

Report for	Board of Management
Title	Asset Management Strategy 2018 and Five Year Investment Plan 2018/19 to 2022/23
Agenda item	9
Report for	Discussion
Classification	Confidential
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Portfolio / Board lead	N/A

1. Introduction

- 1.1 This report presents the new Asset Management Strategy 2018-2023 and associated Five Year Investment Plan. The Strategy sets out the strategic framework within which we will be investing in the Council's housing stock from 2018/19. The Investment Plan sets out how we aim to deliver that investment over the next five years.
- 1.2 The Strategy and the Plan are currently with the Council, awaiting sign off by the interim Strategic Director of Regeneration, Planning and Development. Both documents are attached, in full, as appendices.
- 1.3 The Board is asked to note the content and support the recommended approval of the Strategy and Plan, by the Council. Regular reports will be provided to the Board setting out progress with developing and delivering the key objectives of the Strategy. Performance will be measured against key indicators which include Health and Safety compliance, Decent Homes, progress against the business plan and Customer Satisfaction.

2. Background

- 2.1 October 2016 Cabinet agreed to adopt a new approach and standard for delivering investment in the housing stock, following the end of Decent Homes funding and introduction of self - financing.
- 2.2 October 2016 Cabinet also agreed that Homes for Haringey should develop a new Asset Management Strategy and investment programme; with approval

delegated to the Director of Regeneration, Planning and Development, after consultation with the Lead member for Housing and Chief Operating Officer.

- 2.3 February 2018 Cabinet approved the Five Year Medium -Term Financial Strategy (MTFS). This includes approving a five year budget of £248.310m to fund capital investment in the housing stock from 2018/19. This is the sum required for Homes for Haringey to deliver the programme set out in the Five Year Investment Plan.

3. Asset Management Strategy

- 3.1 The Asset Management Strategy has been updated and a Five Year Investment Plan developed; based on the new approach to stock investment, as approved by October 2016 Cabinet.
- 3.2 Since 2008 investment has largely been targeted at renewal of components which are included in the scope of the Decent Homes Standard. Residents have benefitted from over £292m of investment in much needed renewals of windows, roofs, kitchens, bathrooms, heating systems and wiring. The level of decency has increased from 58% at the start of the programme to above 81% as at March 2018 with over 11,300 homes brought up to the Decent Homes Standard. Resident satisfaction has been consistently high during the delivery of the programme, averaging 94%.
- 3.3 It is however, recognised that the external environment and common parts, which fall outside the scope of Decent Homes Standard, have not had the same level of investment during this period.
- 3.4 Following the end of Decent Homes funding and the emergence of Housing Revenue Account (HRA) self-funding, Council's now have greater freedoms to set their own direction and to develop Asset Management Plans that meet their local needs.
- 3.5 The focus of 2018 Asset Management Strategy has a broader and longer term perspective; covering all HRA assets. This is in addition to delivering better outcomes for residents, through consolidating our investment programmes by adopting a more estate based 'holistic' approach which now includes the external environment and common parts. We will also seek to add value to the portfolio through possible infill and new build, in tandem with investment.
- 3.6 Existing programmes have been replaced with three main work streams comprising an external, communal/estate work stream with a separate internals

programme. Provision is also included for essential Health and Safety works and lifts, which sit outside the main planned works programme.

- 3.7 The intention is to fully implement this new approach from 2019/20 onwards with the first year (2018/19) being a transition year to finish off works from the 2017/18 major works programme and begin the design and mobilisation process for the new programme.
- 3.8 The Five Year Plan has been designed to ensure that we achieve full decency by the end of the period (barring any stock where investment is restricted due to regeneration considerations. This stock has been included but not in the first three years of the externals programme, pending decisions on future options. The Plan however, has been designed with sufficient in-built flexibility to accommodate changing priorities which may require works to be brought forward. This stock has also been included in the internals programme, which is not as yet broken down by year. This will happen once new contractors are appointed later this year and we package and programme works over the period.
- 3.9 Once signed off by the council and following the purdah period we will communicate to residents the contents of the plan and programme.
- 3.9 A copy of the strategy and plan are enclosed separately with the Board papers.

4. Considerations

- 4.1 The Strategy has been developed in partnership with the Council to ensure it is aligned to and supports delivery of current Council objectives and priorities. It has also been designed to reflect current best practice in Asset Management.
- 4.2 In drawing up the Strategy and Plan, we have undertaken a detailed risk analysis and considered corrective measures to minimise risk as far as is practicable. A Strategic Risk Register and a Programme Delivery Risk Register are being developed.
- 4.3 The Council's has set a five year capital budget which allows for longer term planning and flexibility between years, therefore enabling us to move away from short term annual cycles.
- 4.4 In addition, we recognise that changes to statutory obligations following the review of Building Regulations and other recommendations resulting from the

Grenfell enquiry, are likely to require a review and changes to the Strategy and investment priorities detailed in the Investment Plan.

- 4.5 Residents were involved in agreeing the key objectives of the Strategy and working with us in developing the Plan through a task and finish group.
- 4.6 The scope of works includes installation of energy efficient boilers, loft and cavity wall insulation, and double glazing, which will assist in reducing fuel bills. This is supported by the work Homes for Haringey are doing in partnership with LEAP in offering advice on energy efficiency to our residents. The October 2016 Cabinet report agreed that the HRA would not fund major energy efficiency measures such as external wall insulation. However, Homes for Haringey will work with the Council on bids to access any additional external funding available for energy measures.

5. Recommendation

5.1 The Board is recommended to:

- a) Note the content of the Asset Management Strategy and Five Year Investment Plan and support their recommended approval by the Council.
- b) Discuss future monitoring and reporting to the Board.
- c) Note that changes are likely to be required following the current review of Building Regulations and other recommendations resulting from the Grenfell enquiry.