

Report for: Cabinet 19 January 2021

Title: Asset Management Strategy (2020/21-2024/25)

Report authorised by: David Joyce, Director of Housing, Regeneration & Planning

Lead Officer: Robbie Erbmman, Assistant Director for Housing

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key

1. Describe the issue under consideration

- 1.1 The Council has an existing Asset Management Strategy for its' housing assets which was first agreed in 2006 and last updated in 2018 and is for the period 2018 -2023. The Asset Management Strategy has now been updated to ensure it reflects current Council priorities and is aligned to the 10 Year Financial Plan approved by Cabinet in February 2020 and will be for a period of 2020 to 2025.
- 1.2 The report seeks approval of the updated Asset Management Strategy for the Council's housing stock, covering the period 2020 to 2025. (This is attached as Appendix 1 of the report).

2. Cabinet Member Introduction

- 2.1 I'm pleased to recommend that Cabinet approves the Asset Management Strategy 2020 – 2025 which sets out ambitious plans for investing nearly £360m in Council homes over the next five years. This will enable us to bring all homes to the Decent Homes Standard by March 2025. Critically, the strategy sets out how we will ensure the safety of residents living in our homes, by funding programmes and activities designed to ensure compliance with all new and emerging Building Safety requirements. I am also pleased to see the plans for improving the energy efficiency of the housing stock featured in the strategy, which will make a significant contribution to delivering the Council's ambitious carbon reduction targets as well as help address fuel poverty.
- 2.2 None of the above targets can be fully realised without having the appropriate mechanisms in place. I therefore particularly welcome progress with implementing measures to improve the overall management and performance of the housing capital programme. These include changing to a more 'holistic' delivery model with a revised staff structure; new resident communication and engagement strategy; as well as increased oversight and scrutiny of performance. This should improve the customer experience both before and during the delivery of works, as well as overall resident satisfaction with their homes and environment, once works are completed.

3. Recommendations

Cabinet is requested: -

- 3.1 To approve the updated Asset Management Strategy 2020 to 2025. (Attached at Appendix 1 of this report).

4. Reasons for decision

- 4.1 The existing Asset Management Strategy for the Council's housing stock was produced in 2018 and requires updating. This is to ensure that it reflects current Council priorities and is aligned to the 10-year Financial Plan approved by Cabinet in February 2020.

5. Alternative options considered

- 5.1 The option of not updating the Asset Management Strategy was considered and rejected. This is because the current strategy is no longer able to set the strategic framework for making decisions regarding investment in the Council's housing stock. The updated strategy will provide the necessary guidance for implementing plans to meet the Decent Homes Standard and ensure the health and safety of residents living in Council owned homes.

6. Background information

- 6.1 The 2018 Asset Management Strategy covers the period 2018 to 2023 and it is now timely to refresh. The new document follows a review of the strategy against current best practice in Asset Management; specifically, in response to the recommendations from an in-depth review of the Homes for Haringey (HfH) Asset Management service, which was carried out by an external consultant in 2019.
- 6.2 It also reflects the changed context in which the strategy will be delivered. This includes significant changes in the building safety regulatory framework and the additional duties for councils set out in the Building Safety Bill 2020. There are also new challenging national and local targets relating to energy efficiency and carbon reduction.
- 6.3 The strategy has been developed by Homes for Haringey (HfH) in partnership with Haringey Council to ensure it is aligned to and supports delivery of current Council objectives and priorities. As such, it is linked to the Council's Borough Plan 2019 – 2023 and the 10 year HRA (Housing Revenue Account) Financial Plan approved by Cabinet in February 2020.
- 6.4 The new Asset Management Strategy will enable the Council to deliver 'holistic' investment programmes with a revised target for all homes to be brought up the Decent Homes Standard by March 2025. In addition, there is a commitment for

the 978 homes that have been non-decent since 2015 to be brought up to the standard by March 2022.

