

HRA ASSET MANAGEMENT STRATEGY 2016-2021

November 2016

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EXECUTIVE SUMMARY

Winchester City Council's housing stock is in good condition with the majority meeting the decent homes standard and with an average D energy rating. Works are underway to address those that do not currently meet the standard with future works programmes set to ensure preventative maintenance across the stock. The initial property performance assessment of houses and bungalows (flats and blocks currently underway) found that the proportion of stock 'leaking' money from the HRA was extremely low. Tenant satisfaction is high for both their home and their environment as well as for the estate improvement programme.

The Council has an aging population and meeting the needs of those with disabilities is a priority. It invests £0.770m in disabled adaptations for council properties and is currently reviewing its approach to disabled facilities grants to maximise the current funding opportunities in meeting the needs of private households with disabilities.

There are 2,293 households on the waiting list with an average wait time for 1 bedroom property in band 2 of 2 years 1 month.

Affordability is a real issue for the district with the average lower quartile house price £312,000, making Winchester one of the most expensive places in the South East. A household income of £64,000 is needed to purchase a lower quartile priced property with lower quartile earned individual incomes of £25,000 (average £32,000) there is affordability ratio of 12.5:1 (9.75:1) which is amongst the worst in the country.

The provisions of the Housing and Planning Act will have a fundamental impact on how the Council continues to manage the future sustainability of its assets to meet the housing needs in the district; especially the annual 1% rent reduction and the high value sales requirement.

The impact of the Housing Bill, (including the need to sell "Higher Value Voids") welfare reform and changes to funding has seen an increased demand for smaller properties and there has been a reduction in supported housing provision. The HRA Asset Management processes need to be intelligent to ensure the Council is able to react to a changing housing environment to make best use of the resources available to meet the housing needs of residents and to support its aspiration to deliver an additional 300 homes by 2022.

The Council has therefore invested in developing its data systems to make it possible to carry out appraisals to determine the comparative financial performance of its assets for consideration alongside property valuations and environmental factors. Members and tenants have been consulted regarding their priorities.

The headline HRA Asset Management Strategy is supplemented by a more detailed working document both of which set out the Council's approach to

responding to the emerging issues. An Action Plan is set out in Appendix 1 with tasks required to address the key priorities which are:

- Maintaining Decent Homes
- Making Best Use of Existing Assets to Support its Development Programme
- Generating Capital Receipts and Funding any “Levy” Applied in Relation to ‘High Value Voids’
- Ensuring that the Housing Stock Meets the Needs of Current and Future Tenants
- Invest in adaptations to support tenants to remain in housing appropriate to their needs
- Investing in Estate Improvements
- Understanding Tenant Opinion and Responding to Customer Expectations
- Working with Partners to Address Specialist housing Needs

An Asset Management Group has been set up to lead the asset evaluation process and deliver the tasks required to meet the overall aim of ensuring that the housing stock meets the current and future needs of its client group, while being sustainable and affordable. The Council's approach is to manage the stock it owns to maximise the value, income and performance of its assets to enable the Council to achieve its strategic objectives and meet its obligations under the Housing and Planning Act.

Statistics provided in this document provide a snapshot at the time of writing. The Detailed AMS includes an Appendix which lists the best sources of current data, references for policy decisions and other key sources of information to be used to up-date these references whenever carrying out actions or reviews under the Strategy.

1 **CONTEXT**

1.1 **Background**

The City Council manages just under 5,000 homes, of which just under a tenth are designated sheltered. The Council's aim is to provide good quality homes that meet the needs and aspirations of its tenants and meets the challenges for social housing sector. In support of this, the HRA Asset Management Strategy (AMS):

- Has clear links to the Housing Revenue Account (HRA) Business Plan.
- Looks forward to address the agenda set out in the Government's 2015 Housing and Planning Bill.
- Shows how the Council can continue to fund the maintenance of its existing stock, to focus investment to support sustainable communities, and in the future to expand the stock of affordable, good quality, environmentally friendly housing in places where people want to live.

The primary focus over the period of the strategy is to develop a Register of Property Disposal Options and Sites with Development Potential, along with identifying other funding streams. The Council has a responsibility to ensure that there are systems in place that can guide investment decisions and support the management of future investment programmes.

1.2 **The National Context**

The Housing and Planning Act become law in May 2016 and included provisions extending the Right to Buy to housing association tenants and for this to be part funded through the sale of "high value" council homes as they become vacant. (See CAB2723 – 30.09.15)

The Government proposes:

- a) To extend the Right Buy to Housing Association tenants
- b) To force councils to sell off "higher value" council housing to help finance extension of Right to Buy to housing association tenants;
- c) To cut council rents by 1% a year for the next four years, commencing April 2016;
- d) To force council tenants with a household income over £30,000 (£40,000 in London) to pay market or near-market rents; (the additional income would be returned to the Government);

- e) To review the use of “lifetime” tenancies in social housing and give consideration to “fixed term” tenancies being made mandatory.

