

REPORT TITLE: HOUSING REVENUE ACCOUNT (HRA) ASSET MANAGEMENT STRATEGY

30 NOVEMBER 2021

REPORT OF PORTFOLIO HOLDER: Cabinet Member for Housing and Asset Management

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WARD(S): ALL

RECOMMENDATIONS:

It is recommended that the Policy Committee comment on the priorities and principles of the HRA Asset Management Strategy:

- a. The Asset Management Strategy's overall outcomes (Section 11.3)
- b. The criteria for disposals and acquisition. Where an asset is identified in the first instance as being surplus to requirements that it be appraised through an options appraisal and an asset is assessed for purchase using the acquisition eligibility criteria. (Section 16.4)
- c. The proposal to fund the provision of fire door sets to leasehold properties in the medium rise flats at Winnall (Section 16.2)

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8 DECEMBER 2021

REPORT OF CABINET MEMBER: Councillor Kelsie Learney, Cabinet Member for Housing and Asset Management

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WARD(S): ALL

PURPOSE

The HRA Asset Management Strategy sets out the focus of long term investment plans and key principles for managing housing assets. It seeks to ensure that the council makes best use of its stock to meet current and future housing need as well as addressing the emerging challenges such as the provision of energy efficiency homes and compliance with the Building a Safer Future regime.

RECOMMENDATIONS

That Cabinet:

1. Adopt the updated HRA Asset Management Strategy included as Appendix 1 to this report.

## IMPLICATIONS:

### 1 COUNCIL PLAN OUTCOME

#### 1.1 Tackling the Climate Emergency and Creating a Greener District

- The formally declared climate emergency; set challenging targets of a carbon neutral Council by 2024 and carbon neutral District by 2030. The former will include a requirement for a carbon neutral housing stock. HRA Asset Management considerations can be divided into 2 clear areas
  - Existing stock
  - New build
- Cabinet Report CAB3291 - Housing Development Strategy 2021 - 2030 sets out design expectations for future new build schemes.
- Cabinet Report CAB3293 - Making homes carbon neutral sets out the approach for existing stock.

1.2 Homes for all – Setting out an approach to maximise the opportunities to increase supply of homes that meet decent homes standards and are compliant with building regulations and health and safety rating standards is the aim of the Strategy.

1.3 Vibrant Local Economy - Provision of good quality affordable housing helps the district retain a diverse workforce and contributes to the local economy.

1.4 Living Well - The provision of good quality housing is linked to and has a direct impact on wellbeing.

1.5 Your Services, Your Voice – Consultation and the provision of resident information is a prerequisite to determining the approach and effective delivery of many elements of the strategy. Some detail is set out in section 6 and the Action Plan includes activities relating to raising awareness with tenants of what achieving carbon efficiency targets means on a day to day basis in terms of living with systems and their cost.

### 2 FINANCIAL IMPLICATIONS

2.1 The HRA Budget and Business Plan is reviewed annually and the current 30 year HRA Business Plan allocates identified resources to ensure that the key priorities for this Strategy are delivered.

2.2 Details of the capital investment, annual maintenance and estate improvement programmes in place to ensure decency standards are met and

that the stock is fit for purpose are set out in CAB3290 Housing revenue account budget 2021/22 and procurement of term maintenance contracts.

