

Asset Management Strategy



Leeds
CITY COUNCIL

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Foreword

This Asset Management Strategy sets out the steps being taken by Housing Leeds over the next three years to ensure that the significant investment we make each year in the City Council's homes and the neighbourhoods in which they are located:

- supports the wider council ambitions to make Leeds the Best City and to be the Best Council; and
- contributes to improving the health outcomes of residents in the city, saving public funds and improving lives in the process.

Best City – Best Council

Tackling Poverty and Reducing Inequality

Our vision is for Leeds to be the best city in the UK: one that is compassionate with a strong economy that tackles poverty and reduces the inequalities that still exist. We want Leeds to be a city that is fair and sustainable, ambitious, fun and creative for all. We will continue to work with others to achieve better outcomes for the city through a combination of innovation and efficiencies.

Good Health Begins at Home

Jon Rouse, Department of Health, April 2016

You don't need to be a medical professional, carer or social worker to know that badly maintained or inappropriate domestic environments can have a long term, detrimental impact on the mental and physical health of the occupants. The onset of asthma is not going to be mitigated by a home with damp in the walls and mould growing in the bathroom. Likewise, rotting floorboards and absent stair rails do not lessen the likelihood of falls and injury among the elderly or otherwise infirm. There is a growing evidence base for the contribution housing can make to good health and wellbeing. At a system level, poor housing costs the NHS at least £1.4bn per annum...on an individual level, suitable housing can help people remain independent for longer, and support them to perform the activities of daily living that are important to them – gardening, shopping, visiting friends and family for example.

Executive Summary

Leeds is the second largest local authority in England and Wales. It has enjoyed considerable growth and success over the last decade or more. There are however still significant economic and health inequalities in the city. Almost a quarter of Leeds' Lower Level Super Output Areas are in the 10% most deprived in the country. There is a 12 year difference in life expectancy between those living in deprived and more affluent parts of the city.

Leeds City Council owns over 56,000 homes in the city and Housing Leeds, part of the Environment and Housing directorate, invests over £120m p.a. in these properties, through repairs and major improvement programmes. This investment presents a significant opportunity to make a material difference to the health and life chances of the residents of these properties, and the communities in which they are located, as well as the more obvious 'bricks and mortar' improvements to property and place.

Previously, housing investment was somewhat disparate, with management responsibility spread across three different ALMOs and a focus on meeting the Decent Homes standard. Bringing housing management back under direct council control, under the auspices of Housing Leeds, provides the opportunity to ensure a clear, co-ordinated approach to council housing investment. This Asset Management Strategy (AMS) therefore pulls together a forward looking plan to deliver a citywide aspiration for the housing stock¹ that goes beyond traditional Decent Homes investment and supports the Best Council plan, enabling tenants, residents and communities to take pride in their homes and neighbourhoods. It directs the significant contribution council housing investment can make to countering both economic and health disadvantage and inequality in the city. It contains details on how investment activity will be prioritised and targeted to ensure it makes the greatest possible impact.

The Best Council outcome of most relevance to this strategy is that:

We want everyone in Leeds to live in good quality, affordable homes within clean and well cared for places.

Investment in council homes and neighbourhoods will help achieve this by:

- ***Supporting healthy communities, reducing fuel poverty and cutting carbon emissions by spending money wisely in council homes and neighbourhoods; and***
- ***Enabling affordable housing, employment and economic growth through council-housing related investment.***

¹ The term 'housing stock' is used throughout this document as a 'catch all' to cover all properties managed by Housing Leeds and covered by this strategy, including c56,000 homes/dwellings, c6,000 garages and several hundred commercial properties, housing offices etc.

Our asset management priorities are therefore:

- ***Delivering modern, fit for purpose homes and neighbourhoods;***
- ***Reducing fuel poverty, cutting carbon and improving health;***
- ***Increasing affordable housing supply; and***
- ***Intelligence-led stock portfolio management.***

This AMS details how these priorities will be achieved. A 'plan-on-a-page' summary of these priorities and the related actions is shown on p.7.

Alongside the detailed actions noted in this document it is important to acknowledge that investment in council housing and neighbourhoods also contributes to numerous other Best Council priorities, including:

Supporting economic growth and access to economic opportunities – reducing heating costs increases disposable income for local communities; Leeds Building Services and use of local contractors create training and employment opportunities in Leeds; investing in innovative construction methods, creating new skills and economic opportunities.

Keeping people safe from harm – by improving the energy efficiency of our properties there is less risk of harm from cold and damp housing conditions; providing adaptations that prevent falls amongst elderly and disabled residents; providing fire alarms and fire safety works; asbestos testing and removal; investing in community safety works (e.g. CCTV, fencing, security lighting etc.); creating better mental wellbeing by improving homes and neighbourhoods.

Supporting communities, raising aspirations – by implementing community led Housing Advisory Panel (HAP) and Environmental Improvement Programme (EIP) schemes; funding community involvement and engagement mechanisms.

Improving educational achievement and closing achievement gaps and Supporting children to have the best start in life – by providing warm, safe and secure homes for children to study and grow in; investing in heating and energy efficiency measures to create warm homes; funding the provision of safe play areas, skate parks, wheeled sports facilities etc.

Providing skills programmes and employment support – by creating apprenticeships and other training and employment opportunities through our contracting activity; offering training and employment opportunities in Housing Leeds & Leeds Building Services.

Providing enough homes of a high standard in all sectors – by maintaining properties to the Leeds Homes Standard; identifying and freeing up housing growth sites for development; funding council housing new build and buy-back schemes;

exploring borrowing opportunities to build more social housing; acting as an exemplar to the private rented sector.

Supporting healthy ageing – by remodelling sheltered housing schemes to provide attractive, modern facilities; increasing accessibility; providing support services and adaptations where required; building and running Wharfedale View Extra Care scheme.

Enhancing the quality of our public realm and green spaces – by funding Housing Advisory Panel and Environmental Improvement Programme schemes to improve landscaping and provide play areas on council estates; investing in refurbishments and upgrades to the exterior of council homes.

Housing Leeds will continue to work closely with colleagues and partners across the city to maximise the positive effects of our investment in council homes and neighbourhoods.

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Asset Management Strategy - Plan on a Page



We want everyone in Leeds to live in good quality, affordable homes within clean and well cared for places

- Supporting healthy communities, reducing fuel poverty and cutting carbon emissions by spending money wisely in council homes and neighbourhoods

We will help achieve this by:

- Enabling affordable housing, employment and economic growth through council-housing related investment

Our Priorities

Intelligence-led stock portfolio management

Driving stock improvement - Using financial and non-financial techniques to help understand and deliver better stock performance

Estate sustainability – Developing robust neighbourhood plans to ensure neighbourhoods are safe, clean and well cared for

Delivering modern, fit for purpose homes and neighbourhoods

- **Achieving the Leeds Homes Standard** - Ensuring all properties and neighbourhoods with a long term future are brought up to the Leeds Homes standard
- **Meeting the investment needs of our most challenging property types** - Ensuring specifically tailored plans are in place to improve or remodel our most difficult stock types
- **Modernising repairs and maintenance** - To have well designed repairs and maintenance systems which ensure the stock is maintained in an efficient, cost effective and responsive way

Reducing fuel poverty, cutting carbon and improving health outcomes

- **Delivering warm, energy efficient homes that are affordable to heat** - Developing a long term strategy and programme to improve the energy efficiency of the housing stock, at the same time helping to reduce fuel poverty and carbon emissions
- **Investing in works to improve health outcomes** - To explore the links between housing conditions and health, investing in works that make a material difference to health outcomes and/or savings to health services

Increasing affordable housing supply

- **Reshaping the housing stock** - Using a robust options appraisal process to shape and inform decisions about the future suitability, viability and sustainability of properties, schemes and estates
- **Delivering new or additional homes** - To identify sites for replacement or additional homes of the type and quality needed in areas people want to live

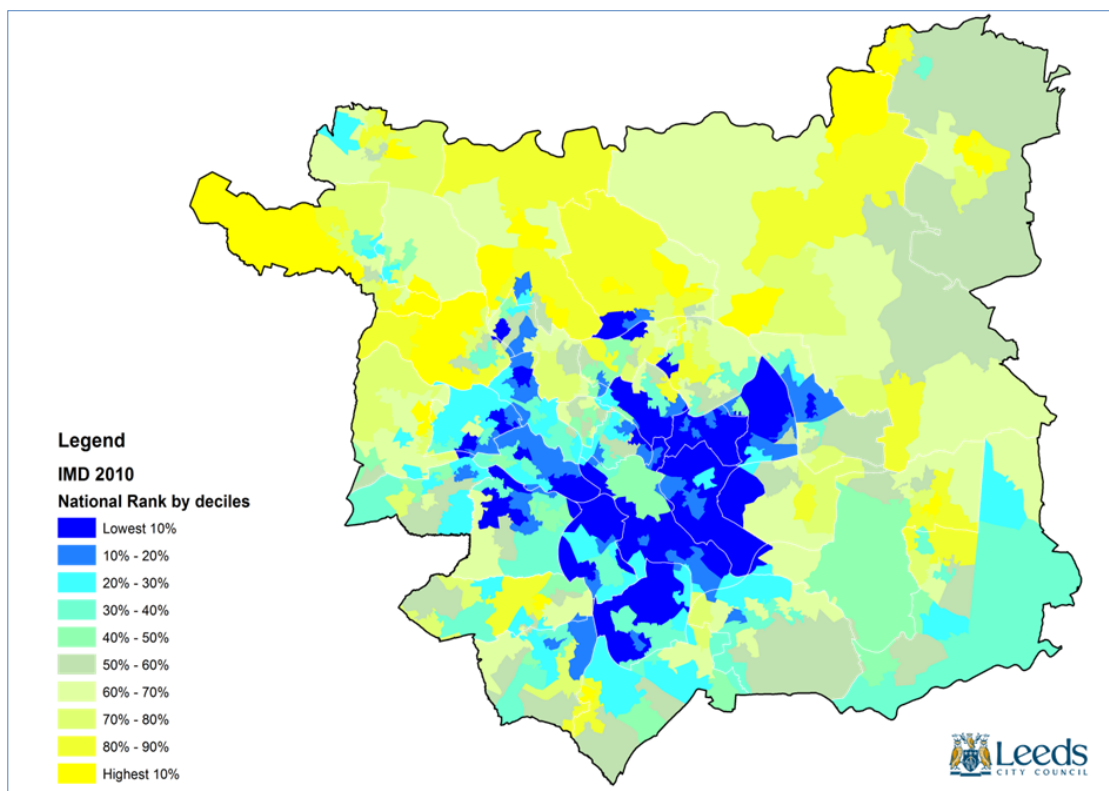


Housing Leeds Asset Management Strategy

The Health and Housing Challenge

Health

According to the 2011 census, Leeds had a population of over 750,000 residents, making it the second largest local authority area in England and Wales.² The city spans 15 miles east to west and 13 miles north to south, covering 217 square miles in total. It is one of the fastest growing cities in the country.³ Private sector jobs grew by 11,800 (4%) from 2012-2013, putting Leeds in the top 10 of all UK cities for private sector jobs growth.⁴ Despite this economic growth, for over fifteen years Leeds has also been said to have a 'two-speed economy' and still suffers from high levels of deprivation and inequality, particularly in inner urban areas (see map below).⁵



In terms of general and economic deprivation, the 2015 Indices of Multiple Deprivation rank Leeds as the 31st most deprived Local Authority in England, with 105 LSOAs (out of 482) in the 10% most deprived nationally.⁶ This is a worsening position, from being ranked 40th in 2010. Based on analysis of the different numbers

² 2011 Usual resident population data – local authorities: district/unitary, Nomis, 2011, <http://www.nomisweb.co.uk/census/2011/ks101ew>

³ Leeds: The facts and figures, Yorkshire Forward, 2012, <http://www.yorkshire-forward.com/our-wonderful-region/our-cities/Leeds-the-facts>

⁴ Cities Outlook 2015, p.42, Centre for Cities, 2015, http://www.centreforcities.org/wp-content/uploads/2015/01/Cities_Outlook_2015.pdf

⁵ 'Leeds seeks millions in aid to end a tale of two cities', The Guardian, 1990, available from <http://www.theguardian.com/business/1999/may/31/4>

⁶ 'English Indices of Deprivation, File 10: Local Authority District Summaries', DCLG, 2016, available from <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>

of Job Seekers Allowance claimants in different parts of the city, Leeds is the 3rd most unequal city in the UK.⁷

Public Health England has stated that *'The health of people in Leeds is generally worse than the England average. Deprivation is higher than average and about 22.5% (30,600) children live in poverty. Life expectancy for both men and women is lower than the England average.'*⁸ The Best Council Plan 2015-20 notes that *'Inequalities persist: for example, although overall life expectancy has been increasing for all Leeds residents, the life expectancy for a man living in a deprived Leeds neighbourhood is 12 years lower than a man living in an affluent part of Leeds'*.⁹

Almost 17% of Leeds residents have a disability or a long term health problem which limits their day to day activities. 40% of Leeds Council Housing tenants have a disability or long term health problem and many of these residents require specialist housing or adaptations and additional support in order to live independently.¹⁰

Housing

Many of the city's residents affected by inequality are likely to live in social housing and the council are by far the largest social housing landlord in the city. Even so, the council housing stock has reduced significantly since the introduction of the Right to Buy in 1980. Selective demolition of properties in low demand, particularly in the 1990's and early 2000's, also reduced the stock further. In 1984 the council had a housing stock of just over 94,000 homes.¹¹ By 2002 this had reduced to less than 70,000 properties¹². Today the council currently owns and manages just over 56,000 homes. A co-ordinated programme of housing growth has started in recent years, including new build council housing alongside Registered Provider, private sector and self-build developments.

In 2003, due to rules in place at the time limiting the maximum number of properties managed by any single ALMO to 15,000, the council set up six Arm's Length Management Organisations (ALMOs) to manage the housing stock. The six ALMOs were subsequently reduced to three in 2007 when these rules were relaxed. The council and ALMOs successfully bid for over £337m of Supplementary Credit Approvals which, together with existing grant allocations, PFI finance, RTB receipts and other funding, funded over £850m of investment in council housing between 2003 and 2011, primarily focused on decency.¹³

The ALMOs were brought back in-house in 2013, as part of Housing Leeds, with an intention to address housing issues consistently across the city and look beyond the

⁷ 'Cities Outlook 2015', p.50, Centre for Cities, 2015, *ibid*.

⁸ 'Leeds Unitary Authority – Health Profile 2014', p.1, Public Health England, 2014.

⁹ 'Best Council Plan 2015-20, Update 2015-16', p.4, Leeds City Council, 2015, available from <http://www.leeds.gov.uk/docs/Best%20Council%20Plan%202015.pdf>

¹⁰ Housing Strategy 2016-2021, p.4, Leeds City Council, 2016.

¹¹ 'A Review of the State of Repair of the Leeds Housing Stock 1984', p.3, Leeds City Council, 1984.

¹² 'Decent Homes in Decent Neighbourhoods: Application for a pre-allocation of resources for 2003/04', p.9, Leeds City Council, 2002.

¹³ 'Decent Homes in Decent Neighbourhoods: Application for a pre-allocation of resources for 2003/04', p.10, Leeds City Council, 2002.

decency programme to consider wider investment led by asset management priorities and aspirations. Some of these aspirations still require to be fully quantified and, as such, a number of investigations and options appraisals will be required over the coming years to crystallise exactly how these will be delivered.

The implementation of Housing Revenue Account (HRA) self-financing in England in 2012 has had a positive impact upon Leeds and has led to an increase in funds available for asset management activity to support these increasing aspirations. At the same time, due to the ongoing cuts to the council's General Fund funding, the HRA is under increasing pressure to support investment in initiatives which can help reduce costs for other services and assist in delivering more, for less money.