The Government spending reviews have had an impact for local service provision. For example the overall reduction in funding available from Hampshire, and the further application of a proposed redistribution formula following a Socially Excluded Review, the district is now faced with a severe reduction in both the range and scale of its supported housing provision.

In addition there will an impact from a number of additional measures in relation to welfare reform to reduce overall welfare spend and to encourage employment.

1.3 **Asset Management**

Asset management is defined as the management of physical assets to meet service and financial objectives. The ¹Chartered Institute of Housing (CIH) Consultancy Learning Report ‘Working together to redefine asset management’ Nov 2015 redefines asset management as:

Managing and maintaining the housing stock in a way that delivers value for money by optimising the return to the organisation through achieving the right balance between cost, quality and timing of works; also using homes in a way that contribute to neighbourhood sustainability, all within the organisation’s own context’.

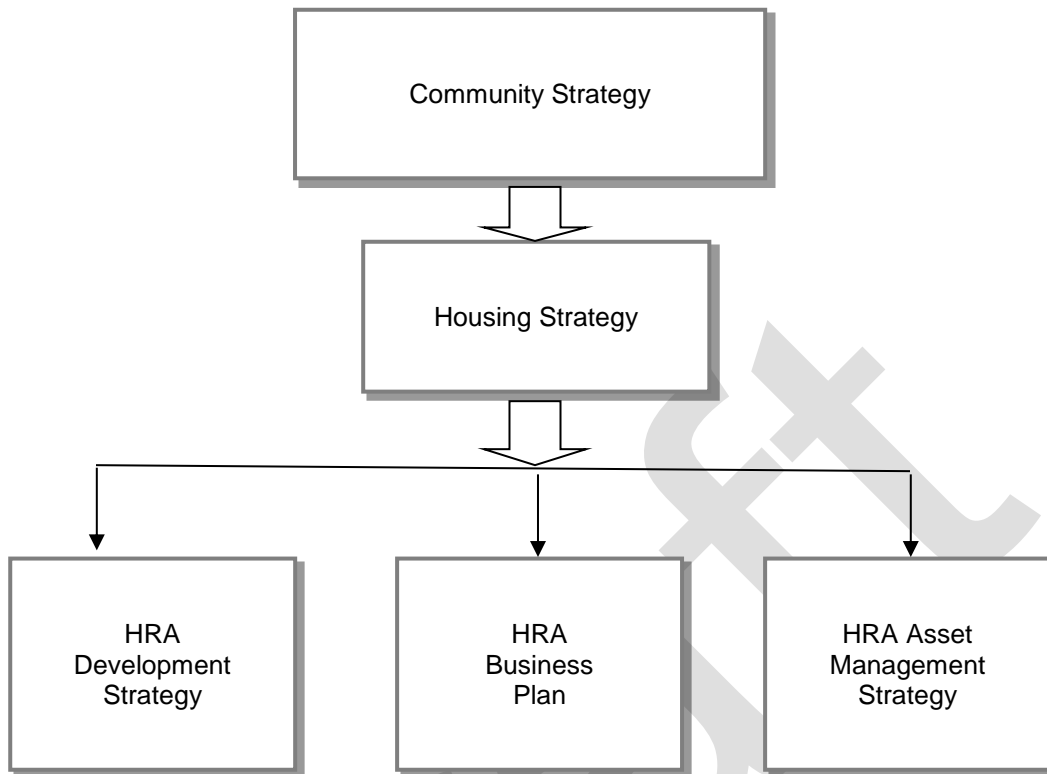
It makes the distinction that asset management is not asset maintenance.

The application of good asset management principles ensures the housing stock meets current and future needs. The Council needs to invest in repair and improvement but, where necessary, change the portfolio to match local circumstances and meet wider challenges for the social housing sector.

The Strategy provides the framework to support the evaluation of the HRA assets that delivers commitments made in the HRA business plan, and provides well maintained homes which the tenants judge to be good, and which compare well with those provided by the best social landlords.

1.4 **Context – Where the Strategy Sits**

The AMS has been developed with reference to the local operating context and draws on and is informed by several documents as set out in the diagram below.



