

Meeting date: 17th November 2022

Report to: Economic Development and Managed Growth Scrutiny Board

Report title: Council Housing Asset Management Strategy 2023 - 2033

Report from: Solihull Community Housing

Report author/lead contact officer: Mike Brymer, Interim Executive Director of Asset Management and Development (SCH)

Wards affected:

- All Wards | Bickenhill | Blythe | Castle Bromwich | Chelmsley Wood |
 Dorridge/Hockley Heath | Elmdon | Kingshurst/Fordbridge | Knowle |
 Lyndon | Meriden | Olton | Shirley East | Shirley South |
 Shirley West | Silhill | Smith's Wood | St Alphege
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Public/private report: Public

1. Executive Summary

- 1.1 SCH and SMBC officers have been collaborating to produce a 10 year asset management strategy for the SMBC council housing stock managed by SCH. The draft strategy is attached at Appendix One and the three year Capital Investment Plan attached at Appendix Two. The purpose of this report is to seek any comments from Economic Development and Managed Growth Scrutiny Board.
- 1.2 This 10 year strategy will replace the current 2 year strategy which has been in place as a short term solution, while more data has been gathered to provide a more robust evidence base for this longer term 10 year strategy. This 10 year strategy seeks to set out our approach to stock investment including address the challenges faced by the social housing sector – in particular to:
- deliver carbon reduction across the council housing stock;
 - address more stringent and regulated building safety requirements; and
 - deliver an anticipated improved decent homes standard.
- 1.3 The strategy is accompanied by a three year Investment Plan which has been developed jointly between SMBC and SCH. This sets out detailed activities that are planned to be carried out during the next three years to contribute to the achievement of the strategy objectives. The development of the strategy has been supported by a viability performance assessment of the housing stock, which has enabled the identification of low viability stock, where alternative options may need to be

considered.

2. Decision(s) Recommended

The Economic Development and Managed Growth Scrutiny Board is asked to provide comments and feedback on the draft strategy' in particular the strategic objectives in the strategy document at appendix 1 and the investment plan in appendix 2

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3. Matters for Consideration

- 3.1 The overall aim of the strategy is to ensure that all the council owned homes and estates managed by SCH on behalf of SMBC, are well maintained to appropriate standards, are used for the maximum benefit of our local communities and provide a sustainable contribution to our Borough, and the wider environment. In essence, homes that are fit for the future.
- 3.2 In developing our joint SCH and SMBC Asset Management Strategy for the council housing stock, we have sought to listen to and act on the views of customers. While views can vary depending on age, type of property and where people live, there is a strong consensus around homes being safe, in good repair, wind and watertight with up-to-date facilities such as kitchens and bathrooms. Looking forward we know that the future sustainability of homes is dependent on them being 'attractive' to tenants.
- 3.3 SCH Board have committed to a rolling five year programme of stock condition surveys, meaning that each year 20% of the stock has a stock condition survey undertaken. This commitment started in financial year 2020 /2021 with additional resources from SCH reserves to kick start this programme. The current position with completed stock condition surveys, therefore is that 40% of properties have been completed. This increase in stock information allows SCH to provide statistically viable forecasting of the future stock investment need.
- 3.4 In developing the Asset Management Strategy, there has been extensive discussion, including:
- consultation with customers including through surveys, meetings and the recent tenant conference
 - two collaborative asset management workshops including executive officers from SMBC and SCH
 - Ongoing discussion through the Strategic Housing Board – a body chaired by the corporate director E and I
 - discussion at cabinet CLT
- 3.5 This has provided confidence that the proposed Asset Management Strategy presented to ED and MG Scrutiny for this meeting aligns with the priorities of both customers and stakeholders.
- 3.6 To note, the strategy also aligns with and complements other relevant key council strategies, such as the Housing Strategy also being presented to ED and MG Scrutiny at its meeting of 17th November 22.
- 3.7 The suggested priorities for the Asset Management Strategy 2023 – 2033 are:
- 3.8 Investing intelligently in our homes – We know that each investment has an 'opportunity

cost' spending on one thing means we must go without another. A key priority for SCH is therefore to ensure all investment is targeted to achieve good value for money. To drive investment decisions, we need a robust approach to data management and to corporately strengthen our systems and use of 'business intelligence' to improve decision-making – ensuring our investment is focussed on homes that are sustainable in the long-term.