The HRA Business Plan was reviewed in 2014. This showed that the HRA was healthy and that there were sufficient resources available for capital investment over the next 10 and 30 years to meet the needs of the existing stock. That said, some short-term cash-flow issues were recognised and a strategy for dealing with these was agreed by Executive Board in March 2015.¹⁴ However, the 2015 Summer Budget introduced a programme of social housing rent reductions by 1% p.a. for four years from 2016 and this will have a net negative impact over the next ten years of c£283m less rental income to the HRA than originally modelled. The implications for capital investment funds are still to be worked through as part the current review of the HRA Business Plan (HRA BP) and will be reflected in a revised investment strategy, currently scheduled for mid-2017.

As of the end of March 2016, 95% of the stock met the Decent Homes Standard. This is significantly better than the national local authority average of 84%.¹⁵ The average SAP rating of the council housing stock was 69, or just into Energy Performance Certificate Band C (see next page). Again, this is better than the national local authority average of 66.^{16 17}

Bearing in mind that the Decent Homes standard is very much a minimum and that it focusses almost exclusively on dwellings and not communal areas, estate environments or what might be called 'place', the stock could perhaps best be summed up as being in the 'fair to middling' category – generally serving a purpose, with no major problems in terms of providing accommodation and meeting basic needs, but somewhat dated, with less than desirable communal and estate facilities.

Key Points:

- **Second largest local authority in England & Wales;**
- **Considerable growth and economic success in recent years;**
- **Significant levels of deprivation and inequality remain, in both economical and health terms;**

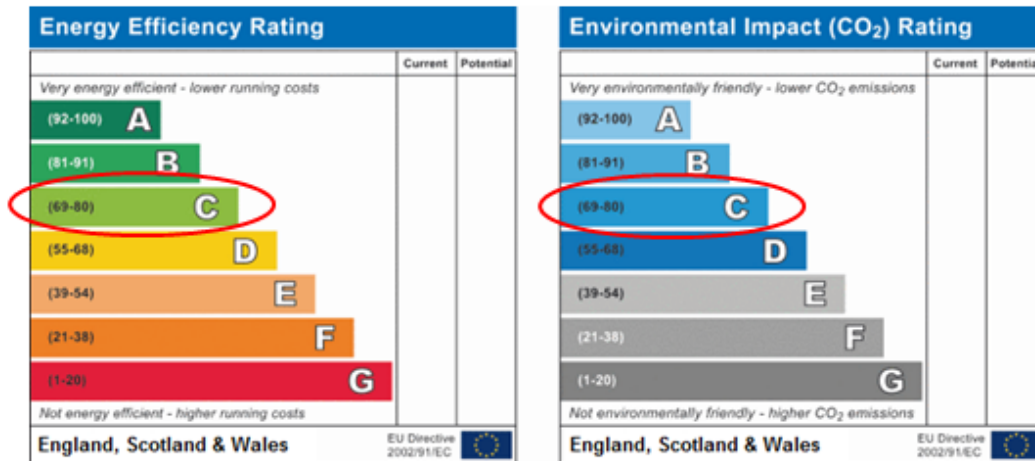
¹⁴ 'Improving the Council's Housing Stock – The Housing Revenue Account Investment Plan' Executive Board Report, Leeds City Council, March 2015.

¹⁵ English Housing Survey Headline Report 2014 to 2015: Section 2 Housing Stock Tables, Table 2.2, ONS, 2016, available from <https://www.gov.uk/government/statistics/english-housing-survey-2014-to-2015-headline-report>

¹⁶ Ibid, Annex Table 2.5.

¹⁷ Standard Assessment Procedure – methodology used by government to assess and compare the energy and environmental performance of dwellings – see <https://www.gov.uk/guidance/standard-assessment-procedure>

- **Substantial investment in decent homes in ALMO period;**
- **Increasing pressure on HRA but still appears healthy in the medium-long term; and**
- **Stock performs better than national local authority average but still room for improvement.**



Average Energy Efficiency Rating and Environmental Impact Rating of Council Housing Stock

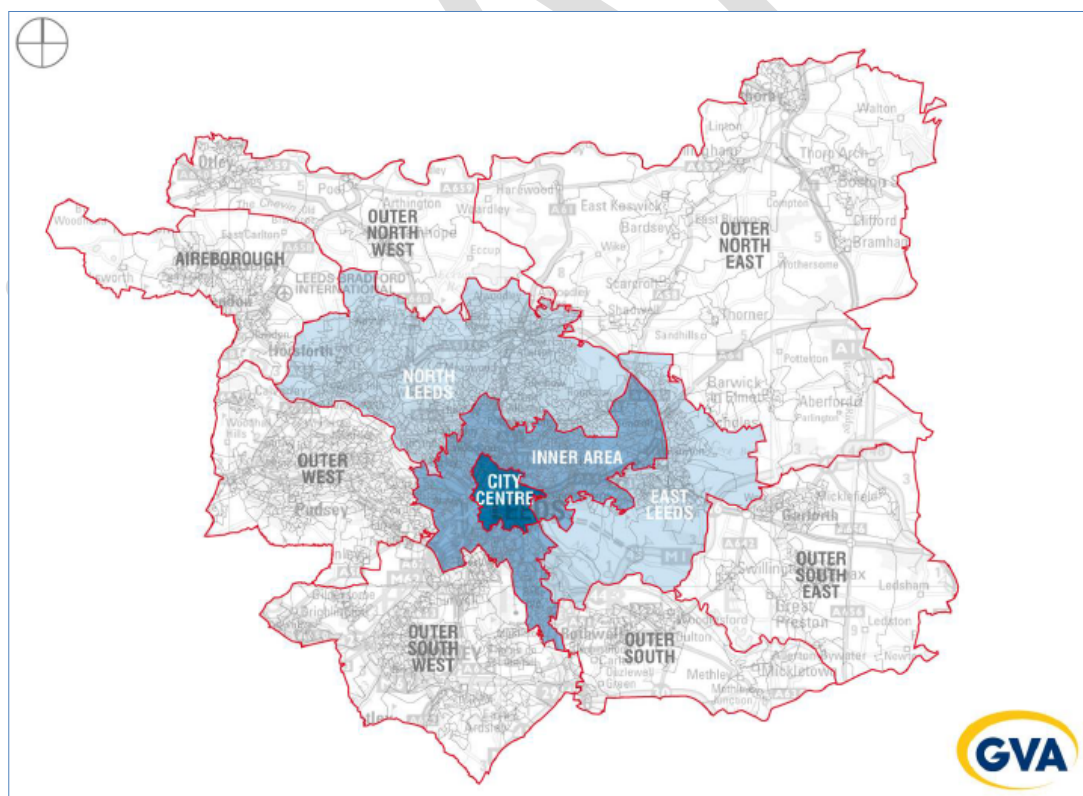
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The Bigger Picture – Our Housing Context

It is crucial to recognise that council housing exists within the wider context of housing in Leeds. It is often located cheek-by-jowl with owner-occupied properties (both former council homes sold under the Right to Buy and privately owned stock), privately rented properties and those owned by the third sector, largely housing associations and charities. Demand and customers for council housing comes from new council housing applicants and those on the housing register (i.e. those housed in other tenures, within Leeds and from further afield) and existing council housing tenants wishing to move property. The following sections therefore examine the council housing stock profile and city demographics in more detail, to set council housing provision and the current and potential future customer base in perspective.

Council Housing Stock Profile

There is an overall housing stock in Leeds of over 335,000 dwellings and just over 20% of this stock is classified as social or affordable housing.¹⁸ The 2010 Strategic Housing Market Assessment Update identified eleven housing market areas in Leeds, as shown below. The council has significant stock holdings in all these areas, with particular concentrations in the Inner Area and East Leeds, closely correlating with the most deprived areas of the city.



The council owns over 56,000 residential dwellings, making it the second largest local authority landlord in England, behind Birmingham.¹⁹ The council is also the

¹⁸ 'Leeds Strategic Housing Market Assessment Update', p.iv, Leeds City Council, 2011.

¹⁹ Live tables on dwelling stock (including vacants), Table 100, DCLG, 2015, available from <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

largest social/affordable housing landlord in the city by a considerable margin, with all other social landlords combined making up c10,000 properties.

Around 2,700 council properties are currently included in two Private Finance Initiative contracts for improvements, repairs and maintenance. These contracts run until 2033 and 2035 respectively and the properties involved are therefore excluded from the scope of this strategy at the present time, although future versions will begin to plan for their return to council management and need for lifecycle replacement of key components. A further 2,000 are managed by Belle Isle Tenant Management Organisation (BITMO), an independent organisation that manages homes and estate services in partnership with the council.

In terms of age profile, the overwhelming majority of the stock was built before 1980 - 65% of the stock dates to prior to 1964, 29% to between 1964 and 1980 and just 6% dates to the period from 1990 to the present day. There is therefore an ageing stock, with large numbers of inter-war estates, 1960's built high-rise and non-trad properties and 1970's sheltered housing schemes, all presenting their own particular challenges.

Build Year	No. of Properties	Percentage of Stock
Pre-1919	2,865	5%
1919-1944	12,021	21%
1945-1964	22,185	39%
1965-1974	12,187	22%
1975-1979	3,894	7%
1980 Onwards	3,505	6%
Totals	56,657	100%

The council stock is also very diverse, with a wide range of archetypes and construction types. The stock is split c60:40 between houses/bungalows and flats/maisonettes. The composition of the council stock is shown below, in comparison with the city as a whole:

Stock Type	Council Stock	City Stock as a Whole²⁰
Flats/Maisonettes	40.5%	17.5%
Terraced	30.0%	28.5%
Semi-detached	29.1%	41.5%
Detached	0.4%	12.5%

This shows that the council has a much greater proportion of flats/maisonettes than the city average and a lower proportion of semi-detached and detached properties. This is probably a result of 30+ years of the Right to Buy, with freehold semi-detached and detached properties more attractive to purchasers than terraced properties or leasehold flats. It has also created a wide spread of privately-owned, former council properties mixed in with council-owned properties on estates across

²⁰ 'Leeds Strategic Housing Market Assessment Update', p.iv-v, Leeds City Council, 2011.

the city, with particularly high concentrations in the satellite towns and villages in the Outer areas and Aireborough.

There are over 22,300 council-owned flats and maisonettes in the city. Almost a third of these flats (32% or just over 7,000 properties) are in high-rise blocks of 5-storeys or more. These are spread across 116 blocks. They are largely concentrated in the Inner Area, East Leeds, North Leeds and Outer West and present a significant investment challenge, particularly around structural and thermal efficiency issues. The remainder of the flat and maisonette stock is housed in over 3,600 separate low and medium rise blocks.

The proportion of council-owned flats in Leeds overall, and of high-rise compared to low-rise, are broadly comparable to the local authority stock across England. The 2013 English Housing Survey noted that 44% of local authority housing stock was in flats (40.5% in Leeds) and that this was broken down into 35% low-rise (27% in Leeds) and 9% high-rise (12% in Leeds).²¹ While Leeds only has a slightly higher proportion of high-rise than the national average, the large size of the council housing stock in Leeds means this nevertheless represents a considerable number of properties.

A substantial proportion of the overall stock is of 'non-traditional' construction (28% or c16,000 properties), predominantly built between 1918–1975 of precast and in-situ concrete panels systems and/or metal framed structures. They present significant investment and asset management issues regarding asbestos management, structural integrity and thermal performance. There are also a number of timber framed 'traditional'²² construction properties, such as Caspon, Llewellyn and Rydale in the council stock. This covers a further 500 properties which again present significant challenges around asbestos, structural integrity and thermal performance.

Additionally there are almost 3,000 hard-to-treat, pre-1919 solid-walled properties, including c1,600 back-to-backs, in the council portfolio. These present difficulties around thermal performance and fire safety.

This AMS also covers a number of non-dwelling assets, including 360 commercial and industrial units managed by the Commercial Asset Management team; over 6,000 garages; 47 Housing Offices and 39 Community Centres.

Key Points:

- **Second largest council housing stock in England;**
- **Large concentrations of council housing in the most deprived areas;**
- **An ageing stock, with majority built before 1974; and**
- **High numbers of high-rise, non-traditional and hard-to-treat properties.**

²¹ English Housing Survey – Profile of English Housing, Annex Table 1.1, ONS, 2013.

²² Council asset management systems currently designate traditional/non-traditional construction types based on ODPM guidance from c2004, which stated that timber structures were traditional whereas concrete or metal-framed were non-traditional. This needs revisiting in light of the BRE's position that timber framed properties are non-traditional (see Non-Traditional Houses: identifying non-traditional houses in the UK 1918-75, BRE, 2004).

Demographics

The Leeds population increased from 2001-2011 by just over 36,000 or 5%, a lower increase than the 7.1% for England and Wales or 6.4% for Yorkshire and Humber. The city's age structure is broadly similar to rest of England and Wales, apart from the 20-29 age band, which in Leeds makes up 18% of the population, compared to 14% in rest of England and Wales.²³

The broader breakdown of age banding of Leeds residents from the 2001 and 2011 censuses is shown below²⁴:

Age	2001	%	2011	%	England & Wales 2011 (%)	% change (Leeds) 2001 - 2011
aged under 16	143,091	20.0%	137,493	18.3%	18.8	-3.9%
aged 16 - 29	148,420	20.7%	175,668	23.4%	11.3	18.4%
aged 30 - 44	157,259	22.0%	155,762	20.7%	20.5	-1.0%
aged 45 - 59	123,917	17.3%	132,786	17.7%	19.4	7.2%
aged 60 - 75	90,883	12.7%	96,633	12.9%	14.7	6.3%
aged 75 - 85	38,256	5.3%	38,561	5.1%	5.6	0.8%
Aged over 85	13,576	1.9%	14,582	1.9%	2.3	7.4%
ALL	715,402		751,485			5.0%

Research to inform sheltered housing demand predicts that over the next 20 years:

- the numbers of people aged over 85 may more than double;
- the numbers of people aged between 65 and 75 and between 75 and 85 may increase by a third; and
- the numbers of people aged 50 – 60 will increase by almost 20%.

This all indicates an 'ageing population' in Leeds and a potentially expanding pool of demand for sheltered and other housing specifically targeted towards very old people. However, whether this translates into actual demand will depend firstly on how many older people choose to remain living in their own homes or in a specialised setting, and secondly upon the attractiveness of the type of specialist housing on offer.²⁵

Leeds is also an increasingly diverse city. The BME population grew from 11% in 2001 to 19% in 2011. With just under 22,500 people (3% of the total population) the Pakistani community is the largest "single" BME community in Leeds.²⁶

²³ 'Leeds – The Big Picture: A Summary of the Results of the 2011 Census', p.5, Leeds City Council, 2013.

²⁴ 'Research into demand for Leeds City Council Sheltered Housing – Final Report', p.6, Re'new, 2014.

²⁵ Ibid p.7.

²⁶ Leeds – The Big Picture: A Summary of the Results of the 2011 Census', p.6, Leeds City Council, 2013.

