

Report of the Portfolio Holder for Economic Development and Asset Management

ASSET MANAGEMENT STRATEGY 2022 -2025

1. Purpose of Report

The purpose of this report is to recommend a refreshed asset management strategy (2022-2025) for approval.

2. Recommendation

Cabinet is asked to RESOLVE that the Asset Management Strategy and next steps are approved.

3. Detail

ARK Consultancy were engaged by the Council to provide an Asset Management Strategy principally focusing on the housing stock but also to include a number of the Council's main operational premises.

A copy of the report is attached at Appendix 1. At Appendix 2 are Notes to the Asset Management Strategy Report where we have made a number of observations/correction and provided further commentary regarding specific items considered in the report.

A number of actions are already taking place. For example, there are a large number of dwellings in the Council's portfolio where the EPC is out of date because the tenant has been in occupation for some time. This data is important to inform the 30 year planned maintenance programme and improve the energy efficiency of the housing stock. It is also an essential part of grant applications. A project to obtain updated EPC's where necessary has been put in place.

We have also focused on a number of EPC's as part of a Social Decarbonisation Fund bid which was submitted on the 18 November. The Council's proposal looks to tackle premises affected by the constraints of a Conservation Area and is part of a consortium bid. The Council is also pursuing a bid for Home Upgrade Grant (HUG).

Most recently the Housing Repairs function has been transferred from Asset Management to Housing so that a holistic approach to housing stock can be provided. Currently the housing waiting list stands at 1,755 with 16 premises ready to let including 7 premises regarded as difficult to let.

Having considered the report, its findings and recommendations, we are of the opinion that the approach to the strategy for both Housing and the General Fund assets can be broken down into 3 steps, namely, short, medium and long term objectives. This is summarised as follows:

Short term (0-6 months) – for the housing stock the focus is on voids and reactive maintenance. For voids, the emphasis is to reduce the number of voids through close management of works necessary to get dwellings ready to let. A clear benchmark/standard of accommodation is set.

With reactive repairs, a proposal to provide a dedicated repairs contact centre and install software to enable better diagnosis of works required is being considered at the same Cabinet meeting on the 8 December. This will enhance the “right first time” repairs needed by use of housing repairs script alongside the locator tool and National Housing Federation schedule of rates.

This package of measures will also enable better analysis of performance which can then be benchmarked against our peer group.

The assembly of EPC data similarly is now in place following a tender process to appoint a supplier.

An action plan is being developed to ensure readiness to meet the requirements of the Housing White Paper.

For the general fund property, the process has started to consider the zero carbon targets against condition, value for money and medium to long term strategies however the challenge is maximising the opportunities for decarbonisation with assets where the basic fabric needs replacement or extensive renewal.

Medium Term (6-24 months) – the medium term objectives will build on the earlier work such as data collection but also should include the Capital Works programme alongside decarbonisation. The Capital Works programme has been forward thinking and a lot of work to improve the housing stock has been done and in that context, Local Authority Delivery Scheme Phase 2 (LAD2) works comprising for example external wall insulation has completed and signed off. Nevertheless, the housing stock is ageing and repair and maintenance strategies need to look for continual improvement or, if the property is no longer suitable, disposal or redevelopment may be appropriate. This should be qualified in that there can be other influences affecting strategy apart from the financial analysis. Stock options appraisals will need to be prepared.

The Housing White Paper’s impact will be seen from April 2023. The Regulator of Social Housing has confirmed the date and performance on compliance, tenant satisfaction etc. will be in focus.

For the general fund, decarbonisation is a key focus which needs to be built around the strategies set for the properties.

Long Term (24 months to 5 years) A redevelopment/enhancement programme needs to be developed for both the housing stock and general fund property. This may also include new proposals for regeneration projects within the Borough.

In summary it is proposed that a more detailed action plan with timelines be prepared to implement the short, medium and long term recommendations are all addressed. This would then be brought back to Cabinet.

Most recently the issues relating to damp and mould has come to the fore as a result of the recent case regarding Awaab Ishak. Damp and mould has always been a very important consideration for the Council with regard to their housing stock and this recent case has highlighted the issues. Capital Works and Housing will work together to ensure a continued programme of works to eliminate this issue within their stock.

4. Financial Implications

The comments from the Head of Finance Services were as follows:

There will clearly be financial implications for the Council in terms of both revenue budgets and the capital programme. These will be considered at a more detailed level as the Asset Management Strategy is developed and the short, medium and long-term projects are programmed and delivered. With sound forward planning and the appropriate engagement, the cost of the programme can be considered as part of the annual budget setting process. In the meantime, any other urgent works with significant budget implications would require approval by Cabinet.

5. Legal Implications

The comments from the Monitoring Officer / Head of Legal Services were as follows:

The purpose of an Asset Management strategy is to ensure that the Council uses and manages its housing stock to meet its needs and objectives. It is good practice for the Council to have an Asset Management strategy. The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of housing accommodation. The regulator of social housing derives its powers from the Housing and Regeneration Act 2008 and one of its stated objectives is to undertake economic regulation of providers of social housing, focusing on governance, financial viability, and value for money. Additionally, there are various statutory and regulatory obligations that the Council must comply with which will be addressed within the Strategy document and further legal comments will be provided once the strategy is developed.

6. Human Resources Implications

The comments from the Human Resources Manager were as follows:

No comment

7. Union Comments

The Union comments were as follows:

We note that the General Fund strategy refers to redevelopment opportunities at the Kimberley Depot site. It is also noted that this is not new and indeed is a long term strategy that is predicated on relocation of the Depot operation. As this may impact union members we will arrange to communicate with them appropriately.

8. Data Protection Compliance Implications

Not applicable.

9. Equality Impact Assessment

As attached.

10. Background Papers

Nil