- 3.9 Ensuring safe, high-quality homes – Feedback from our customers has highlighted the need to ensure that homes are safe – this is an even higher priority for residents following the COVID-19 pandemic. This priority will also focus on the known and emerging requirements from both the Building Safety and the Fire Safety Acts. This priority will also be shaped by our response to the emerging wide 'Decent Homes 2' requirements that as well as providing building components to expected lifecycles e.g. kitchens and bathrooms will also be shaped by new expectations surrounding keeping properties free from damp and mould and sustainable forms of heating to meet carbon reduction requirements.
- 3.10 Supporting the Council's net zero plans by investing in 'greening' our homes – Our homes are central to how we contribute to Solihull Council's ambitious plans to achieve net zero carbon emissions by 2041. We know that for many customers the cost of running their home is a key concern. National research has identified over half of residents living in social housing with poor energy efficiency (Band D or below) are likely to be in fuel poverty. It is essential that SCH and SMBC maximise contributions from external funding so that the overall carbon neutral target of 2041 for Solihull is achieved as a significant amount of additional investment is required during this time period.
- 3.11 Ensuring high-rise schemes are 'fit for the future' – Develop a bespoke high-rise standard to reflect building safety and other health and safety requirements, the delivery of repairs, safety and security in the home, communal spaces and neighbourhood, green and open space and car parking. This will help guide the work of the new Head of Building Safety position along with the role for Building Safety Managers.
- 3.12 Providing safe and attractive neighbourhoods that support thriving communities are safe, attractive and secure – SCH recognise that our homes are 'more than bricks and mortar'. The COVID-19 pandemic has made many of us more aware of the value we place on communities and neighbourhoods. We will work in partnership with customers and other organisations to create thriving neighbourhoods and communities that are clean and safe. When upgrading internal and external communal areas, we will make every effort to identify opportunities to improve accessibility for people with mobility impairment and parents with small children.
- 3.13 Building new affordable and sustainable homes – Building new affordable and environmentally sustainable homes is key to ensuring we remain financially strong and meet the housing needs and aspirations of our existing and future tenants. Because the availability of development land is challenging in Solihull we will need to apply active asset management to our existing homes so that we can support the development of new homes. Along with larger strategic projects such as with the Kingshurst Village

Development.

- 3.14 Ensuring customer engagement in shaping our future services – Looking forward we know that the future sustainability of homes is dependent on them being ‘attractive’ to residents. That is why we want to co-design standards with our SCHape Panel and Customer Advocates to embed tenant engagement as an integral part of our key processes from service planning to delivery. We will seek out feedback as a ‘reality check’ on the performance and quality of services.
- 3.15 Building a fantastic team – Linking with the People Strategy, the AMS will only be successful if it is driven by our people. Employing staff with key competencies to ensure that there is sufficient capacity in place for delivery is key.

Appendix two provides a three year investment plan identify key activities that are proposed to be carried out in order to contribute towards the achievement of the strategic objectives of the Council Housing Asset Management Strategy 2023 – 2033. The Investment Plan, although covering three years will be reviewed and updated every 12 months to ensure it is relevant and current.

4. What options have been considered and what is the evidence telling us about them?

- 4.1 This report and the Council Housing Asset Management Strategy highlights the significant challenges that are currently being faced by the Social Housing Sector in relation to managing the Council Housing Stock. Options considered during the development of the strategy included:

- 1) the timescale that the strategy should cover; and
- 2) the strategic objectives that should be included.

5. Reasons for recommending preferred option

- 5.1 We have a responsibility to positively respond to the legislative requirements associated with the Building Safety and Fire Safety Acts, enhance efforts for energy efficiency and decarbonisation and consider the implications emanating from the review of the Decent Homes Standard along with the publication and requirements of the New Charter for Social Housing.
- 5.2 For these reasons (along with others) we are developing a longer-term Asset Management Strategy that covers a timeframe of a 10 year term. This will allow more time period to agree and implement the longer-term priorities in Solihull and provide sufficient capacity to remain agile and develop innovative responses to the challenges that we face. Especially as there are significant pressures on public finances. Further work will also be done wherever possible to respond to grant opportunities that present themselves to help assist with the financial requirements for investment.