There are 332,674 household spaces in Leeds of which 320,596 are occupied by at least one usual resident. Almost 59% of occupied households in Leeds are "owner occupied", compared to 64% in England and Wales. Again, compared to the rest of England and Wales, the city has higher proportions of households that are renting from the local authority (17% compared to 9%), and from a private landlord or letting agency (17% compared to 15%), but a lower proportion renting from a Housing Association / Registered Social Landlord (5% compared to 8%). The proportion of households that are renting from the local authority has fallen from 21% in 2001 to 17% in 2011, while the proportion of households renting from a private landlord or letting agency has doubled from 8% in 2001 to 16% in 2011.²⁷

Key Points:

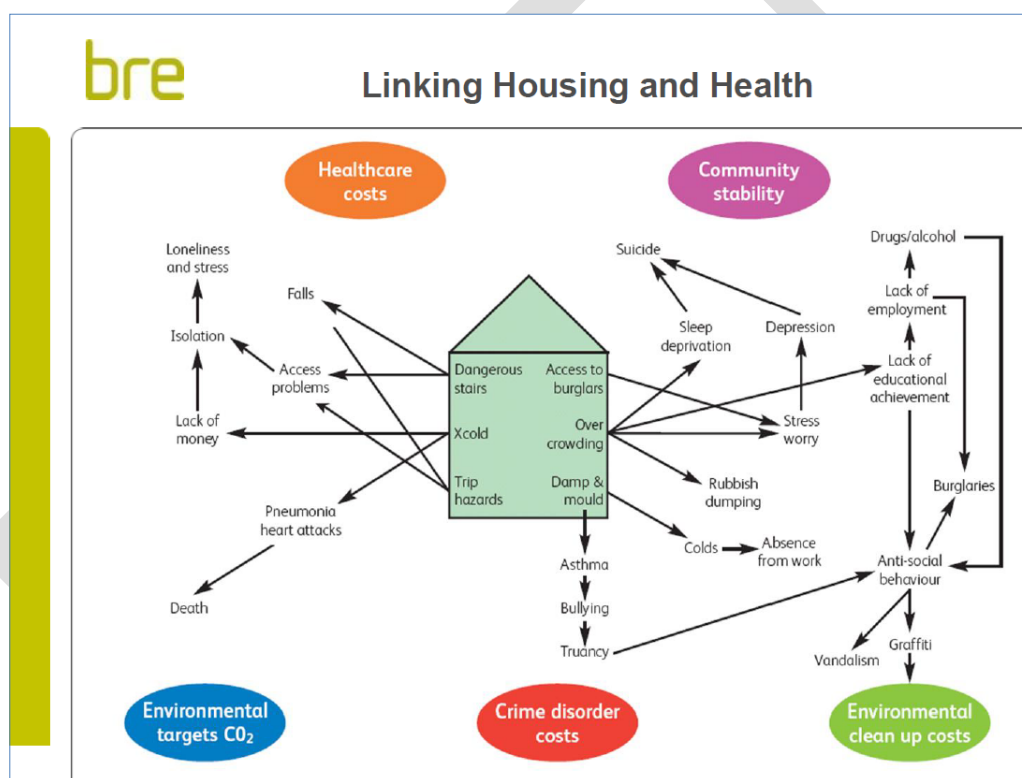
- **Lower level of owner occupation than the England and Wales average;**
- **Almost twice the proportion of local authority tenants than England & Wales average;**
- **City as a whole has higher proportion of 20-29 year olds than England & Wales average, but also an ageing population;**
- **BME population almost doubled from 2001-2011; and**
- **Private rented sector as big as social rented sector.**

²⁷ Ibid, p.5.

Housing, Health and Investment to Date

As stated in the 2015 Joint Strategic Needs Assessment 'Good quality housing is a pre-requisite for good health. People who live in clean, warm, safe and affordable homes are less likely to experience housing-related ill health'. It also notes that 'Levels of poor mental health and wellbeing and mental illness are inextricably linked with deprivation within the city'.²⁸

The Building Research Establishment have noted that poor quality housing adversely affects physical and mental health, as well as educational attainment, work attendance, crime and ASB amongst a myriad of other factors, as shown in the diagram below.²⁹ They also acknowledge that significant savings to the NHS and other agencies can be realised by rectifying it. Recent estimates are that reducing all significant Housing Health and Safety Rating System in England could save the NHS £2bn per annum.³⁰



The last decade or so has seen council housing investment largely focussed on decency works and other statutory and regulatory requirements such as adaptations, gas safety, asbestos etc. Much of this expenditure was supported by government grant and borrowing approvals and has seen a significant improvement in the overall standard of the housing stock. The move to self-financing of the HRA has resulted in sufficient resources being available to now meet the wider investment need of the stock over the life of the HRA BP, including investment in energy efficiency, communal areas and environmental improvements alongside

²⁸ 'Leeds Joint Strategic Needs Assessment 2015', p.17, Leeds City Council/NHS Leeds CCG, 2015.

²⁹ 'The health costs of poor housing (and the benefit to the NHS of improving it)', p.5, BRE, 2014
[http://www.local.gov.uk/documents/10180/5902366/P11+Health+costs+of+poor+housing+-+Simon+Nicol,%20BRE+\(21+pages\).pdf/fca1e053-7e5d-4334-9766-a0edb9f9d531](http://www.local.gov.uk/documents/10180/5902366/P11+Health+costs+of+poor+housing+-+Simon+Nicol,%20BRE+(21+pages).pdf/fca1e053-7e5d-4334-9766-a0edb9f9d531)

³⁰ 'The Cost of Poor Housing to the NHS', p.8, BRE, 2015.

ongoing investment in the fabric of the stock. This means that it is now possible to consider investment that goes beyond traditional bricks and mortar and also takes into account the wider needs of the properties themselves, the neighbourhoods in which they are located and the lives of the peoples that live there.

Key Points:

- **Clearly established links exist between housing and health outcomes;**
- **Significant opportunity for housing investment to generate savings for the health service;**
- **Recent housing investment has primarily focussed on the interior of dwellings; and**
- **Time to now focus on investment in neighbourhoods and improvements impacting on health and financial outcomes for tenants.**

DRAFT

Customer Profile

There are almost 68,000 registered tenants (including joint tenants) within our 56,000 properties. Of lead tenants only, almost 1 in 5 (22%) are aged under 35 and 1 in 4 (26%) are aged over 65. Almost 3 in 5 are female (59%), and over 1 in 4 (28%) have a disability or impairment. Almost a fifth of tenants are BME (18%), with the largest groups being Black or Black British (9%) and Asian or Asian British (4%). Over half list their religion as Christian (54%), over a third state no religion (35%), and 6% are Muslim.

A quarter of tenancies have lasted less than 3 years (26%) while 1 in 5 have been in the same tenancy for over 20 years (19%). Around 1 in 4 tenants say that their financial position is fairly or very difficult (27%) and around 1 in 4 (23%) say that they have been adversely affected by welfare reform. Tenants consider the most important issues for them to be repairs and maintenance followed by overall quality of their home, followed by the neighbourhood as a place to live and dealing with ASB.

In general, there are clear differences in levels of satisfaction by age, with younger tenants much less satisfied than older tenants and there also distinct differences in satisfaction levels depending on tenants financial position, with those finding it hardest much less satisfied. However, satisfaction levels of tenants in different types of property do not differ significantly and although we do see differences by religion and ethnicity, these are likely to be linked to tenant age.

Demand

Demand for Council housing in Leeds has traditionally been, and continues to be, very strong. The current housing register has 24,314 applications. This is down slightly from a peak of 30,000 in 2008/09. The average number of bids for a council home through the choice based letting system is 57 (compared with 44 the year before).

Letting demand seems to follow the patterns identified for the relative performance of housing markets (in terms of house and land prices) in different parts of the city, with the highest demand for council properties in the 'golden triangle' area of highest prices and lowest affordability, where over 40% of households are priced out of purchasing a terraced property (see map over)³¹. The most popular first area of choice for council housing applicants in the city is Horsforth, whilst Moortown receives the highest number of bids per property (103). The lowest number of bids per property is 24, in City & Hunslet. With only 4,500 lettings made last year (5,200 the year before), pressure on the housing register is increasing.

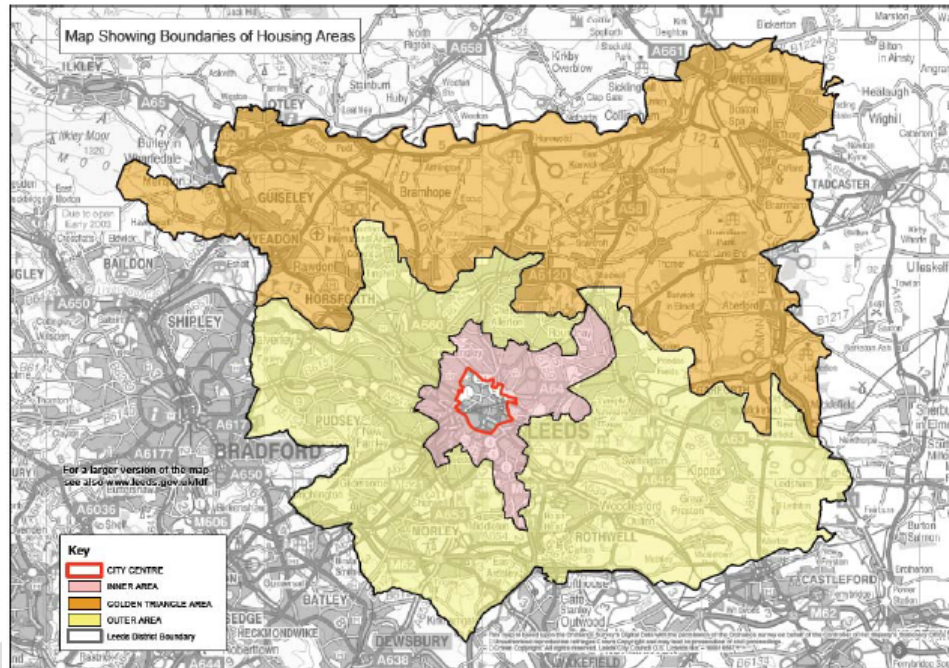
Customers on the housing register in priority need are at their highest ever, forming 21% of the total (over 5,000 applications), with one-bedroom properties in highest demand, reflecting the impact of the extra bedroom charge for social tenants, which has increased demand for smaller properties in general. Customers from other

³¹ 'Leeds Strategic Housing Market Assessment Update', p.120, Leeds City Council, 2011.

European countries represent a higher proportion of housing applicants than ever before.

Pressure has been eased slightly on the council's register through greater use of partner social landlord lettings linked to our Nomination Agreement. Last year they rehoused 1,364 customers from our register, compared with 831 the year before.

This trend should continue in the current year coupled with an increase in the supply of our stock through our Housing Growth programme, which for example, includes new build PFI schemes - these properties are being let to existing tenants as part of a local lettings policy.



Key Points:

- **Over a quarter of tenants in financial difficulty;**
- **High demand for council housing, especially in less affordable parts of the city; and**
- **Highest ever numbers in priority need.**

Customer Engagement and Consultation

The Tenant Involvement and Empowerment Standard of the Regulatory Framework for Social Housing 2015 requires all social housing providers to:

'...ensure that tenants are given a wide range of opportunities to influence and be involved in:

- (a) the formulation of their landlord's housing related policies and strategic priorities;*
- (b) the making of decisions about how housing related services are delivered, including the setting of service standards;*
- (c) the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved;*
- (d) the management of their homes, where applicable;*
- (e) the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and*
- (f) agreeing local offers for service delivery.'*³²

Tenants influence strategic policy development through membership on the Housing Advisory Board (HAB). Tenant leads for various citywide forums utilise their specific knowledge and expertise to shape housing policy, alongside ward members. At a more local level, 11 tenant led Housing Advisory Panels (HAPs), help review and monitor local services and how they are delivered within local communities, again alongside ward members.

The Tenant and Community Involvement Team work closely with a range of other Council teams, public services, voluntary and private sector partners to offer a range of other ways to engage and empower tenants. This work is summarised in our Tenant Engagement Framework.³³ Many different groups and forums are in place including service specific forums, such as the repairs improvement group, and customer interest forums such as Rainbow Roofs and YAGI (Young Adults Getting Involved). The framework incorporates over 80 Tenants and Residents Associations, a growing group of Service Improvement Volunteers and VITAL – the Voice of Involved Tenants Across Leeds - to help give a stronger strategic voice for tenants in influencing what we do and the decisions the service makes.

The overall effectiveness of tenant engagement work and the benefits to tenants and the wider community are overseen by VITAL. They oversee our engagement activity to ensure everything we do:

- Improves tenant satisfaction - by reviewing and designing future services with tenants themselves;
- Creates to a customer focussed culture - by listening and responding to tenants views; and

³² 'Tenant Involvement and Empowerment Standard', p.1, HCA, 2015.

³³ See p.23.

- Helps make tenancies and communities more sustainable - by understanding local issues and responding with tailored involvement and community activity.

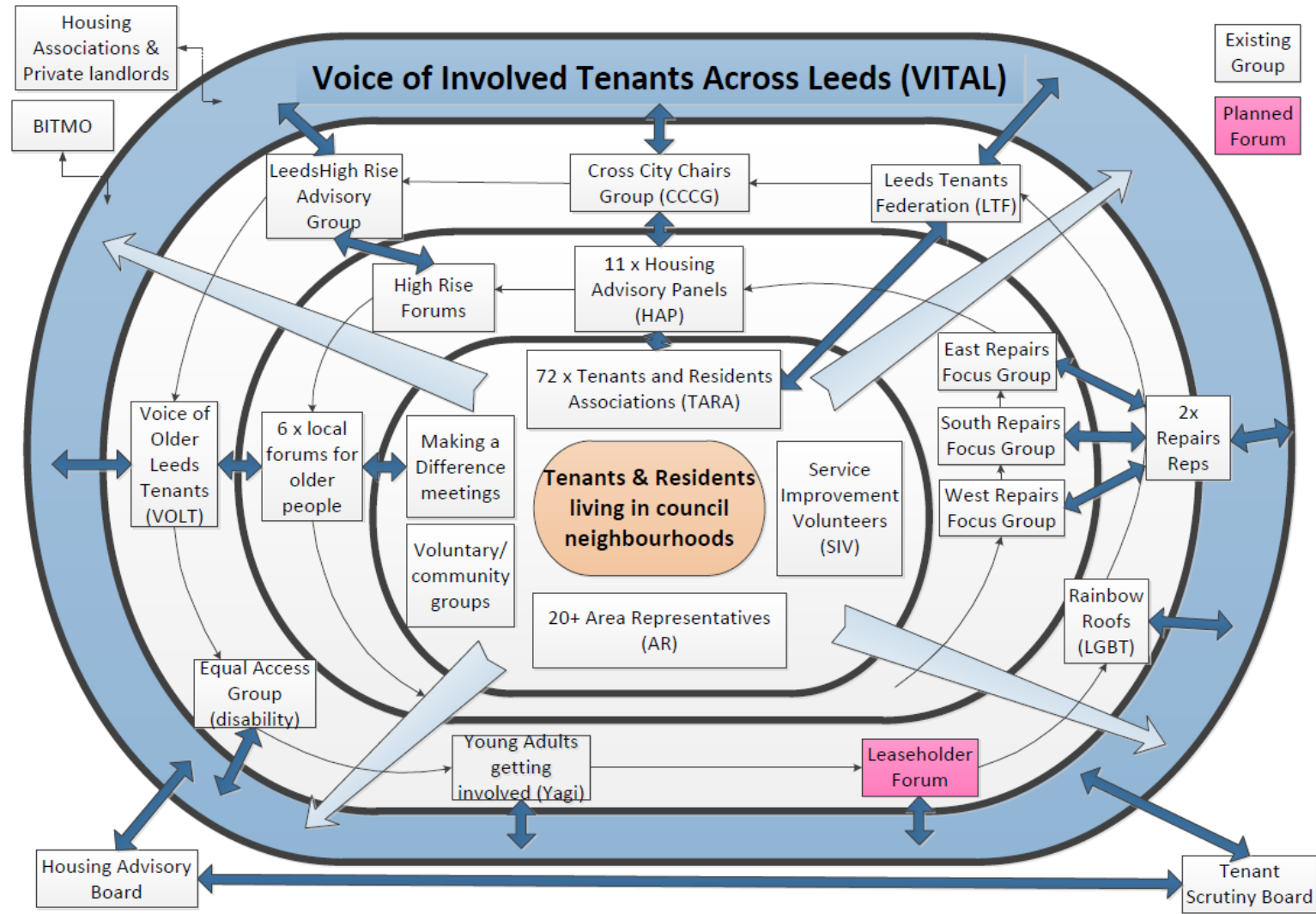
Whilst significant advances have been made to create and deliver the tenant engagement framework, there are a number of priority areas for the service to focus on further. These include:

- Increasing communication with and engagement of younger tenants and residents, who are under-represented;
- Improving our communication with tenants overall, feeding back to them the difference tenant involvement has made;
- Supporting Tenants and Residents Associations to help them achieve their aims; and
- Understanding the longer term benefits to tenants and communities of the work we do so we become as effective as possible.