- 2.3 Fire Safety - CAB3290 - Housing revenue account budget 2021/22 and procurement of term maintenance contracts – The 10 year housing services capital programme includes a fire safety provision of £2.1m in anticipation of the full recommendations arising from the Hackitt review. Financial implications of all leaseholders taking up the offer of free of charge doors set out in section 16.2 has an estimated cost of £50 - £60k.
- 2.4 Energy efficiency - The Housing Revenue Account (HRA) budget approved by Council in February 2021 (CAB3290 refers) includes provision of £15.7m between April 2021 and March 2031 to fund energy efficiency and carbon reduction measures to Council dwellings. This is in addition to the Major Repairs programme previously approved in the HRA business plan.
- 2.5 Sewage treatment works – CAB3290 – set out in paragraph 14.8 that the ongoing investment requirements of the HRA sewage treatment works is currently being reviewed by officers with the aim of creating a robust future asset management strategy around these assets. In the meantime the Housing Services Capital Programme allows for a minimum of £3.1m of investment over the next 30 years.
- 2.6 Estate improvements – the Government White Paper 'A Charter for Social housing residents' proposes a review of the decent homes standard. The reviewed standard may make reference to the surrounding environment. Currently £400k per annum is set aside for these works until 2029/30 with allowances for slippage and inflation over the period.
- 2.7 Nitrates - All new housing developments must address the nitrates neutrality issue through a nitrates mitigation plan as part of the planning application. This will involve an estimated additional cost for each new home of between £3,000 and £7,000 per unit if nitrate credits have to be acquired from a third party, the council will continue to investigate alternation options to off-set nitrates through improvements to existing sewage works and purchasing land.

### 3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The council is not required by law to have an HRA Asset Management Plan, but it is considered best practice among local authorities throughout the country to have one for its area, covering all of its Housing stock, including Leasehold properties sold under the Right to Buy. It is also considered good practice under the self-financing code for HRAs.
- 3.2 In addition, the council does have a legal duty to all of its tenants and leaseholders as both Housing Authority, under the various Housing Acts, and as landlord, both under the various tenancies and right to buy leases

completed with its leaseholders, which forms a contract between the parties, and also under landlord and tenant legislation and common law, to maintain all its properties in a good and safe condition.

- 3.3 The council's properties must be kept free from health hazards, and must meet all relevant safety and decent homes standards. Under the right to buy legislation, under which council properties are sold to its tenants, the doors of leasehold flats will belong to the leaseholder. The council will therefore need to liaise with all relevant leaseholders and inform them that it proposes to replace their front door with a fire safety door in accordance with current practice. It is proposed that in return for this, the leaseholders will agree to vary their lease to bring it more in line with current practice, including safety issues. This will naturally take some time and output from the council but it is considered imperative so as to comply with its statutory duties as Housing Authority and as landlord. (Please refer to Paragraph 11.18 below.)
- 3.4 As part of the replacement front door programme the intention is to approach leaseholders living in the medium rise blocks at Winnall to agree variations to their lease so as to try to rationalise them so all leases are essentially the same as all others, which is not the position now.
- 3.5 Any direct or in-direct procurement as a result of the HRA Asset Management Strategy will be conducted in accordance with Public Contract Regulations 2015 (PCR2015) and the council's Contract Procedure Rules. Resulting contracts will be managed in-line with the council's Contract Management Framework.

#### 4 WORKFORCE IMPLICATIONS

- 4.1 Elements of the Asset Management Strategy cannot be addressed within existing resources.
- 4.2 Energy Efficiency - along with the Energy officer proposed in CAB3293 the introduction of new technology needs to be carefully managed and teams with management and maintenance responsibilities will require training and skills updates to ensure efficiency gains are not compromised.
- 4.3 Fire Safety - the Building Safety Regime will introduce new competency standards for roles and a skills audit and training plan will be required. The Building a Safer Future Project (BASF) Group will take forward the workforce implications arising from legislation and sector good practice.
- 4.4 Sewage Treatment works – a specialist service provider is being procured to complete the investigations required.
- 4.5 Small sites options appraisal – investigating the development potential of small sites is outside the capacity of the New Homes team. An outside

consultant has been commissioned, financed from existing resources, to carry out a pilot project of site options appraisals.

- 4.6 Lease Amendments – the work around agreeing variations to leases to try to rationalise them may have an impact on staff resources within the Legal Team.

## 5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The Strategy seeks to make best use of existing assets to meet housing needs and increase supply of new housing along with taking advantage of acquisition opportunities.
- 5.2 The Strategy takes account of national and local priorities and compliance requirements relating to new regimes for building safety and decent homes, carbon efficiency targets and nitrates mitigation.
- 5.3 Carbon neutral initiatives need to take into consideration lifespan of existing systems to make best value for money judgements.

