

REPORT TO:	HOUSING AND COMMUNITY SERVICES COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	20th AUGUST 2020	CATEGORY: RECOMMENDED
REPORT FROM:	STRATEGIC DIRECTOR SERVICE DELIVERY	OPEN
MEMBERS' CONTACT POINT:	PAUL WHITTINGHAM Paul.whittingham@southderbyshire.gov.uk	DOC:
SUBJECT:	HOUSING ASSET MANAGEMENT STRATEGY	
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: (See Notes)

1.0 Recommendations

- 1.1 That the updated Asset Management Strategy Action Plan is noted.
- 1.2 That a comprehensive review of the Asset Management Strategy is completed before the end of 2022 in conjunction with a review of the overarching Housing Strategy.
- 1.3 That the Committee approves the procurement of external consultancy to carry out a comprehensive options appraisal of an existing site (Smallthorn Place Woodville) and identify possible delivery options for refurbishment, redevelopment, or disposal of the site.
- 1.4 That a report is brought to the Committee which outlines future delivery options for new homes in the District, including the possibility of providing further "in house" development.

2.0 Purpose of the Report

- 2.1 To update the Committee on progress against the Housing Asset Management Strategy Action Plan, attached at Appendix A.
- 2.2 To confirm the intention for this Strategy to be comprehensively reviewed to link with the Corporate Asset Management Strategy and the overarching Housing Strategy, a review of which is also due by 2022.
- 2.3 To seek the Committee's approval, for a pilot, comprehensive options appraisal being completed on an existing Council owned site at Smallthorn Place.

3.0 Executive Summary

- 3.1 The overarching Housing Strategy 2016-2021 was approved by the Housing and Community Services Committee on 12th January 2016. This document will be reviewed and be the subject of a further report to Committee in 2021.
- 3.2 The Housing Asset Management Strategy was approved by the Housing and Community Services Committee on the 6th October 2016. The Strategy outlines a thirty-year plan for the investment, refurbishment and renewal of existing Council Housing stock.
- 3.3 An Action plan was included in the Asset Management strategy which is reviewed annually and the whole document is scheduled for a comprehensive review before the end of 2022.
- 3.4 An updated version of the Asset Management Strategy Action Plan is attached at appendix A.
- 3.5 A newly formed technical officer “Development Group” has recently been formed, Chaired by the Strategic Director, Service Delivery, comprising the necessary professional and technical officer disciplines necessary to drive forward the Council’s strategic approach to the refurbishment, redevelopment and regeneration of the Council’s housing stock and acquisition of new properties.

4.0 Detail

- 4.1 The Housing Strategy and Housing Asset Management Strategy were approved prior to the restructure of the Housing Service in 2017. Since their approval there have been several changes in the operating environment and the staffing within the Service.
- 4.2 The Housing Service was restructured during 2017 resulting in the Housing Asset Manager and Improvements Manager Posts being deleted from the structure. An Interim Manager was appointed for the whole asset management and repair service. A new Housing Services Manager post commenced in January 2018 and the Repairs Team Leader post commenced in February 2018 with responsibility for the whole repair and maintenance service.
- 4.3 Shortly after the restructure was implemented the Housing Quality Network (HQN) was commissioned to review the entire Housing repair and maintenance service. This review produced an action plan which was presented to Housing and Community Services Committee in June 2019. This review provided the detailed actions necessary to meet the requirements of the Asset Management Strategy.
- 4.4 In working to implement the action plan, the Repair and Maintenance Team’s initial focus was on Housing Safety, primarily ensuring the Council was effectively managing the implications of the Grenfell disaster. The risks identified were captured in the Service Delivery Risk Register and continue to be addressed through specialist contracts to complete fire, electrical, asbestos gas and water hygiene works.
- 4.5 The HQN review and action plan also identified customer service as a major area for improvement. All Housing staff undertook refresher Customer Care Training alongside all the Council’s front-line staff. Additional resource is being provided by the Council’s Customer Service Team to assist the Repairs Team in handling approximately 14000 repair calls per year. A report to Committee on 30th January 2020 outlined the benefits of this approach which are currently being realised.