The strategic objectives that have been identified capture the key challenges that need to be addressed at both a national e.g. building safety and a local level e.g. high rise

residential blocks.

6. Implications and Considerations

6.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
<p>People and Communities:</p> <ol style="list-style-type: none"> 1. Improving outcomes for children and young people in Solihull. 2. Good quality, responsive, and dignified care and support for Adults in Solihull when they need it. 3. Take action to improve life chances and health outcomes in our most disadvantaged communities. 4. Enable communities to thrive. 	<p>To support communities and residents in developing thriving good quality well maintained homes across the area.</p>
<p>Economy:</p> <ol style="list-style-type: none"> 5. Develop and promote the borough's economy, with a focus on revitalising our town and local centres. 6. Maximising the opportunities of UK Central and HS2. 7. Increase the supply of affordable and social housing that is environmentally sustainable. 	<p>To continue to develop in SMBC stock through local contractors and trades in maintaining a strong diverse portfolio of affordable housing in the local area.</p>
<p>Environment:</p> <ol style="list-style-type: none"> 8. Enhance our natural environment, improve air quality and reduce net carbon emissions. 	<p>To build and invest across our portfolio in carbon neutral technologies to reduce carbon emissions and create more affordable homes not dependant on traditional fossil fuels.</p>
<ol style="list-style-type: none"> 9. Promote employee wellbeing 	<p>To develop skills and empower employees to deliver the strategy.</p>

6.2 Consultation and Scrutiny:

6.2.1 Engagement on the development of the Draft Asset Management Strategy has been undertaken with stakeholders as set out in 3.4 – 3.6 above.:

6.2.2 To note that as part of customer engagement an exercise was completed as part of the strategy development which attracted 164 responses from residents. To note also, the strategy commits to ensuring customer engagement in shaping future standards and services.

6.2.3 As noted in section 3, two specific senior corporate workshops across both SMBC and

SCH took place, the first focussing on the findings from completed stock condition surveys and the second on a draft version of the Joint Asset Management Strategy.

6.2.4 Other groups involved in the development of the strategy, as set out in section 3.4 – 3.6 above are:

- SMBC Strategic Housing Board
- SCH Board
- SMBC Cabinet CLT

The Stock Investment Group has a membership covering officers from SCH and SMBC as long as representation from the SCH Board. The Group have been involved in various stages of developing the Asset Management Strategy.

6.3 Financial implications:

6.3.1 The financial implications for the Council Housing Asset Management Strategy 2023 – 2033 will be considered as part of the Council's Medium Term Financial Plan and 30 Year Housing Revenue Account Business Plan.

6.4 Legal implications:

6.4.1 A priority to focus on the known and emerging requirements from Building Safety Legislation and the Fire Safety Act. A continued focus on the legal requirements for Gas and Electrical Safety in our homes.

6.4.2 'Decent Homes 2' requirements being that SCH will need to ensure that as well as providing building components to expected lifecycles e.g. kitchens and bathrooms will also be shaped by new expectations surrounding keeping properties free from damp and mould and sustainable forms of heating to meet carbon reduction requirements.

6.5 Risk implications, including Risk Appetite:

6.5.1 The overarching themes of the Asset Management Strategy are reflected within the corporate risk register.

- SCH0203 – Failure to ensure Building Safety in line with current and in preparation for future legislation
- SCH0202 – Failure to ensure health and safety of customers, employees and contractors.
- SCH0205 - Failure to have robust systems and process for data management
- SCH0201 - Insufficient or inappropriate use of resources to deliver SCH delivery plan commitments
- SCH0199 - Failure to optimise capital investment.

6.6 Equality implications:

6.6.1 Equality has been and will continue to be considered throughout development of the strategy, with a Fair Treatment Assessment to be conducted in due course.

7. List of appendices referred to

- Joint Asset Management Strategy 2023 – 2033
- Joint Asset Management Strategy 2023 – 2033 – Three Year Investment Plan

8. Background papers used to compile this report

8.1 None

9. List of Other Relevant Documents

9.1 Solihull Housing Strategy