## 6 CONSULTATION AND COMMUNICATION

- 6.1 A joint TACT and Member Briefing on Energy was held on 3 March 2020; at which there was a briefing on the Passivhaus model and the Property Services team presented an evaluation and costing of the options for reducing carbon emission in HRA residential properties.
- 6.2 On 15th September 2020 a virtual meeting with some involved tenants was held ahead of the Health and Environment Policy Committee on 30 Sept 2020 to talk through the content of the Committee presentation.
- 6.3 Wider tenant consultation on improving energy efficiency of council homes was conducted through a digital survey in Oct /Nov2020. A 17% response rate was achieved.
- 6.4 The strategy priorities and digital survey results were presented and discussed with involved tenants on 25 November 2020.
- 6.5 A presentation of the headline elements was given to TACT on 22 July 2021. They asked that details of the community and non-operational assets be presented at a future meeting of TACT for consideration. A copy of the presentation was also sent to the Chairs of the Housing Management and Repairs and Maintenance Service Delivery Groups.
- 6.6 The recommendations were presented to tenants at the September TACT Meeting. Tenants were presented with a scenario to debate disposal criteria priorities; the majority favoured retaining rural housing stock even where the investment required to achieve energy efficiency was substantial, properties

are not traditional social housing stock and the property was of high value. Those present supported HRA funding of replacement front doors at Winnall medium rise blocks for improved fire safety.

- 6.7 This report was considered at Business and Housing Policy Committee on 30 November and a verbal update will be provided to Cabinet.

## 7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 A key element of the HRA Asset Management Strategy is working towards achieving the Council's carbon neutral targets.
- 7.2 The HRA Asset Management strategy, along with the Housing Development Strategy, will consider how the Council can use its assets to mitigate nitrates.

## 8 EQUALITY IMPACT ASSESSEMENT

- 8.1 The HRA Asset Management Strategy priorities relating to new homes provision, carbon efficient housing and fire safety have been presented in separate reports along with the relevant the impact assessment details.
- 8.2 Equality Impact Assessment screening on the HRA Asset Management Strategy identified the following issues relating to the carbon neutral agenda:
- a) Potential impact on those with low incomes through increased heating costs relating to change over to energy efficient systems
  - b) Potential impact of increased heating costs is of particular importance where good heating provision relates to wellbeing and health for some groups such as those in health conditions, young households, and older households.
  - c) Impact on some household groups of disruptive works relating to improving the energy efficiency of homes
- 8.3 Mitigating measures
- a) Complete works in voids properties wherever possible.
  - b) Focus on fabric first while evaluating heating options and exploring future technology options.
  - c) Improve awareness of low carbon solution; consideration to be given to household communication needs to ensure key messages are understood.
- 8.4 Assessment concluded that the provision of good quality housing that meets the needs of all household groups is the objective of the strategy. Asset

options appraisal includes assessment of the benefits and disadvantages on different groups as part of that process.

## 9 DATA PROTECTION IMPACT ASSESSMENT

9.1 None Required

## 10 RISK MANAGEMENT

10.1 As previously mentioned significant elements of the HRA Asset Management Strategy have been the subject of stand-alone Cabinet reports i.e. fire safety, carbon efficient housing and the Housing Development Strategy. These reports set out the risks associated and therefore these are not replicated here.

10.2 The main risks to achieve the outcomes of the HRA Asset Management Strategy are around:

- a) Changes to the financial environment under which the Strategy operates which has implications for funding and rents,
- b) Outcome of new and reviewed standards and compliance requirements i.e. decent homes, building safety
- c) Impact of COVID on the demand for internal and external space, agile working practices and economic stability of households.
- d) The supply of materials and skilled workforce.