- 6.5 A resident Task and Finish group was set up to support the review of the existing strategy and input to the key objectives of the updated strategy.
- 6.6 The strategy will be subject to annual review to make sure it remains aligned to the Housing Revenue Account (HRA) Business Plan and related strategies.
- 6.7 In order to support the implementation of the strategy and specifically to ensure improved performance in the overall delivery of the capital programme, HfH are putting a number of improvement measures in place. This is in response to the key recommendations from the in depth review of the Asset Management service in 2019. These measures are designed to ensure that, through improved performance, there will be a reduction in underspends within the capital programme in future years.
- 6.8 The key monitoring of the strategy and associated investment programmes is now undertaken by the Capital Board. This was set up in July 2020 and is chaired by HfH's Managing Director and attended by senior Council officers. Regular reports will also be provided to the HfH Board and the Council on progress with delivering the objectives of the strategy. Achievement against the annual Decent Homes targets will be monitored by the HfH Board and reported to the Council.
- 6.9 In addition, the Council is strengthening its client management of the HfH Asset Management service with the appointment of two ALMO Client Managers responsible for the oversight of building safety/property compliance and capital major works respectively.

7. Contribution to strategic outcomes

- 7.1 The Asset Management Strategy will help to achieve the Borough Plan Outcome 3: 'We will work together to drive up the quality of housing for everyone'. This will include contributing to delivering the following objectives: -
 - Improve the quality of Haringey's Council housing, including by ensuring that all homes meet the Decent Homes Standard. NB: Due to delays in delivery, the original Borough Plan target of 95% of homes meeting the target by March 2022 has been revised. The target is now for 100% of homes to meet the standard by March 2025 and for all homes that have been non – decent since 2015 to meet the standard by March 2022.
 - Improve residents' satisfaction with the service they receive from HfH to be in the top quartile for London (78%) by 2022.
 - Ensure safety in housing of all tenures across the borough, responding to any new regulations as they emerge.

- 7.2 The updated strategy also sets out how plans for improving the energy performance of Haringey's housing stock in support of the Council's Zero Carbon Strategy (2019) and Affordable Energy Strategy (2020).
- 7.3 In line with the principles set out in the new Social Housing White Paper (published in November 2020), Homes for Haringey have drafted standards for enhanced resident engagement in the delivery of the housing capital programme, including; opportunities and mechanisms for involvement in the procurement of major contracts; the design and specification of works; the arrangements for delivery on-site and the review of contractor performance on completion of works.

**Statutory Officers comments (Chief Finance Officer (including procurement),
Assistant Director of Corporate Governance, Equalities)**

8. Finance

- 8.1 This report, on its own, does not give rise to any financial implications, but the implementation of the activities set out in the Asset Management Strategy will, as they will either be carried out through existing resources and funding or require separate business cases and Cabinet approval before funding is allocated.
- 8.2 There are financial plans and further specific strategies referred to in the AMS that are being addressed as part of the review of HRA Financial Plan and MTFS 2021-26, to be approved by Full Council in February 2021.
- 8.3 Resourcing to pursue this strategy will be reviewed annually as part of Council's HRA Medium-Term Financial Planning process.

9 Legal

- 9.1 The purpose of an Asset Management strategy is to ensure that the Council uses and manages its housing stock to meet its needs and objectives. It is good practice for the Council to have an Asset Management strategy and recommended by CIPFA. The strategy will need to be implemented by Homes for Haringey. There are no legal reasons why the recommendation cannot be approved.

10 Procurement

- 10.1 Strategic Procurement support the recommendations within this report and the strategy set out in Appendix 1: Asset Management Strategy 2020 to 2025.

11 Equalities

- 11.1 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to: -

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advance equality of opportunity between people who share those protected characteristics and people who do not.
- Foster good relations between people who share those characteristics and people who do not.

11.2 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

11.3 The Asset Management Strategy aims to improve the quality of housing for Council tenants in Haringey. Women, BAME communities, and individuals with disabilities are over-represented among social housing tenants in Haringey. These groups are therefore likely to benefit from the delivery of the Asset Management Strategy, and to the extent that it improves housing quality it may be seen as a measure to address existing inequalities in Haringey. There is no indication that delivery of the Asset Management Strategy will result in any foreseeable negative impacts on any individual or group that shares the protected characteristics.

12. Use of Appendices

Appendix 1: Asset Management Strategy 2020 to 2025

13. Local Government (Access to Information) Act 1985