1.5 **The Council's Corporate Objectives & Priorities for the HRA**

The priorities for the HRA, which take account of the corporate strategy and the Housing Strategy, are as follows:

- a) To maximise the supply of high quality affordable housing in urban and rural areas
- b) To improve the housing circumstances of vulnerable and excluded households
- c) Supporting local people accessing high quality and affordable housing which meet their needs
- d) To make best use of housing
- e) To support our residents

1.6 **Consultation**

Resident involvement forms a very important part of the process of making decisions about assets. Our strategic objective is to ensure tenants are at the heart of decisions taken in planning, delivering and monitoring our services. In addition asset management priorities and approach have been widely discussed with elected members through a series of Member

briefings.

The results from the bi-annual STAR (Survey of Tenants And Residents) have identified tenant priorities and inform the HRA Business Plan.

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2 DEMAND AND SUPPLY

2.1 Housing Need

The housing register provides information on the types of affordable housing demanded by households. The Hampshire Home Choice Annual Report 2016 records that as at 15th June 2016 there were 2,293 applicants registered on Hampshire Home Choice for the Winchester area.

Applicants by Banding and bedroom need. Source - Hampshire Home Choice Annual Report 19.07.16

Banding	Number	Percentage	Sheltered only As at 16.08.16
1	0	0.09%	1
2	210	9%	70
3	1,825	79%	187
4	258	12%	185
Assessed bedroom need			
1	1,507	67%	412 (93%)
2	561	24%	31 (7%)
3	166	6%	-
4+	59	3%	-
Application type			
General	1,781	78%	
Transfer	512	22%	

Average Waiting Times Source - Hampshire Home Choice Annual Report 19.07.16

	Band 2	Band 3	Band 4
1 bed	2 year 1 months	4 years 8 months	na
2 bed flat	1 year 9 months	3 years 1 months	na
2 bed house	1 year 10 months	4 years 11 months	na
3 bed	2 year 3 months	3 years 2 months	na
4 bed	1 year 2 months	4 years	na
60 years +	1 year 4 months	1 year 11 months	5 months

As of 7 September 2016 of the current tenants wishing to move into alternative social housing 117 were under occupying their current home, of which 50% the main applicant is 60 years or above.

2.2 Stock Held/Funded through the Housing Revenue Account

The Council manages over 5,000 dwellings as well as a range of leased properties and non operational assets as set out below.

Stock by size (Source – Keystone 08.09.16)

Size	Number of units	% of stock
Bedsits	69	1.38
1 bed property	1, 623	32.36
2 bed property	1, 695	33.81
3 bed property	1, 577	31.44
4 bed property	49	0.98
5 bed property	2	0.04
Total	5,015	100%

Stock by property type

Property type	Number of units	% of stock
Bedsit	69	1
Flat	1734	32
Hostel	40	1
Maisonette	50	1
Room	2	0
Block	474	9
Bungalow	873	16
House	2247	41
Total	2247	100%

Source – Keystone 08.09.16

The supply of accommodation in relation to the need is modest. During 2015/16 the Council re-let 416 properties that had become void, of which 71 were sheltered housing units for over 60 year olds and 11 were extra care. Only 28% of the homes available for general accommodation were units of 3 beds or more. RSLs in the area let a total of 177 homes.

2.3 Specialist Supported Housing

Type	Number of schemes	Number of units
Sheltered	12	449 13 bedsits 28 1 and 2 bungalows 408 1 & 2 bedroom flats
Extra care	2	55
Temporary Accommodation	5	40

Sheltered

The Council provides specialist accommodation for people aged 60 and over who are capable of living independently. All older persons accommodation and most communal areas are connected to an Alarm Control Centre which provides monitoring and assistance 24 hours a day, 365 days of the year. Many schemes have additional facilities such as common rooms, guestrooms, laundry facilities and garden areas.

Future investment will be focused on those schemes considered the best suited to meeting the needs of and those popular with older tenants. It is believed that there is an overprovision of bungalows and that there is no

long term future for sheltered bedsits and maisonettes.

Extra Care

Extra Care Sheltered Housing is a specialist housing provision designed to offer a safe and secure environment for frail older people. Run in conjunction with Hampshire County Council's Adult Service department, these schemes are for tenants who require the support of on site care but wish to retain all the independence of living in their own home. One scheme also provides specialist support for residents with dementia.

Temporary Accommodation & Supported Housing

The Council owns and manages 5 hostels specifically designated for homeless households. The City Council is in the process of purchasing Milford House and Gordon Watson Wing a property providing 35 units of Stage 2 supported and "move on" accommodation to vulnerable adults threatened with homelessness. A project group has been established to determine the future use of this property.

