

EXETER CITY COUNCIL

SCRUTINY COMMITTEE – COMMUNITY 10 MARCH 2009

EXECUTIVE
24 MARCH 2009

HOUSING ASSET MANAGEMENT STRATEGY 2009-2015

1 PURPOSE OF THE REPORT

- 1.1 To inform Members of the new Housing Asset Management Strategy and the recommendations contained within it.

2 INTRODUCTION

- 2.1 Following the outcome of the mock inspection of landlord services in October 2007 one key recommendation was the need to develop a comprehensive Asset Management Strategy for the Council's housing stock that links to the objectives set out in the Housing Revenue Account Business Plan. This is supported by the Audit Commission's Key Lines of Enquiry documents that also expect to see a strategic approach by landlords to the management of their assets.
- 2.2 The proposed Asset Management Strategy has been developed over the past twelve months by a working group of officers and residents from the Tenants and Leaseholder Committee (TALC) with input from the Portfolio Holder for Housing & Social Inclusion. A copy of the full strategy has been placed on the web-site with a copy also available in the Members' room for information.
- 2.3 The strategy sets out in detail how the Council intends to manage its housing assets over the next six years and how the available capital resources will be invested.

3 ASSET MANAGEMENT

- 3.1 Asset management is defined as the management of physical assets to meet service and financial objectives. Generally it is concerned with:
- The overall performance of the housing stock and the contribution it makes to the HRA business plan.
 - The whole life cycle of a property, from the proposal to build, through development and maintenance, to the decision and method of disposal.
 - The way management and investment can be directed to support community development and improve asset portfolio performance.
- 3.2 The Council's approach to asset management will ensure that our housing stock meets the current and future needs of client groups, while being sustainable and affordable. Our asset management priorities are therefore to:
- Ensure the long term viability and sustainability of our existing stock and to maximise its value.
 - Maintain and manage the stock to meet current standards defined by decent homes and our statutory obligations as a landlord.
 - Invest in the stock to address future needs and improve environmental sustainability.
 - Within the parameters set by the HRA Business Plan, fund investment in the existing stock to maintain its condition and meet tenant expectations.

- Reduce the long term costs of maintenance and housing management in line with the efficiency agenda.
- Improve customer satisfaction and meet agreed aspirations.

3.3 In developing the strategy the working group has undertaken the following:

- A comprehensive review of existing stock condition data
- A review of other survey and responsive repair information
- A review of existing maintenance and improvement programmes
- Re-prioritised capital investment in the housing stock to meet available resources
- Brought together recommendations from other review groups (e.g. older persons review of sheltered housing) to ensure their recommendations are taken into account
- Incorporated existing policy initiatives (e.g. development of in-fill sites, neighbourhood management etc)
- An assessment of recent tenants surveys and complaints
- Ensured the strategy links with the HRA Business Plan and its overall objectives
- Assessed best practice across the housing sector
- Considered current legislation and regulation

4 MAIN RECOMMENDATIONS FROM THE PLAN

4.1 The Asset Management Strategy has identified the full range of maintenance and improvement work required to the Council's housing stock. It also puts an estimated cost against each item of work and, where possible, the number of properties affected. Unfortunately, the amount of capital resources available to undertake this work falls well short of the total required.

4.2 To create a capital investment programme that meets the projected financial profile the Asset Management Working Group looked at each item of work individually and assigned a level of priority against each one. The group then placed each programme of work into one of five main overarching categories. These categories were prioritised in the following way:

1. Health and Safety
2. Structure
3. Thermal Comfort
4. External Works, and
5. Improvement Works

4.3 The works placed within each category were also prioritised to reflect resident aspirations and requirements. Other issues were also considered and taken into account, including maintaining the Decent Homes Standard past the 2010 target and meeting our statutory and regulatory obligations.

4.4 As a result a new programme of work has been developed to ensure an acceptable and sustainable minimum standard is maintained across the Council's housing stock. However, this review and re-prioritisation has resulted in aspects of the previous Exeter Standard being dropped to ensure sufficient resources are available for other work. This primarily affects replacement of kitchens and bathrooms which will mainly be carried out on a reactive basis in future.

4.5 The re-prioritised programme places greater focus on the replacement of our existing and out-dated electrical heating systems to almost 500 properties across the housing stock. This will improve the overall efficiency of the heating in each property, help to reduce tenants' fuel bills and increase the stock's overall SAP rating (a national measure of energy efficiency and thermal comfort). It also includes essential fire prevention works in communal areas to meet new regulations.

- 4.6 The new programme also includes some essential structural work such as the replacement of concrete canopies and a budget for the improvement of communal areas within and surrounding the Council's 500 blocks of flats. A full copy of the proposed capital programme for the years 2010-2015 and 2015-2020 is attached to this report as Appendix I.
- 4.7 The strategy also sets out those works that currently cannot be funded. This work will be carefully monitored and included in any future programme as and when additional resources become available.
- 4.8 The strategy is required to consider all the Council's Housing Revenue Account assets. Other issues included are:
- An assessment of our current stock holdings and demand for it
 - The development of new housing on small 'in-fill' sites within existing housing estates
 - The potential for the development of new Council housing
 - The assessment of existing sheltered housing sites to help prioritise future investment to ensure their long-term sustainability
 - Implementing more effective neighbourhood management policies to improve the management of the housing stock
 - Policies for dealing with overcrowding and under-occupation
 - The continual updating of our stock condition database
 - The implementation of asbestos, legionella and fire safety regulations
 - Monitoring arrangements for delivering the strategy including a range of performance indicators and enhanced resident involvement

5 CONCLUSION

- 5.1 There is a need for a strategic approach to managing the Council's housing assets. It is also a requirement of our regulators that we demonstrate such an approach is being followed and that residents are involved in the development and delivery of the Asset Management Strategy.
- 5.2 It is essential that the management of housing assets is linked with the overall business plan for the service as a whole. The strategy must demonstrate that the resources available are being invested in such a way as to achieve best value for money.
- 5.3 Long term investment plans will give officers, Members and residents greater certainty of the work to be undertaken and assist in the delivery of the plan.

6 RECOMMENDED

That Scrutiny Committee – Community supports and Executive approves

- 1) the Housing Asset Management Strategy 2009-2015
- 2) that a further review of the strategy is undertaken in parallel with the HRA Business Plan in 2010 and the findings reported to Members

HEAD OF HOUSING SERVICES

S:PA/LP/ Committee/309SCC2
24.2.09

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report:**