

# FAREHAM

## BOROUGH COUNCIL

### Report to the Executive for Decision 15 May 2023

<b>Portfolio:</b>	Housing
<b>Subject:</b>	<b>Housing Stock Condition Survey</b>
<b>Report of:</b>	Deputy Chief Executive Officer
<b>Corporate Priorities:</b>	Providing Housing Choices

**Purpose:**

To seek agreement for the appointment of consultants to undertake a stock condition survey of the Council's housing stock over a five-year period, beginning in 2023/24.

**Executive summary:**

The recommended appointment will allow a stock condition survey to be undertaken on the Council's housing property portfolio. It is proposed that this work be undertaken by Rand Associates.

This work is in the interest of understanding any issues with the properties, and to inform future planned maintenance programmes.

**Recommendation:**

It is recommended that authority be delegated to the Head of Housing Delivery, following consultation with the Executive Member for Housing, to appoint Rand Associates to undertake a Stock Condition Survey of the Council's housing assets. This work to take place over a five-year period from 2023/24 to 2027/28.

**Reason:**

This work is in the interest of understanding any issues with properties, and to inform future planned maintenance programmes.

**Cost of proposals:**

The 2023/24 cost of providing the stock condition survey is covered in existing operational budgets. Subsequent years (years 2-5 of the programme) will be incorporated within future budget proposals. Details pursuant to the costs of the survey are outlined in Confidential Appendix A.

**Appendices:**           **A:** Confidential Appendix

**Background papers:** NONE

**Reference papers:**   Affordable Housing Strategy (2019)

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## BOROUGH COUNCIL

### Executive Briefing Paper

<b>Date:</b>	15 May 2023
<b>Subject:</b>	Housing Stock Condition Survey
<b>Briefing by:</b>	Deputy Chief Executive Officer
<b>Portfolio:</b>	Housing

#### INTRODUCTION

1. The Council owns and manages approximately 2,400 homes across the Borough. 55% of these homes are flats or maisonettes which include communal areas, such as corridors and stairwells, which also require maintenance.
2. Understanding the condition of the Council's residential property asset is essential to enable a future planned maintenance programme to be established, including associated budgets. It will also provide data needed to complete government returns on Decent Homes standards, and to understand the prevalence of damp and mould issues, as well as address any other more urgent repair or maintenance issues identified.
3. 65% of the Council's stock is now over 50 years old and with rising scrutiny on the condition of social housing from the Regulator of Social Housing it is increasingly important that the Council understand the condition of the stock to ensure that any issues are addressed, and to enable a more detailed planned maintenance plan and/or stock management approach to be established.
4. The condition and quality of the Council's housing stock is highly important for customers living in Council homes. The housing portfolio is also a significant financial asset for the Council. It is therefore important that the Council ensure that the quality of the stock is maintained and improved for our customers, and to ensure that the monetary value of the asset is sustained.

#### BACKGROUND

5. A previous housing stock condition survey took place in 2018. A 20% representative sample of the stock was surveyed at that time. The results from that survey were extrapolated out to make assumptions and inform the wider condition of the entire Council housing portfolio.
6. During recent years the Council have invested in a much-improved Housing Management System. Civica has replaced multiple individual systems and spreadsheets with a more comprehensive and efficient system across the Housing

service. This will include an Asset Management module which can hold detail around the physical elements of the stock and allow reports to be produced outlining work programmes.

7. With just 20% of the stock currently surveyed, and that survey now 5-years old, there could be blind spots in the Council's knowledge and awareness on stock condition matters. Striving toward more detailed and higher quality information about the entire housing asset will allow officers to derive a more accurate planned maintenance programme, and a more accurate understanding of cyclical upgrades required to homes (such as new kitchens/bathrooms). This in turn will enable more accurate budget forecasting for the costs of those works in the years ahead.

## **NATIONAL FACTORS**

8. Several tragic incidents elsewhere in the country have understandably increased the focus on the social housing sector, and the quality of affordable housing. For example, the Grenfell disaster in 2017, and the tragic death of 2-year-old Awaab Ishak in 2020 (linked with mould in his home).
9. With these factors in mind the government are stepping up their scrutiny of social housing through the introduction of new regulations. This will include a requirement for the Council to provide more data on Decent Home Standards and the prevalence of damp and mould issues in Council homes.
10. It is important that the Council is not complacent when it comes to the condition of our housing stock. There are a small number of properties that do suffer from mould and damp, and there are some properties that have inherent issues linked with the age and original design of the homes.
11. A thorough stock condition survey will allow the Council to have a proper understanding of any issues which we can then seek to address. A full survey will also allow us to provide more accurate returns to any government requests. It is therefore the appropriate juncture to seek a 100% stock condition survey.