Key Points:

- **Involvement in shaping strategy and policy via Housing Advisory Board;**
- **Significant number and variety of opportunities for tenants and residents to get involved;**
- **Effectiveness of engagement activity overseen by VITAL; and**
- **Room for improvement in communication with tenants, especially with tenants in the younger age groups.**

Tenant Engagement Framework



Asset Management Priorities

The Housing AMS has been built around four key strategic priorities that have been developed specifically in response to the range of distinct issues for Leeds, the council's housing stock and future residents' needs. The four priorities recognise:

- The importance of delivering not just Decent Homes, but of delivering homes that are truly fit for purpose and that are in strong, sustainable neighbourhoods;
- How the council's housing and neighbourhoods investment activities can help both reduce carbon emissions and help improve the health and wellbeing of tenants at the same time;
- How through a more proactive approach to the use of, and investment in, the housing stock, the council can optimise the available resources and increase the supply of affordable housing; and
- The need and value of taking a more intelligent approach to understanding the relative and ongoing performance of the housing stock, so that the stock portfolio delivers ever greater value for money.

Accompanying the priorities is an Action Plan that clearly sets out what the Council wants to achieve, and by when. It is anticipated that the actions will be monitored, reviewed and revised during the life of the AMS as works are completed and new actions are established.

The current HRA Investment Strategy allocates £811m of resources to these main areas of expenditure over the 10 years from 2016/17 to 2025/26:³⁴

- Statutory Standards - £132m – adaptations, fire safety, accessibility, asbestos, capitalised voids and repairs;
- Target Standards - £424m – decency type works – kitchens, bathrooms, roofs, windows, doors, rewiring and heating;
- Structural Works - £48m – structural works and sheltered remodelling;
- Communal and Estate Assets - £133m – communal facilities/equipment, lifts, environmental improvements, garages, shops and offices; and
- Sustainability - £74m – energy efficiency works and renewables.

It is of vital importance that this investment is targeted to where it can make the greatest possible impact on the wealth, health and wellbeing of tenants and residents living in the properties and enhance the desirability and 'liveability' of the housing stock and neighbourhoods. The following sections detail the priorities that will be used to guide investment activity. They are all inter-related and demonstrate

³⁴ See Appendix 3 for further details. This will need to be revised in light of changes to the HRA BP as a result of changing rental policy and other impacts on HRA income arising from the Housing and Planning Act 2016.

a holistic investment approach that takes account of numerous cross-cutting factors in identifying what works to carry out, where and when.

Priority 1: Delivering Modern, Fit for Purpose Homes and Neighbourhoods

The key priority of the investment activity guided by this strategy is to ensure that the housing stock, and the places in which it is located, meet the needs and requirements of existing and prospective customers in the 21st century. This asset management strategy is designed to ensure that all housing stock and neighbourhoods that have a long-term, sustainable future are, over time, brought up to our locally determined standards to ensure they continue to remain attractive and meet modern requirements and needs. This priority directly contributes to the Best Council priority of '*Providing enough homes of a high standard in all sectors*'.



Artist's impression of new council housing at the Squinting Cat development, Swarcliffe.

The Leeds Homes Standard

The Government's Home Standard, part of the 2015 Regulatory Framework for Housing, requires the council to '*ensure that tenants' homes meet the standard set out in section five of the Government's Decent Homes Guidance and continue to maintain their homes to at least this standard*'.³⁵

The original 2012 HRA Business Plan committed to moving beyond the minimum of the Decent Homes standard, bringing properties up to 'component level' decency, rather than 'property-level' decency over the next 10 years. This means that rather than replacing a kitchen or a bathroom in order to make a property decent, the council will renew both, if the work is required.³⁶ In 2014 this was encapsulated in

³⁵ 'Home Standard', p.1, HCA, 2015.

³⁶The Decent Homes standard is very much a minimum standard and is constructed in such a way that generally, under most categories, more than one component needs to fail in order for the property to fail the standard e.g. a

the Leeds Homes Refurbishment Standard, which aimed to address the shortcomings in the Decent Homes standard and also incorporated measures aimed at reducing fuel poverty and carbon emissions, and improving community safety, communal facilities and 'place'.³⁷

This standard will be reviewed over the next 12 months to explore the potential for moving away from a 'one-size fits all' approach to differential standards for different property types or areas. The intention is to assess options such as whether it might be possible to invest less in voids in popular areas with high demand in order to free up resources to fund additional works in lower demand properties, to increase their 'lettability' and support vulnerable communities, attracting new tenants and thereby increasing income to the HRA by reducing voids. Or perhaps to install bathrooms or kitchens to a different standard or on longer lifecycles in more popular or stable areas where there is a higher likelihood of them being looked after long-term by the tenants and use a more robust specification in properties or areas with higher turnover. Alternatively, different finishes, fixtures and fittings might be appropriate in blocks or schemes with different client groups – for example in sheltered housing schemes and high-rise blocks as opposed to those on the periphery of the city centre let to younger tenants. This will need to be considered carefully to make sure there is clarity about what is being proposed and why, and ensure fairness and equitability.

There are some significant environmental and estate improvement works underway, funded by the Housing Advisory Panels (HAP) and Environmental Improvement Programme (EIP). While the HAPs approve schemes on an ad-hoc basis, the EIP was agreed in full in 2015 and will run through until 2017. Additional funding for environmental works comes on-stream in 2018. Standards will be developed to ensure clarity about what can be expected and funded from this. Estate/ neighbourhood surveys will be drawn up to gather information to supplement existing data and assist in determining and prioritising the works required. Working closely with members, local communities and area based staff a programme of environmental improvements will be developed.

Full details of the standards that properties will be brought up to are contained in Appendix 2.

house not affected by 'external airborne noise' (most houses) or a flat with 'adequate size and layout of common areas' (most flats), where no key building components (roof, windows, doors, boiler) are old *and* in poor condition, would still be classed as decent even if both the kitchen and bathroom were 100+ years old, and only one or the other was in 'poor condition', so long as the kitchen had 'adequate space and layout' (i.e. not too small to contain sink, cupboards, cooker space, worktops etc) and the bathroom and WC was 'appropriately located' (i.e. not accessed through or located in a bedroom, or having a WC on different floor to the nearest wash hand basin or having a WC without a wash hand basin opening onto a kitchen in an inappropriate area e.g. next to the food preparation area).

³⁷ 'Leeds Homes Refurbishment Standard', Executive Board Report, LCC, 2014, available from <http://democracy.leeds.gov.uk/documents/s123868/Leeds%20Refurbishment%20Standard%20Cover%20Report%20101114.pdf>

Meeting the Investment Needs of Our Most Challenging Properties

Parts of the council housing portfolio present significant challenges, including those with low SAP ratings, sheltered schemes with bedsits (some with shared bathing facilities), the high rise blocks, low-medium rise non-traditional stock and hard-to-treat properties. Specifically tailored plans and approaches are in place, or will be developed, to improve or remodel these properties, to ensure they are 'fit for purpose' and 'fit for the future'. In certain cases, where there is a clear benefit to the council and the support of local communities, clearance, demolition and/or disposal of the land will also be considered, including the re-use of existing sites for new affordable housing provision.

Low-SAP properties have been resurveyed to ensure data accuracy and determine investment requirements. Works to improve their thermal efficiency are currently being procured and/or carried out.

Detailed proposals are in place to remodel the **sheltered bedsit schemes** over coming years. These include combining bedsits to create larger, more attractive one and two-bed flats, incorporating redundant warden's properties to create additional sheltered units where possible and modernising communal facilities.

A 10-year investment programme has been implemented for the **high-rise stock**, focussed on achieving the optimal spread of energy efficiency savings within available budgets and allowing for the proposed connection of 30 blocks to a new district heating network powered by the Recycling and Energy Recovery Facility (RERF). Programmes of cladding, structural remedial works and concrete repairs, as well as renewal of communal lighting, rewiring and controlled entry systems are also ongoing. Investment in enhanced security and other measures will support plans to modernise the management of high-rise blocks, with revised management procedures and reclassification of blocks into standard; family; enhanced support and retirement/retirement plus/sheltered models.

Investment proposals are currently being developed for the **non-traditional stock** and **hard-to-treat properties**, bearing in mind when funding is available within the HRA BP and the likely procurement timescales. The large numbers involved and variety of property types make this particularly problematic. It is anticipated that detailed plans will be available for the non-traditional stock by March 2017 and hard-to-treats by March 2018.

Full details of the issues and challenges presented by different property types are contained in Appendix 3.

Modernising Repairs and Maintenance

Work is ongoing to ensure that repairs and maintenance systems are well designed and ensure the stock is maintained to the agreed standards in an efficient, cost effective and responsive way, using procurement and contract management processes to best effect to ensure value for money is achieved.

From July 2015 two incumbent Internal Service Providers (ISPs) (one from the council and one from the ALMOs) were amalgamated to create a new organisation, Leeds Building Services (LBS). The council's existing property maintenance service for civic buildings, schools, leisure centres etc has also subsequently become part of LBS. This has resulted in a Direct Labour Organisation (DLO) of 600+ operatives, with an annual turnover in excess of £45m. The realignment of these different organisations into one is ongoing and focussed on efficiency savings and increased productivity.

More planned and batched programmes of work will be developed, integrating 'planned' and 'responsive' works more closely. This will ensure the most effective use of existing contractual arrangements and economies of scale wherever appropriate.

The council is taking part in the Chartered Institute of Housing's 'Working Together to Rethink Repairs' project, to work collaboratively with other social housing providers and contractors across the country to innovate, explore and develop best practice with the aim of realising efficiency savings and enhancing stock value.³⁸ The findings will inform revisions to current working practices and the procurement activity outlined below.

There are still a number of contracts in existence that were procured prior to the ALMOs being brought back into the council in 2013. A new procurement strategy for the major strategic contracts was approved by Executive Board in February 2015. It will enable a 'mixed economy' approach, by ensuring that there are a number of internal and external providers – including LBS, local SME's and regional/national contractors delivering works. A variety of procurement approaches will be utilised, including the use of LBS for works in which they excel, existing frameworks (and establishing a Leeds specific framework) for 'standard' works such as kitchens, bathrooms, roofs, windows, doors, electrical and gasworks, and one-off tenders for more specialised or high-value works such as district/community heating, sheltered housing conversions, structural works and cladding etc.

Challenges will include determining which works are best suited to the ISPs and which should be procured externally; determining which works best fit with large regional/ national organisations and which fit SMEs; developing a detailed procurement timetable to cover all commissioning and procurements over the next decade; and to improve the quality of the commissioning/ procurement process through more detailed scoping of works and specifications, more robust contract

³⁸ See <http://www.cih.org/rethinkrepairs> for further details.

documents, 'cradle to grave' project management and ownership and greater levels of customer engagement.

The procurement timetable is summarised below:

Service	Mobilisation	Operational period start	Contract Period	Approx. Contract Value per annum
Gas servicing and Repair:				
East	Feb - Jun 2016	July 2016	4 years + extension of up to 4 years	£2m Service £2m Installs
West	Jan- Mar 2017	April 2017	4 years + extension of up to 4 years	£2.5m Service £2m Installs
South	Jan – Mar 2016	April 2016	4 years + extension of up to 4 years	£2m Service £2.7m Installs
Capital and Planned works				
City Wide	Oct 2017 – Mar 2018	April 2018	4 years + extension of up to 4 years	£65m
Responsive repairs and voids				
South	Jan - Mar 2019	April 2019	4 years + extension of up to 4 years	£10.5m
West	Jan - Mar 2020	April 2020	4 years + extension of up to 4 years	£15.7m
Managed Stores and Internal Stores Provision:				
East/City Wide	Jan – Mar 2019	April 2019	tbc	£7m

Key Points:

- **Leeds Homes Refurbishment Standard to be reviewed and potential for differential standards explored;**
- **Environmental investment programme to be developed;**
- **Formation and size of Leeds Building Service, creating ISP/DLO of considerable size and expertise;**
- **More planned and batched works, linking 'planned' and 'responsive' workstreams more closely;**
- **CIH Working Together to Rethink Repairs project; and**
- **New procurement strategy.**

Priority 2: Reducing Fuel Poverty, Cutting Carbon and Improving Health

The second key priority guiding investment activity concerns improving the thermal performance of the stock. This is closely related to the first priority of modern fit for purpose homes and communities and will involve putting long-term strategies and programmes in place to improve the energy efficiency of the housing stock. This will reduce fuel poverty, cut carbon and improve health outcomes as well as, in turn, improving educational attainment, increasing disposable income for the local economy and saving the NHS money. This priority directly contributes to the Best Council breakthrough project on '*Cutting carbon and improving air quality*'.



Biomass energy centre, serving Clyde Court, Clyde Grange and Phil May Court flats.

Delivering Warm, Energy Efficient Homes that are Affordable to Heat

Energy efficiency and affordable warmth are major factors in the programmes outlined in the '*Meeting the Investment Needs of Our Most Challenging Properties*' section above. The low-SAP programme directly targets the worst performing properties in the housing stock according to their SAP ratings, installing basic energy efficiency measures including cavity wall and loft insulation.

The high-rise investment programme builds on consultant recommendations specifically drawn up to target energy efficiency and carbon. It commits significant resources to a variety of measures that will improve thermal performance and energy efficiency within the flats themselves and in the communal areas. The programme includes a combination of external cladding for the worst performing blocks, roof insulation, electric heating and hot water renewals with modern, efficient and controllable systems and six further discrete community heating clusters. On average, it is estimated that the programme will produce carbon savings per flat of 36% (nearly 1.5 tonnes per year) and a potential maximum 30-year carbon saving of around 175,000 tonnes. Regulated energy savings (essentially heating, hot water and lighting costs) could potentially average up to 28% per flat or £185 per year.³⁹

³⁹ 'Energy Efficiency Study for High Rise Flats – Investment Strategy Report', p.3, ARUP, 2016.

A further £36m, including a £10m contribution from the HRA, is committed to creating an ambitious district heating network connecting the RERF to 30 high-rise blocks, and adjoining medium-rise blocks.⁴⁰ The scheme will provide heat at a cost 10% less than from a domestic gas boiler. It is estimated that this will save 6,000 tonnes of CO₂ emissions, representing an 88% reduction, resulting primarily from moving from electric heating to heat sourced from the RERF.⁴¹

Programmes will be developed for non-traditional and hard-to-treat properties, focussed on improving thermal efficiency (along with structural remedial works where required in the non-trad stock). These are likely to include a combination of external wall insulation, dry-lining and insulation of rooms-in-roofs, upgrading of heating systems where appropriate and potentially the installation of renewables, subject to further analysis.

In support of these planned works the council will also continue to explore additional and alternate forms of funding for energy efficiency and renewables, through grants and ECO, RHI and their successors, as well as private sector funding where appropriate and beneficial.

Additionally, advice and support is given to tenants to maximise incomes and reduce energy consumption and bills, including help with switching energy suppliers. The council has also established its own Energy Supply Company – White Rose Energy. This is a not-for-profit partnership with Robin Hood Energy that provides transparent tariffs and a fairer deal for lower users and pre-payment customers. Vacant council dwellings are switched to White Rose Energy while they are void, to benefit incoming tenants.

Investing in Works to Improve Health Outcomes

As discussed earlier in this document we know that alongside the economic deprivation and inequalities in the city there are also significant health inequalities. We also know that improvements in housing conditions will have extensive positive 'knock-on' effects to health outcomes, mental wellbeing etc. Therefore, although this strand of the priority is closely related to the actions already identified in the '*Meeting the Investment Needs of Our Most Challenging Properties*' and '*Delivering Warm, Energy Efficient Homes that are Affordable to Heat*' sections above, this section also includes working more closely with health and social care colleagues on a number of factors to shape and direct council housing investment.

Firstly, we need to work more closely with our colleagues in public health to understand the geography and typology of health inequalities across the city i.e. which poor health outcomes are most prevalent in which areas? This data can then be used alongside stock condition information and the sustainability and NPV rankings discussed below in the '*Intelligence Led Portfolio Management*' section below to prioritise particular areas, blocks or property types for investment. It may even be possible to include health data in the sustainability model (see below).

⁴⁰ Total estimated cost, including the creation of the spine network from the RERF to the affected blocks and installation of new wet heating systems within individual flats.

⁴¹ 'Multi Storey District Heating and Energy Efficiency Study – Modelling Report', p5-7, ARUP, 2015.