Risk	Mitigation	Opportunities
<p>Financial Exposure</p> <p><i>Changes in the macro economic environment (such as inflation and interest rates) - impact on build and borrowing costs, funding availability and levels, rent policy</i></p> <p><i>Govt requirements could lead to compliance requirements that have financial implications for the HRA</i></p>	<p>Treasury management Strategy – secures cheaper borrowing.</p> <p>Highlight and bring to members attention if the environment signals a review of approach to how rental income is used i.e. balance of maintenance against development.</p> <p>Current focus on improving the EPC (Energy Performance Certificate) rating. Open market process</p> <p>CAB3290 sets out investment and funding allocations to address strategic aims. These</p>	

<p><i>Best Value not achieved for disposal and acquisition of assets. Insufficient HRA resources to meet strategic aims</i></p>	<p>arrangements are routinely updated and progress reported to Cabinet</p>	
<p>Exposure to challenge</p> <p><i>Nitrates</i></p> <p><i>Free of charge replacement door sets for leaseholders in Winnall medium rise Flats– challenged by leaseholders/tenants from other blocks who won't benefit from this scheme, by HRA funds used to finance works for where responsibility sits with leaseholders.</i></p>	<p>Determining robust approach forms part of the planning application process for new build developments.</p> <p>Consider a range of methods to mitigate nitrates including creation of wetlands, tree planting, reed beds for sewage treatment plants</p> <p>Reducing barriers to low take-up to improve fire safety for the benefit of all tenants</p>	<p>Buying credits</p> <p>Opportunities to use council owned land to create nitrate credits.</p> <p>Offered in exchange for changes to existing lease terms.</p>
<p>Innovation</p> <p><i>Ability of achieving primary objective i.e. reduce carbon emissions if WCC fails to invest in modern systems, fails understand new technologies and systems, is not aware of the current options for delivering compliance. Skilled workforce</i></p>	<p>Membership of the IHS Account (Construction Information Services (CIS) recently reinstated to prolife access to current guidance.</p> <p>Briefing sessions being organised by the New Homes Team to develop understanding of new build elements and specifications and how these can be compromised.</p> <p>Join the “Net Zero Collective” partnership</p>	<p>Investment in BIM technology</p>

<p><i>IT Systems</i> <i>Funding and expertise required for example around BIM and building safety information</i></p>	<p>Work in conjunction with corporate teams to determine funding and approach required. Consideration of commissioning specialist service providers</p>	
<p><i>Reputation</i> <i>Low levels of satisfaction with information on how to use new heating systems and how low carbon systems operate.</i></p> <p><i>Complaints not progressed effectively.</i></p> <p><i>Fail to achieve outcomes</i></p>	<p>Resident engagement approach should address residents' needs around information and how to raise concerns.</p> <p>Central role with responsibility for monitoring complaints.</p> <p>Asset Strategy Management Group will monitor delivery Action Plan and tenant engagement.</p>	<p>Joint Briefing provided the opportunity for tenants to be involved in the Council's approach to meeting carbon neutral targets.</p> <p>Tenant representation on the WCC Energy joint stakeholder forum/panel</p>
<p><i>Achievement of outcome</i> <i>Staff turnover – loss of capacity and expertise, limited capacity to be compete with other housing providers to recruit to vacant posts and new posts</i> <i>Availability of skilled workforce and sector developing new skills in relation to retrofit making it difficult to recruit competent staff such as the energy officer</i> <i>Availability of competent contractors</i> <i>Supply of materials</i> <i>Impact of the pandemic uncertain environment</i></p>	<p>Procure services from outside providers.</p> <p>Commission consultants to provide services such as Options Appraisal, Compliance services.</p> <p>Progress towards Strategy outcomes monitored by Asset Management Group and risk highlighted for members attention.</p> <p>Where possible build in systems that don't require a skilled workforce to maintain</p>	
<p><i>Property</i> <i>Decent homes standards not maintained</i> <i>Dwellings or communal areas not being effectively utilised.</i></p>	<p>Keystone asset management reports run regularly to inform works programme and monitored by the Asset Management Group</p>	