2.4 Other Assets

- a) **Leasehold** - As at 01 January 2016 there are 353 leasehold flats owned by the Council. CAB2791 (HSG) 22 March 2016 set out a disposal criteria for blocks with a high proportion of sold flats.
- b) **Garages** - The Council owns 1,693 garages on 100 sites. Plus an additional 43 General Fund garages. A comprehensive appraisal of garage sites in terms of development potential and future repairs and maintenance investment requirements is being carried out by the Property Services Team over summer 2016. The recommendation from Cabinet Housing Committee (Report CAB2791 (HSG)) 22 March 2016 that priority be given to using garage sites for Housing development.
- c) **Leased Properties** - These properties remain in WCC ownership but are leased to other housing providers. These properties provided social rent income of £52,715 in 2015/16 with additional rent to the HRA from 38 Andover Road, 80-82 and 88/88A Sussex Street, Winchester and to the General Fund 59 Colebrook Street, Winchester.
- d) **Non Operational Assets** - Within the Housing Revenue Account, there are various classifications of property for valuation purposes. In addition to dwellings and garages, there is a group known collectively as Non-Operational properties. These include:
 - (i) Shops and other commercial premises e.g. a doctors surgery;
 - (ii) Properties let to other housing providers;

- (iii) Dwellings, garages, parking spaces let on a commercial lease or licence agreement rather than a social or affordable rent tenancy;
 - (iv) Areas of land next to or behind Council (HRA) property;
 - (v) Strips of land providing access for varying purposes.
 - (vi) These assets often raise varying levels of rent, from a few pounds a year for an access right to several thousands of pounds a year for a commercial premises or housing provider lease.
- e) **Community Assets** - As well as these non-operational assets, the HRA owns some community assets, for example, community centres, scout halls and allotments and, in rural areas, sewage treatment works and pumping stations. Many of the assets provide a useful community purpose as well as additional regular income to the HRA and it may be reasonably assumed that this is seen as being as valuable to individual communities in addition to housing. However, officers will need to consider alternative uses if a wider development opportunity arose.

2.5 **Impact of Right to Buy**

Property numbers in the table in 2.2 above were as at September 2016. Each year, numbers change through right to buy sales (averaging between 15-30 per year), offset by development of new dwellings. Receipts from sales can now be retained in part to fund provision of new housing.

2.6 **“High Value” Assets**

The Council maintains records of asset valuations. These valuations are based on adjusted values from 2001 in accordance with accounting rules. over 80 existing dwellings are valued in excess of the thresholds set out in the council's existing disposal policy (CAB2791(HSG) refers).it is likely that current market values are higher than the existing book values and therefore an assessment of market values for key assets is currently being commissioned.

Values are not currently held for potential development sites, garages and other assets.

3 STOCK CONDITION AND MAINTAINING DECENT HOMES

3.1 Stock Condition Survey

A stock condition survey was carried out by Ridge and Partners in 2013/2014 and confirmed that the Council's housing stock is generally in good condition.

At 93% Ridge and Partners accessed a very high proportion of the stock and consequently, the Council benefits from a minimum of extrapolated data when forecasting from stock condition information.

The survey forecast a thirty year investment requirement at an annual average figure of £7,166 million¹ (at 2014/15 prices). This level of investment was deemed necessary to meet and maintain the Decent Homes Standard.

Cabinet (Housing) Committee report CAB2619 (HSG) from October 2014 presented details regarding the basis of assessment. The table below provides an updated version of the requirements measured against the current HRA Business Plan for 30 years from 2016/17.

3.2 Decent Homes

As at 31 March 2016 of the properties owned by the Council, 1,016 dwellings (20%) were technically non-decent. Combined element failure within the decent homes standard is uncommon with the majority of non-decent dwellings failing on only one element. Investment in roofing works and completing a range of works deferred from 2015/16 will ensure that non decency will be addressed by March 2017.

Decent Homes Investment – 30 Year Major Works Plan Table

Works Type	2016/17 Forecast	2017/18 to 2021/22	2022/23 to 2026/27	2027/28 to 2031/32	2032/33 to 2036/37	2037/38 to 2041/42	2042/43 to 2046/47
External Envelope	£2,250,000	£2,932,200	£2,543,000	£2,397,600	£2,603,600	£1,436,800	£1,001,400
External Ground Works	£500,000	£970,000	£937,600	£804,800	£822,300	£1,118,600	£1,037,100
External Windows / Doors	£600,000	£444,600	£266,550	£828,200	£1,061,200	£383,400	£366,600
Internal Structure & Finishes	£275,000	£232,600	£248,300	£221,900	£277,600	£261,000	£271,800
Kitchen & Bathroom Renewals	£2,033,000	£811,300	£819,100	£964,900	£1,979,100	£804,650	£872,700
Mechanical & Electrical Services	£1,800,000	£738,950	£2,388,500	£2,030,250	£1,123,100	£1,431,400	£1,412,650
Annual Spend in 5 Year Bands		£6,129,650	£7,203,050	£7,247,650	£7,866,900	£5,435,850	£4,962,250
Total Spend in 5 Year Band		£30,648,250	£36,015,250	£36,238,250	£39,334,500	£27,179,250	£24,811,250

Note: The figures shown above are at 2016 values and do not include an allowance for inflation.