Secondly, we need to determine what types of works would best be undertaken to improve different outcomes – e.g. are respiratory illnesses best combatted by improving the efficiency of heating systems and increasing insulation, is asthma also best tackled by that, as well as the eradication of damp/mould and increased ventilation etc. At the same time we need to establish what works are most cost effective. The 'best' solution may be the most expensive and therefore available to only a limited amount of properties, whereas a less costly solution may be only slightly less effective, meaning a much greater number of people/properties can benefit.

Finally, we will ensure an ongoing dialogue with health and social care colleagues to ensure that our existing investment plans in works that contribute to health outcomes, and any additional works arising from the research outlined above, are shared and aligned with our joint priorities.

Key Points:

- **Investment programmes in place for sheltered remodelling, low SAP properties and high-rise stock;**
- **Programmes to be developed for non-traditional and hard-to-treat stock; and**
- **Relationships to be built with health and social care colleagues to determine most cost effective ways of improving health outcomes.**

Priority 3: Increasing Affordable Housing Supply

The third priority involves putting practical approaches in place for reshaping the housing stock and increasing the supply of affordable housing. It is closely inter-linked with Priority 4 '*Intelligence Led Portfolio Management*' and relies heavily on the use of option appraisals to guide decision making. It directly contributes to the Best Council breakthrough project of '*Housing growth and high standards in all sectors*'.



Wharfedale View, Yeadon - extra care development replacing outdated sheltered stock.

Reshaping the Housing Stock

A structured and robust options appraisal process is used for assessing, shaping and informing decisions about the future suitability, viability and sustainability of properties, schemes and estates through approaches that are shaped and informed by up to date knowledge on the performance of the housing stock.

The options appraisal process is modelled on the council's business case development procedure. It begins with an assessment of the assets sustainability and Net Present Value (NPV) (as detailed in Priority 4 below) and a cost/benefit analysis of the different options, including the return on investment and NPV of each. Alongside these, a range of non-financial considerations, including the opinions of the local community and stakeholders (including tenants and members) are factored in, to ensure the best possible option is pursued, in consideration of the widest possible impacts, with decisions not just based on financial factors but also including the local operating context. For example, this might mean making a conscious decision to invest in a property that makes a net loss to the HRA due to the wider community benefits it brings.

The options assessed vary according to the property type and issues involved, but usually include investment to improve, demolition/disposal and use of site for new

build/housing growth. In each case a 'do minimum' or 'do nothing' option is also assessed.

Recommended options are then taken to SMT for approval and then through for a delegated decision by the Chief Officer or Director if required e.g. if clearance and disposal is proposed.

A forward programme of Options Appraisals will be developed by December 2016, focussing in on the poorest performing estates, neighbourhoods, blocks or property types (as defined from sustainability modelling, NPV analysis, health inequalities discussed elsewhere in this document). The programme will then be reviewed annually as these contributory data sets are updated.

Analysis will also be undertaken to determine the specific factors (that are within the control of our investment programmes) that make specific estates, blocks, schemes or property types high performing and attempt to replicate these factors in less well performing areas. These will in-turn, inform the development of estate/area improvement plans, in collaboration with colleagues from Housing Management, Community Safety, Regeneration and Housing Growth.

Increasing Affordable Housing Supply

The council will ensure that the supply of affordable housing is increased by either directly building or acquiring new housing itself or by identifying and/or creating sites on which others can build new housing. A key asset management function is therefore to identify HRA land on which to build replacement or additional homes of the type and quality needed and in areas where people want to live. Also, to identify potential opportunities for increasing the housing stock by acquiring properties, particularly if property types and location match housing need and management arrangements.

In order to facilitate affordable housing growth we will utilise sustainability scores and the option appraisal and land management processes to identify unsustainable and unwanted land, as well as areas of housing and garage sites that might have potential for housing growth. We will then work closely with colleagues in Housing Growth to take these sites forward for new build, self-build, bespoke properties for households with disabled family members or disposal to Registered Providers and the third sector.

New Build/Housing Growth

The Council Housing Growth Programme is funded through the HRA and supplemented with Right to Buy Receipts and grant funding from the Homes and Communities Agency and the Department of Health. The programme totals c£134m and will deliver c1,000 properties. Delivery is via a combination of new build contracts procured by the council, the acquisition of new properties from private sector developers and the purchase of long term empty homes. New properties will be built to the Leeds Standard.^[1]

^[1] 'Quality Housing Growth and the Leeds Standard', Executive Board Report, LCC, 2014, available from <http://democracy.leeds.gov.uk/documents/s120944/Leeds%20Standard%20Cover%20Report%20050914.pdf>

The mix of property types on each site and across the programme as a whole is informed by demand information from the Leeds Homes Register. This is supplemented with sustainability scores for the areas and property types under consideration. There is an ongoing process of identifying sites to commit the remainder of the programme.

RTB receipts for replacement rented housing are being used to both support some sites within the new build programme and in the form of grants to Registered Providers (where the RP provides the required match funding of 70% as set out in CLG regulations). At May 2016, grant funding has been made available to RP's and currently four schemes have had funding allocations approved with two schemes in contract; the schemes which are approved will utilise c.£1.4m grant equating to £5.3m scheme costs and deliver 52 units. There are nine further schemes which could potentially use c.£5.7m grant, equating to c.£21.6mm scheme costs and could deliver a further 165 units.

Alongside this, a development programme to provide properties for households with a disabled family member has been developed with Adult Social Services and Children's Services. This will also be supported through funding from the Right to Buy replacement programme.

The council will continue to explore the potential for increasing the HRA borrowing cap to fund additional new build social housing schemes with sound business cases.

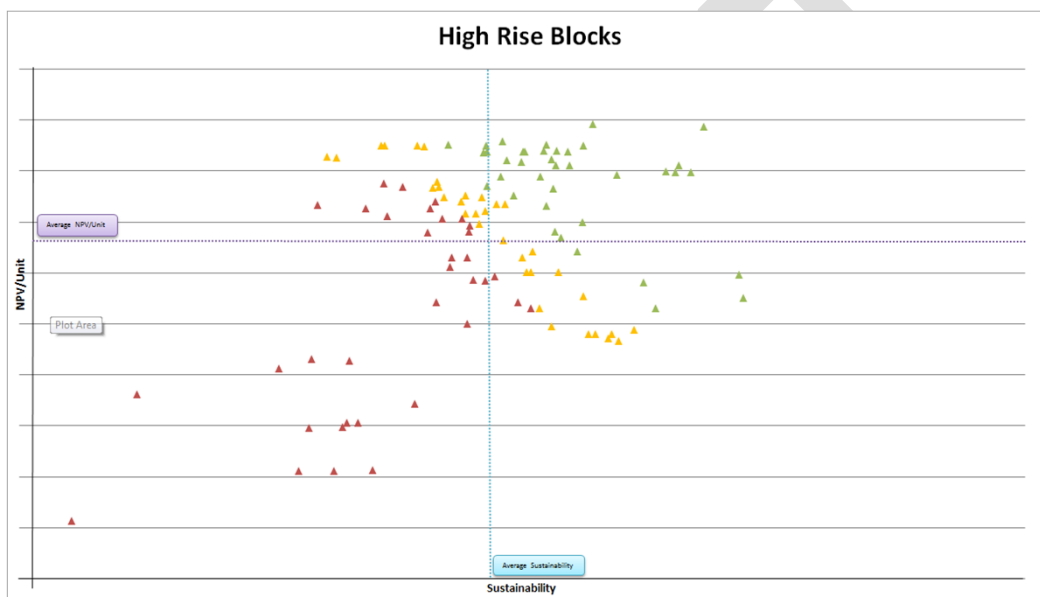
Key Points:

- **Options appraisals will be used to help determine the future of low-performing or unsustainable stock/areas;**
- **Forward programme of option appraisals to be developed;**
- **Sustainability, option appraisals and land management process will be used to identify potential sites for housing growth; and**
- **Ongoing housing growth programmes will be informed by demand and sustainability.**

Priority 4: Intelligence Led Portfolio Management

It is crucial that high quality, relevant and up-to-date intelligence underpins all the council's housing asset management activity. A strong understanding of the housing stock; its condition and investment requirements, patterns of need/demand and the relative performance of different estates, blocks, schemes and property types is an imperative if we are to make informed decisions about future investment.

The intelligence used to inform asset management decisions can be broken down into three main categories, as set out below. The profiling and appraisal of the stock will be reviewed and updated regularly, using a combination of financial and non-financial techniques, so as to fully understand its changing and evolving relative performance and contribution to the HRA Business Plan.



Example analysis of high rise blocks financial performance and sustainability.

Stock Condition Information

Housing Leeds holds detailed stock condition and related asset management information for c.90,000 assets, including dwellings, blocks, garages, shops etc. This includes information on the location, size, age and construction type of each asset, as well as details on specific components – when they were installed, the materials/components used and date for replacement etc. The data is collected from numerous sources including housing management systems (e.g. age, size, location), project management systems (e.g. completed works, service and inspection records), energy surveys (for EPC's) and stock condition surveys (e.g. estimated date for replacement of different components).

The integrity of the data held is of paramount importance. Investment decisions are made using this data, contract address lists are compiled from it and decency and SAP ratings are calculated from it. Therefore, stringent quality control procedures are in place to prevent erroneous or incorrect data being input. Completed works data is audited regularly to ensure it is correct and accurately reflects investment made. Surveys are subject to desktop validation prior to being uploaded, and physical quality control surveys are undertaken. Data quality is reviewed continually

and measures to improve quality and accuracy are recorded in the Data Quality Action Plan.

Information from disrepair cases is also used to supplement existing stock condition data and drive discrete programmes of work.

Sustainability Model

The sustainability model produces a 'score' for each property, based on a number of non-financial indicators covering the last 5 years. These are designed to give a picture of its sustainability by taking account of property-specific technical factors alongside broader community/'neighbourhood' indicators, reflecting the thoughts and feelings of tenants and wider communities. The data included in the model are:

Property specific factors:

- SAP rating (reflecting energy efficiency and environmental impact);
- Construction type (defective, non-traditional or traditional);
- No. of days void; and
- Turnover (no. of times void).

Community/neighbourhood factors:

- Average tenancy duration (over last 10-years);
- Demand (total bids);
- Leeds Neighbourhood Index Score⁴²/Indices of Multiple Deprivation; and
- STAR survey (satisfaction with Neighbourhood).

The scores for individual properties have been aggregated up to provide sustainability scores for different estates, high-rise blocks, sheltered housing schemes and property types. This allows the stock to be ranked and analysed in different ways to determine the relative performance – what are the best/worst performing areas, property types etc.

Net Present Values

To support the sustainability model an NPV model has also been produced, to establish the relative financial performance of different properties. The NPV calculations take into account the likely future rental income (based on average void performance over the last 5 years), coupled with ongoing management, maintenance and investment costs.

As with the sustainability model, individual NPV's are aggregated up to give an NPV for different estates, blocks, schemes etc, again allowing them to be ranked against one another to determine which are performing better/worse.

⁴² No longer produced, replaced with IMD ranking from 2015/16 onwards.

Findings

The findings from the sustainability model show that 100% of the stock is of average sustainability or better when assessed by letting area, construction type or sheltered scheme. When analysed by high-rise block, 97% are of average sustainability or better and 3% are below average. This is being addressed via the high-rise investment programme and changes to housing management.

With regard to the NPV scores - 96% of sheltered schemes; 91% of construction types; 88% of letting areas and 25% of multi storey blocks make a positive contribution to the HRA. This is reflective of the major investment planned to multi-story blocks over the next five years, which has resulted in negative NPV values for the majority of blocks. Likewise the remodelling work and other investment being carried out to some sheltered schemes has resulted in negative NPV values, as the significant investment costs will not be recouped within the five year life-span of the current model.

Those areas, blocks, schemes or property types that show sustainability issues or that make the least contribution to, or are a net drain on, the HRA will be subject to further investigation, through the option appraisal process, to determine the viability of further investment, in collaboration with colleagues from housing management, housing growth, regeneration etc.

Alongside this analysis, stock condition data is used to prioritise areas annually for standard 'decency' investment, such as kitchens, bathrooms, roofs, windows and doors -areas with the greatest proportion of work required being given highest priority. If any of the areas prioritised for these works, or those identified for other works (e.g. from the high rise, sheltered or non-trad programmes) then they will also be subject to an option appraisal to determine if the investment is wise.

The rankings will also be used to steer conversations with partners elsewhere in the council, public health and third sector about where resources should be targeted, areas starting to show signs of decline etc.

Key Points:

- **Blocks, schemes, estates and property types ranked annually and changes monitored over time;**
- **This intelligence is used to direct and prioritise investment, alongside property specific stock condition information;**
- **Vast majority of stock performing well; and**
- **Rankings used to develop and prioritise conversations on regeneration and housing growth proposals.**

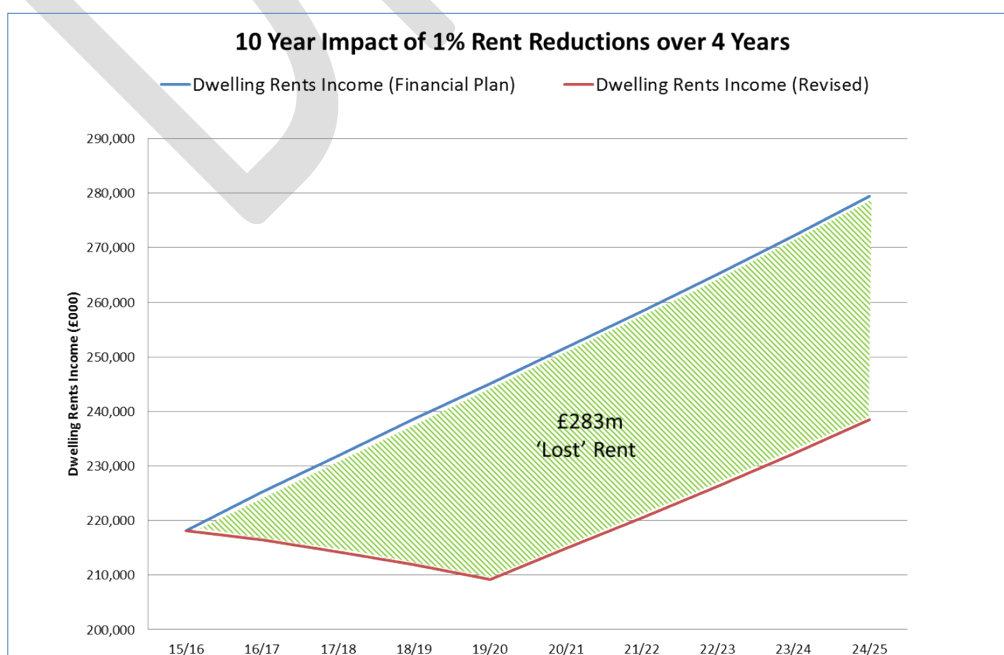
Resources Available for Investment

HRA Business Plan

The HRA Plan and the Housing Asset Management Strategy are inextricably linked and should each actively help shape and inform the other. Currently, the HRA receives over £250m p.a. in income overall. The majority of this is from rents and service charges related to council housing, garages etc (c£225m) and PFI grant (c£21m). The largest single annual area of expenditure is c£82m to finance the HRA capital programme. This money funds the Investment Strategy discussed below and includes major improvement works, decency type works, heating, energy efficiency, estate improvements etc. A further c£43m p.a. is spent on revenue repair and maintenance activity (responsive repairs, voids, adaptations, servicing and inspection, painting etc). These works are all outlined in the previous sections with further details provided in Appendices 4 and 5.

Another c£43m is spent on capital charges (servicing debt and PFI unitary charges for capital works). A further c£28m is spent on employees (wages and on-costs). Revenue payments to the PFI contractors currently equate to another c£14m p.a. The remainder of expenditure from the HRA is made up of smaller amounts paid for premises, supplies and services, horticultural maintenance, community safety, support services and so on.

