



AGENDA ITEM:

SUMMARY

Report for:	Housing & Community Overview & Scrutiny Committee
Date of meeting:	22nd February 2018
PART:	I
If Part II, reason:	

Title of report:	Housing Asset Management Strategy - Update
Contact:	Councillor Margaret Griffiths, Portfolio Holder for Housing Responsible Officer – Mark Gaynor, Corporate Director (Housing & Regeneration). Author - Fiona Williamson, Group Manager Property & Place
Purpose of report:	To present an update on the Housing Revenue Account, Asset Management Strategy.
Recommendations	For members of the Overview and Scrutiny Committee to provide observations and comments on the updates relating to the Housing Asset Management Strategy.
Corporate objectives:	<p>To ensure the management and maintenance of the housing portfolio is undertaken in accordance with best practice and is appropriate for the type, age and use of the stock.</p> <p>To consider national and local factors that could influence the optimal use of the housing stock in terms of value for money, the most economical use of resources and are reflective of the demand.</p> <p>To promote tenant involvement in deciding the priorities within the Asset Management Strategy.</p> <p>To provide assets of a consistent standard, allowing for differences in type of construction or archetype.</p> <p>To enable the delivery of new affordable homes, where individual sites are identified.</p>
Implications:	<p><u>Financial</u></p> <p>The Council will be required to deliver the Asset Management Strategy in line with the available budgets derived from revenue income and in line with the Housing Revenue Account</p>

<p>'Value For Money Implications'</p>	<p>Business Plan.</p> <p><u>Value for Money</u></p> <p>The assessment to determine the optimal use of any of the assets will ensure that value for money is one of the criteria applied when considering a change of designation, remodelling or disposal.</p>
<p>Risk Implications</p>	<p>The Asset Management Strategy is essential as it will supplement the Business Plan and provide the framework for decision making to ensure the housing stock is viable and fit for purpose, both now and in the future.</p> <p>The risks associated with not developing an Asset Management Strategy are that investment is not targeted appropriately and the long term financial viability of the business model is undermined.</p>
<p>Equalities Implications</p>	<p>Equalities approach is outlined in the strategy</p>
<p>Health And Safety Implications</p>	<p>Compliance and Health and Safety are one of the key themes of the Asset Management Strategy and individual Health & Safety plans will be developed for each project as required.</p>
<p>Consultees:</p>	<p>Councillor Margaret Griffiths, Portfolio Holder Housing Tenant representatives.</p> <p>Elliott Brooks, Assistant Director Housing Landlord</p> <p>Simon Smith, Team Leader Assets and Business Improvement</p> <p>Layna Warden, Group Manager Tenants and Leaseholders</p> <p>Natasha Beresford, Group Manager Strategic Housing</p> <p>David Barrett, Group Manager, Development</p>
<p>Background papers:</p>	<p>HRA Business Plan</p> <p>Cabinet Report 25th July 2017, Creation of additional units in Supported Housing Schemes & the upgrade of communal facilities.</p> <p>HCOSC, 20th July 2016, Housing Asset Management Strategy</p> <p>HCOSC 16th Oct 2013, Proposed changes to Government Rent Policy and impact on the HRA Business Plan</p>
<p>Historical background <i>(please</i></p>	<p>The Housing Asset Management Strategy was developed in 2016.</p>

<p><i>give a brief background to this report to enable it to be considered in the right context).</i></p>	<p>The Housing Asset Management Strategy is essential to outline the approach and priorities for the management and maintenance of a fit for purpose, social housing portfolio.</p> <p>The strategy was developed to incorporate a number of appendices, which are reviewed and updated to reflect changes to the stock composition as the result of Right to Buy, selective disposals and New Build.</p> <p>In addition, changes to the appendices are undertaken to reflect the wider context in terms of changes to Government Policy and Regulatory and Statutory compliance.</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>HRA - Housing Revenue Account</p> <p>VfM - Value for Money</p>

1.0 Background summary

- 1.1 The Asset Management Strategy was developed in 2016 and outlines four key commitments regarding how the Council will deliver the ongoing management and maintenance of the Housing Assets.
- 1.2 The Asset Management Strategy is supported by a number of policies and the document was designed so that the appendices could be regularly updated to reflect changes in the number and type of stock, identify areas where investment has been made and to address external factors, such as the change in legislation.
- 1.3 The Asset Management Strategy continues to provide the overarching approach to the management of the assets, which is in part determined by the available budget derived from the Business Plan. In addition there are a range of Housing Strategies and policies that the Asset Management Strategy is designed to support. These include the following:
- The Housing Strategy
 - Adaptations Policy
 - Cross Tenure Energy Strategy
 - Development Strategy
 - Disposals Policy
 - Parking Policy
 - Empty Homes Policy and re-let standard
 - Mobility Scooter Policy
 - Asbestos Management Plan
 - Legionella Management Plan
 - Fire Safety Strategy

