Report of Chief Officer Property & Contracts

Report to Housing Advisory Board

Date: 28th February 2017

Subject: The Housing Leeds Asset Management Strategy

Are specific electoral wards affected? If relevant, name(s) of ward(s):	☐	Yes	☒	No
Are there implications for equality and diversity and cohesion and integration?	☒	Yes	☐	No
Is the decision eligible for call-In?	☐	Yes	☒	No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	☐	Yes	☒	No

Summary of main issues

1. Historically there has been no Asset Management Strategy (AMS) underpinning and directing improvements, repairs and maintenance investment in the council housing stock. The AMS is a key document, setting the direction of travel for HRA investment over the medium term. It details a forward looking plan to deliver a citywide aspiration for the housing stock that goes beyond traditional Decent Homes investment and supports the Best Council plan.

Recommendations

2. That Housing Advisory Board:

2.1. Note progress on developing the AMS;

2.2. Provide feedback on the priorities it is framed around; and

2.3. Support the inclusion of details on the AMS in a report to Executive Board on the revised HRA Business Plan in March 2017.

1 Purpose of this report

1.1 The purpose of this report is to advise Housing Advisory Board on the development of an Asset Management Strategy (AMS) for Housing Leeds.

2 Background information

2.1 Historically there has been no AMS underpinning and directing improvements, repairs and maintenance investment in the council housing stock. The establishment of Housing Leeds has created the opportunity to develop an AMS that explains and directs investment activity in the future.

2.2 The Investment Strategy team have been developing the AMS since late 2015. In early 2016 we benefitted from some consultancy from the Chartered Institute of Housing's (CIH) Director of Assets and Neighbourhoods, provided via Mears. This entailed a critique of an early draft of the AMS and feedback on how it might be best developed.

2.3 Essentially the feedback was that the AMS should be based around a clear vision of what Housing Leeds wants to achieve and clear key priorities, underpinned by a strong understanding of the relative performance of the housing stock.

2.4 The AMS was updated in light of this original feedback from the CIH and then again in response to a second review/critique conducted in August 2016. It now represents a clearly defined, modern and intelligent approach to the strategic and operational management of social housing assets, in line with the guidance on 'Working Together to Redefine Asset Management' recently issued by the Chartered Institute of Housing.

3 Main issues

3.1 The attached 'plan on a page' (Appendix 1) sets out and summarises the vision and priorities guiding the development of the AMS. These look beyond traditional Decent Homes investment and aim to support the Best Council plan, enabling tenants, residents and communities to take pride in their homes and neighbourhoods. The priorities direct the significant contribution council housing investment can make to countering both economic and health disadvantage and inequality in the city.

3.2 The AMS primarily addresses the Best Council outcome of:

- **We want everyone in Leeds to live in good quality, affordable homes within clean and well cared for places**.

3.3 It notes that investment in council homes and neighbourhoods will help achieve this by:

- **Supporting healthy communities, reducing fuel poverty and cutting carbon emissions by spending money wisely in council homes and neighbourhoods; and**

- **Enabling affordable housing, employment and economic growth through council-housing related investment**.

3.4 The AMS priorities are therefore:

- **Delivering modern, fit for purpose homes and neighbourhoods;**
- **Reducing fuel poverty, cutting carbon and improving health outcomes;**
- **Increasing affordable housing supply; and**
- **Intelligence-led stock portfolio management.**

3.5 These priorities recognise:

- The importance of delivering not just Decent Homes, but of delivering homes that are truly fit for purpose and that are in strong, sustainable neighbourhoods;
- How the council's housing and neighbourhoods investment activities can help both reduce carbon emissions and help improve the health and wellbeing of tenants at the same time;
- How through a more proactive approach to the use of, and investment in, the housing stock, the council can optimise the available resources and increase the supply of affordable housing; and
- The need and value of taking a more intelligent approach to understanding the relative and ongoing performance of the housing stock, so that the stock portfolio delivers ever greater value for money.

3.6 The priorities are discussed in more detail below.

3.7 Delivering modern, fit for purpose homes and neighbourhoods

3.8 The key priority of the investment activity guided by the AMS is to ensure that the housing stock, and the places in which it is located, meet the needs and requirements of existing and prospective customers in the 21st century. The AMS is designed to ensure that all housing stock and neighbourhoods that have a long-term, sustainable future are, over time, brought up to our locally determined standards to ensure they continue to remain attractive and meet modern requirements and needs. This priority directly contributes to the Best Council priority of '*Providing enough homes of a high standard in all sectors*'.