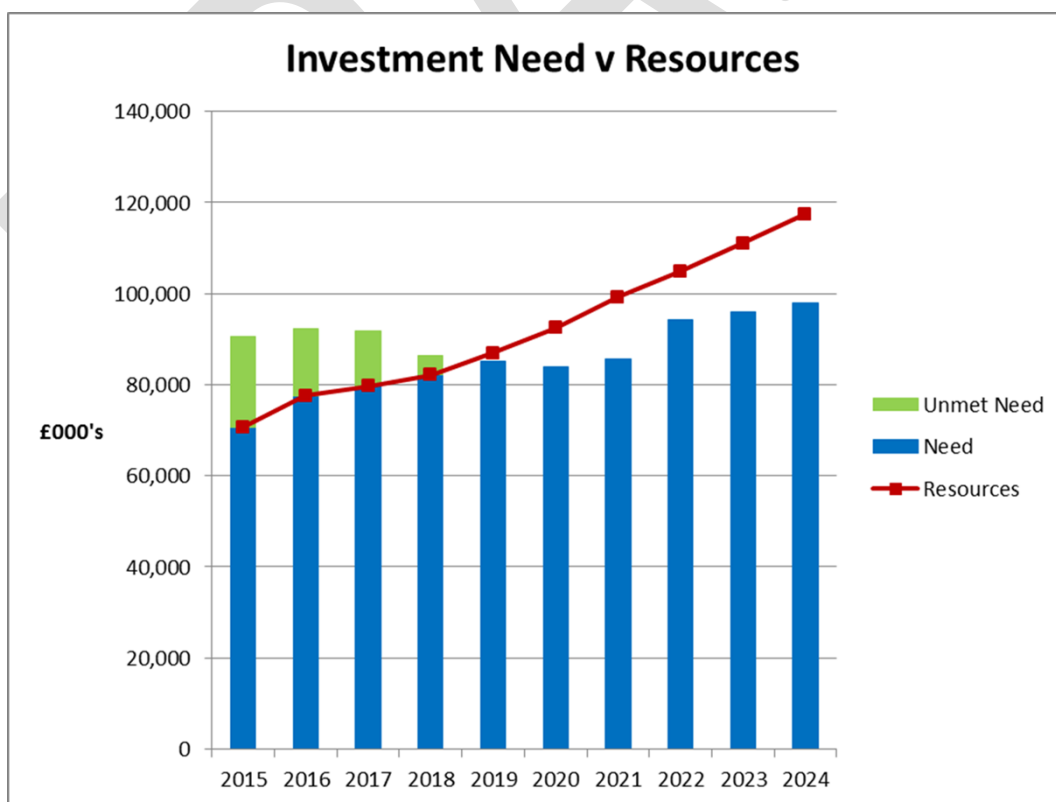
The HRA Business Plan (HRA BP) is currently under review as it was written in April 2015, and assumed rent increases of 3% p.a. (CPI+1%) in line with Government policy at the time. However, the June 2015 Budget introduced a required 1% p.a. reduction in social housing rents for four years. In cash term this is a reduction in income of c£21m to 2019/20 but, when the rent reductions are set against the previously assumed rent increases, there is an overall reduction in income of c£283m over the ten year period from 2015/16, represented by the green shaded area in the graph below.



To date, the HRA BP has protected the provision of capital resources allocated to the Investment Strategy. It is currently unclear if this can be continued, or at what level it could be continued, as HRA income comes under further pressures resulting from the Housing and Planning Act 2016. These include the forced sale of high value council homes and subsequent loss of income and the potential impact of having to fund any arrears arising from Pay to Stay. HRA income is also likely to be negatively impacted by the roll out of Universal Credit and potential increases in arrears arising from what was Housing Benefit, paid directly to the council, now being paid to tenants to then pay their rent with.

Investment Strategy

Overall, the essential investment needs of the housing stock can be met. The current Investment Strategy was approved by Executive Board in February 2015, before the changes in rent policy outlined above.⁴³ At the time of writing it noted that there were shortfalls in available funding in the first four years (2015-2019), with investment need outstripping available resources, as illustrated below. Proposals to deal with this were agreed with the Housing Advisory Board in 2015, before the 2015 Summer Budget was announced. These include a slowing down of some decent homes investment and delaying further investment in environmental and renewable works until 2018/19. The unmet need shown below will be met over the 2019-2024 period.



⁴³ Improving the Council's Housing Stock – The Housing Revenue Account Investment Plan' Executive Board Report, Leeds City Council, March 2015.

The current detailed Investment Strategy, showing budget allocations to various areas of work, is shown at Appendix 1. This will be reviewed in 2017/18 to account for amendments made in the current review of the HRA BP and other investment requirements that have arisen since 2015.

Key Points:

- **Rent reductions lead to £283m less income than would otherwise have been received over next 10 years;**
- **There are other pressures on HRA income from impacts of the Housing and Planning Act and Universal Credit;**
- **The HRA Business Plan is currently being reviewed; and**
- **Investment Strategy to be reviewed in light of any changes to available funding arising from HRA Business Plan review.**

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Action Plan

The Action Plan accompanying this strategy covers the period up to 2020.⁴⁴ It details the main pieces of work that need to be carried out to inform and implement the Asset Management Strategy and the detailed schemes of work arising from it.

Highlights include:

- Procurement of new contracts for planned and responsive works;
- Completion of a national Rethinking Repairs and Maintenance learning programme and implementation of new approaches resulting from this;
- Development of non-traditional and hard-to-treat investment programmes to supplement existing sheltered housing, high rise and low SAP programmes;
- Analysis of existing health inequalities to inform a new health outcomes based programme;
- Ongoing identification of HRA sites that offer potential for housing growth;
- Maintenance of models assessing financial and non-financial performance of the stock; and
- Pro-active programme of Option Appraisals and estate based regeneration plans, focussed on estates/areas/properties that are performing worse than others.

The Action Plan will be reviewed and updated annually.

⁴⁴ See Appendix 5.

Performance Management and Measurement

While this Asset Management Strategy is, by its very nature, a high-level, strategic document, there are a number of measures that will be used to determine that it is being implemented successfully. These will be collated from a combination of existing KPI's used to measure council and contractor performance across the responsive repairs service and capital programme, key customer satisfaction information taken from bi-annual Survey of Tenants and Residents ('STAR' survey) and the delivery of actions outlined in the Action Plan.

The measures that will be used include:

- Average SAP rating of the council housing stock;
- Percentage of properties meeting the Decent Homes Standard;
- Capital programme delivery against annual baseline;
- Annual changes in sustainability scores and NPV's for different estates, high-rise blocks, sheltered housing schemes and property types;
- Customer satisfaction with the repairs service;
- Customer satisfaction with the area in which they live; and
- Achievement of planned actions as per the Action Plan.

Governance

Existing council governance arrangements and frameworks for financial management and policy development should be sufficient to oversee the actions and programmes of work arising from this strategy. No new arrangements are required.

The principles underpinning and informing the strategy have been consulted on and approved by members and tenants representatives. This document itself has been approved by Housing Advisory Board and Executive Board. Executive Board will also continue to approve budget allocations and capital programmes/works annually, with detailed Authority to Spend being granted by the Director of Environment and Housing under existing delegations and regular reports being provided to Housing Advisory Board.

Updates to related documents such as the Investment Strategy and HRA BP will also be consulted on with members and tenants representatives, and ultimately be approved by Housing Advisory Board and Executive Board, as per previous iterations.

Land or other asset disposals will follow current governance routes, with sign-off by the Director of Environments and Housing under existing delegations.

Day-to-day operational issues will be addressed by Property and Contracts Senior Management Team. Quarterly updates will also be provided to P&C SMT on the action plan, with issues escalated to the Director of Environments and Housing, E&H SLT, CLT, HAB and Executive members and/or Executive Board as appropriate.

Conclusions

This Asset Management Strategy sets out how investment in council housing and neighbourhoods will be directed and prioritised over coming years, using the intelligence available to us and working with all relevant partners to address inequalities across the city and improve housing quality and health outcomes. Housing investment will be focussed on addressing the priorities of:

- ***Delivering modern, fit for purpose homes and neighbourhoods;***
- ***Reducing fuel poverty, cutting carbon and improving health;***
- ***Increasing affordable housing supply; and***
- ***Intelligence-led stock portfolio management.***

The links between poor quality housing and poor tenant satisfaction and engagement are self-evident. At best, tenant dissatisfaction can lead to increased apathy and complaints, negative publicity, a lack of engagement in the political process and a general dissatisfaction with the work of 'the council'. At worst it can lead to vandalism, crime and anti-social behaviour.

Thermally inefficient and poorly insulated homes increase carbon emissions and are more expensive to heat, presenting difficult choices for tenants between heating and eating. They reduce disposable household income and have a knock-on effect on cultural, educational and leisure activities, and spending in the local economy.

The links between housing, health and wellbeing are well established. Poor quality housing adversely affects the health and life chances of inhabitants, in terms of life affecting illnesses, premature deaths, educational attainment and the ability to find and maintain employment. It can contribute to stress, depression and substance abuse.

Poor quality housing results in increased costs across all sectors - for the NHS, support agencies, crime and disorder partnerships, children's services, education and other parts of the local authority. It reduces the amount of disposable income available to the local economy.

The significant amounts of investment made in repairing and improving council housing each year, improving conditions, reducing heating costs etc provide a significant opportunity to improve the satisfaction, financial situation, physical and mental health and wellbeing of council tenants and have a positive impact on the private and public places in which they live. This asset management strategy will ensure that this investment is targeted appropriately and spent wisely.

Appendices

Appendix 1 – Current Investment Strategy

Appendix 2 – Standards to be Achieved

Appendix 3- Specific Property Type Issues

Appendix 4 – Other Workstreams & Expenditure

Appendix 5 – Asset Management Action Plan

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Appendix 1 – Current Investment Strategy

ESSENTIAL INVESTMENT STANDARD:											
Statutory Standards	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Adaptations	3,948	3,732	3,517	3,308	3,100	3,213	3,280	3,347	3,416	3,485	34,346
Fire Safety	3,548	2,342	2,332	-	-	-	-	-	-	-	8,232
Accessibility	102	104	107	109	111	114	116	119	121	123	1,126
Voids	6,100	5,933	5,767	5,606	5,445	5,563	5,680	5,795	5,916	6,035	57,840
Asbestos Surveys	1,894	1,806	1,710	1,610	1,502	1,389	1,268	1,141	1,009	-	13,330
Capital Repairs	1,830	1,780	1,731	1,681	1,633	1,669	1,704	1,739	1,775	1,810	17,352
Sub Total for Statutory Standards	17,422	15,697	15,164	12,314	11,793	11,947	12,048	12,140	12,237	11,453	132,215
Target Standards	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Electrical Systems	1,314	1,348	1,383	1,418	1,452	1,487	1,521	1,555	1,591	1,626	14,696
Kitchen	7,145	9,164	10,922	12,456	13,775	15,256	15,549	16,967	18,492	13,816	133,541
Bathroom	1,533	1,966	2,344	2,673	2,956	3,273	3,336	3,641	3,968	2,964	28,654
Heating & Hot Water	7,885	8,091	8,295	8,505	8,714	8,922	9,128	9,332	9,546	9,758	88,176
Heating & Hot Water - Electricity	274	281	288	295	303	310	317	324	331	339	3,062
Doors	1,060	1,360	1,621	1,848	2,044	2,264	2,307	2,518	2,744	2,050	19,815
Windows	2,270	2,912	3,471	3,958	4,377	4,848	4,941	5,391	5,876	4,390	42,433
Roofs - dwellings	4,105	5,265	6,275	7,156	7,914	8,765	8,933	9,748	10,624	7,937	76,721
Roofs - MSFs	-	-	-	-	747	763	779	795	811	1,234	5,127
Walls	254	260	266	272	279	285	291	296	303	309	2,815
Misc Costs	618	753	806	890	982	1,063	1,082	1,159	1,242	1,015	9,609
Sub Total for Target Standards	26,459	31,400	35,670	39,471	43,540	47,234	48,183	51,726	55,527	45,438	424,648
Structural Works	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
High Rise Blocks	4,886	5,003	5,119	5,237	-	-	-	-	-	-	20,245
Non Trad Stock	-	-	-	-	2,785	2,846	2,906	2,965	3,026	3,087	17,615
Sheltered Remodelling	2,367	864	222	2,179	2,228	2,277	-	-	-	-	10,137
Sub Total for Structural Works	7,253	5,867	5,341	7,417	5,014	5,123	2,906	2,965	3,026	3,087	47,998
Communal & Estate Assets	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Communal Facilities & Equipment	6,751	6,912	7,072	7,236	9,973	10,189	10,403	10,614	10,834	3,185	83,169
Lifts - MSFs	1,525	1,561	1,598	1,635	1,671	1,708	1,743	1,779	1,816	1,852	16,888
Lifts - low/med rise	325	333	341	454	-	-	-	-	-	395	1,848
Environmental Improvements	-	-	2,130	2,452	2,785	3,131	3,487	4,151	4,842	2,470	25,447
Estate Garages	249	255	261	267	273	278	284	290	296	302	2,754
ALMO/BITMO Offices	51	52	53	54	56	57	58	59	61	62	563
Estate Shops + Linked Dwellings	234	239	245	251	256	262	267	273	278	284	2,589
Sub Total for Communal + Estate Assets	9,134	9,353	11,699	12,348	15,014	15,624	16,243	17,166	18,127	8,550	133,259
Sub Total for Essential Investment Works	60,267	62,317	67,875	71,550	75,361	79,928	79,380	83,996	88,917	68,529	738,120
Additional Costs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Allowance for contract mgt. delivery fees	7,547	8,072	8,336	8,824	9,334	9,942	9,917	10,540	11,195	8,657	92,363
Heatlease termination fees	896	253	260	267	274	281	288	295	303	310	3,426
IT System Costs	52	53	55	56	58	59	61	62	64	65	583
Total Essential Investment	68,762	70,694	76,525	80,698	85,026	90,210	89,645	94,893	100,478	77,561	834,492
SUSTAINABILITY STANDARD:											
Sustainability Standards	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Conversions / Remodelling	-	-	-	-	1,118	1,143	1,168	1,192	1,217	1,242	7,080
Energy Efficiency Works to MSFs (EWI/Cladding)	1,212	1,241	1,271	1,301	-	-	-	-	-	907	5,931
Heating + Renewable Energy Measures	-	-	2,136	2,459	2,795	3,143	3,503	4,171	4,868	2,484	25,560
District Heating/Heat from Waste	5,091	5,216	-	-	-	-	-	-	-	-	10,307
Energy Efficiency Measures to Hard to Treat Properties	-	-	-	-	-	-	5,985	6,110	6,239	6,367	24,702
Sub Total for Sustainability Investment Works	6,303	6,457	3,406	3,760	3,914	4,286	10,655	11,473	12,324	11,001	73,580
Additional Costs	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Totals
Allowance for contract mgt. delivery fees	756	775	409	451	470	514	1,279	1,377	1,479	1,320	8,830
Total Sustainability Investment	7,059	7,232	3,815	4,211	4,383	4,800	11,934	12,850	13,803	12,321	82,409
Overall Total (Housing Leeds only)	75,821	77,926	80,340	84,909	89,410	95,011	101,579	107,743	114,281	89,881	916,901
Overall Total (Housing Leeds + BITMO)	77,541	79,646	82,160	86,780	91,330	96,981	103,600	109,814	116,402	92,052	936,306

Appendix 2 – Standards to be Achieved

Further to the Leeds Homes Standard set out earlier, this section outlines the council's approach to other regulatory standards in more detail – explaining what the priorities for investment are, the budgets allocated to different standards and how detailed programmes of works are determined.

Decent Homes Standard

In order to prioritise investment in other parts of the asset management strategy, the Decent Homes standard will be used to guide investment considerations rather than rigidly direct them. The component elements, and the lifecycle replacements that are at the core of Decency, still remain and act as a guide within our asset management systems that prioritise and direct survey activity and subsequent investment, however real challenge will be placed upon surveys to determine if the investment is necessary or the property element still has serviceable lifespan.

The components, lifecycles and definitions of poor condition used are taken directly from the Decent Homes guidance and are shown overleaf. The council utilises an area based approach to prioritising investment in decency works. Existing stock condition data for different components is assessed against these criteria to determine the proportion of properties within a Lettings Area (subdivisions of housing management patches that correlate to districts, estates, villages etc) requiring a component replacement within the next five years. This allows areas to be ranked in terms of their priority need for different works – kitchen and bathroom replacements, windows and doors or roofing for example. These areas are then surveyed in detail, with all properties without up-to-date stock condition data being surveyed. The results are then analysed and used to create detailed address lists of properties requiring works to be issued to contractors, typically those requiring replacement of that component either now or in the next few years.

