



## AGENDA ITEM: 9

### SUMMARY

<b>Report for:</b>	<b>Housing &amp; Community Overview &amp; Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>20<sup>th</sup> July 2016</b>
<b>PART:</b>	<b>I</b>
If Part II, reason:	

<b>Title of report:</b>	Housing Asset Management Strategy
<b>Contact:</b>	Councillor Margaret Griffiths, Portfolio Holder for Housing Responsible Officer – Mark Gaynor, Corporate Director (Housing & Regeneration). Author - Fiona Williamson, Group Manager Property & Place
<b>Purpose of report:</b>	To present the Housing Revenue Account, Asset Management Strategy.
<b>Recommendations</b>	For members of the Overview and Scrutiny Committee to provide observations and comments on the content of the Housing Asset Management Strategy.
<b>Corporate objectives:</b>	<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>
<b>Implications:</b>	<p><u>Financial</u></p> <p>The Council will be required to deliver the Asset Management</p>

<p>'Value For Money Implications'</p>	<p>Strategy in line with the available budgets derived from revenue income and in line with the Housing Revenue Account 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>Health and Safety will be one of the key themes of the Asset Management Strategy and individual Health &amp; 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 Brookes, Assistant Director Housing Landlord</p> <p>Simon Smith, Team Leader Assets and Business Improvement</p> <p>Andrew Vincent, Group Manager Tenants and Leaseholders</p>
<p>Background papers:</p>	<p>HRA Business Plan</p> <p>Cabinet 29 March 2011, Housing Services the way forward</p> <p>HCOSC 16<sup>th</sup> Oct 2013, Proposed changes to Government Rent Policy and impact on the HRA Business Plan</p>
<p>Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i></p>	<p>Historically the Housing Service developed 5 Year business plans, using stock condition information to determine the areas for investment. Under the former subsidy system, investment was targeted at Decent Homes work and work to prevent depreciation of the asset.</p> <p>Since the introduction of Self Financing there is greater scope for investment in redevelopment, new build programmes and upgrading of the existing stock.</p>

	<p>The development of an Asset Management Strategy is essential to outline the priorities for the management and maintenance of a fit for purpose, social housing portfolio.</p> <p>In considering the report it is important to understand the wider context in terms of the Borough's Housing Strategy, Government Rent Policy, Right to Buy and Social Size Criteria, all of which influence the options that are available for inclusion in the Asset Management Strategy.</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 has been developed in a style that is tenant focused and outlines four key commitments regarding how the Council will deliver the ongoing management and maintenance of the Housing Assets.
- 1.2 There are a number of key drivers for Asset Management that have been considered in the development of the strategy which are summarised below:

### **Demand and Supply**

- Demographic changes, including an ageing population
- Fluctuations in demand for particular locations and property types (impact of welfare reform)
- Growing emphasis on choice and increasing customer expectations

### **Stock Condition and Sustainability**

- An aging stock profile and 'fit for purpose' issues with some property types
- The pressure to deliver higher, locally determined standard 'The Dacorum Standard'
- Neighbourhood and economic sustainability

### **Funding Financing and VfM**

- The imperative for assets and asset planning to support the Business Plan
- The need to optimise value and use of the asset
- The need for proactive solutions to improve stock portfolios and their performance

1.3 The Asset Management Strategy provides the overarching approach to the management of the assets that is 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
- Acquisitions Policy
- Disposals Policy
- Parking Policy
- Empty Homes Policy and re-let standard
- Mobility Scooter Policy

## 2.0 The Business Plan

2.1 The 30 year Business Plan has been developed to provide the direction for the delivery of services to tenants and leaseholders. The plan outlines the level of investment in the homes and related assets, required to ensure they meet the standard agreed with tenants and which meets the long term physical requirements of the stock. The plan includes:

- The service standards required
- The investment required over a 30 year period
- Anticipation of likely changes in demand and requirements
- A clear understanding of the costs involved
- An approach to Treasury Management that facilitates both the needs of the Business Plan and servicing debt obligations
- A clear assessment of the income required to deliver the plan, including rent policy, other charges and their collection, and of best use of assets.
- A clear strategy of controlling and managing costs

2.2 All of the above interact with each other and will provide an opportunity or limitation to be taken or mitigated as appropriate, will require alignment to existing policy and, critically, the ability to model the impact of a wide range of scenarios to help advise the best course of action.

2.3 The Asset Management Strategy has been designed to provide a flexible approach that will be able to respond to changes in National policy, whilst still ensuring that the local objectives are met wherever possible.