2.0 Capital Investment Programme

- 2.1 There have been a number of factors that have required the Business Plan to be amended, the 1% rent reduction, the phasing of the ongoing development programme and the decision not to provide shared ownership properties, all of which have impacted the available Capital budgets for investment in the existing stock.
- 2.2 The table below reflect the impact of these changes, since the original Asset Management Strategy was drafted and after smoothing the expenditure over the next five years.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
Original	£18.8M	£18.3M	£20.8M	£17.7M	£20.0M
Current	£17.48M	£17.74M	£17.05M	£17.02M	£17.06M

- 2.3 The reduction in available capital budgets, although not desirable can be accommodated by reprioritising some of the estate improvement works, as currently the stock is in good condition with 99.6% of the stock is identified as achieving the decent homes standard. This figure does include properties where tenants have refused to have work undertaken. The details of the breakdown are contained in Appendix D.
- 2.4 The Asset Management Strategy acknowledges the need to balance the priority for the provision of new social housing, against the need to manage and maintain the existing.

3.0 Data Management

- 3.1 There has been extensive work carried out around the management of data to ensure the Council is able to identify priority areas for investment and to demonstrate compliance in respect of health and safety and Decent Homes. The Decent Homes standard is still used as a benchmark for the overall condition and fitness for purpose of the stock, but this is likely to be supplemented with the Homes (Fitness for Human Habitation and Liability for Housing Standards) Bill that is currently going through Parliament.
- 3.2 The original Asset Management system Pimss4communities was reviewed in 2017 and due to ongoing delays in the introduction of an interface with the Orchard Housing Management System, an alternative system, Promaster, has been procured.
- 3.3 Promaster is contained within the Orchard suite of products and is designed to enable information to be visible through a web based system, which will enable contractors to have read only access to asbestos management records and in the future tenants will be able to access future investment programmes for their properties.

4.0 Health and Safety Risk Management

- 4.1 The second of the four visions; “Our tenants live in homes that are safe and maintained to the agreed standard” has always been a key priority for the service.

- 4.2 The main landlord risks are proactively managed and additional work has been undertaken to collate all fire risk assessments, legionella data and asbestos surveys, so that additional controls can be put in place to address any recommendations or legislative changes that are required following the Independent Review of Building Regulations and Fire Safety.



- 4.3 This has been further strengthened by the creation of a new Team Leader role for Compliance and Mechanical and Electrical Contracts and the appointment of an officer who is responsible for the management of asbestos within the housing stock. The information produced by this team informs the Asset Management Strategy so that investment in Health and Safety works is appropriate and in line with the priority risk ratings.

5.0 Investment options to generate additional revenue

- 5.1 The Asset Team have commissioned a number of feasibility studies to develop or reconfigure existing properties, so that additional units can be delivered and generate revenue.
- 5.2 Currently approval has been granted to convert 3 sheltered schemes offices into additional accommodation, whilst improving the communal facilities at the schemes and the option to construct a 2 bedroomed house adjoining an existing property is at the pre-planning stage.
- 5.3 The 3 sheltered scheme projects will provide three flats suitable for wheelchair users at Great Sturgess Road, The Driftway and Old House Court Supported Housing Schemes. The provision of wheelchair friendly dwellings will enhance the quality of life for residents who require a totally suitable and adapted property, enabling them to live an independent lifestyle in an affordable property.
- 5.4 The project as well as delivering modern, comfortable and easily accessible facilities will also include new laundries and offices for the Supported Housing Officers for the tenants within the three schemes. The Driftway project will also provide a new Guest Room facility. These new facilities will be located centrally, enabling tenants to access more easily than the currently.

6.0 Tenant Involvement and Horizon Scanning

- 6.1 The Tenant and Leaseholder Committee, supported by the various scrutiny groups have provided valuable insight into a number of areas which they have inspected, from which, tenant preferences and expectations have been established. In order for the Asset Management Strategy to be dynamic it is important that tenants are involved in shaping the service standards, so that there is a better understanding of expectations and priorities.
- 6.2 The Policy and Participation Team undertake ongoing horizon scanning to determine if there are any legislative, governance or statutory changes, which could impact the Asset Management Strategy, so that necessary amendments can be made to the forward planning of projects.
- 6.3 The Asset Management Strategy will continue to provide a flexible approach towards the management of the housing assets that will be able to respond to changes in National policy, whilst still ensuring that the local objectives are met wherever possible.