It is accepted that this approach means that in some instances works may be carried out in advance of a decent homes failure but this is consistent with the guidance for 'preventing homes falling into decency'.⁴⁵ It also represents a more efficient use of staff and contractor resources, concentrating investment activity in discrete areas at specific times, rather than 'pepper-potting' activity all over the city all of the time. This approach also means that advanced programmes of work, by area, can be drawn up and publicised to tenants, members, contractors and colleagues.

A proportion of investment resource is ring-fenced for the isolated failures that will inevitably occur outside of the area-based approach and that are referred for replacement via responsive repairs visits/surveys.

Due to health and safety implications and the technical knowledge required to properly assess them, heating and electrical replacements are directed by servicing and inspection information rather than the area based approach. For example,

⁴⁵ 'A Decent Home: Definition and Guidance for Implementation – June 2006 Update', p. 22, ODPM, 2006

rather than working to an estimated lifecycle, each boilers' replacement date is pushed back by 12 months following each successful gas servicing inspection and they are replaced via the gas servicing contract when deemed beyond economical repair by the gas engineer.

Criteria Used in Assessing Decency⁴⁶

Table 1: Component lifetimes used in the disrepair criterion			
Building components (key components marked*)	Houses and bungalows	All flats in blocks of below 6 storeys	All flats in blocks of 6 or more storeys
Wall structure*	80	80	80
Lintels*	60	60	60
Brickwork (spalling)*	30	30	30
Wall finish*	60	60	30
Roof structure*	50	30	30
Roof finish*	50	30	30
Chimney*	50	50	N/A
Windows*	40	30	30
External doors*	40	30	30
Kitchen ¹⁹	30	30	30
Bathrooms	40	40	40
Heating central heating gas boiler*	15	15	15
Heating central heating distribution system	40	40	40
Heating other*	30	30	30
Electrical systems*	30	30	30

Table 2: Definition of 'poor condition' used in disrepair criterion	
Definition of 'poor condition' used in EHCS	
Wall structure	Replace 10% or more or repair 30% or more
Wall finish	Replace/repoint/renew 50% or more
Chimneys	1 chimney need partial rebuilding or more
Roof structure	Replace 10% or more or strengthen 30% or more
Roof covering	Replace or isolated repairs to 50% or more
Windows	Replace at least one window or repair/replace sash or member to least two (excluding easing sashes, reglazing painting)
External doors	Replace at least one
Kitchen	Major repair or replace 3 or more items out of the 6 (cold water drinking supply, hot water, sink, cooking provision, cupboards, worktop)
Bathroom	Major repairs or replace 2 or more items (bath, wash hand basin, WC)
Electrical system	Replace or major repair to system
Central heating boiler	Replace or major repair
Central heating distribution	Replace or major repair
Storage heaters	Replace or major repair

⁴⁶ Ibid, p. 33-34.

Energy Efficiency/Carbon Reduction

Improving energy efficiency in its housing stock will enable the Council to provide warm, affordable and low carbon homes to its tenants. Solutions to improve energy efficiency vary according to the design, type and age of properties. Around 75% of the council stock has gas central heating and 3% are connected to gas fuelled district heating schemes. A further 16% have electric storage heaters or electric underfloor systems which are expensive to use, are inefficient and do not provide the same thermal comfort as other systems. The remainder of the stock has electric or gas warm air systems, air-source heat pumps or no central heating.

In 2013, 11.6% of households in Leeds were living in fuel poverty according to the Department of Energy and Climate Change. This is slightly higher than the English average of 10.4%. Fuel poverty can not only be tackled with improvements to properties or heating systems; effort can also be made to maximise the incomes of households, by providing energy advice, by encouraging tariff/energy provider switching and by targeting assistance to fuel poor households.

The current average SAP value for Leeds City Council's housing stock is 68. Council targets are to increase average SAP ratings across all housing sectors to SAP 70 by 2020 and to increase the SAP ratings of all dwellings to 65 or above by 2030. SAP ratings and intelligence from Energy Performance Certificates is being used to prioritise works to the least energy efficient properties within the portfolio first.

Current council funded schemes to improve energy efficiency include the extension of gas mains to off-gas households and replacing inefficient electric heating with modern gas systems. Older, inefficient gas boilers are being replaced with modern efficient models. The Clydes multi-storey blocks have had a biomass district heating scheme installed, which provides heating and hot water to two high rise blocks and a sheltered scheme in Armley. The new Recycling and Energy Recovery Facility will provide heat to a district heating network to c1,200 council flats. Solar PV panels have been installed on c1,000 council homes. Loft and cavity wall insulation programmes will continue in the remaining properties where this is possible. Double glazing will be installed in the remaining single glazed properties.

Ongoing changes and uncertainty regarding funding for energy efficiency improvements and renewable energy, such as the ending of the Green Deal and reductions in Feed in Tariffs for Solar PV, are creating a volatile market place and seriously restricting potential for future renewable schemes – especially those reliant on external funding and/or providing a return to external investors – unless directly funded by the Council. The Council will however continue to explore externally funded opportunities as and when they arise, whilst continuing direct council investment.

Asbestos

Historically, only management surveys to particular rooms/areas scheduled for work were carried out. This left weaknesses in the level and quality of asbestos information held by the council. Recognising this, the council are now undertaking full refurbishment surveys on void properties, and on some planned works schemes, thereby building up a comprehensive asbestos register over time. It will take approximately 10 to 11 years to complete a city wide programme. In the 10th year some properties will not have become void so a mop up year will be required or the remaining tenanted properties will wait until they eventually do become void. The completion of this programme will mean the authority will only carry out a minimal amount of asbestos surveys afterwards.

Fire Safety

In April 2014 the council and West Yorkshire Fire & Rescue Service (WYF&RS) signed a 'Fire Safety Concordat', agreeing to work together to make Leeds a safer place for people to live, work and visit. The agreement ensures that increased awareness of fire safety is provided across the council, which will help the authority to continually improve its fire safety arrangements, through a pragmatic and incremental approach in driving down fire risk.

Fire safety work is identified through risk assessments of individual buildings or building archetypes. Typically these identify works such as:

- Fire stopping – prevention of fire spread;
- Sprinkler installation to sheltered high rise accommodation;
- Fire alarm installations and upgrades;
- Emergency lighting installations and upgrades;
- Scooter parks;
- Compartmentation; and
- Bin stores and fire suppression.

Each year the fire safety work requirement reduces as work is undertaken and the risk and backlog of identified work diminishes. The investment requirements peak over 2016-2018. Funds are allocated in the current Investment Strategy over this period and then reduce to c£1m p.a. for the following eight years. Expenditure then reduces and becomes minimal other than maintenance, updates, change in regulation and improving stock above the agreed standards. Maintenance and testing costs are picked up through revenue repairs and servicing budgets.

Gas Safety

Gas safety is one of the key drivers and priorities for the council's housing stock. On average around 47 fatalities and over 4,000 serious injuries occur nationally directly attributable to domestic gas; carbon monoxide and explosions being the main causes.

The council manages some 43,000 properties which contain a domestic gas supply. Access to properties in order to complete the annual gas service is a huge issue. The consequences of failure to fulfil these obligations are very real. Clearly there is

a significant safety risk to tenants if the service is not completed. In addition, landlords can face financial and custodial prosecutions if they cannot demonstrate they took all 'reasonable means' to gain access to a property.

The average '1st time access' for the purposes of gas servicing is cumulatively around 73%. This is largely consistent with national benchmarks. What this means is over 11,500 'wasted' visits are made by gas contractors annually. This number increases to almost 20,000 if we consider second, third and legal access attempts. That said, these visits ensure that 99.78% of the stock with a gas supply has a valid test certificate.

The council and its gas contracting partners try a number of initiatives to incentivise, promote and encourage access for gas services. If these fail then the council pursues legal routes in order to achieve access. This is generally now via Section 80 of the Environmental Protection act which, when granted by a Magistrate, allows named council representatives to forcibly access a property to make the gas supply safe and compliant.

The key drivers are to reduce fuel poverty, increase reliability and increase gas safety within the city. Vital to achieving these aims is improving the accuracy / quality of the data on the existing assets. This is being addressed to ensure asset data is accurate, up to date and maintained.

Legionella

Control regimes include monthly temperature checks, quarterly water sample analysis and annual risk assessments. The future strategy for this workstream is to remove the risk wherever possible. This can only be achieved by removing the need for stored hot water by introducing 'on demand' type systems. This is not always feasible, so sealing hot water systems and ensuring recommendations are actioned remain the most efficient controls.

Appendix 3 - Specific Property Issues

The following sections discuss the particular issues relating to specific property types or assets and other key areas of activity and investment in more detail. They explain the current situation and explain what will be done for each in the future, along with an indication of the funding allocated to this work in the current Investment Strategy.

Sheltered Housing

There are almost 4,300 council-owned sheltered properties in the city. The majority are located in the Outer areas, with the largest concentrations in the Outer South, South East and South West areas. The majority of sheltered properties (58% or almost 2,500) are flats or maisonettes, primarily located in dedicated sheltered housing schemes with relatively extensive communal areas used for social activities. There are also two high rise blocks dedicated to sheltered housing.

Since the turn of the century investment has largely focussed on improvements within dwellings, to meet the Decent Homes standard, and there has not been significant investment in communal areas and facilities.

The flatted sheltered schemes are largely 1960's and 1970's built with dated designs, often unsuitable for modern customers. Whilst some have benefitted from investment others have received only specific elements of work over that time, with the as built floorplans, layout and services generally still remaining. These schemes present some particular investment challenges, including remodelling bedsits with shared bathing facilities, other unpopular bedsit accommodation and modernising communal areas and facilities. A programme of investment in bedsit schemes is underway.

The vast majority of the non-flatted sheltered accommodation is in dispersed bungalows. In some areas these dispersed bungalows benefit from access to some kind of community centre for communal activities. They present no particular investment challenges other than the ongoing maintenance and modernisation of key building components in the bungalows (in line with Decent Homes) and community centres.

There are also funds allocated to improve sheltered housing communal areas, in both flatted schemes and community centres.



Typical 1970's sheltered housing complexes.



Sheltered bungalow schemes.

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High Rise Blocks

The council has 116 distinct, purpose-built high-rise blocks⁴⁷ under its' own management, containing over 7,000 flats. A further eight blocks are currently in PFI contracts. The blocks are made up of 12 different construction types and were built in the 1950's and 60's.

As with the sheltered stock, most investment over the last 15 years or so has been focussed on Decent Homes work and the interior of individual flats rather than communal areas and facilities, which do not contribute to the Decent Homes standard. The council managed blocks are now awaiting infrastructure improvements such as lifts and communal services over the next 10 years. Some require moderate surface structural repairs whilst 13 Reema construction blocks may require more extensive structural works. Discussions are ongoing with consultants regarding the extent of works required. A number of blocks also require concrete repairs to the façade, identified from steeple-jack surveys.

The energy efficiency of the blocks differs and whilst they don't conform to current building regulations perform adequately for the building type. Even so, significant investment is planned in these blocks. A 10-year strategy has been developed, maximising thermal efficiency, future proofing the blocks, increasing their kerb-appeal etc.

A project is also being developed to provide an innovative district heating network to c40 high-rise blocks, powered from a council-owned Recycling and Energy Recovery Facility. Funds are allocated for this scheme in the current Investment Strategy. Funding has been secured from the European Structural Investment Fund to support this investment.

There has also been significant investment in Fire Safety works to these blocks in recent years, including the installation of fire doors, sprinklers and fire compartmentation works. Improvements to individual dwelling will continue to be funded from Decent Homes budgets.

A lift improvement programme is in place.

Associated Telecoms equipment

The council utilise high-rise block roof space for the provision of telecommunications equipment which, over, the last 20 years has provided valuable additional income for space which would have previously been commercially redundant.⁴⁸ Additional commercial space on the roofs is not currently required by tenants and in most cases the equipment size is reduced through technological improvements. The requirement for faster and better connected cities and people may mean more telecoms sites will be requested in future. This presents an opportunity to increase income, for reinvestment in the wider stock. There are also potential 'spin-off'

⁴⁷ For these purposes defined as all blocks of 5-storeys and above, with the exception of the 5-storey sheltered block at Cross Hills Court.

⁴⁸ Currently c£640k p.a.

benefits for tenants, such as the free wi-fi being offered as part of the pilot scheme for super-connected cities.

There are no investment needs or plans associated with telecoms equipment.



A selection of the high-rise construction types found in Leeds.

Medium and Low Rise Flats & Maisonettes

There are over 15,000 low and medium rise flats in the city, spread across 3,560 different blocks.⁴⁹ The majority are of traditional construction and, timber frame excepted, present few major issues. The primary concerns for these blocks relate to communal areas, including security and access to communal areas and the condition of communal flooring and decoration. All communal areas in the blocks will be surveyed over 2016/17 and a detailed investment programme developed from the findings.

Funds are allocated for communal area improvements. Improvements to individual dwellings will be funded from decent homes and statutory standards budgets.

Fire safety works are being rolled out across the low and medium rise stock in accordance with the Fire Concordat.

Almost 23% of the low and medium rise stock is of non-traditional construction – please see overleaf for further commentary on the specific issues with these.



Traditional and non-traditional low-medium rise flats & maisonettes.

⁴⁹ In blocks up to 4-storeys high. Includes maisonettes.

Non-Traditional Properties

A significant proportion of the overall stock is of 'non-traditional' construction (28% or c16,000 properties), predominantly built between 1918 – 1975 of precast and in-situ concrete panels systems and/or metal framed structures. Over 5,200 houses and bungalows (or 16% of the stock) fall into this category, as do almost 3,500 (or 23%) low and medium rise flats and maisonettes, as well as almost all of the high-rise flats.⁵⁰ There are over 40 different construction types included in this category, almost 2,800 of which are designated defective under the 1985 Housing Act.⁵¹ They present significant investment and asset management issues regarding asbestos management, structural integrity and thermal performance.

A number of non-traditional property types have benefitted from external wall insulation in recent years, with schemes largely being driven by the availability of match funding via ECO and Green Deal pilots. Generally, the efficacy of the EWI is not known and, combined with the greatly reduced availability of funding, it is unlikely that large-scale programmes of EWI will be repeated until there is sufficient intelligence to direct investment where it will have greatest impact. To that end a prioritised list of construction types and works required to improve structural integrity and thermal performance has been developed to direct future investment. Properties are being prioritised according to SAP ratings and Energy Performance Certificate (EPC) information, alongside defective designations, thereby focussing on addressing those with the worst thermal performance and potential structural issues first. Work is ongoing to survey all the non-traditional stock, confirm the construction types and the improvements made to date. This information, along with sustainability modelling and NPVs, will inform the development of a detailed investment programme for the non-trad stock.

⁵⁰ Saxton Gardens being the exception – traditional brick construction.

⁵¹ Including Airey, Myton, Reema and Unity properties. The Aireys have already been rectified, although recent intelligence suggests there may be still be asbestos issues within the floor voids.



Some non-traditional property types (improved Tarran bungalow, Lindsey Parkinson, 5M and Airey).

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Hard-to Treats - Back to Backs and Other Pre-1919 Stock

There are c1,600 back-to-back properties, a further c900 through-terraced properties and another 400 other pre-1919 properties (mostly flats in converted houses) in the council portfolio. They are predominantly brick built, although c7% are made of stone. They present their own particular challenges, primarily regarding fire safety and thermal efficiency. The attic spaces of many of these properties are occupied with 'rooms-in-roofs' and are not properly compartmentalised, allowing fire to spread between properties. Fire safety and compartmentation works are being carried out to these properties as and when they become vacant.

