

WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW & SCRUTINY COMMITTEE

3 JULY 2018

Title:

ASSET MANAGEMENT STRATEGY 2020 – 2026 – SCOPING REPORT

[Portfolio Holder: Cllr Carole King]

[Wards Affected: All]

Summary and purpose:

The Council's HRA Asset Management Strategy covers the period 2015-2020. The purpose of this report is to set out a pathway to the proposed 2020-26 HRA Asset Management Strategy and to seek the Committee's endorsement of its scope.

How this report relates to the Council's Corporate Priorities:

The new HRA Asset Management Strategy supports the Council's Corporate Priorities of Customer Service, Community Wellbeing, Environment and Value for Money.

Equality and Diversity Implications

The HRA Asset Management Strategy supports Waverley's commitment to ensuring that those living in Council housing stock are provided with accommodation that suits their diverse needs.

Financial Implications:

Managing and maintaining the Council's housing stock generates a revenue stream of approx. £29 million each year. In order to ensure that the stock is maintained to a good standard, significant investment is required each year. The HRA Asset Management Strategy complements and informs the 30 year HRA Business Plan and aims to ensure that financial resources are appropriately invested and which achieves long term sustainability.

Legal Implications:

There are no legal implications arising directly from this report.

Background

The current HRA Asset Management Strategy was developed and approved in 2015. Members were involved in the development of the strategy and a review has taken place to determine progress against objectives.

The Strategy will expire in March 2020 and in order to commence the review process, it is intended that Members views are sought with regard to the elements to be included within the new Strategy.

Waverley's HRA Asset Management Strategy sets out the Council's approach to managing its housing related assets, held in the Housing Revenue Account. Its aim is to ensure that the housing stock meets the needs of the Borough, whilst also ensuring best use of available resources as well as achieving value for money.

The current strategy needs to be updated to ensure it reflects:

- changing needs and demands
- changes in legislation and regulation
- changes in funding regimes and the impact on investment
- changes in corporate objectives
- changes in aspirations and future priorities

As always, the Strategy needs to enable the Council to deliver a balanced approach to investment across both the existing housing portfolio and aspirations for asset growth through new build and regeneration.

Learning From the Previous Strategy

The key learning point from the review of the current Strategy is that it contained a number of pledges setting out what was to be achieved without a plan detailing how they would be delivered. This meant that actions were not adequately monitored and some pledges were not prioritised as they should have been. Going forward, any pledges set out in the Strategy will be pulled into an action plan where responsibilities can be assigned which will engender team ownership. There will be a considered approach to determining priorities and these will be mapped to resources to identify where there are additional needs to enable delivery.

Through the recruitment of the new Strategic Asset Manager, the Council has the opportunity to raise the profile of asset management as a service area and implement a wider, across team strategy to better manage the portfolio and determine future solutions. This role will be responsible for implementation of the Strategy and ensure that pledges are fulfilled.

The Way Forward and Exploring the Scope of the HRA Asset Management Strategy

The Strategic Asset Manager will take forward the development of the 2020-26 HRA Asset Management Strategy. It is suggested that the Committee may wish to have a Member Working Group to have an opportunity to influence the direction and content of the new strategy, as occurred previously with the current strategy.

The following topics have been identified as setting out a possible framework for the new HRA Asset Management Strategy:

INTRODUCTION, VISION, CONTEXT AND EXECUTIVE SUMMARY

To include the following:

- Foreword by the Portfolio Holder for Housing
- Vision for the management of Housing assets
- Executive Summary setting out the Housing priorities

- Links to the Corporate Plan and Financial Business Plan
- Introduction to asset management
 - Purpose and Scope of the HRA Asset Management Strategy, detailing the extent of the strategy
 - Asset management framework; responsive repairs, cyclical and planned, empty homes, compliance, tenants own improvements
 - Setting the scene of the national, local and corporate context
- Achievements against previous strategy
- Monitoring and Reviewing the Strategy
- Governance – Asset Management Group Terms of Reference

DIRECTIONAL STRATEGIES

Sets out:

- Funding position and impact from changes to Government policies
 - Estimated capital resources required for stock investment – 5, 10 and 30 year plans
 - Estimated capital resources required for new affordable homes and stock remodelling
 - Impairment of assets and the impact of this
- The Strategic approach
- Strategic 5 Year Action Plan
- Risk Management and Audit
- Performance Management
- Value for Money

ASSET PROFILE

Includes:

- Housing stock
 - Right-to-Buy
 - Stock movement
 - Stock condition
 - HRA Stock analysis
 - Stock history
 - Decent Homes – to date

HOUSING DEMAND AND DELIVERY

Sets out:

- Demand
 - Choice Based Lettings
 - Localism
 - Introductory and flexible tenancies
 - Easy Move Scheme
- Delivery
- New Affordable Homes Programme
 - Development sites
 - Garages

DIRECTIONAL OBJECTIVES – DELIVERING THE STRATEGY

Includes objectives relating to:

- Stock viability, options appraisals and disposals
- Stock survey, collection and data management
- The future of Decent Homes – Decent Homes Plus aspirations
- Responsive Repairs
- Voids
- Planned and Cyclical
- Senior Living Accommodation
- Health and Safety
 - Housing Health and Safety Rating System
 - Asbestos
 - Legionella
 - Fire Safety
 - Gas, Smoke Alarms and Carbon Monoxide Detectors
 - Electrical checks
 - Estate and Common part risk assessment inspections
 - Slips, trips and falls
- Disabled Adaptations
- Re-investment Priorities
 - Waverley Standard
 - Regeneration
 - Refurbishment/remodelling
- New Homes Standard
- Security
- Component Lifetimes
- Energy Efficiency and Standard Assessment Procedure (SAP)
- Procurement

FUTURE ASPIRATIONS

Details:

- Investment priorities, community investment
- Technology
- Tenant communication, consultation and involvement

APPENDICES

Will include the following appendices:

- HRA Capital Programme
- HRA Capital 5, 10 and 30 year Projection
- 30 year Business Plan
- Asset Management links to other areas, planned, responsive etc.
- Waverley Standard Summary
- Void Standard Summary
- Procurement Strategy
- Housing Service Staff Structure
- Stock Viability Model Summary Sheet
- Risk Register
- HRA Asset Management Strategy Action Plan

Recommendation

The Housing Overview & Scrutiny Committee is asked to endorse the proposed scope of the new HRA Asset Management Strategy.

The Committee is invited to consider how it wishes to be involved in the development of the new Strategy.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

CONTACT OFFICER:

Name: Lee Hawdon
Asset Management Consultant

Telephone: 01483 523333
E-mail: lee.hawdon@waverley.gov.uk