- 4.6 There has been significant progress in achieving the objectives set out within the Asset Management Strategy. These include the procurement of new contracts for the provision of repair and maintenance services; the commissioning of an environmental survey of Council owned properties; and the completion of a stock condition survey. Work is well under way to produce a new suite of housing safety policies and a framework for the management of contracts has been implemented. This approach to contract management has been graded by Internal Audit as giving the Council “considerable assurance”.
- 4.7 Officers from across the Council are working together as part of a Development Group, Chaired by the Strategic Director, Service Delivery, to develop proposals that will enable Councillors to, in due course, be presented with a range of options for the refurbishment and/or redevelopment/regeneration of both existing stock and the acquisition and or development of new build sites.
- 4.8 For existing Council-owned properties, the results of the forthcoming environmental survey will inform the decision making process around which properties may need to be assessed further in order to decide whether future investment in carbon reduction technology is economically viable or whether more major refurbishment or total redevelopment provides a more environmentally and financially sustainable alternative. The Council is also planning to host a Low Carbon Housing event in the autumn in conjunction with Low Carbon Homes UK and the Local Authority Energy Partnership to potentially exploit new Government funding to retrofit Council and private owned properties with energy saving measures. More details of this will be made available later this year.
- 4.9 As a result of earlier stock condition work, several schemes have already been identified which will require a comprehensive options appraisal to determine whether future refurbishment, remodelling or redevelopment provides the most advantageous model for future investment. These are:
- Smallthorn Place, Woodville
 - Fisher Close, Repton
 - Holmes Court, Swadlincote
 - Brightman House, Swadlincote
 - Blacksmiths Lane, Woodville
- 4.10 It is proposed to procure consultancy services to carry out a detailed options appraisal of the Smallthorn Place scheme in the first instance as a pilot. The Smallthorn Place scheme has been identified as potentially requiring significant investment to improve its overall appearance and the condition of communal areas and staircases. The scheme also sits in a large “footprint” of land which includes unattractive and underused carparking areas, grassed areas and storage sheds. The site could possibly provide additional units of accommodation and create a more attractive living environment. The second part of the consultancy proposal is to provide an analysis of options for the delivery and funding of the range of options that are identified. in the appraisal. The Options and Delivery appraisals will cost around £13,000.
- 4.11 The possible options for the delivery of redevelopment and new build were presented to the Housing and Community Services Committee on 23rd November 2017. Since then the Council has been successful in both building new affordable homes in the

District and acquiring properties as part of larger developments. The options appraisal work will provide a new assessment of the options for the delivery of new homes including:

- Establishing a wholly owned company, which was previously considered and rejected by the Council
- Design and Build contracts to support local supply chains
- Working in partnership with other providers using Council land
- Working with other Districts to share risk and units on border sites
- As assessment methodology for the future acquisition of units utilising commuted sums
- The expansion of internal resource to deliver development

4.12 This piece of work will provide the Council with an example of how future investment options can be evaluated based on comprehensive asset data. Further investment will be required to enable the Council to carry out more of this options appraisal work itself. The software and training required to enable the Council to develop its own programme of options appraisal is estimated to cost around £38,000. This will in turn enable the Council in order to feed a “pipeline” of major refurbishment and possibly redevelopment of its housing stock. Further consideration of the benefit of investing in such software will be subject to a future business case for Committee consideration.

5.0 Financial Implications

5.1 The initial options and delivery appraisal for Smallthorn Place will cost approximately £13,000 which can be met through existing Housing Revenue Account survey budgets.

6.0 Corporate Implications

Employment Implications

6.1 There are no direct employment implications contained within with this report.

Legal Implications

6.2 There are no direct legal implications contained within this report

Corporate Plan Implications

6.3 This report directly contributes to achieving the aims within the Corporate Plan:

- a. **Supporting and safeguarding the most vulnerable**
 - i. With partners encourage independent living and keep residents healthy and happy in their homes.
 - ii. Promote health and wellbeing across the District.
 - iii. Improve the condition of housing stock and public buildings.
- b. **Support economic growth and infrastructure**

- i. Encourage and support business development and new investment in the District.
- ii. Enable the delivery of housing across all tenures to meet Local Plan targets.

Risk Impact

- 6.4 This report directly contributes to the mitigation of Service Delivery Risk:SD9 - Failure to meet housing delivery targets set out in the five-year supply

7.0 Community Impact

Consultation

- 7.1 There are no direct requirements to consult with the public at this stage, However, any significant refurbishment or redevelopment proposals will require full consultation with Council tenants.

Equality and Diversity Impact

- 7.2 There is no direct Equality and Diversity impact within this report

Social Value Impact

- 7.3 There are no direct social value implications within this report

Environmental Sustainability

- 7.4 There are no direct environmental sustainability implications within this report however carbon reduction principles will be at the heart of any refurbishment or redevelopment project arising from the options appraisal.

8.0 Conclusions

- 8.1 Whilst the Council's stock of dwellings is in reasonable condition there are several sites where many different factors may be combining to make their long-term financial and environmental sustainability questionable.
- 8.2 At the same time, the Council is in a strong position to increase the Council Housing Stock and associated revenue income into the Housing Revenue Account.
- 8.3 There are a number of ways in which both the improvement of existing stock, the better use of existing assets and the development of new homes can be achieved. The Committee is now asked to consider how decisions regarding possible development sites and the possible delivery vehicles can be made.
- 8.4 An options report will be presented at a future Committee that will outline all the possible delivery vehicles for new build and acquisition. The report will outline a preferred option that would be suited to the Council's financial position, capacity to deliver and the specific requirements to meet demand within South Derbyshire.
- 8.5 The current reactive approach to housing acquisitions and opportunities to build does not enable longer-term strategic planning for new housing or increasing the rent roll.

A more pro-active approach to improving and increasing Council housing stock through regeneration, new build and acquisitions would enable a planned approach that would in turn reduce risk and unit costs over the longer-term.

9.0 Background Papers

- 9.1 Report to Housing and Community Services Committee (November 2017) – ***‘Increasing supply of affordable homes through direct acquisition and LA new build schemes – options report’***