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Title of meeting:	Cabinet Member for Housing and Preventing Homelessness
Subject:	Update on Housing Revenue Account Asset Management Strategy
Date of meeting:	23rd March 2023
Report by:	James Hill - Director of Housing, Neighbourhood and Building Services
Report Author:	Meredydd Hughes - Assistant Director of Building Services Steve Groves - Head of Building Maintenance
Wards affected:	All Wards

1. Requested by

- 1.1 The report was requested by** Councillor Darren Sanders, Cabinet Member and Portfolio Holder for Housing and Preventing Homelessness.

2. Purpose of Report

- 2.1** The purpose of this report is for information only and provides the Cabinet Member for Housing and Preventing Homelessness with an update on the Portsmouth City Council Housing Revenue Account (HRA) Asset Management Strategy (AMS).

3. Brief Summary

- 3.1** The Cabinet member for Housing and Preventing Homelessness has requested an update on the progress of the revision of the Portsmouth City Council (PCC) Housing Revenue Account Asset Management Strategy (HRAAMS), the purpose of which will be to ensure that PCCs social housing portfolio will continue to be managed with financial prudence, ensuring the health, safety and security of our tenants and the communities in which they live. The HRAAMS will also inform the long-term strategic maintenance decisions for the housing stock over the next 30 plus years including estate renewal.

4. Background

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- 4.1 The existing PCC Housing Revenue Account Asset Management strategy was last updated on the 1st of September 2021 to reflect the change of the Housing, Neighbourhood and Buildings Directorate structure, and to incorporate up to date PCC stock information data. (Appendix 1).
- 4.2 The purpose of the existing Asset Management Strategy is to set out a framework for PCC's Housing, Neighbourhood and Building Services (HNB) to make decisions about its housing assets over the next 30 years.
The strategy provides a profile of housing assets that are being maintained and improved, together with:
- a framework of how and when building maintenance services are provided.
 - what type of asset demands are considered.
 - how the work will be managed together with measures to evaluate the budget.
 - staff and contractor resources required to effectively manage the service.

The strategy will be supported by the Housing Revenue Account (HRA) 30-year business plan.

The strategy links with the council's corporate priorities of achieving the city vision by working together as one council with our partners and communities, and to tackle health, social and economic inequalities.

- 4.3 The existing asset management strategies key priorities derived from our demand analysis underpin the strategy. These are considered in order of priority when allocating resources.
- 4.3.1 Priority 1: Repairs and maintenance service customer demand.

Customer related purposes have been established for each aspect of the repairs and maintenance service and we will continually seek to achieve them:

- Right repair at the right time
- Maintain and improve our property.
- Provide suitable homes when needed.

We will carry out building maintenance to our assets within a scope of service that ensures we meet our landlord responsibilities as stated within the tenancy agreement.

- 4.3.2 Priority 2: Undertake statutory demands.

Our legal responsibility as a landlord is to ensure that all assets allow residents to live in a safe environment.

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We will ensure that we undertake all of our statutory asset obligations as a landlord.

4.3.3 Priority 3: Maintain our property demand.

Stock maintenance demands are received from both our residents and staff through the day-to-day management of the building maintenance service.

We will assess and meet demands to maintain our properties.

4.3.4 Priority 4: Improve our property demand.

We receive demands from both our residents and staff through the day-to-day management of the building maintenance service to improve our property.

We will assess and meet demands to improve our properties.

4.3.5 Priority 5: Utilise Housing & Property (HRA) assets.

We will ensure that we continually assess and utilise all of our assets to enable us to provide suitable homes when needed.

4.4 Appendix 1 shows the current HRAAMS.

5. Key Considerations for an Updated HRAAMS

5.1 The work to update the HRAAMS will appraise the priorities shown in 4.3 particularly in light of significant changes since 2021. The following section highlights some of those key considerations and in turn reinforces the need for this work to be completed within the next financial year.

5.2 PCC acknowledges that current and future asset management requirements in the social housing sector resulting from the carbon Net Zero agenda, the Building Safety Act, provision of new affordable homes, continued health safety and compliance focus, and the Charter for Social Housing residents, has refocused our requirements to make the most of our property assets.

5.3 At the same time these requirements must deliver against the seven key principles that every social housing resident should be able to expect and are detailed in the charter.

- To be safe in your home.
- To know how your landlord is performing.
- To have your complaints dealt with promptly and fairly.

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- To be treated with respect, back by a strong consumer regulator for tenants.
 - To have your voice heard by your landlord.
 - To have a good quality home and neighbourhood to live in.
 - To be supported to take your first step to ownership.
- 5.4 The Council's ability to continue to deliver efficient services for tenants, generate income revenue, and provide a solid platform for improvement, depends on our ability to make the most of our property assets. This can only be achieved by ensuring we make prudent strategic financial decisions, based on income from assets and the expenditure required to look after them.
- 5.5 The primary objective of the Asset Management Strategy (AMS) is to ensure that the Council's social housing portfolio is managed with financial prudence, balanced with ensuring that the Council continues to meet all its statutory obligations as a Local Authority Landlord and, ensure the provision of good quality homes for our tenants to live in.
- 5.6 Our revised PCC HRA AMS will set out the preferred approach to the Council's asset management delivery and outline the key actions necessary to improve both our service and operational delivery, while adapting to issues that affect all social housing providers.
- 5.7 The strategy will set out the PCC approach to planned capital investment for works to improve the energy efficiency of the Council's social housing, thereby also tackling fuel poverty. The AMS will serve as a framework for operational activity and effective governance and ensure best practice expectation.
- 5.8 Without a clear strategy in place, the management of assets would evolve to create a capital programme around a perception of what the Housing Revenue Account (HRA) could afford, within the context of the financial parameters of the day, as opposed to looking at the long-term needs of the residents and investment in the Council's assets.
- 5.9 Without an updated and revised AMS in place, it is difficult to develop robust, long term strategic capital investment plans. To deliver its AMS, the Council must ensure that the requirements of the housing stock are affordable within the context of the HRA Business Plan. Assessment of performance and acting upon the results of viability modelling is an important factor in maintaining a portfolio that is sustainable in the medium to long term.
- 5.10 The AMS will include specific detail on how the HRA will deal with the Council's Net Zero aspirations. This is a direct response to the decarbonisation and biodiversity agenda.

