.1 Our Housing Systems team have been heavily involved in the negotiations to date and have undertaken a number of exercises and meetings to scope out the requirements and levels of commitment required from within Systems.
- 5.2 The SCS from a housing systems perspective is at the stage of completing a review of the scoped components that Property & Asset have agreed will be captured from the surveys. Our aim is to assign relevant Schedule of Rates (SORs) to the key components, which will allow automatic updates to components from job logging completions (specifically for replacement type SORs). This will enable components to be automatically updated if jobs are raised against the components in situ. This will reduce duplication of tasks and ensure that all component information is fully up to date within our systems at all times
- 5.3 We also need to fully understand at what level the data is captured and to which modules it will be relevant. The intention is to utilise flat file CSV exports from the kykcloud system as the estimated £5000 (per year) cost for a direct interface for the 2 year contract is not a feasible option. The cost for holding the EDDC data within the KyKcloud system for 2 years is included within the contract price. We then have 2 years to integrate the data into our Housing Systems.
- 5.4 At present the current data held within OPENHousing for stock condition is out dated and has not been fully maintained prior to the implementation of OPENHousing in 2015. There is currently no way to collate EPC/RdSAP data and implement the energy performance recommendations of the stock. We are also unable to abide by and utilise the HHSRs – Housing Health Rating System/decent homes modules which are in accordance with the Housing Acts (1985, 1989 & 2004) brought in by central Government to aid local authorities to identify and protect against potential hazards & risks to health and safety without the Stock survey information being up to date and relevant.
- 5.6 The HHSRs components need to be reviewed against those scoped in the SCS and integrated in such a way as to make extracting and loading the data streamlined and avoid manual data entry, as this will potentially incur human error issues and an increased cost for admin/resources.

6 History

- 6.1 A paper highlighting the benefits of Stock Condition Surveys and requesting that authorisation carry out a fresh Stock Condition Survey on the EDDC Housing Stock was delivered to the HRB at their Meeting on 15th June 2017. The paper was prepared and delivered by the Property & Asset Manager (Maternity Cover).
- 6.2 The last Stock Condition Survey was carried out in 2011.
- 6.3 Although the recommendation was approved the Stock Condition Survey was never delivered.
- 6.4 The paper (section 3) generally concluded that the Stock Condition Survey should be delivered in house although delivery by an external Consultant was referenced. There was minimal reference to follow on Stock Condition Surveys once the initial survey had been carried out (my view is we would require a dedicated resource with a rolling programme of Stock Condition Surveys).
- 6.5 Following approval to deliver the Stock Condition Survey at the HRB Meeting on 15th June 2017 no progress has been made on its delivery.

6.6 In January 2020 we met with representatives of the South West Procurement Alliance, they advised that they have a Framework that delivered Stock Condition Surveys that we could utilise, the Framework was due to expire but as long as we submitted an 'expression of interest' prior to the expiry date then the terms of the framework could be used.

6.7 The Framework that we expressed interest in and that can deliver the Stock Condition Survey was entitled **LHC Framework Agreement Workstream 1 – Energy Consultant and Project Management Annex 1**

6.8 Whilst the previous Property & Asset Manager submitted the 'expression of interest' in this Framework to which Currie & Brown responded to confirm their interest in delivering the Stock Condition Survey but unfortunately this was not followed up on our side.

6.9 Following the departure of the previous Property & Asset Manager a brain storming session was held on 11th June 2020; and following this session contact was made with Currie Brown in order to move the project forward.

7 Scoping

7.1 Contact was made with Currie Brown and several meetings have taken place to discuss:

- The delivery of the Stock Condition Survey
- What would/would not be included
- Methodology for collecting the data.
- How data would be stored and ultimately transferred into our Housing Systems

7.2 As result of the scoping sessions we prepared a detailed brief/Specification for the Stock Condition Survey including an IT brief specific to East Devon District Council and shared this with Currie & Brown for them to finalise their costs in line with the requirements of the Framework.

7.3 Currie & Brown have completed their pricing exercise and it has been checked/reviewed by the South West Procurement Alliance to ensure that it aligns with the requirements of the Framework and offers value for money

7.4 East Devon District Council detail requirements for the Stock Condition Survey: Requirements/Programme is contained in a **Service specification** reproduced in **Annex 2**.

8 Information provided by East Devon District Council to facilitate the Stock Condition Survey

8.1 Whilst a specialist Consultant is being proposed to deliver the Stock Condition Survey East Devon District Council will have a big part to play in providing all stock data that we currently hold; before undertaking the Stock Condition Surveys the following property information will be provided; a stock data list is also included as Property Information **Annex 3** to this document.

9 Resource required by East Devon District Council to deliver the Stock Condition Survey

9.1 The resource required to deliver this project should include as part of a project team:

- A project lead
- A Senior Officer to oversee the day to day management of the project.