3.9 This priority includes:

- Maintaining properties to the Leeds Homes Refurbishment Standard (which will be reviewed with a view to offering variable standards across different property types and/or areas);

- Meeting the Investment needs of our most challenging properties – developing tailor made plans for the parts of the council housing portfolio that present significant challenges, including those with low SAP ratings, sheltered schemes with shared bathing facilities, the high rise blocks, low-medium rise non-traditional stock and hard-to-treat properties; and

- Modernising our repairs and maintenance service through a greater emphasis on planned and batched works, using learning from Chartered Institute of Housing 'Working Together to Rethink Repairs' project and delivery of different repair types via a mixed economy of contractors.

3.10   Reducing fuel poverty, cutting carbon and improving health outcomes

3.11   The second key priority guiding investment activity concerns improving the thermal performance of the stock. This is closely related to the first priority of modern fit for purpose homes and communities and will involve putting long-term strategies and programmes in place to improve the energy efficiency of the housing stock. This will reduce fuel poverty, cut carbon and improve health outcomes as well as, in turn, improving educational attainment, increasing disposable income for the local economy and saving the NHS money. This priority directly contributes to the Best Council breakthrough project on '*Cutting carbon and improving air quality*'.

3.12   This priority includes:

- Delivering warm, energy efficient homes that are affordable to heat – delivering our high rise investment programme which includes a combination of external cladding for the worst performing blocks, roof insulation and heating improvements. Also developing similar programmes for our non-traditional and hard-to-treat stock and continuing to explore funding opportunities for these kind of works;

- Investing in works to improve health outcomes – working with colleagues in public health to identify and deliver more targeted investment in property improvements which have the greatest health benefits and in areas with the poorest health outcomes.

3.13   Increasing affordable housing supply

3.14   The third priority involves putting practical approaches in place for reshaping the housing stock and increasing the supply of affordable housing. It is closely inter-linked with Priority 4 'Intelligence Led Portfolio Management' and relies heavily on the use of option appraisals to guide decision making. It directly contributes to the Best Council breakthrough project of '*Housing growth and high standards in all sectors*'.

3.15   This priority includes:

- Reshaping the housing stock – using a structured programme of option appraisals to assess and inform decisions about the future sustainability of different properties, schemes and estates through approaches that are shaped and informed by up to date knowledge on the performance of the housing stock.

- Increasing affordable housing supply by continuing to identify HRA sites suitable for redevelopment and delivering the remainder of the £134m Council

Housing Growth Programme, which in total will deliver approximately 1,000 properties across Leeds.

- As part of the Growth Programme, delivering approximately 200 units of Extra Care Housing.

3.16   Intelligence-led stock portfolio management

3.17   It is crucial that high quality, relevant and up-to-date intelligence underpins all the council's housing asset management activity. A strong understanding of the housing stock; its condition and investment requirements, patterns of need/demand and the relative performance of different estates, blocks, schemes and property types is an imperative if we are to make informed decisions about future investment.

3.18   The profiling and appraisal of the stock will be reviewed and updated regularly, using a combination of financial and non-financial techniques, so as to fully understand its changing and evolving relative performance and contribution to the HRA Business Plan.

3.19   This priority includes:

- Stock condition information – ensuring the integrity of this data through continual review and QA processes. Using disrepair information to supplement existing stock condition data and drive discrete programmes of work.

- Using sustainability information and Net Present Values to understand the current performance of the stock and inform asset management decisions;

4   Corporate considerations

4.1   Consultation and engagement

4.1.6   The principles underpinning the AMS have been discussed and agreed with the Executive Member for Communities.

4.1.7   These principles have also been discussed with, and supported by, the Voice of Involved Tenants Across Leeds (VITAL) tenants and residents group.

4.1.8   The AMS has been presented to, and discussed with, the Affordable Warmth Partnership and feedback incorporated into the document.

4.1.9   Following consultation with Housing Advisory Board it is proposed to take a final version of the Asset Management Strategy to Executive Board in March 2017, as part of a wider report on the revised HRA Business Plan.