<p><i>Understanding of how carbon neutral systems operate by those processing works or responding to queries raised by tenants leading to guarantees being made invalid as due to inappropriate maintenance.</i></p> <p><i>Risk if compliance requirements are not known, understood or met</i></p>	<p>Staff communication plan and Training.</p> <p>Membership of the IHS Account (Construction Information Services (CIS) recently reinstated to provide access to current regulations announcements and plans. Investment in a specialist Energy Officer. Join the “Net Zero Collective” partnership.</p>	
<p>Community Support <i>None</i></p>		
<p>Timescales <i>Linked to Project Capacity below</i></p>		
<p>Project capacity <i>Competent contractors – availability of competent contractors to meet requirements of property work programmes may result in delays.</i></p> <p><i>Capacity of resources to react to Sites forwarded for appraisal</i></p> <p><i>Options and site evaluations outside the capacity of lead and support teams</i></p>	<p>National programmes currently being developed to support this. Scope for local training programmes could be considered, particularly in partnership with other social landlords</p> <p>Commissioned Site Appraisal Project</p> <p>As above</p>	
<p>Other People <i>Aiming for Carbon neutral targets and may conflict with tenancy sustainment through increased household</i></p>	<p>Highlight the importance of understanding the impact on low income households of carbon neutral initiatives when considering the approach to</p>	

<i>costs and new build scheme affordability</i>	tackling home energy use.	
<i>Data security</i>	IMT corporate strategies	
<i>Reliance on IT systems for effective outcome delivery</i>		

## 11 SUPPORTING INFORMATION:

11.1 The HRA Asset Management Strategy is a key document that supports the management of both dwelling and non-operational assets held by the HRA. The implementation of the 2017 Strategy has resulted in:

- a) All dwellings being maintained in accordance with the Decent Homes Standard
- b) Kitchens now replaced within 20 years
- c) Rationalisation of designated older persons housing with a number of previous sheltered schemes now let as general needs housing but a significant provision of older persons housing being retained with enhanced management/alarm services
- d) A number of Council owned sites being developed for new housing, including the Valley at Stanmore which secured over £6m of Homes England funding to deliver housing at social rent.

11.2 The draft Strategy included as Appendix 1 takes full account of the 2017 Strategy and updates it in light of latest tenant surveys, the Housing White Paper and findings of the Hackitt review. It takes account of the current waiting list demand and importantly reflects recent decisions with regard to the New Homes Programme (CAB3291 refers) and provision for the retrofitting of energy measures to existing housing (CAB3293 refers)

11.3 The draft Strategy seeks to achieve the following overall outcomes:

- a) Increase supply of homes
- b) All homes are energy efficient and affordable to run
- c) A housing stock that meets the current and future needs of client groups.
- d) All homes comply with the decent homes standard
- e) Tenants feel safe in their homes & know how to raise concerns

## 12 Increasing the Supply Homes

- 12.1 The Council has approved the New Homes Development Strategy with a target to build 1,000 net carbon neutral homes by 2031 and has included provision of £254m in the HRA Business Plan to deliver this. To end of 2019-20 the council had sold 176 homes under the Right to Buy since the new reinvigorated policy was introduced in 2012-13, which is an average of 22 a year. Each year, stock numbers and profile change through right to buy sales, offset by the development of new dwellings and other stock changes.
- 12.2 The New Homes Development Strategy recognises the direct link with the Asset Management Strategy and the essential need to take account of Housing need, existing housing management and current demand.
- 12.3 The New Homes Development Strategy recognises the need to secure additional land to support the programme. However, the council retains a number of small sites that could still make a positive contribution to the 1000 homes target. A key action included within the Asset Management Strategy is the commissioning of a review of assets including small areas of communal land, other non-operational assets and garage sites to identify development opportunities to either feed into the new homes programme or in exceptional circumstances to be considered for disposal.
- 12.4 Nitrate Mitigation – to address the challenge of Nitrate Mitigation requirements for the New Homes programme, works are underway on HRA land at Micheldever to reduce nitrate emissions from sewage treatment and produce a number of credits to off-set new council development. Further credits will be required upon the completion of new schemes and this will need to be addressed by further improvements to sewage treatment works, through purchasing nitrate credits from third parties or by acquiring land (provision for land acquisition has been included in the HRA budget).
- 13 All homes are energy efficient and affordable to run
- 13.1 CAB3293 approved £15.7m to fund a “fabric first” approach to retro-fitting energy measures to existing stock.
- 14 A housing stock that meets the current and future needs of client groups
- 14.1 The Asset Management Strategy takes count of existing demand for housing and seeks to ensure existing stock makes a positive contribution to addressing housing need.
- 14.2 Housing teams are currently focussing on some key work streams to ensure that the Council is making best use of its housing stock. This includes:
- a) Demand for 2 bed flats – Since the pandemic, demand for some two bed flats has reduced, particularly where access to outside and communal space is limited. The Council has significant provision of 2

