

## NOTTINGHAM CITY HOMES

**REPORT OF REPORT OF THE INTERIM  
DIRECTOR OF PROPERTY SERVICES**

**THE BOARD  
31 JULY 2008**

### **NOTTINGHAM CITY HOMES ASSET MANANAGEMENT STRATEGY UPDATE JULY 2008**

#### **1 SUMMARY**

- 1.1 The purpose of this report is to provide the Board with an update of the Asset Management Strategy.

#### **2 RECOMMENDATIONS**

It is recommended that the Board:

- 2.1 Note the update to the Asset Management Strategy (AMS) previously agreed at Nottingham City Homes (NCH) November 2007 Board, and subsequently ratified on 18<sup>th</sup> December 2007 by Nottingham City Council (NCC) Executive Board. The updates within the report are shown in the Appendix 1.

#### **3 REPORT**

- 3.1 The NCH AMS sets out the plan for the delivery of long term sustainable homes for our residents. The report also addresses the way in which NCH will ensure that Decent Homes is delivered for every home and ensure that our residents receive a value for money repairs and maintenance service.

The strategy assesses effective procurement and the sustainability and future options for poorly performing or poor quality housing. Effective planned works programmes will keep the stock in good condition.

#### **4 OTHER OPTIONS**

- 4.1 Following the 1 star rating by the Audit Commission in the inspection of NCH in December 2005, NCH and NCC undertook a review of the Decent Homes investment and determined that a larger programme than that first envisaged would give better overall benefits.

NCC and NCH then visited the Department for Communities and Local Government (CLG) to discuss a possible increase in Arms Length Management Organisation (ALMO) funding in October 2006, however clear guidance from CLG at the meeting was given that there would not be further scope for increasing the funding available to Nottingham for the Decent Homes programme. This option became therefore untenable.

Meetings with CLG by both NCC and NCH have indicated that the current spending profile within the AMS, is in line with Government expectations and would be fully funded.

## **5 FINANCIAL & RISK IMPLICATIONS**

- 5.1 With the adoptions of the AMS, NCH has a clear plan for investment in the stock for the next five (5) years.
- 5.2 NCH anticipates a spend of two hundred and forty three millions pounds (£243m) on decency work out of an overall three hundred and nine million pounds (£309m) Capital Programme from April 2008 through to the end of the 2012/13 financial year. Of this programme, one hundred and sixty-five million pounds (£165m) is subject to a positive inspection by the Audit Commission.

## **6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

- 6.1 This AMS has been drawn up to complement and inform the NCH Delivery Plan, 10 Year Strategy and Procurement Strategy.

The NCH AMS forms part of and supports a series of strategic documents such as Strategic Regeneration Frameworks, Neighbourhood Plans, the Housing Strategy, Community Strategy, Local Community Strategies, and the Local Area Agreement. These will revitalise the local economy, support the regeneration of the city and the creation of successful neighbourhoods within it.

NCH recognises that effective asset management is fundamental to the delivery of the Councils corporate themes and is crucial to the successful delivery of our organisation's objectives as an ALMO.

## **7 VALUE FOR MONEY & EFFICIENCY ISSUES**

- 7.1 The strategy details how NCH will achieve savings against current costs by procurement and benchmarking. A prudent estimate of the savings which will be achieved is thirty million pounds (£30m) over the course of the Decent Homes contract.

Work continues between NCH officers and its partners to review costs and materials. Both direct costs of works and indirect through the supply chain are reviewed and through comparisons/benchmarking with others efficiencies will continue to be made.

## **8 EQUALITY & DIVERSITY IMPLICATIONS**

- 8.1 The strategy will describe how the Decent Homes programme will advance the cause of the communities of interest within Nottingham

**9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS  
REFERRED TO IN COMPILING THIS REPORT**

9.1 The NCH AMS December 2007

**CONTACT OFFICERS:** Mark Johnson  
Director of Property Services  
Harvey Road  
NG8 3BB  
Tel: 0115 9152503  
E-mail: [mark.johnson@nottinghamcityhomes.org.uk](mailto:mark.johnson@nottinghamcityhomes.org.uk)

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**Updates to Asset Management Strategy.****Page 12 & 32 – Funding streams**

The alterations to this section have been applied to the programme based on the reduced funding available for 08/09 and agreed by NCC. This has meant that some works have been moved into later years of the programme.

**1.6 Funding Streams****Tables 1. 2008/9 – 2012/13 Investment Spend Profile/Funding Profile**

<b>Works</b>	<b>Year 1 2008/9 (£)</b>	<b>Year 2 2009/10 (£)</b>	<b>Year 3 2010/11 (£)</b>	<b>Year 4 2011/12 (£)</b>	<b>Year 5 2012/13 (£)</b>	<b>Totals (£)</b>
NCH Standard and Decent Homes Obligations	£26.7m	£51.2m	£49.7m	£57.7m	£57.7m	£243m
Other Capital Programme Works	£3.6m	£4.9m	£7.7m	£24.9m	£24.9m	£66m
Total Capital Programme	£30.3m	£56.1m	£57.4m	£82.6m	£82.6m	£309m

**Funding Profile**

<b>Works</b>	<b>Year 1 2008/9 (£)</b>	<b>Year 2 2009/10 (£)</b>	<b>Year 3 2010/11 (£)</b>	<b>Year 4 2011/12 (£)</b>	<b>Year 5 2012/13 (£)</b>	<b>Totals (£)</b>
ALMO CLG Bid Funding	£10m	£32m	£32m	£47.9m	£43.1m	£165m
NCC Capital Programme	£20.3m	£24.1m	£25.4m	£39.1m	£35.1m	£144m
Total Capital Programme	£30.3m	£56.1m	£57.4m	£87m	£78.2m	£309m

## Page 45 – Joint Voids Team

Changes have been made to the PI's below in line with the Void Property SIP.

### **Joint Voids Team**

In July 2007 a joint team drawn from Property Services and area Housing Offices was set up to improve the voids performance

The goals of the joint voids service are shown below;

- To reduce the average re-let time whilst providing properties of a high quality
- To reach middle quartile position for BV212 by 2008/09
- To increase customer satisfaction to 95% by 2008/09
- To reduce the number of void properties to 300 by March 2009
- To reduce average void repair costs to £1,800 by March 2009

Position at March 2008:

- From March 2007 to March 2008, lettable voids have been reduced from 638 to 425, a reduction of 33%
- Long Term Voids reduced from 173 to 82, reduction of 52%
- Average repair costs at £2,658 Apr 07
- Average repair costs at £2,016 Apr 08

Improvements made by the team include:

- High Level "Base" Process from October
- Review of Lettable Standard - pilots
- Re-launch of Pre-termination visits from October
- Vision Management introduced - new tenants during August
- Review of all procedures within voids & lettings service
- Void Standard being developed
- Welcome pack for all new tenants

Further improvements planned include :

- Local area information pack for all new tenants
- Development of the Lettings Officer role to improve customer satisfaction
- Review of decoration voucher scheme
- Choice to new tenants

#### Page 71

KPI's and Benchmarking - Local and National KPI's – These revised tables give the new performance measures being performance monitored by NCH for 08/09.

#### Page 80

#### Nottingham Local Area Agreement NI 158

This agreement is made between NCH and NCC as a performance measure. NI158 monitors the Non Decency level of the stock managed by NCH.