4.2   Equality and diversity / cohesion and integration

4.2.1   An EDCI screening exercise has been undertaken. This has not identified any detrimental effects on any particular protected characteristics, rather that it will positively promote investment that makes a difference, for example in energy

efficiency works to reduce fuel poverty, funding aids and adaptations to enable independence or remodelling sheltered schemes to provide modern accommodation.

4.3   Council policies and best council plan

4.3.1   The AMS guides investment in council housing and neighbourhoods. This contributes to numerous other Best Council priorities, including:

4.3.2   **Supporting economic growth and access to economic opportunities** – reducing heating costs increases disposable income for local communities; Leeds Building Services and use of local contractors create training and employment opportunities in Leeds.

4.3.3   **Keeping people safe from harm** – by improving the energy efficiency of our properties there is less risk of harm from cold and damp housing conditions; providing adaptions that prevent falls amongst elderly and disabled residents; providing fire alarms and fire safety works; asbestos testing and removal; investing in community safety works (e.g. CCTV, fencing, security lighting etc); creating better mental wellbeing by improving homes and neighbourhoods.

4.3.4   **Supporting communities, raising aspirations** – by implementing community led Housing Advisory Panel (HAP) and Environmental Improvement Programme (EIP) schemes; funding community involvement and engagement mechanisms.

4.3.5   **Improving educational achievement and closing achievement gaps** and **Supporting children to have the best start in life** – by providing warm, safe and secure homes for children to study and grow in; investing in heating and energy efficiency measures to create warm homes; funding the provision of safe play areas, skate parks, wheeled sports facilities etc.

4.3.6   **Providing enough homes of a high standard in all sectors** – by targeting investment to address issues of poor performance; setting clear plans and rationales for hosing investment.

4.3.7   **Providing skills programmes and employment support** – by creating apprenticeships and other training and employment opportunities through our contracting activity; offering training and employment opportunities in Housing Leeds & Leeds Building Services.

4.3.8   **Providing enough homes of a high standard in all sectors** – by maintaining properties to the Leeds Homes Standard; identifying and freeing up housing growth sites; funding council housing new build and buy-back schemes; acting as an exemplar to the private rented sector.

4.3.9   **Supporting healthy ageing** – by remodelling sheltered housing schemes to provide attractive, modern facilities; increasing accessibility; providing support services and adaptations where required; building and running Wharfedale View Extra Care scheme.

4.3.10 **Enhancing the quality of our public realm and green spaces** – by funding Housing Advisory Panel and Environmental Improvement Programme schemes to

improve landscaping and provide play areas on council estates; investing in refurbishments and upgrades to the exterior of council homes.

4.3.11 Housing Leeds will continue to work closely with colleagues and partners across the city to maximise the positive effects of our investment in council homes and neighbourhoods.

4.4   Resources and value for money

4.4.1 The AMS details how decisions will be made and where allocated resources within the HRA will be spent. It therefore has no direct impact on resources or value for money.

4.5   Legal Implications, access to information and call In

4.5.1 This report is an information update providing the Board with a summary of progress on the AMS and as such is not subject to call in.

4.6   Risk management

4.6.1 There are no specific risks associated with this report.

5   Conclusions

5.1 The AMS is a key document, setting the direction of travel for HRA investment over the medium term. It details a forward looking plan to deliver a citywide aspiration for the housing stock that goes beyond traditional Decent Homes investment and supports the Best Council plan, enabling tenants, residents and communities to take pride in their homes and neighbourhoods. It directs the significant contribution council housing investment can make to countering both economic and health disadvantage and inequality in the city. It contains details on how investment activity will be prioritised and targeted to ensure it makes the greatest possible impact.

6   Recommendations

6.1 That Housing Advisory Board:

   6.1.2   Note progress on developing the AMS;

   6.1.3   Provide feedback on the priorities it is framed around; and

   6.1.4   Support the inclusion of details on the AMS in a report to Executive Board on the revised HRA Business Plan in March 2017.

7   Background documents[1]

7.1   Appendix 1 - Asset Management Strategy 'Plan on a Page'.

---

[1] The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

7.2   Appendix 2 – Draft Housing Leeds Asset Management Strategy.