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- 5.11 To achieve the Government' and PCC's ambition to decarbonise the social housing portfolio, will require substantial investment in the medium term. The AMS will assist in assessing the quantum of this financial investment. The Government has set a target that all social housing should achieve Energy Performance (EPC) of C by 2030.
- 5.12 PCC adopts an Energy Hierarchy approach to energy efficiency in homes, in that it adopts a fabric first approach in adding improvements to both its existing housing stock and for new build properties being added to the portfolio.
- 5.13 The decarbonisation detail will highlight methods to support the HRA Capital Programme using various grant funding streams being made available by Government to make housing more energy efficient and less reliant on fossil fuels.
- 5.14 PCC have announced their intention to pilot the design to Passivhaus standard for new build homes, which will test the buildability and affordability of adopting such a standard. A paper, Improved Energy Efficiency Standards for new Build Council Homes, was presented to the cabinet for Housing and Preventing Homelessness on the 8th March 2021¹, and the pilot was approved.
- 5.15 Applying the principles of low energy efficiency design on existing houses represents a greater challenge as a result of the constraints associated with existing building fabric and designs. The cost associated with improving the building fabric in older and in non-traditional properties needs to be carefully evaluated when looking at the balance on what energy and cost savings our resident's are likely to realise as a consequence of the works.
- 5.16 The strategic objectives of the revised AMS for PCC will include, but will not be limited to:
- Manage and maintain homes to a good standard.
 - Improving and maintaining homes, and as a by-product, continue to meet the Regulator of Social Housing's 'Home Standard'.
 - Programming and procuring works so that repairs and maintenance are conducted cost effectively and responsively, in a way that reflects residents' needs, preferences and aspirations.
 - Ensuring that necessary re-investment in the stock is made a key priority within the Council's financial framework.
 - To align with the Council's zero carbon commitment ensuring that all homes are green, sustainable and energy efficient.

¹ [Agenda for Cabinet Member for Housing and Preventing Homelessness on Monday, 8th March, 2021, 4.30 pm Portsmouth City Council](#)

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5.17 The principles for delivery of the revised AMS strategy for PCC will include, but are not limited to:

- Listen and respond to the views and aspirations of all stakeholders.
- Work with our residents through tenancy audits, to ensure that homes are being looked after and that the needs of the household are identified.
- Actively obtain and then manage data relating to health and safety compliance, acting promptly to tackle any issues or matters for concern.
- Procure works and services for delivery that provide best value for money and good quality.
- Maintain an Asset Management Group (with all key stakeholder groups represented) this group will review and monitor proposals, objectives, and delivery.
- Undertake as much work as possible in a pre-planned way, thus reducing reactive works to a minimum.
- To make communities greener and properties more energy efficient, addressing fuel poverty.
- Decrease levels of crime and anti-social behaviour across our estate through appropriate specification and joined-up neighbourhood delivery.

6. Next Steps

6.1 Officers from Building Services have been working with Ridge and Partners LLP, property and construction consultants, who have delivered HRA asset management strategies for several Local Authorities (LAs) and Registered Housing Providers (RHPs). The initial PCC brief for Ridge was to undertake an initial scoping exercise and review the existing stock data information held.

6.2 Further detailed works are required in 2023 to develop the revised HRA AMS for PCC. The following tasks need to be undertaken, which will include these actions:

- Initial presentations to articulate active asset management principles and the proposed direction of travel to key stakeholders (including staff, members, and residents);
- Preparation of a clear project programme articulating the key milestone dates and a final delivery and presentation of the finalised AMS;
- Identify any additional resources requirements to manage the work
- Undertake a deep dive into asset data held, and update where necessary the Asset Management Database. Formulate a plan and timetable for additional data capture and 'gap filling';
- Review of asset ownership lists and knowledge of related assets (such as unadopted roads etc.);
- Work with the Building Safety Manager to audit the progress for higher-risk building safety cases (including format and shared data);

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- Agree a presentation methodology for the 30-year business plan input information (cost tables) with Finance officers;
- Working with finance officers in supporting 'sensitivity analysis' of cost options in comparison to available budgets (gold/silver/bronze options and summary of the implications in comparison from one to another).
- Assessment of housing energy data and potential modelling to inform the drafting of a housing energy/sustainability strategy that will be integrated within the wider asset management strategy;
- Preparation of a housing stock viability model, that incorporates technical demands as well as housing management/lettings data;
- Preparation of a stock options appraisal template to support comprehensive and consistent appraisal and outcome recording;
- Out-turn/costs value for money review relating to works and services costs;
- Delivery of final AMS to Housing and Preventing Homeless cabinet meeting for sign off; and,
- Final presentations to stakeholders including members, residents' groups and staff etc.

6.3 A detailed timetabled project programme will be developed and shared with the portfolio in the new municipal year. The work will continue to be progressed and a further report will be brought to the Cabinet member for Housing and Preventing Homelessness in October 2023 to update on the progress.

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Signed by James Hill - Director of Housing, Neighbourhood and Building Services

Appendices:

Appendix 1: Housing, Neighbourhood and Building Services Asset Management Strategy 2021

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

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