3.3 **Planned Versus Responsive Maintenance**

In line with best practice guidance, the Council has always aimed to ensure its maintenance programme focusses on Planned and cyclical works and minimises “responsive repairs”. Whilst approximately 20,000 repair jobs are raised annually, spend on planned maintenance should always be more than 70% of the programme.

The annual spend on planned capital works ranges between £6m and £7.9m over the life of the programme. cyclical works totals £1.2m annually and responsive repairs averages £2.3m annually. this means spend on planned and cyclical works represents at least 76% of the total investment on repairs in any one year.

3.4 **Property Performance and Sustainability**

The results of the stock survey have been used to assess property performance of all dwellings by comparing long term maintenance liabilities against rental income over 30 years. All dwellings produce a positive net present value against this assessment. It is proposed to continue to refine this assessment to take account of other factors, including asset value, demand and energy efficiency.

The average energy rating for Winchester Council dwellings is 65 (assessed in line with the national “SAP” rating system) which compares well to the national average of 60 for domestic dwellings. 96% of Council stock has a rating of D or above (41% C or above).

3.5 **Energy & Heating**

Whilst the average rating for Council dwellings is above average, the Council’s ability to achieve a significant improvement on that average rating within existing resources is limited. In fact, with the pressure on the HRA and the impact of the Government’s 1% per year rent reductions, the Council has approved a programme of measures which seek to reduce long term maintenance liabilities whilst ensuring all properties have good provision for cost effective heating. These measures include:

- Provision of gas condensing boilers where properties are connected to gas networks

- Provision of electric quantum heating to other properties
- Decommissioning of solid fuel heating systems and removal of open fires and chimneys whenever possible
- Upgrading enhancing insulation to lofts and cavities where practicable
- Provision of solar photo voltaic units and other renewable energy solutions be limited to new build schemes where appropriate to meet planning requirements, where external sources of capital funding is available to support such schemes or where it provides the most cost effective solution to improving property energy ratings above an E.

The action plan includes the task to highlight the options for addressing those poorest performing properties with an energy rating of E or less.

3.6 **Asbestos**

Asbestos is present in the stock, to the extent that would be anticipated, given that the volume of asbestos containing materials used in the construction and maintenance industries peaked in the 1970's.

WCC holds an Asbestos Register for the housing stock. Asbestos products are best left undisturbed wherever possible. If in good condition and unlikely to be damaged, there is no legal obligation to remove it.

3.7 **Repairs Programme**

Members supported the proposals and recommendations for the Repairs Programme set out in the Appendix to Report CAB2791 (HSG) 22 March 2016, which presented the outcomes from 2 Member Briefing events on this topic.

These recommendations were informed by the results from the STAR Survey in 2015 recorded that 'Carrying out Repairs and maintenance efficiently' continues to be tenants' first priority for their housing service (73%) and 'maintaining the overall quality of the home' the 2nd at 62%. ('Neighbourhood as a place to live' 4th after 'value for money').

The table below presents responses to STAR Survey 2015, Qu 22 – 'if the Council had more resources to spend on repairs and maintenance what would you like it spent on?' (please note responses of less than 1% are not featured).

Tenant Priorities for Repairs & Maintenance Spend

Estate/communal improvements	22%
Kitchens/bathrooms	17%
Doors/windows	17%
Internal decorating	13%
Roofing/guttering	6%
Help with damp issues	4%
Upgraded heating	4%
Sound insulation	3%
Energy efficiency works	3%
Access/security control	3%
Showers	2%
Internal doors	2%
Fencing	2%
Gardening	1%
Additional electrical points	1%

Source - Member Briefing Pack – Housing Maintenance Priorities (Part 2) 10 November 2015

Repairs policies were approved in light of the above data as part of CAB2791(HSG) in March 2016. At that time, most “discretionary works” were suspended and investment focussed on core repairs, Estate Improvements and communal conversions. Key repairs priorities include:

The key aims of the Repairs programme are:

- Maintaining decent homes
- Investing more than 70% of the overall repairs programme on planned and cyclic maintenance
- Investing in disabled adaptations
- Ensuring all kitchens are replaced within 20 years
- Addressing fuel poverty by investing in energy efficiency measures
- Achieving key performance indicators – i.e. voids, gas servicing
- Investing in estate improvements
- Improving communal facilities at sheltered housing schemes
- Converting poorly used communal facilities to dwellings where appropriate

4 **FUNDING, FINANCING AND VALUE FOR MONEY**

4.1 **Funding**

Funding for the 2016/17 HRA capital programme is set out in Appendix 4 to Report CAB2808(HSG) that was approved by Council on 20 July 2016.