bed flats and whilst demand remains in most locations, a small number have taken longer to let than previously and a review of lettings policies is underway.

- b) Older Persons Housing – The rationalisation of sheltered housing in the last 5 years has ensured that designated older persons housing (extra care, sheltered and bungalows) is fit for purpose. Schemes where access was restricted (no lifts, too many steps) are now more appropriately let as general needs housing. Retained schemes remain popular although demand is kept under review to ensure the split between older persons and general needs housing is appropriate in light of demand. Extra Care housing remains in demand and new provision remains a priority for the New Build programme.

A significant amount of research and collation of evidence as regards the emerging issues to meet the needs of older people has been completed in the process of developing the strategy. Reference has been made to the Strategic Housing Market Assessment February 2020 along with analysis of bidding patterns from Hampshire Home Choice and an evaluation of the service against the Housing Quality Network's self-assessment toolkit.

- c) Temporary Accommodation – The Council has 60 units of temporary accommodation which plays a key role in homelessness prevention. A review of existing provision is underway to ensure the provision meets relevant national standards. One building in particular is not considered ideally fit for purpose and the potential to adapt it, put it to an alternative use or potentially dispose of it is currently being considered. This will be subject to a report to Cabinet in the coming months.

## 15 All homes comply with the decent homes standard

- 15.1 The Council continues to comply with the requirements of the decent homes standard for all of its dwelling stock and investment programmes set out in the HRA Business Plan are considered to be sufficient to maintain this in future years.
- 15.2 A 93% stock survey was completed in 2013/14 and regular reviews have been maintained since that date. Comprehensive details on all key building components are maintained on the Asset Management database including replacement dates and this data is used to inform long term maintenance plans.
- 15.3 Sewage Treatment works – One area where asset information is less comprehensive is in relation to sewage treatment works. These are now managed by the Council's Special Maintenance team and a comprehensive

maintenance and improvement programme is being developed. Some provision to fund improvements is included in the HRA Business Plan.

16 Tenants feel safe in their homes & know how to raise concerns

16.1 Ensuring that homes are well maintained and comply with all relevant safety standards has always been a key priority for the Council and this is reflected in investment programmes with specific additional provision for fire doors and in performance management regimes (risk assessment process and the focus on gas safety compliance for example).

16.2 The programme to upgrade the existing entrance door sets to flats and maisonettes is already under way for council tenants and due to be completed over the next three years. The current programme includes entrance doors for tenants but not for leaseholders. This is because the leaseholder own the entrance door to their property and as such have the responsibility to ensure their front door is fire compliant. However, it is proposed to offer leaseholder at the higher risk properties (specifically the four medium rise blocks on Winnall - Braxton, Craddock, Earle and Dennett Houses) a free replacement fire rated entrance door. This enhanced fire safety offer by the council will ensure the safety of all residents rather than relying on leaseholders to meet their fire safety obligations with the potential of putting others at risk. The council will use this opportunity in exchange to issue an improved and modernised lease. The estimated cost to the HRA fire budget is £60,000 or less depending on take up of the offer and, if approved, will be funded from the existing capital budget for this work.

16.3 This approach is designed to benefit council tenants as well by providing additional protection and responds to concerns raised by tenants regarding the impact on overall safety as a consequence of the standard to which other residents maintain their property. The initiative also adds value to the overall door replacement programme.

