

**Report to:** **Housing Review Board**

**Date of Meeting:** 17 September 2020

**Public Document:** Yes

**Exemption:** None

**Review date for release** None



**Subject:** **Housing – Stock Condition Survey**

**Purpose of report:** To update and inform the Housing Review Board on the current position and proposal for the delivery of the Stock Condition survey previously authorised.

**Recommendation:** **To approve the delivery of the Stock Condition survey by an external consultant sourced through an approved procurement framework.**

**Reason for recommendation:** Stock condition surveys collate intelligence relating to the structure and components within each property within the housing portfolio.  
To record robust detail relating to the lifecycle and condition of components within the housing stock.  
Use the data collected to inform and develop an asset management plan to link into the Housing Service Plan and the corporate Council Plan.  
Use the data to support our legal obligations in relation Health & safety and statutory Compliance work streams.

**Officer:** Graham Baker – Interim Property and Asset Manager

**Portfolio Holder:** Portfolio Holder for Sustainable Homes and Communities

**Financial implications:** The current year's budget contains £75k towards the Stock condition survey with additional amounts available within the planned Maintenance reserve to call upon if required within the year. An up to date stock condition survey is a vital element in the asset management strategy which should underpin the financial business plan and all financial decision making.

**Legal implications:** There are no legal implications contained in the report.

**Equalities impact:** Medium Impact

The impact is in respect of not carrying out the new stock condition survey resulting in an inability to plan future work and investment in the stock.

Failure to hold accurate stock information may contravene statutory Regulations/Acts that will be introduced in the near future in the wake of the Grenfell Tower fire tragedy and could lead to enforcement and/or prosecution

**Climate change:** Medium Impact

Data collated will give us an up to date picture on energy efficiency measures that need to be taken to improve the stock.

<b>Risk:</b>	Medium Risk Failure to hold accurate stock condition data affects the organisations ability to plan work to the stock, carry out accurate financial planning with any degree of accuracy.
<b>Links to background information:</b>	Click here to enter links to background information; appendices online; and previous reports. These must link to an electronic document. Do not include any confidential or exempt information.
<b>Link to <a href="#">Council Plan</a>:</b>	Choose Priorities and delete what not appropriate. Outstanding Place and Environment Outstanding Homes an Communities Outstanding Economic Growth, Productivity, and Prosperity Outstanding Council and Council Services

## 1. Introduction -The Need for a Stock Condition Survey

- 1.1 Registered Providers (RPs) are experiencing growing pressure from a number of areas to hold and provide up to date and accurate information on their business; (Asset Register) much of this can be supplied through an up to date stock condition survey.

The requirement for information comes both from within the RP and from bodies external to the organisation.

What's more EDDC is a social landlord with a duty of care to look after its assets, and its tenants.

The impending introduction of the Building Safety Bill (likely to become an Act of Parliament next year) will dictate that it will be a statutory requirement to hold detailed stock condition data, any failings in this area could lead to investigation, enforcement and ultimately prosecution.

- 1.2 Best Practice in stock condition surveys suggests that they are business critical for planning future work both short and long term, budget planning and financing the business.
- 1.3 Our last comprehensive stock condition survey was undertaken in 2010/11 so the data is old and requires rechecking.

We budgeted for a spend of £75k towards a stock condition survey to be carried out in 2017/18 but for varying reasons the stock condition survey was never carried out, it is now the intention to deliver this project without further undue delay.

## Requirements of EDDC Stock

- 1.4 EDDC should:
- Maintain housing stock in a reasonable and lettable condition by identifying, planning and making adequate financial provision for maintenance and improvement works.

- Know the condition of the housing for which we have repairing obligations, including its energy efficiency. The information about the condition of stock is gathered via appropriate approved survey or inspection methods. All information will be recorded electronically and uploaded into the Council's Open Housing system.
- Have the ability to prepare costed plans for future maintenance and improvement of our housing stock, which will keep it in a reasonable and lettable condition appropriate to likely future needs.
- Through our planned work help to meet our obligations under the Home Energy Efficiency Act 1995; this data will be essential to give us the ability to accurately plan work in line with the Authorities Climate Change agenda, specifically to be a carbon neutral Council by 2040.
- Be able to demonstrate that we are making adequate financial provision for planned maintenance and improvement works. If evidence of strategic planning for the upkeep and improvement of stock (assets) is missing, then it is difficult to plan ahead for the business.