- A dedicated Officer to review/audit the Stock Condition data.
Administration assistants to perform a tenant liaison role/address access issues and to upload data information onto our systems
- Dedicated IT support within Housing Systems

9.2 The above roles will need to be new posts as there is not sufficient capacity within the Property and Asset or Housing Systems team to oversee this pivotal and complex work

10 East Devon District Council IT Systems/Platforms

10.1 We need to have re-assurance that we have the required platform in place to receive, store and manage/use the stock condition data whether that is Open Housing in its present format, an Asset Management portal as an add on to Open Housing or a standalone Asset Management Platform. Explorations are underway in how best to facilitate this going forward. OneHousing (an upgrade to OpenHousing) is one option we are considering as it has a dedicated SCS module within it

10.2 Consideration should also be given to providing dedicated Property & Asset IT support (within the Housing Systems Team); property requirements are very different to other Housing Services and therefore require the specialist support, particularly as much work carried out is driven by Statutory Legislation, all data and data management needs to be 100% correct and compliant.

11 The Future

11.1 As well as carrying out this initial Stock Condition Survey we also need to look to the future to ensure all the data is regularly updated, it is recommended that this is delivered by a rolling 5 year Stock Condition Surveying programme e.g. 1/5th of the stock surveyed every 5 years, surveys would be tailored as required.

11.2 A rolling 5 year programme will require dedicated resource in the form of a dedicated Stock Condition Surveyor, the existing resource within the Property & Asset Team would not be able to deliver this element of work.

11.3 In addition to the surveying resource the Housing Systems Team would need to be configured to support and maintain the technology to deliver the continuous Stock Condition Survey programme at the end of the contract period

12 Capita/software

12.1 Capita have outlined in our consultancy meeting which modules are currently purchased and those we will need to purchase to manage the extra data expected from the SCS. Below is the suggested number of relevant consultancy days each module setup will require. This has been estimated as follows:

- Stock condition and decent homes module – 1 days consultancy (module already purchased)
- Total mobile stock condition module – 4-5 days consultancy (module already purchased)
- RdSAP (energy data) module – 2.5 days consultancy (module not currently purchased)*
- Scenario planner module – 0.5 days (module already purchased)
- Compliance manager – 4 days consultancy (module not currently purchased)*

12.2 Capita have looked into our requirements for the SCS and have provided feedback in the attached “Silver Health Check - Assets Jan 2021” document. They have stated that it would be more cost effective to consider moving to “Capita one” on a relevant work package as this would also remove the duplicated work needed to configure each module. This decision is primarily based around the time frame for the SCS and when the migration to Capita one is available.

12.3 Consideration for module costs we currently do not have installed also needs to be assigned to the SCS once acquired. Consultancy days will be taken from the bulk days already purchased from Capita at (roughly) £900 per day.

13 Strata

13.1 Strata involvement for the SCS is likely to be minimal. They may be required to purchase and setup additional hardware such as tablets to enable the transition of EDDC updating the stock condition data once imported into our systems. Flat file CSV exports from the Kykcloud system seems to be the most logical way to handle the data. Strata may also be required to develop scripting for automatic pick and processing of the flat file CSVs on OPENHousing batch services once extracted from the Currie and Brown system to reduce human error and admin time.

14 Time frames

14.1 Data within the Currie & Brown - kykcloud system can be stored for the full term of the 2 year contract although it is not advised to wait until the end to bulk load the information. A phased approach will be needed to import the data on a weekly/monthly basis. The phased approach will also need to include the system setup and processes of the total mobile stock condition project to enable EDDC to continue keeping the stock data up to date once the surveys are completed.

15 Reports

15.1 In line with the 2 year contract with Currie & Brown they have stated that one bespoke report can be created and any additional reports are likely to be chargeable estimated at £1000 - £1200 per additional bespoke report. It is estimated that dependant on the data types and breakdown of the data captured that at maximum additional x2 reports may be needed on top of the main bespoke component report.

16 Resources

16.1 Operational admin will be required to extract and supply the relevant data to Housing systems until we know how much data and to what frequency it is coming back, the amount of admin involvement is still unknown. The pilot surveys should give us an idea of what these figures are and the amount of time it will take.

17 Risks

17.1 The biggest risk to success is in regard to effectively capturing, transferring and managing the huge volume of data that flows from a major SCS and then keeping that data updated, so that it can continue to inform decision making

- Capita lead in time and structuring of relevant system setup to enable a more cost effective and streamlined approach
- Lack of overall project management (Liam leaving) and structure on phased approach to data transfer once the surveys are completed by Currie & Brown

- A lack of operational resourcing both in Property and Asset and Housing Systems teams to keep the data up to date
- Yearly recurring fee for use of the Kykcloud system from Currie & Brown - £3300 per year – after the 2 year contract ends (if we take longer to bring our systems on line to accept the data)
- Training - EDDC operatives will need relevant technical expertise to record and capture the stock component updates to ensure the information is always relevant
- Scoped SCS reports need to facilitate the actions and outcomes; information to produce Rdsap calculations & recommendations; capture all HHSRs hazards and risk components; position us to bid for the SHDF