16.4 **Disposals and Acquisitions**

16.5 As part of the HRA Asset Management Strategy, consideration needs to be given to the future need to acquire assets, such as land or housing, and if existing assets are no longer fit for purpose, to consider a range of options that could include realising value through disposal.

16.6 In terms of disposals, the abolition of the HRA debt cap means that the original reasons for developing a programme of asset disposals is no longer a factor, as maintenance and development programmes can be fully funded from prudential borrowing, effectively funded through future rental income. However, whilst any future disposals are likely to only be recommended in

exceptional circumstances, some disposals may be required to ensure the Council continues to make the most effective use of its housing assets.

## 17 Acquisition Criteria

17.1 Opportunities to acquire assets are anticipated, with the sale of any previous “Right to Buy” properties being offered in the first instance to the Council in accordance with discount rules. In addition, the purchase of land to support future development is also anticipated and provision for both these issues is included in the HRA capital programme.

17.2 In terms of future acquisitions, it is proposed that the criteria already established to assess development opportunities be adapted to assess the suitability of a proposed acquisition. The proposed criteria is:

- a) That the investment has a positive “Net Present Value” (NPV) (that acquisition, management and maintenance costs can be met from rental income, assessed over 35 years),
- b) That the income stream covers the debt servicing costs of the proposal, and
- c) That the HRA Business Plan is able to finance the acquisition and to remain both viable and sustainable.
- d) The asset is considered as suitable for social housing either in its existing form or with investment in remodelling; fits the future needs of the organisation.

17.3 In addition, there is also the requirement that there also must also be approved budgetary provision to fund the acquisition.

## 18 Disposal Criteria

18.1 Whilst the future disposal of assets is only likely to be considered in exceptional circumstances, some disposals may be required (as referred to in para 14.2c above re temporary accommodation). In all circumstances, an options appraisal to consider alternative uses will be completed. If disposal is recommended, it should comply with at least one of the following criteria:

- a) The asset has a negative NPV
- b) The asset is considered as unsuitable for social housing; doesn't fit the future needs of the organisation
- c) Carbon efficiency – The asset will not achieve EPC C rating or this can only be achieved with significant investment in retro fitting

- d) Land that is not required for social housing purposes and/or which makes little or no positive contribution to the neighbourhood

## 19 Conclusion

### 19.1 The Asset Management Strategy actions focus on the following:

- Increase supply of affordable housing
- Developing a coherent asset management and investment strategy for the sewage treatment works within the HRA
- Programme of work to deliver energy efficient housing
- Investment in existing sheltered housing stock to improve accessibility, voids standards, digital inclusion and well-being services
- Planning for an extra care scheme to meet the needs of older households in the southern parishes
- Temporary accommodation provision that meets future demand
- Investment programmes which achieve 0% non-decency
- Programme of works to meet the requirements of the Building a Safer Future regime

## 20 OTHER OPTIONS CONSIDERED AND REJECTED

20.1 Alternative options specific to some of the strategy elements such as reducing carbon emissions in HRA residential property were presented in other Cabinet reports.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

BHP0021 – HRA AMS – 30 November 2021

Cabinet Report CAB3291 - Housing Development Strategy 2021 – 2030 – 10 March 2021.

Cabinet Report CAB3293 - Making homes carbon neutral – 10 March 2021

CAB3290 - Housing revenue account budget 2021/22 and procurement of term maintenance contracts – 11.02.21

Climate Change Update: Reducing the Environmental Impacts (Carbon) in Council Housing Stock (Presentation) - Health and Environment Policy Committee - 30 Sept 2020

CAB3221 – Fire Safety in Council Housing – 24 June 2020

CAB3053 (HSG) – HRA Asset Management Strategy – 04.07.18

CAB2866 (HSG) – Housing Management Strategy – 22.11.16

CAB2751 (HSG) - Developing a housing asset - management strategy - 22 March 2016

Other Background Documents:-

None

CAB3301 – Nutrient (nitrate) Neutrality Update – 21.07.21

APPENDICES:

Appendix 1 – Draft HRA Asset Management Strategy 2021 - 2023