#### 1.5 We should also:

- Have reliable arrangements for identifying, recording and analysing the physical condition of our property and its energy efficiency (through stock condition surveys). Such data needs to be adequate for preparing costed plans for future maintenance.
- Use the information on stock condition. We should develop and maintain a medium/long term strategy to keep the housing stock in reasonable and lettable condition, which should form part of the agreed business plan.

1.6 The government is concerned to ensure that RPs are operating as efficiently as possible whilst maintaining or improving the standard of their properties. It is therefore necessary to demonstrate that the organisation is fully aware of its repair responsibilities and liabilities, has identified a workable programme for maintenance, and is making adequate financial provision to undertake the works when they are required.

### **Tenant Expectations**

1.7 Each property is a home and the occupier has a very keen interest in how and when it is maintained. EDDC considers customer satisfaction important. It is therefore essential to be able to advise tenants as to when renewals/major repairs or improvements will be undertaken. Tenants lose confidence if works are not carried out when promised. An agreed programme of work and associated financing is therefore necessary.

1.8 Once stock condition survey data is available, tenants and leaseholders may be consulted about priorities and the intended approach to works. As tenant participation is an important factor at East Devon, choices and flexibility are to be offered. EDDC will need to ensure that works important to the future integrity of the property are not ignored. A stock condition survey should identify such works and enable informed decisions to be made. Justification of decisions can then be given to tenants.

### **Right to Buy Leaseholders**

- 1.9 The leasehold agreement requires that leaseholders are notified in advance of any costs that may be incurred in major repair or improvement of certain areas of the property. At the time of property sales through the Right to Buy process, prospective purchasers should be made aware of the likely level of future service charging and any major works that are planned over the following 5 years. If a maintenance programme is in place, then EDDC will be able to provide accurate information. If this information is not given at the correct time then it might be difficult to recover costs through the service charge.

## **Energy Information**

- 1.10 RPs are required to provide information relating to the energy efficiency of their properties. The local authority will use this information to demonstrate progress in line with the requirements of the Home Energy Conservation Act 1995 (HECA).

## **Housing Stock**

- 1.11 Information from a stock condition survey can be used in almost every area of work:

- The information gained is critical to the preparation of budgets for repair, maintenance and improvement work.
- The condition of properties directly affects demand for them. Ensuring that properties are well maintained reduces rent loss incurred by properties lying empty.
- As the age profile of the stock increases, so does the repair liability, sometimes significantly due to design or poor cyclical maintenance.
- Knowledge of what works are required will enable EDDC to determine staffing levels required and it may be possible to re-programme works to keep workloads constant, or identify where external consultants may need to be engaged.
- Information gained can be used to prioritise works where sufficient monies are not available to undertake all works that are desirable.
- EDDC has statutory duties to its tenants to maintain properties at least to a minimum standard. By undertaking a stock condition survey, programmes for repairs will be set up and catch-up repairs can be identified. By adhering to these programmes, properties should be maintained to at least the minimum standard and it is therefore possible to reduce claims by tenants for disrepair. Such claims can be expensive and result in a loss of reputation.
- Identifying trends in repair requirements may lead to exposure of shortfalls in current strategy, unsuitability of materials/products currently in use.
- Expenditure on repairs is one the greatest factors affecting cash flow. It is therefore important that we have accurate plans. A robust planned maintenance approach could lessen the reactive repairs demand.

## **2 Setting Objectives and collecting baseline information**

- 2.1 It is critical to set clear objectives before launching into a stock condition survey. Due to the time and financial involvement associated with undertaking the survey, it is important to know from the outset what it is expected to achieve.

2.2 The following points will therefore need to be considered:

- Identify who requires the information and in what format (all information should be provided electronically in a format so that it can be easily uploaded into our Open Housing system).
- Be realistic about what level of information is required from the survey and distinguish this from what is desirable. The more information that is collected the more time consuming and costly the process and the more opportunity there is for error. Furthermore, the data may be difficult to keep up to date. Providing more detailed information could lead to greater risk of error and little gain.
- Identify how the results are to be used (in our case delivering on the Climate Change agenda and having the required information/data likely to be required by Statutory Regulation arising from the Grenfell Fire Tragedy).
- Be clear how the information will be held (in our case on our Open Housing system).

