

Decision maker: Cabinet Member for Housing

Subject: Local Authority Housing Management (LAHM) Asset Management Strategy

Date of decision: 18 September 2012

Report by: OWEN BUCKWELL – HEAD OF HOUSING MANAGEMENT

Wards affected: All Wards

Key decision: No

Budget & policy framework decision: Yes

1. Summary & Purpose of report

- 1.1 To seek approval to adopt the Local Authority Housing Management (LAHM) asset management strategy (appendix A) as a framework to make decisions about its assets.
- 1.2 The asset management strategy provides a profile of the LAHM assets that are being maintained and improved, what type of asset demands are considered, how and when repairs and maintenance services will be provided together with which budget, staff and contractor resources will be used to provide the service.

2. Background

- 2.1 Reform to the Housing Revenue Account (HRA) subsidy system and the introduction of self-financing has created a need for more robust business planning over the next 30 years to enable LAHM to manage all of its budget resources over this term. The asset management strategy will provide a framework to manage the resources to achieve identified key priorities.
- 2.2 The Housing Investment Programme (HIP) is the Housing Portfolio's seven year capital programme, which is formally reported twice a year and will seek to be informed by the asset management strategy. Funding the HIP comes from a number of sources detailed in the annual HIP budget, which is consulted with resident forums.
- 2.3 LAHM manages, maintains and owns, within its asset portfolio, 15,155 residential dwellings and manages a further 1,849 residential leasehold properties from seven area housing offices.

The majority of dwellings were traditionally constructed low to medium rise properties built post war in the 1950s and 1960s. The number of residential dwellings within the portfolio has decreased through right to buy purchases, although recent years have seen a reduction in the number of properties sold.

- 2.4 LAHM manages, maintains and owns within its asset portfolio a variety of non-residential assets including parking spaces, garages, mobile home parks, day care centre, community centres, youth clubs, adventure play grounds, nursery, offices, housing depot, retail premises and various individual parcels of land.
- 2.5 LAHM has established the customer purpose for all its repairs and maintenance services, the asset management strategy will seek to provide a repairs and maintenance service to achieve the purpose within the scope of service.
- 2.6 LAHM has a legal responsibility as a landlord to ensure that all assets allow residents to live in a safe environment; the asset management strategy will seek to ensure LAHM undertakes all its statutory demands.
- 2.7 LAHM receive stock maintenance demands from both its residents and staff through the day to day management of the repairs and maintenance service; the asset management strategy will seek to ensure that it assess and meets the demands received to maintain its properties.
- 2.8 LAHM receive demands from both its residents and staff through the day to day management of the repairs and maintenance service to improve our property; the asset management strategy will seek to that it assesses and meets the demands to improve its properties.
- 2.9 The asset management strategy will ensure that LAHM continually assesses demands for local authority housing and the impact of changing legislation such as the Welfare Reform Act, so that it utilises all of its assets to enable it to provide suitable homes when needed.
- 2.10 LAHM resources of HRA budgets, people and contractors will be managed to gain maximum sustainable benefit over time and demonstrate value for money. The asset management strategy will provide a framework for the management of the work detailing the improvement methodology adopted, the LAHM principles of work and measures to be used to assess performance against the key priorities.
- 2.11 LAHM asset management plans and performance with regard to the asset management strategy key priorities will be formally reported annually to the Cabinet Member for Housing Executive.

The report will review progress against the key priorities using appropriate measures and will confirm the current LAHM asset management plans.

3. Recommendations

- 3.1 It is recommended that approval be given to adopt the LAHM asset management strategy.**

4. Reasons for recommendations

- 4.1 The asset management strategy sets out a framework for LAHM to manage work and make future decisions about its assets over the next 30 years utilising resources to provide an efficient service designed to achieve all LAHM customer purposes.
- 4.2 The asset management strategy highlights five key priorities identified from analysis of value demand received that will underpin the asset management strategy when allocating available resources.

5. Options considered and rejected

- 5.1 There are no alternative to options that can be considered, the reform of the HRA make the need for a framework imperative to support business plans ensuring transparent decisions, effective performance management and efficient use of resources.

6. Duty to involve

- 6.1 The framework for the asset management strategy has been presented to the Resident Budget Group on 13 August 2012 and the Resident Consortium Link Group on 16 August 2012. The asset management strategy was well received at both groups.
- 6.2 After the asset management strategy has been approved it will be communicated to all residents and leaseholders using appropriate media formats including the PCC website and resident magazines.

7. Implications

- 7.1 The asset management strategy should have a positive implication to support the long term business planning of the resources required to achieve its key priorities and maintain and improve our properties.
- 7.2 The asset management strategy should have a positive implication to ensure that LAHM meets the demands it receives and provides suitable homes when needed.

8. Corporate priorities

This report and the asset management strategy it refers to contribute to the following Corporate Priorities:

- Reduce crime and the fear of crime
- Increase availability, affordability and quality of housing
- Protect and support our most vulnerable residents
- Improve efficiency and encourage involvement
- Regenerate the city
- Cleaner and greener city

9. Equality impact assessment (EIA)

A preliminary Equality Impact Assessment (EIA) has been completed. The Asset Management Strategy will benefit all tenants and leaseholders, it is an over-arching document and consultation on individual aspects of the strategy will happen when they occur.

The strategy does not affect people from protected characteristics adversely as each resident who uses the service is dealt with as an individual and their 'nominal value' assessed. A Full EIA is **not** required.

10. Legal implications

The Council has a general duty to consider housing conditions and the need to provide housing. Where the Council has provided for housing by means of its own owned dwellings, it is under a corresponding duty to ensure that that stock is in habitable condition, and – in wider terms – that the value of its stock is maintained.

The City Solicitor notes that the recommendation contained within this report seeks to meet that duty.

11. Head of finance's comments

11.1 The asset management strategy forms a set of principles against which all future capital spend proposals will be measured. This report does not request any additional spend that has not already received Member approval, but instead serves to ensure that the use of resources is maximised towards the delivery of particular priorities and ensures that the HRA's housing stock remains well maintained and meets the demand for social housing over the next 30 years.

11.2 The Housing Investment Programme, which will be next approved by Full Council on the 12 February 2013, will be based on the principles of this asset management strategy.

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Signed by:
Owen Buckwell – Head of Housing Management

Appendices:

Appendix A Local Authority Housing Management (LAHM) Asset Management Strategy

Background list of documents:

NIL

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by [**Cabinet Member for Housing** on [**insert date of meeting**].

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Signed by: [**Councillor Steven Wylie**]