Funding for the HRA capital programme for the years 2017/18 to 2020/21 inclusive was set out in Appendix 5 (Revised) of Report CAB2761(HSG) that was debated by Cabinet Housing on 3 February 2016 and subsequently received final approval by Council on 25 February 2016. Please note that this report excludes any funding of the future new build programme utilising the potential S.106 Affordable Housing contribution from the North Whiteley development.

Primary funding sources for the HRA capital programme include Right to Buy receipts: non-Right to Buy and other land sales; Section 106 affordable housing contributions; public sector grants from the HCA and Hampshire cc; HRA burrowing; contributions from revenue earnings and major repairs allowances (depreciation).

Each of these funding sources may have restrictions on their use or, in the case of borrowing, cash limits.

There are emerging issues for the HRA and the funding that will be available for future repairs and new build programmes brought on by the recent Government policy changes including 1% rent reductions (until 2019/20) and high value asset sales. More detail on these challenges to funding availability will be annotated in future HRA Business Plan and budget reports.

4.2 **Procurement and Value for Money**

It is important to ensure that the maximum benefit and value is gained from any monies that are spent - and this inherently starts with the procurement process.

Revised corporate guidelines 'Procurement Guide for employees' were published in Nov 2015; supplemented by training of managers in June 2016 set out the Council's approach to procurement. The document serves as a brief introduction and sits alongside other corporate procurement rules and processes around financial contracts.

Members have been reviewing the options and priorities in terms of where and how the various budgets should be apportioned. During 2016/17, Property Services will undertake a procurement review of maintenance services.

The aims of this procurement review may be summarised as follows:

- To establish whether or not unit costs for current maintenance services represent reasonable value for money.
- To investigate and review new procurement options (new forms of delivery) to see if better VFM and/or additional benefits can be achieved.
- Subject to EU compliance, to promote and enhance local social value - enhance the well-being of the community through support for local businesses, SMEs, ethnic minority businesses and businesses operating in the voluntary and community sector.
- To streamline systems/reduce waste.
- To ensure any resultant procurement plan supports and compliments investment plans.
- To agree performance monitoring indicators to measure the impact/success of any agreed actions/procurement plan emanating from this review.

Contractor performance is monitored through monthly contractor liaison meetings.

5 ASSET MANAGEMENT PRIORITIES

A key Housing priority for the Council is to increase the supply of high quality affordable homes and homes located in sustainable locations where people want to live. The Asset Management Strategy is therefore focused not just on the maintenance of existing stock. It looks at what is sustainable and how assets could be used to best address what needs to be done to meet peoples needs, and at how this can be achieve in a way that the Council can afford.

5.1 Outcomes

This strategy seeks to achieve the following overall outcomes

- All homes complying with the decent homes standard
- A housing stock that meets the current and future needs of client groups, while being sustainable and affordable.
- A net increase year on year in the total number of dwellings managed by the City Council.
- Capital receipts generated to fund any future national “levy” as well as supporting the delivery of new homes

5.2 Key Priorities

In light of the background and current operating position set out in the previous sections, the Council’s Housing Asset Management priorities include:

- a) **Maintaining Decent Homes** – To achieve this, the Council will:
 - (i) Deliver an annual maintenance programme in accordance with the policies set out in CAB2791(HSG) dated 22 March 2016 and within the funding limitations of the HRA Business Plan.
 - (ii) Develop a programme to regularly review and update stock condition data
 - (iii) Incorporate additional factors such as demand, energy efficiency, density etc into the existing asset sustainability assessment model
 - (iv) Amend investment plans in light of the outcome of the above two exercises.
- b) **Making Best Use of Existing Assets to Support its Development Programme** – To support this, the Council will:

- (i) Maintain and review a comprehensive register of HRA land with development potential (this list already runs to over 100 potential locations)
 - (ii) To continue to assess all Garage Sites with a view to determining development potential
 - (iii) Where appropriate, to convert poorly used communal spaces and non operational assets to new dwellings
 - (IV) Identifying alternative funding sources and delivery vehicles to support development
- c) **Generating Capital Receipts and Funding any “Levy” Applied in Relation to High Value Voids** – To support this, the Council will:
- (i) Update valuations for all assets already included on the Council’s High Value list and also all rural family housing
 - (ii) Review its disposal policy in light of any Government announcements on High Value Voids.
 - (iii) Consider options to dispose of land assets included in 5.1 B) I) above, including obtaining outline permissions for such sites.
 - (IV) Incorporate disposal option/opportunity into sustainability assessment model as set out in 5.2 a) iii) above.
 - (v) Assess the potential to generate capital receipts from disposing of specific garages.
- d) **Ensuring that the Housing Stock Meets the Needs of Current and Future Tenants**
- (i) Invest in adaptations to support tenants to remain in housing appropriate to their needs
 - (ii) To review the existing Wisemove scheme and develop an enhanced programme to encourage those over-occupying to downsize
 - (iii) To continue to invest in improving access and communal facilities at Older Persons Housing schemes
- e) **Investing in Estate Improvements** – The existing programme will continue at existing funding levels (£250,000 per annum).
- f) **Understanding Tenant Opinion and Responding to Customer Expectations**

