

WAVERLEY BOROUGH COUNCIL

HOUSING OVERVIEW & SCRUTINY COMMITTEE

26 JANUARY 2021

Title:

Update on development of 2022-2027 Housing Asset Management Strategy

Portfolio Holder: Cllr Anne-Marie Rosoman, Portfolio Holder for Housing & Community Safety

Head of Service: Hugh Wagstaff, Head of Housing Operations

Key decision: No

Access: Public

1. Purpose and summary

- 1.1 Housing's current Asset Management Strategy (AMS) covers the period 2015-2020 ending in March 2021. A decision was made to delay the development of a new strategy covering the period of 2021-26 to fit in with the Climate Change Emergency declaration and this has resulted in the need for an interim action plan for 2021/2 in advance of a development of a new strategy for 2022-27
- 1.2 The purpose of this report is to set out both a plan for delivering a new five year strategy linked to the HRA 30 Year Business Plan, to outline the specific priorities/action plan for the coming financial year and for O&S to scrutinise and review the approach adopted in this report.

2. Recommendation

The Housing Overview and Scrutiny Committee is asked to:

- Review the report and comment on the approach outlined for the developing the new 2022-27 HRA Asset Management Strategy and the interim action plan for 2021.

3. Reason for the recommendation

To inform Housing Overview and Scrutiny Committee of the development and discussion relating to the proposed 2022-27 Asset Management Strategy.

4. Background

- 4.1 A report was originally presented to the Housing Overview and Scrutiny Committee in July 2018 and set out a pathway for a proposed new strategy to replace the current 2015-2020 AMS. The current AMS will expire at the end of 2020/21 and work to develop a new one for 2021-26 has yet to commence although some preparatory work has taken place. This is in part due to the response to the Climate Change Emergency but has also been the result of changes in key personnel together with the unforeseen impact of the pandemic.
- 4.2 The main focus for 2021 will be the development of a new AMS by autumn 2021 whilst also delivering an agreed action plan linked to key priorities within the business plan and budget.

Development of a new Strategy

- 4.3 The current AMS 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 and aspirations of the Borough and its residents both current and future, whilst also ensuring best use of available resources as well as achieving value for money.
- 4.4 The new AMS will be updated to reflect changes in legislation and regulation, funding regimes and the impact on investment and future priorities. It will enable the Council to deliver a balanced approach to investment across both the existing housing portfolio and through new build and regeneration. Importantly, it will also link overall objectives to a more detailed action plan and prioritise them accordingly.

Key Priorities

- 4.5 Whilst the new AMS will consider the existing strategy and in particular maintaining agreed AMS principles contained in it, it will also set out a framework for including the following:
- An Environmental & Sustainability Strategy (ESS) to achieve Net Zero Carbon for the housing stock by 2030 (Carbon Neutrality Action Plan 2020-30)
 - The Social Housing White Report (2020) and the introduction of a new charter with tenants at the centre particularly around safe and secure homes and better
 - Building and Fire Safety Bills and how this will affect asset performance
 - The Regulator of Social Housing's Home Standard
 - Waverley's New Build Design Standard and the continued investment to develop new housing across the Borough
 - The Council's 30 Year HRA Business Plan
 - Feedback from tenants – principally through a satisfaction survey (STAR) and working with the Tenants' Panel
- 4.6 Commitment to become a net zero carbon council by 2030 is a key strategic

objective for the Council as part of the Climate Change Emergency declaration. To achieve this target there will be a substantial amount of planned investment across the borough in terms of works to residents homes against a backdrop of increased demand on specialist contractors as all other social housing landlords strive to meet their own targets. Central government investment will be instrumental in reaching the overall objective.

- 4.7 Access to funding, future phases Green Homes Grant, Social Housing Decarbonisation Fund and other grant funding, as discussed above is critical and depends on specialist resources being recruited to lead and co-ordinate specific funding applications. Recruitment of an energy specialist will also aid specification and validation of new technologies in the housing stock, supporting the net zero carbon objectives. A cross-team approach will be required involving all services areas in housing to ensure buy-in from all concerned and vitally to ensure the overall success.
- 4.8 Asset management is a critical service in the Council and the role of a Strategic Asset Manager is key to both supporting development the new AM Strategy and delivering on the objectives set out for next five years. Recruitment to this post is essential and will ensure that objectives/actions are managed and monitored throughout the strategy's lifetime. Engaging the services of external consultant to support the development of the AMS will be crucial.
- 4.9 Accurate information will be key to future decision making and investment. Stock condition data will be crucial in determining priorities and being in a favourable position to bid for grant funding. The following are key areas where there will be a strong focus on improving the information hold about properties:
- Maintaining stock condition data through continued rolling survey programmes; tackling the backlog of surveys resulting from lockdown measures and access to properties
 - Quality audit of data used for energy calculation/ratings to identify anomalies and missing data with the overall objective of building a Net Zero Carbon Plan of improvement measures
 - Reviewing systems for holding all data related to compliance and cyclical testing regimes and to move towards a holistic dashboard approach to reporting