2.3 In addition to this fundamental information, it is likely that the information will be used to:

- Provide cost estimates for financial planning.
- Prioritise work by identifying the most urgent works.
- Implement planned maintenance programmes (particularly those related to Climate Change).
  - Place properties on a scale based on factors such as amenities provided.
- Provide the data required to meet the requirements of impending legislation that is likely to be published in the wake of the Grenfell Tower Fire tragedy.

### **Baseline Property Details**

2.4 It will be necessary to identify what information needs to be collected relating to the property, its address, size, whether it is a flat, house or bungalow etc.

### **Baseline Property Attributes**

2.5 It is generally important to set benchmarks for standards that are required or are desirable, and these benchmarks may well be important factors used when prioritising work or setting policies.

### **Fitness Standards**

2.7 It may be useful to record information relating to basic fitness criteria, which properties generally have to meet, in order that those properties failing to meet the minimum standard may be targeted for improvement or remedial works. The basic requirements may include the following:

- Rising and penetrating damp
- Insect infestation

- Structural defect
- Deleterious materials
- Condensation

### **Improvement attributes (typical)**

- Central heating - full, partial or none?
- Double glazing - full, partial or none?
- Extractor fans - if fitted, how many?
- Mains smoke/heat/carbon monoxide detectors - if fitted, how many?
- Does the property have a fitted kitchen?
- Depth of loft insulation?
- Whether cavity or wall insulation is provided?
- Whether security devices such as door entry systems and window locks are provided?
- Whether trickle ventilation is provided?
- Whether the property reaches a pre-set improvement benchmark?

### **Other attributes**

- Whether the property is of a mobility standard/had adaptations carried out
- Whether the property is close to certain amenities
- Ownership of the property
- When cyclical works are due
- Energy rating

### **Schedules for Planned Maintenance**

- 2.8 Ultimately the survey will be used to set up programmes for future improvement and maintenance. It is therefore necessary to determine what level of detail will be required from the stock condition surveys for meaningful programmes to be set up and over what period the information is to be considered.
- 2.9 It is important to differentiate between elements and components; for instance a bathroom may be considered as an element whilst a bath, a basin, a shower, a WC suite, taps etc. are all component parts to that element.

It may not be appropriate within a Stock Condition Survey to collect information against the individual components as the renewal of a single component would not be planned and

would be treated as a responsive repair, whilst the replacement of a whole bathroom would normally be planned.

Alternatively it may be appropriate to collect information against components rather than whole elements, e.g. splitting a roof into the component parts of structure, coverings, eaves joinery, rainwater goods, parapets etc.

- 2.10 Cost information should be collected for future major repair or replacement of certain elements or components. It will be necessary to determine whether information is to be collected against elements or components to avoid any confusion, which would result in errors.

### **3 Who undertakes the Survey?**

- 3.1 There is insufficient resource within the Property & Asset Team to deliver the Stock Condition Survey in house.
- 3.2 It is now proposed that an external Consultant will be engaged to carry out the Stock Condition survey, it is intended to source the specialist from a procurement Framework that is delivered by the South West Procurement Agency (SWPA).

To date we have submitted an 'expression of interest' to SWPA who in turn have sought out those on the Framework and one company have made contact. We have made preliminary contact with the company in question and our proposing to set up a formal Meeting/discussion to discuss our requirements and agree a way forward.

Our Systems Team will have a large input in this process as they will need to develop an IT brief for the prospective company to meet in order that all information is collected and supplied to us in a manner and format to enable it to be uploaded onto our Open Housing system.

- 3.3 Once the Stock Condition survey has been carried out processes need to be put in place to ensure that information is regularly updated as planned/reactive work is carried out and elements/components are updated.

### **4 Next steps**

- 4.1 To prepare a detail brief setting out both the IT and the survey requirements for a Stock Condition Survey.
- 4.2 To engage an external Consultant sourced through an approved Framework to deliver the Stock Condition Survey.
- 4.3 Once the Stock Condition survey has been carried ensure processes are in place to update elements/components as work is carried out on the stock.
- 4.4 Long term and once the Stock Condition survey has been carried out engage an in 'in house' Stock Condition Surveyor to deliver and annual stock condition survey; it is suggested that this takes the form of a five year rolling programme with one fifth of the stock surveyed per annum.