- (i) To assess all results from the “Survey of Tenants and Residents” and to develop a programme of focussed consultations to further inform the Council on tenant expectations and priorities.
 - (ii) To work with TACT and other residents groups to make best use of Tenant Scrutiny and mystery shopping exercise and ongoing performance review.
- g) **Working with Partners to Address Specialist housing Needs**
- (i) To review all existing leases where HRA assets are used to house supported housing projects managed by other providers

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6 IMPLEMENTATION

6.1 Asset management Group

The Asset Management Group has been established, chaired by the Assistant Director (Chief Housing Officer) with representatives from key housing teams, to deliver and continue to refine the Action Plan set out in Appendix 1.

This group will evaluate assets in accordance with the agreed priorities and to address the emerging issues.

The outcome of the evaluation process will be to determine the most effective future use of the asset. Options include:

- Re-invest and retain – if it can be demonstrated that loss of income can be prevented through investment
- Redevelopment/conversion required
- Change of use
- Disposal
- Rent review
- Watching brief - Asset flagged on database and/or Potential Development list
- Alternative action

6.2 Disposal Policy

The Housing Service has been working with tenants and members to clarify policies around disposal and acquisition which will underpin the evaluation process and these were presented in CAB 2791(HSG) 22.03.16 & CAB2618 (HSG) 01.10.14. (Link to the Disposal Policy)

6.3 Robust Database Management

The Keystone Asset Management module records key characteristics and classifications for each dwelling. As the Orchard Housing system has historically held attribute data, there is the potential for data duplication. During 2016 a rationalisation project will be undertaken, consulting teams to ensure that attribute data is held once in the most appropriate system.

Keystone also includes modules for Asbestos, Energy and Sustainability and has an option, which are being investigated (alongside other software solutions), to bolt-on a Servicing module that can schedule cyclical maintenance visits and allow reporting to monitor compliance and liabilities.

6.4 Accurate Stock Condition Information

As stated in section 3.1 93% of the Council’s housing stock was surveyed, which is a very high proportion, leaving us with a low element of extrapolation required when using condition data to report on future programmes of work for business planning purposes. With Housing Quality Standard built into Keystone, the Council will be able to see projections of when homes would become non-decent and plan investment accordingly.

6.5 Consultation with and Involvement of Residents & Members

Views of members and survey data from STAR around tenants needs and aspirations will ensure the HRA Asset Management Strategy priorities and direction are continually updated.

Localised consultation will take place with tenants and members where site/asset specific decisions are required about investment and future use.

Performance Review Groups meet quarterly to review, scrutinise and challenge performance in a number of key housing service areas.

In the future the aim is to develop the approach to tenant involvement to achieve an improved effective and representative insight into tenant priorities.

6.6 Monitoring and Review

Having collected and profiled data about the housing stock and prospective and current tenants, this Strategy sets out the next stages in effective asset management. The first will be to formalise evaluation priorities and processes, to enable us to report to stakeholders as appropriate, with findings and proposals around which assets fall into the option groups for disposal, to retain & reinvest, for change of use, and for other options.

Glossary of terms	
AMS	Asset management strategy
CBL	Choice based lettings
EPC	Energy Performance Certificate
HRA	Housing Revenue Account
KPI	Key performance indicator
LAHS	Local Authority Housing Statistics
NPV	Net Present Value
Orchard	Integrated housing management package
RTB	Right to buy
SMT	Senior management team
SAP	Standard assessment procedure (energy efficiency)
WCC	Winchester City Council

