

Individual Cabinet Member Decision

Implementation of Council Housing Asset Management Strategy

Report of Head of Housing

PURPOSE OF REPORT					
The report seeks authorisation to implement the Council Housing Asset Management Strategy and supporting Action Plan.					
Key Decision		Non-Key Decision	X	Referral from Cabinet Member	
Date of notice of forthcoming key decision		N/A			
This report is public					

RECOMMENDATIONS:

- (1) To approve the draft Council Housing Asset Management Strategy and supporting Action Plan covering the period 2022 to 2027.
- (2) That quarterly reports on progress against the Plan are shared with the Portfolio Holder with responsibility for Housing.
- (3) That the Strategy and Action Plan be reviewed after two years to ensure it stays relevant within the current climate.

1. Introduction

1.1 Lancaster City Council is proud to remain a stock retaining authority and the opportunities that presents to meetings the Council's Corporate priorities. It is the largest registered provider of affordable rented housing within the district, with responsibility for the management and maintenance of around 3,800 homes, across Lancaster, Morecambe, Heysham, Carnforth, and the coastal and rural villages. The Council's housing stock is a substantial asset, servicing a wide range of housing needs including general needs and family accommodation, older persons independent living schemes, and community centres.

1.2 The council aims to care for and improve the lives of our residents and diverse communities across the district and, in particular to protect those who are the most vulnerable. The Council Housing Team is recognised as contributing to this aim and to our resident's wellbeing by providing homes that are safe, secure, warm and affordable that meet their needs. For this to be a reality it means we need to remain a high

performing Council and continually improve our approach to asset management. This asset management strategy sets out the overarching framework for how the investment and maintenance of our homes will be at the centre of achieving our ambitions, and costs associated with this will be factored into HRA budgets, where not already earmarked.

1.3 In simple terms, asset management of housing stock is wide ranging and can involve repairing, maintaining, refurbishing, converting, acquiring, disposing and developing new homes. It is about making the right decisions utilising financial and modelling tools supplemented by accurate and up to date data. This ensures investment decisions are made which support and sustain individual properties, communities and the wider environment.

1.4 In addition, as residents have seen the cost of their energy bills rising dramatically and this is expected to continue a key focus of this strategy and action plan is the expectation that the Council will take forward measures to ensure homes are more energy efficient and affordable to heat and thus reduce the financial burden this places on residents.

1.5 It should also be noted that the housing sector faces significant challenges linked to new legislation and regimes around building safety following the Grenfell tragedy in not just ensuring compliance with minimum legal standards but of the need to go beyond this. We are committed to doing all that is reasonably practicable to keep our residents safe in their homes and will continue to keep abreast of regulatory and legislative changes, the Asset Management Strategy forms part of that approach.

2. Priorities

2.1 Lancaster City Council Housing Service in conjunction with residents has set the following Strategic Vision for our approach to asset management:

'Lancaster City Council will provide homes and neighbourhoods which are resident centred, modern and fit for the future. We will seek to ensure residents have homes which are energy efficient and easy to use in welcoming neighbourhoods where they can access and enjoy the communities around them.'

2.2 To achieve this ambition the Strategy outlines seven key priorities:

1. Providing safe and secure homes;
2. Understanding our asset base;
3. Reshaping our asset base;
4. Be committed to addressing the climate emergency;
5. Providing new homes and regeneration;
6. Delivering value for money;
7. Delivering high satisfaction.

2.3 To assist in achieving these priorities an Action Plan has been developed which sets a roadmap for the next two years, following which this will be updated. Due to significant changes the Council is already aware of through the Building Safety Act which comes into power from 1st April 2023, as well as other expected changes emerging from the Social Housing White Paper including the update to the Decent Homes Standard it felt appropriate to take stock of achievements and information received through stock condition survey information and EPC data and seek to review and refresh the Strategy with an updated action plan for the current climate at that time.

3. Resident engagement

3.1 At the end of 2021, several key stakeholder workshops took place with staff from

across the Housing Service, tenants and the Housing Portfolio Holder to help formulate the strategy. The objective was to focus in on the Legislative and Regulatory framework the Council must comply with as a responsible landlord, but also to understand the ambitions of what residents would like to see and what the Council would like to deliver but in the context of limited and stretched resources available. Considering the recent Grenfell tragedy an overriding priority was to seek to mitigate and manage risk where it remains.