Strategic direction and scope

- 4.10 It is expected that series of focus meetings and workshops will be organised for key stakeholders to have an opportunity to influence the direction and content of the new strategy. The following competing investment priorities will form part of this debate:
- Net zero carbon measures vs other investment areas
 - Home for life vs flexible tenancies
 - Focus on pure living accommodation (kitchen & bathrooms) vs wider home improvements
 - Minimum statutory vs enhanced Waverley (Modern Homes) Standard
 - Tenant's needs vs tenant's aspirations

- Repair vs replacement work programmes
- External envelope vs wider estate works

4.11 In addition to the above strategic questions, Annexe 2 sets out a proposed framework for the content of the HRA Asset Management Strategy used in the previous strategy.

Next steps

4.12 Work on developing the strategy will be commence in January 2021 and conclude with a recommendation for approval by Council in autumn 2021. This will allow the necessary time to ensure that internal stakeholders are fully consulted, understand objectives/action plan and what this will mean in practical terms operationally for Year 1 (2022/23).

4.13 The table below sets out some of the key milestones with provisional timetable for completion; a more detailed timetable of actual dates will follow once work commences and how milestones fit in to governance timelines.

Action	Provisional Dates
Discussion of brief with Management Board/Executive Board	January 21
Define brief and detailed specification	January
Engage specialist consultant to advise and support AMS development	February
Scoping and data gathering	March
Focus meetings and workshops with relevant stakeholders	April
First Draft	May
Consultation with Tenants' Panel and stakeholders	June
Second Draft for consultation	July
Executive Board to review and agree	August
Housing Overview and Scrutiny review and endorsement	September
Council approval	October

Interim Action Plan 2021/22

4.14 Annexe 1 outlines a number of actions which were highlighted as still outstanding from the interim review of the AMS in 2018 and still remain key areas to be addressed. It also identifies newer actions which are directly linked to priorities in the budget for 2021/22.

5. Relationship to the Corporate Strategy and Service Plan

Waverley's landlord service deals with the management and maintenance of existing council homes and delivering housing. The Corporate Strategy aims to maximise the availability of housing that meets the needs of local people at all income levels, and emphasises the value and worth of all residents. A viable Asset Management needs to be in place to aid delivery of these priorities.

6. Implications of decision

6.1 Resource (Finance, procurement, staffing, IT)

Managing and maintaining the Council's housing stock generates a revenue stream of approx. £30 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. The strategy is intended to be part the 22/23 HRA Business Plan (Council Feb 2022).

6.2 Risk management

A risk assessment will be carried out prior to the project commencing.

6.3 Legal

There are no legal implications associated with this report.

6.4 Equality, diversity and inclusion

The 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.

Equality impact assessments are carried out across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

6.5 Climate emergency declaration

Sustainability and reducing carbon are central to the development of the Asset Management Strategy and future investment in the housing stock.

7. Consultation and engagement

- 7.1. Consultation has taken place with Management Board and the Portfolio Holder. Stakeholder consultation and resident engagement will form an integral part of the future development of the AMS.

8. Other options considered

An Asset Management Strategy is a key document in ensuring that the housing stock meets the needs and aspirations of the Borough and its residents.

9. Governance journey

This report has been presented at Management Board and Executive Briefing prior to Housing O&S.

Annexes:

Annexe 1 – Interim Action Plan 2021/22

Annexe 2 – Proposed Asset Management Strategy Framework

Background Papers

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

This report is linked to the following relevant strategies/documents/reports:-

- Carbon Neutrality Action Plan 2020 – 2030
- 30 Year HRA Business Plan
- Waverley Borough Council New Build Design Standard (2018)
- Scoping of Asset Management Strategy 2021-2026 (July 2018)

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Agreed and signed off by:

Legal Services: 6 January 2021

Head of Finance: 15 December 2020

Strategic Director: 15 December 2020

Portfolio Holder: 16 December 2020