Asset Management Strategy – Action Plan

Issue/s	Action	Task	By When?	Lead officer
Stock condition	Maintain decent homes.	Bring all “non-decent” stock back in line with Decent Homes standard	March 2017	Head of Property Services
		Deliver annual Repairs Programme in line with key priorities and maintaining 0% “non decency”.	Annually	Head of Property Services
	Ensure asset management databases are accurate and up to date.	Update stock condition information in detail taking account of all repairs completed and additional surveys.	Ongoing	Asset Management Manager
		Implement a 5 year cycle of external surveys of all assets to review, validate or update stock condition data for each property	April 2017	Asset Management Manager
		Rationalise property data held on the Orchard and Keystone systems.	July 2017	Asset Management Manager
	Achieve value for money for procured services	To complete a review of all Housing maintenance procurement and to develop a clear procurement strategy for Housing maintenance, improvement and development	Oct 2017	Head of Property Services
	Managing HRA Assets	Option appraisal process	Quarterly Housing Asset Management Group meeting to review the Asset Group lists in conjunction with the Disposal and Land List.	Quarterly
Determine the triggers which allocate assets into the option groups for disposal, to retain & reinvest, for change of use, etc			April 2017	AMS Group
Determine the level of stakeholder consultation appropriate for each asset evaluation			Ongoing	AMS Group
Ensuring the sheltered offer is fit for purpose to		Improve communal areas at Hyde Lodge and Godson House, Winchester and Greens Close, Bishops	March 2017	Head of Tenancy Services

	meet the needs and aspirations of an ageing population	Waltham		
		Improve communal areas at Makins Court, New Alresford and Mildmay Court, Winchester	March 2018	Head of Tenancy Services
		Review the suitability of the following schemes for long term sheltered housing: Eastacre, Lawn House and King Harold Ct, Winchester Whitewings, Denmead	Dec 2017	Assistant Director (Housing)
		Subject to a review of future use, to upgrade communal facilities at Eastacre, King Harold Court	March 2019	Head of Tenancy Services
		Subject to Planning and consultation, to convert communal facilities at following schemes to dwellings: Colson Close, Winchester, Spring Hse Close, Colden Common and Harwood Place, Kingsworthy The Valley and Drummond Close, Stanmore, Penton Place, Highcliffe and Chiltern Ct, New Alresford Symonds Court and Chester Ct, Winchester	July 2017	Assistant Director (Housing)
			March 2018 March 2019	
	Tackling stock with lower than average energy rating	Agree approach based on independent energy surveys to highlight the options for improving energy efficiency and cost against the potential gain in energy rating.	July 2017	Head of Property Services
Disposal	Maintain and manage the Disposal List	Review Disposal Policy in light of future Government announcements re “Higher Value Voids”	April 2017	Assistant Director (Housing)
		Market Prospect House and 75 Middlebrook St, Winchester for sale	March 2017	Assistant Director (Estates)
		Sell those properties meeting the higher value threshold when they become void	Ongoing	Assistant Directors (Housing/Estates)
		Review asset values of rural family homes and all properties valued near to existing thresholds	July 2017	Head of Housing Finance
		Obtain outline planning permission, subject to survey on Hambledon sites (x2) and central Winchester sites (x2)	March 2017	Head of New Homes
		Subject to above, to market land for disposal	May 2017	Assistant Director (Estates)

		Ongoing of all land assets to further develop list of potential high value plots	Oct 2017	Head of New Homes
		Undertake feasibility study/impact assessment of potential to dispose of garages on existing use basis	Oct 2017	Head of Housing Finance
		Determine long term use of ex-scheme manager accommodation/Central Control offices at Hyde Lodge	Dec 2017	Assistant Director (Housing)
		Review/re-invigorate Wisemove Incentive scheme to encourage tenants to move out of higher value properties	Oct 2017	Head of Tenancy Services
Development	Maintain a Register of Sites with Development potential	Clarify the approach to identifying land dotted around the district which has development potential	July 2017	Head of New Homes
		Complete review of development potential of all garage sites	March 2018	Head of New Homes
	Review Regeneration Opportunities	To review the long term future use/development feasibility of low density housing schemes including Eastacre and King Harold Ct, Winchester and Whitewings, Denmead	March 2018	Assistant Director (Housing) and Head of New Homes
		To review the regeneration potential of non traditional housing schemes, where housing density is low.	March 2019	Head of New Homes
Estate Improvement	Deliver programme of Estate Improvements	Review impact of programme to date and update nomination process	Oct 2017	Head of Tenancy Services
		Review potential of Joint funded schemes to address wider neighbourhoods (Town Forum/other partners)	Oct 2017	Head of Housing Finance
Consultation	Taking Account of Tenant Opinion	Test opinion of key priorities through STAR survey	Bi-Annually	Head of Housing Policy
		Further test tenant aspirations through targeted focus groups/tenant scrutiny and Performance Review groups	March 2018	Head of Housing Policy
Supported Housing	Ensure Appropriate amount of temporary accommodation	Determine future occupation of Council property by supported housing projects	Oct 2017	Head of Housing Options
		Review demand in light of first year occupancy of Milford House and rationalise use of existing temporary accommodation	March 2018	Head of Housing Options