3.2 The Asset Management Strategy was presented to members of the District Wide Tenants Forum (DWTF) on 17th March 2022. Membership of this forum consists of customers, elected members and Council Officers. The DWTF supported the implementation of this Strategy, the rationale for having a strategy and the two-year action plan.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: To approve the Council Housing Asset Management Strategy and associated Action Plan	Option 2: Do not approve the Council Housing Asset Management Strategy and associated Action Plan
Advantages	Council will have an agreed Strategy to work towards – this sets out what requirements the Council needs to meet and will underpin the Council’s actions specifically around property compliance and building management. The Strategy can be utilised to help focus resources where it is needed most and support the budget setting process	None known – whilst the Council Housing service could potentially save resources through not implementing the Strategy and Action Plan it is likely that those resources could then be utilised focussing on the wrong thing e.g. a programme of renewals and investment on a particular area or stock type that wasn’t required.
Disadvantages	The Strategy will require review after two years with an updated action plan to be developed – however it is felt appropriate considering the changes foreseen on the horizon to ensure the strategy is regularly reviewed. Equally many of the actions within the strategy will come with a resource requirement, much of these will be able to be met through current budgets however where additional costs are incurred this will be either built into future years budget setting processes.	None known – it is important that the Council has an Asset Management Strategy for its Council Housing portfolio.
Risks	Approving the Strategy at this point carries a risk that the government will make further announcements in relation to	As detailed above – the Council Housing Service should have an Asset Management Strategy in place helping to shape how we

	<p>requirements for social housing providers in the near future – such as updating the Decent Homes requirements, resulting in the Strategy or parts of the Strategy becoming out of date quickly – however the Strategy allows for regular reviews and therefore the Portfolio Holder and residents through tenant communication channels will be kept updated.</p>	<p>manage the buildings that we own, not approving the strategy risks directing resources inappropriately.</p>
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5.0 Officer Preferred Option (and comments)

5.1 The Officer preferred option, is Option 1. As already outlined approving the Council Housing Asset Management Strategy results in us being able to understand our stock better and be able to direct resources appropriately. Actions contained within the associated Action Plan will also significantly contribute towards supporting residents around the current energy crisis through advice from our dedicated Energy Support Officer and seeking to provide improvements to the energy efficiency and overall warmth of our buildings, whilst having a clear focus on the climate emergency and renewable technology.

6.0 Conclusion

6.1 By approving this Council Housing Asset Management Strategy significant improvements will be realised in understanding our properties through better data and being able to direct resources appropriately. The Strategy supports the Council's ambitions around acting on the climate emergency through both improved / more energy efficient homes but also in supporting our residents who live in our properties.

RELATIONSHIP TO POLICY FRAMEWORK

This Strategy seeks to support the ambitions contained within the Homes Strategy 2020-25.

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)

Implementation of the Council Housing Asset Management Strategy would have no known negative consequences for specific groups, but would undoubtedly have positive impacts such as ensuring disabled residents are able to access appropriate adaptations in their homes and that we support residents across our housing stock by creating warmer and more energy efficient homes.

LEGAL IMPLICATIONS

Legal Services have been consulted on this matter and have no further comments to make.

FINANCIAL IMPLICATIONS

The costs relating to implementing the draft Council Housing Asset Management Strategy and supporting Action Plan can be managed from within existing budgets.

However, the progression of the action plan will result in various financial issues arising in due course. These will initially be highlighted within the quarterly report and reported to Members for consideration at the appropriate time.

The cost of the project work required to acquire a new asset management system is included in the system replacement project which is funded from the HRA ICT & Systems Improvement Reserve, as approved by Council on 23rd February 2022.

OTHER RESOURCE IMPLICATIONS

Human Resources:

There are no Human Resource implications arising from this report.

Information Services:

The action plan in the attached strategy proposes that the Council acquire a new asset management system as the current data system is not fit for purpose, to enable data storage, scenario planning and reporting, various scenarios are currently being considered including seeking to utilise the system already used by Property Services within the Council, utilise a system being purchased by the Lancashire Consortia or to implement a system / module as part of the wider Council Housing System replacement roadmap. No decision on the way forward has yet been reached. Where new systems are implemented ICT will be engaged accordingly.

Property:

There are significant positive implications arising from this strategy in relation to Council Housing assets, as outlined in the accompanying documents.

Open Spaces:

There are some implications arising from this strategy in relation to open spaces as part of a neighbourhood approach, but will be linked public / green space owned by the Housing Revenue Account. Any changes to delivery of services by Public Realm will be consulted with and appropriate recharges made where applicable.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no comments to make in addition to those outlined within the financial implications

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments to add

BACKGROUND PAPERS

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Ref: N/A