



## AGENDA ITEM: 7

### SUMMARY

<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>26th July 2015</b>
<b>Part:</b>	<b>1</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 and Regeneration. Author - Fiona Williamson, Group Manager Property and Place
<b>Purpose of report:</b>	To seek Cabinet approval to the Homes for the Future - Asset Management Strategy 2016-2020.
<b>Recommendations</b>	That Cabinet approve the Homes for the Future - Asset Management Strategy 2016-2020
<b>Corporate Objectives:</b>	<p>Providing good quality affordable homes for those most in need, the asset management strategy will:</p> <p>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>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>Promote tenant involvement in deciding the priorities within the Asset Management Strategy.</p> <p>Provide assets of a consistent standard, allowing for differences in type of construction or archetype.</p> <p>Enable the delivery of new affordable homes, where individual</p>

	sites are identified.
Implications:  'Value For Money 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 Business plan.</p> <p>Value for Money</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>
Risk Implications	<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>
Community Impact Assessment	Community Impact Assessment for the delivery of the service has been carried out.
Health And Safety Implications	<p>Failure to adequately maintain the properties in a good state of repair and compliant with statutory requirements has 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>
Monitoring Officer/S.151 Officer Comments	<p><b>Monitoring Officer:</b></p> <p>The strategy provides a sound and sensible basis for the management and maintenance of the Council's housing portfolio. No further comments to add to the report.</p> <p><b>S.151 Officer</b></p> <p>The HRA Asset Management Strategy must be delivered within the constraints of approved budgets, and therefore there are no budgetary implications arising directly from the recommendations within this report.</p>
Consultees:	<p>Councillor Margaret Griffiths, Portfolio Holder Housing,</p> <p>Housing and Communities Overview and Scrutiny Committee</p>

	<p>Tenant Representatives</p> <p>Andy Vincent, Group Manager Tenants and Leaseholders</p> <p>Elliott Brooks, Assistant Director Housing</p>
Background papers:	<p>HRA Business Plan</p> <p>Cabinet 29 March 2011, Housing Services the way forward HCOSC 16<sup>th</sup> Oct 2013,</p> <p>Proposed changes to Government Rent Policy and impact on the HRA Business Plan Cabinet Report 18<sup>th</sup> October 2011</p> <p>Housing &amp; Community Overview &amp; Scrutiny Committee 28th January 2015 – Housing Asset Management Strategy - Update</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>HRA - Housing Revenue Account</p> <p>VfM - Value for Money</p>

## Background

- 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.