## **THE APPOINTMENT**

12. Rand Associates undertook the previous 2018 Stock Condition Survey for the Council. They have expertise and extensive experience in this field and an understanding of the emerging areas of focus nationally around the quality of social housing.
13. Rand Associates can meet all the requirements of a full and thorough stock condition survey, and they have an awareness of the Council's stock from their work in 2018. The 2018 20% survey was successful, with good working relationships between officers, customers, and Rand Associates.
14. The direct appointment to Rand Associates would be made via a Framework; the Council's Financial Services Procurement Manager has been involved and is in agreement to this approach. The anticipated cost of the survey and further information about the direct award is outlined in confidential Appendix A to this report.

## **THE SURVEY APPROACH**

15. The key objectives of the stock condition survey will be to:
  - Obtain reliable information on the repair and improvement of the stock

- Understand compliance with the Decent Homes Standard and Housing Health and Safety Rating System
  - Calculate the ongoing maintenance costs and extent of investment required (over a 30-year horizon)
  - Feed into the business planning process and inform decisions around the approach to the stock.
16. Fareham Housing customers will receive notification from the Council about the forthcoming surveys in advance, including what the process will involve, and to advise that Rand Associates will be in contact to arrange an appointment. Any customer concerns, or difficulties of obtaining access, will involve the customers Neighbourhood Officer as necessary.
  17. Surveyors from Rand Associates will access each property to assess the condition of the building and the fixtures and fittings in that property. This will establish any catch-up work required, the life span of existing components, and any failings against the Housing Health and Safety Rating System (which could include mould/damp or excess cold, as examples).
  18. The data and outcomes provided from Rand Associates will be readily and easily integrated to the Council's Housing Management System.
  19. Approximately 20% of the stock will be surveyed in each of the five years. The only exception to this will be in Year 1 when the communal elements of the Council owned blocks (e.g., flats and maisonettes) will be surveyed. This keeps the process manageable whilst also spreading the cost.
  20. Toward the end of the five-year period it may need to be established as to whether it is appropriate and good practice to consider a further rolling approach to stock condition surveys, from 2028/29.

#### **ADDITIONAL WORK: EPCs**

21. In addition, and separate to the stock condition survey work, Rand Associates can also provide Energy Performance Certificates (EPCs) of Council homes at an additional cost. Currently 20% of Council homes have a property specific up-to-date EPC. To bring this to 100% would cost a significant sum; in the region of £100,000.
22. Up to date EPCs are only ever a snapshot in time (becoming incorrect following any upgrades to insulation, heating etc.), and they are only valid for 10 years. The extrapolation of current EPC data from the same age and property type provides a reasonable level of accuracy and allows offices to have an understanding of energy efficiency across the wider housing stock. This approach has been sufficient when previously seeking and obtaining greener funding streams, such as the LAD2 solar and insulation programme in 2021 and 2022.
23. In the interests of the prudent use of HRA resources, officers will not be seeking EPCs for 100% of Council homes. Instead, it is intended that Rand will undertake EPCs on a further 100-130 specifically identified Council properties. These homes have been identified to address current 'blind spots' in our understanding of the energy efficiency of certain homes/property types. The additional cost of this will be just over £7,000; a significant saving against the circa £100,000 needed to obtain EPCs for 100% of Council stock. Importantly this will still allow officers to derive reasonable EPC assumptions across the stock and useable data for seeking any national greener

funding initiatives.

24. Undertaking the 100-130 EPCs separately (i.e. not through Rand Associates) is estimated to cost in excess of £15,000 (as opposed to approximately £7,000 - £8,000 through Rand Associates). Rand Associates can undertake the EPC assessment alongside their attendance at a property for stock condition survey purposes, which allows the service to be provided in a more cost-effective manner.

## **RESOURCES**

25. The anticipated cost of the Stock Condition Survey is explained further in confidential Appendix A to this report. The 2023/24 costs have been accounted for in existing Housing Revenue Account budgets, and the subsequent survey work (for the period 2024/25 to 2027/28) can be met through future budget setting.
26. The additional EPC cost will be intermittent across the five-year programme and will fall within operational budgets.

## **CONCLUSION**

27. The appointment of Rand Associates to undertake a Stock Condition Survey on behalf of the Council will provide valuable insight to the condition of the Council's housing stock. This will inform where improvements are needed in the interests of our customers and allow future planned maintenance programmes to be identified and budgeted.
28. The survey results will also allow the Council to meet the requirements of national returns around the condition of social housing.

### **Enquiries:**

For further information on this report please contact Robyn Lyons on (01329) 824305.