The 'rooms-in-roofs' are also poorly insulated and prevent traditional loft insulation being installed. Combined with the single-skin, solid brick walls, this means that many perform poorly in terms of thermal efficiency and can suffer from damp and mould. Planning issues relating to the preservation of the architectural merit of red-brick terraces and the fact that the vast majority of council-owned pre-1919 stock are miscellaneous properties, intermingled with privately let and owner-occupied stock, generally preclude external wall insulation being installed en-masse. Small room sizes, particularly in back-to-backs, and the level of disruption involved – often requiring the removal and reinstatement of kitchens and bathrooms – make the installation of dry-lining problematic too.

In certain instances, and subject to available funding, Group Repair schemes will be run, building on the success of the Cross Green scheme where privately owned and council-owned properties have all benefitted from the installation of external wall insulation.



Typical pre-1919 stock.

Traditional, Brick Built, General Needs Housing

The remaining balance of the housing stock is made of traditional, brick built general needs housing. This is largely popular and presents little in the way of investment challenges, other than the expected lifecycle replacement of key building components. Key early failures, such as wall-ties, have already been identified and rectified under the ALMO Decent Homes programmes and before. Ongoing investment will continue to be programmed in, subject to the properties being in sustainable areas.

Garages

There are c5,600 garages in the city, spread across over 400 sites. A large proportion (c36%) are void and currently generating no income for the council. Anecdotal evidence suggests that, due to their age, some garages are now simply too small to house larger modern cars. Many garages are let to non-council tenants and offer the opportunity for increased income from increased rents.

Approaches to investment have differed in the past with some ALMOs choosing to demolish unpopular garages and leave hard-standing parking spaces (which then no longer generate income) while others invested in refurbishing garages – replacing roofs and doors.

All garage sites have been assessed for viability and graded as Red, Amber or Green. Green sites are being actively promoted to maximise lettings. Red sites are being appraised individually for potential alternative future uses, primarily as housing growth sites (for council new build, affordable housing development by partners, self-build or bespoke properties). Where housing growth is feasible the sites will be cleared and handed over. Once this process is complete the Amber sites will similarly be reviewed.



Typical garage sites – popular and low-demand.

Commercial and Leased Stock tbc MF

The commercial and leased stock consists of the following units.

Description	Number of Units	Annual Income
Shops, Industrial Units and Offices	323	£1,402,368
Residential	317	£57,426
Telecommunication Sites	68	£641,792
Community Facilities	66	-
Electrical Sub-Stations	65	£1,865
Miscellaneous Residential	20	£486
Pubs	19	£60,269
Clubs	15	£51,375
Car Parking and Garages	8	£1,118
Farms	5	£2,032
Former Hostels	4	-
Miscellaneous Retail	4	£6,051
Sport Use	4	£1,764
Miscellaneous Industrial	3	£400
Total	921	£2,226,948

The mix of premises varies in age from turn of the century through to pre-war and late 1970's design. The miscellaneous shops comprise end-of-terrace corner shops but in the main, the estates shops are situated in or around the edge of Council estates and are let directly to commercial tenants. The properties house a wide variety of tenants and provide a mix of amenities to our communities including office space for community groups and charities as well as newsagents and general stores, hot food takeaways, hairdressing salons etc. Many come with living accommodation above.

The majority of the shops and industrial units are let on six-year leases. Due to an increasing number of start-up businesses occupying these premises, there has been an increase in the number of tenancies with a short notice period required from either party.

The residential miscellaneous portfolio consists of dwellings on long leasehold agreements to organisations such as Canopy (a community housing project) and

UNIPOL (providers of student housing and advice). It provides little income, but has increased the volume of affordable and student housing in the city and provides opportunities for charitable work and community development.

Currently, an investment plan is being developed for the commercial stock. The short term emphasis is on Health and Safety and improving 'kerb appeal' – it focuses on security to shop fronts and resurfacing front and rear access routes. Longer term strategies are based on current condition reports for the commercial stock and dilapidation reports for the leased out domestic stock.



Typical commercial stock – parades and individual premises.

RTB's

The Right to Buy (RTB) was introduced as part of the 1980 Housing Act. Since then the council has sold over 31,000 properties under the RTB. Sales of Council properties peaked during the 1980's and early 2000's when sold property numbers each year exceeded 1,000 and were as high as 3,000 in 1989/90. In more recent years sale numbers have fallen. In 2015/16 the council sold almost 400 properties. The majority of properties sold are houses. The total number of flats sold (Leaseholds) to date is a relatively small (c1,960 properties, including those in PFI areas).

The properties sold are of varying construction types. In 1984 legislation identified a number of construction types as defective (Housing Defects Act 1984). This was because the properties were likely to need extensive repairs to ensure their structural integrity and extend their lifespan. Examples include Airey, Cornish, Wates construction types. Programmes of works have been undertaken in the intervening years to repair and improve a large number of these properties.

There were also a number of properties built of construction types which are deemed to be of a non-traditional method. That is these were not of brick and tile construction. These include Livett Cartwright and Caspon types. Again programmes of works have been undertaken in previous years to remedy the issues on many of these, but some unimproved properties remain. When a tenant applies to buy their home it is incumbent on the council to advise the owners if the property is of 'defective' or non-traditional construction. It also advises, where known, if a defective property has been repaired in the past.

When a property is sold it will be sold Freehold if it is a house and the new owners will be responsible for all aspects of the property – its' ongoing maintenance, repair and improvement. The council has no further responsibility for the property. Flats however, are sold leasehold and the council retains responsibility for the provision of some communal services and the maintenance, repair and improvements to the building structure and communal areas.

Tenants wishing to buy their home under the RTB have to provide the finance themselves. The Council does not provide mortgages. Tenants wishing to buy a defective or non-traditional property may encounter difficulties in securing a mortgage. Some lenders may provide a mortgage where the tenant can provide some evidence that the property has been repaired, for example Airey properties where the council has undertaken repair works. Requests for evidence of works carried out are usually made through Building Control initially. In some instances the tenants will be unable to proceed with their purchase due to the lack of lending available for these property types.

The council is currently embarking on a programme of both new build and acquisition of properties (see below for details). All the properties being built will be subject to the RTB. However, during the first 15 years from acquisition/build the discount to which a tenant may be entitled cannot reduce the sale price below the costs which the Council incurred.

Occasionally, when they are abandoned, former RTB properties can cause issues on our estates, blighting neighbouring properties. The Housing Growth Programme (see below) includes provision for buying back some abandoned, former RTB properties where they are causing issues.

Leaseholders

The council housing stock contains c1,960 leasehold properties, all flats. These are usually leased for 125 years from the date of sale. As the council retains the freehold for these properties it has a statutory and contractual duty to maintain and repair the building structure and all shared areas, grounds and services. To receive these services leaseholders are obliged to contribute their share for the works and/or services, when the correct consultation process has been followed (Commonhold and Leasehold Reform Act 2002). The Service Charges (Consultation Requirements) (England) Regulations 2003 limit the amount that can be charged to a maximum of £10,000, over a period of 5 years if the cost of work undertaken is supported by external funding, such as decent homes or PPF. This is no longer generally relevant to works carried out by Housing Leeds as they are funded directly from the HRA. In absence of full consultation with leaseholders, charges are limited to a maximum of £100 for services or £250 for major repairs to the buildings. Consequently, ensuring that the consultation is carried out properly is vitally important to ensuring that costs are recovered to the HRA.

Other issues relating to the recovery of costs incurred on leasehold properties or that should be charged to leaseholders include:

- Leaseholders are not currently charged for grounds maintenance works;
- Repairs are not consistently raised accurately to enable recharges to leaseholders; and
- Future investment proposals are provided in pre-sale estimates to prospective first time RTB leasehold applicants. Failure to provide accurate information on investment works and values at the point of sale will result in the council not being able to recover (all or part) of the costs incurred.

The current Leasehold Team was established in June 2015 within Housing Leeds. In addition to issuing the formal legal notices for any proposed works or new contracts, it is also tasked to maximise the council's opportunities to recover its expenditure on leasehold properties.

Land

There are c1,500ha of land held within the HRA in total. This includes c600ha not used for dwellings – some of which will be developable. Generally, when there is no operational use for the land and no planning constraints, requests from tenants or residents to purchase small areas of land for garden use, driveways etc are approved, as this reduces the operational cost to the council of maintaining the land. It also brings in a small level of capital receipt income into the council each year (in 2015/16 it was c£125k), although this is ring-fenced to the corporate capital programme and does not come back into the HRA.

Areas of vacant land (including redundant garage sites as discussed elsewhere) are assessed for their suitability for inclusion in the Housing Growth Programme, in order to increase the supply of affordable housing in the city wherever possible.

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Appendix 4 - Other Workstreams and Expenditure

Voids

Void management is the term used to define how Housing Leeds deals with a vacant property to ensure that rent loss is minimised and the most effective use is made of the housing stock in order to meet housing need. A 'void' is a property that does not have a current tenancy. The void period is the time measured in calendar days between the date of termination of the previous tenancy or repossession and the start date of the new tenancy. Housing Leeds has defined a condition standard to which a property will be brought up to before letting it to a new tenant, this is known as the Minimum Letting Standard. It is the standard which ensures a house is safe and secure for occupation. Before a property is re-let, all repairs which are considered essential to make the property habitable for health and safety and security will be carried out.

On average, there are between 4,500 and 5,000 void properties annually, with an associated expenditure of £15,576k across both capital and revenue budgets. The target completion date for bringing void properties up to the minimum lettable standard is currently 28 days. All major work that is required to be carried out prior to a tenant moving into a property is completed within the 28 day target period wherever possible. Major work can consist of a rewire, kitchen/bathroom replacement or full refurbishment survey for asbestos.

There are Key Performance Indicators in place to monitor the contractor's performance, including the quality of voids returned to the minimum lettable standard. Twenty percent of post and pre inspections are carried out by Housing Leeds after the contractors have handed the property back to ensure that the re-let standard has been met. Final fix ring backs are carried out 1 hour after the appointment to ensure that the appointment has gone ahead satisfactorily and the tenant is able to move in. A buddy system is also in operation whereby the Technical Officers name and contact number is given to the tenant at sign up, if there are any issues the tenant can ring the Technical Officer direct and these can also be dealt with at first point of contact. A telephone satisfaction survey is carried out by the Voids Team once the tenant moves in, this is recorded on a database. Results of the survey are used to continually improve the service. A new tenancy visit is also carried out by housing team in the first 28 days of the tenancy.

Quality checks are also carried out by Tenant Inspectors on a quarterly basis.

Heating & Hot Water

In 2002 the council initiated a scheme known as Heatlease. This offered tenants the opportunity to upgrade their heating systems or introduce central heating where previously there was none. The new systems installed were gas fired, wet central heating systems powered by a high efficiency, combination boilers. In return an increase in the weekly rent was implemented for a period of 10 years. The value of the rent increase was dependent on the size of the property (and therefore the size of the heating system) and averaged c£3.30 per week across the programme.

The mechanism of increasing rents when installing *new* central heating continues to date. Replacement of an *existing* heating system does not result in an increase to rent. As such, rent increases arising from new central heating introductions are ever decreasing and the application of these charges is increasingly rare. The strategy around the continued application of rent increases is currently under review.

The council have negotiated a discounted deal to buy out the leases as they expire and keep the boilers, radiators and pipework, rather than returning them. Funds are allocated for this.

Funds are also allocated for gas central heating and hot water replacements, which are primarily dictated by service and inspection results, with failing boilers replaced on the advice of qualified engineers and for electrical heating renewals to low and medium rise properties.⁵²

Electrical Systems

The guidance on the timescales for initial electrical inspection of rented properties was reduced from ten to five years as an overarching recommendation. Over the next five years our intention is to periodically inspect all of our properties ensuring we have an Electrical Installation Condition Report (EICR) for each. As we maintain our assets through active repairs and maintenance we are looking to increase the timescales to between 7 and 10 years. During this initial testing process it is then our intention to cross reference any further EICRs with the previous documents to identify any deterioration or cause for concern. This information will then inform the timescale for the next inspection.

This process will ensure we are proactively addressing actual failing assets and that the frequency of inspection is then defined based on the installations usage and electrical soundness. It will also ensure accurate asset management data on electrical installations.

Adaptations

Currently the council delivers around 2,300 public and private sector adaptations per year. This is a demand led service, with adaptations being installed following assessment and on the recommendations of an Occupational Therapist (OT) or specialist surveyor. Over the last 10 years the Council has adapted c12,000 properties. In 2015/16 the council spent around £12m on delivering major adaptations. The number of older people in Leeds is growing, and consequently demand for adaptations is increasing too.

If the current policy of demand led adaptations continues then there will come a point where most, or ultimately all, of the council properties that can physically be adapted will have had some form of adaptation. Due to the competing demands for HRA resources, the council is considering alternative ways of meeting a person's needs. It is proposed that rather than simply adapting a property following a recommendation made by an Occupational Therapist, consideration will be given to

⁵² Heating and hot water replacements for high-rise stock are dealt with separately, discussed elsewhere.

the tenant either staying put (and receiving adaptations) or making a planned move to a more suitable property.

Closer working relationships are being developed with the OT and lettings teams to ensure that when considering suitability for a property, OT's assess the full potential of the property to be adapted. Advice is then offered as to whether or not the adaptations will meet the customer's needs or whether it is over adapted. This will avoid re-housing into properties where they will not make use of the adaptations in place.

The council are also recycling adaptation equipment wherever possible to reduce costs.

CCTV

The CCTV infrastructure in different parts of the city varies significantly. The current strategy is to connect all independent CCTV systems to the council's own LeedsWatch system, which is responsible for the entire city's CCTV monitoring and recording (not just housing CCTV). This project is underway with works scheduled to be completed in 2017/18. Once completed there is no further funding allocated for this kind of work.

Community Regeneration

Investment in community regeneration projects is currently led by the Housing Advisory Panels. There are 11 panels across the city with a mix of members and residents on each. Community proposals are received and vetted by each panel before works progress. The types of works funded include fencing, paving and tarmacking, planting, alley gating and lighting. Budgets are provided directly from the HRA, rather than through the capital programme and associated Investment Strategy, and are under pressure due to the impacts of the rent reductions implemented in the 2015 Budget and other government policies affecting HRA income.

There is also an Environmental Improvement Programme underway, funded from HRA reserves and supported by the capital programme. The schemes on the programme were proposed by ward members and are delivering a mix of play, community safety, parking, landscaping, waste management and community safety improvements across the city. These will complete in summer 2017/18.

Due to their community-led nature, many of these schemes leverage in additional funding (both internal and external), which adds value, delivers more and increases 'ownership' of the completed works. They are predominantly delivered by internal service providers.

Asset Management Action Plan 2016/17 - 2018/19																							
ID	Task Mode	Task Name	Duration	Start	Finish	2016				2017				2018									
						Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4						
						May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		
27		Update sustainability and NPV models	780 days	Mon 04/04/16	Fri 29/03/19	[Yellow bar spanning from May 2016 to March 2018]																	
28		Rank areas, blocks schemes etc	780 days	Mon 04/04/16	Fri 29/03/19	[Yellow bar spanning from May 2016 to March 2018]																	
29		Review changes in rankings, direction of travel etc	780 days	Mon 04/04/16	Fri 29/03/19	[Yellow bar spanning from May 2016 to March 2018]																	
30		Review decency area proposals against rankings	780 days	Mon 04/04/16	Fri 29/03/19	[Yellow bar spanning from May 2016 to March 2018]																	
31		Update Option Appraisal forward programme based on rankings	780 days	Mon 04/04/16	Fri 29/03/19	[Yellow bar spanning from May 2016 to March 2018]																	
32		Other Actions Required:																					
33		Review Investment Strategy in light of 2016 HRA BP review	130 days	Mon 02/01/17	Fri 30/06/17	[Green bar from Jan 2017 to Jun 2017] PC																	
34		Revise 5-Year Capital Programme in light of revised Investment Strategy	130 days	Mon 03/07/17	Fri 29/12/17	[Yellow bar from Jul 2017 to Dec 2017] RM																	

Project: 20160708 AsMa Action P Date: Wed 13/07/16	Task		Summary		External Milestone		Inactive Summary		Manual Summary Rollup		Finish-only	
	Split		Project Summary		Inactive Task		Manual Task		Manual Summary		Deadline	
	Milestone		External Tasks		Inactive Milestone		Duration-only		Start-only		Progress	

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