

Meeting date: 9 March 2023

Report to: Full Cabinet

Report title: Council Housing Asset Management Strategy

Report from: Director of Economy and Infrastructure

Report author/lead contact officer: Fiona Hughes, Chief Executive SCH
Mike Brymer, Head of Asset Management & 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
-

Public/private report: Public

1. Executive Summary

- 1.1 The purpose of this report is to approve the joint SCH/SMBC Council Housing Asset Management Strategy and Investment Plan for Solihull. The report provides an overview of the Council Housing Asset Management Strategy, the Investment Plan and the process that has been carried out to develop the document.
- 1.2 The full Council Housing Asset Management Strategy and Investment Plan are provided at Appendix 1 and 2 respectively.
- 1.3 The 10-year Council Housing Asset Management Strategy is summarised in paragraphs 3.1 – 3.7 below. It sets out the:
- The drivers for change
 - The management arrangements via Solihull Community Housing
 - Local context of Solihull and the performance of the housing stock
 - Customer views
 - 8 Strategic objectives of the Strategy
 - Leadership and Governance arrangements
- 1.4 The Investment Plan is described in paragraph 3.8 of this report. It covers the 3-year period 2023-2025 and focuses largely on the planned activity to achieve the strategic

objectives with priorities, actions and timescales.

- 1.5 Engagement exercises have taken place with tenants, staff and senior managers during the development of the Strategy and paragraph 3.9 provides further details.
- 1.6 A report was provided to Economic Development and Managed Growth Scrutiny Board on 17 November 2022. Scrutiny Board made no formal resolutions to be considered by Cabinet but a summary of their feedback is included at paragraph 3.17.

2. Decision(s) Recommended

- 2.1 To approve the Council Housing Asset Management Strategy 2023 - 2032
- 2.2 To approve the Investment Plan 2023 – 2025
- 2.3 To note that the SCH Board approved the Strategy on 20th February 2023
- 2.4 That Cabinet agrees to delegate responsibility to the Director of Economy and Infrastructure to make amendments to the Council Housing Asset Management Strategy as necessary to deliver the ambitions of the Strategy.

Report Title: Council Housing Asset Management Strategy

3. Matters for Consideration

Council Housing Asset Management Strategy and Investment Plan

3.1 The draft Council Housing Asset Management Strategy covers the 10-year period 2023 - 2032 and is supported by an Investment Plan for the 3-year period 2023-2025. The Strategy replaces the previous two-year strategy that has now expired.

3.2 The full Strategy is provided at Appendix 1 and the Investment Plan at Appendix 2.

3.3 The main aspects of the Council Housing Asset Management Strategy are:

1. The key drivers for change identified within the strategy are:

- National focus on building safety on ensuring customers are safe in their homes and neighbourhood
- National and local targets to ensure all homes to meet energy performance Band C by 2030 and to meet stretch targets for homes to be net zero carbon in Solihull by 2041
- Increased focus on housing quality - disrepair, damp and mould - including an anticipated new regulatory decent homes standard
- Greater emphasis on placing the customer at the centre of service delivery through a culture of openness, respect and accountability
- The need to increase housing supply to meet local demand
- Greater focus on the importance of communities and neighbourhoods - including green space, external areas and communal areas
- Focus on ensuring reliable and accurate data is used to support evidence-based decision-making

2. Responding to these drivers for change, the Strategy has 8 strategic objectives which are:

1. Investing intelligently in our homes
2. Ensuring safe, high-quality homes
3. Supporting the Council's net zero plans by investing in 'greening' our homes
4. Ensuring high-rise living is 'fit for the future'
5. Providing safe and attractive neighbourhoods that support thriving communities
6. Building new affordable and sustainable homes
7. Ensuring customer engagement in shaping our future services
8. Building a fantastic team

3.5 The previous two years have been some of the most challenging for the social housing sector. The national economic climate and external events, along with recovery from the pandemic, have brought challenges for residents as well as the construction and housing sectors. Notwithstanding these challenges, 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 alongside the pending introduction of the Social Housing (Regulation) Bill.

- 3.6 For these reasons we are developing a longer-term Asset Management Strategy that covers a timeframe of 10-years. This will provide longer term planning in Solihull and sufficient capacity to remain agile and develop innovative responses to the challenges that we face.
- 3.7 In further detail, the strategic objectives of the Strategy set out to achieve the following:
- 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. This in turn relies on 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.
 - 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 Building Safety and the Fire Safety Acts. This priority will also shape 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.
 - Supporting net zero plans by investing in ‘greening’ our homes – Our homes are central to how we contribute to Solihull and the Council has ambitious plans for tackling the borough’s CO2 emissions. These changes will see homes and communities become very different and the focus within this strategy is to ensure all our homes reach Energy Performance Certificate (EPC) C by 2030 and working towards net zero carbon emissions in Solihull by 2041. It will be 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 will be required during this time period.
 - Ensuring high-rise living is ‘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 spaces and car parking. We will also need to consider the viability of the high-rise schemes as we gather additional information on their condition and life expectancy.
 - Providing safe and attractive neighbourhoods that support thriving communities – 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 our communities either in terms of mobility considerations or for young families.

- 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.
- Ensuring customer engagement in shaping future standards and services – Looking forward we know that the future sustainability of homes is dependent on them being desirable 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.
- Building a fantastic team – Linking with the People Strategy, the Asset Management Strategy 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.

3.8 In the context of the Strategic Objectives of the Asset Management Strategy, the sector wide challenges and the ambitions of both organisations, the Investment Plan proposes several priorities, and these will provide the focus for the Asset Management Strategy over the next three years. Examples of the priorities include:

- Ensure there is sufficient investment to provide a high-quality standard of home
- Deliver an £11million energy efficiency programme so that all properties are EPC Band C by 2030 / 31
- Complete the Building Safety Capital Works Programmes by 2025
- Ensure garages and outbuildings are secure and well-maintained and contribute positively to our neighbourhoods working in partnership with our Thriving Community Locality groups
- Carry out more stock acquisition and explore remodelling opportunities to meet housing need and deliver community benefits
- Embed customer engagement at the heart of the service delivery through our policies and practice
- Recruit, retain and develop people with the knowledge, skills, competencies, and behaviours we need for now and in the future.

Collective Development of the Asset Management Strategy

- 3.9 There has been extensive engagement and collaboration on the development of the Draft Council Housing Asset Management Strategy that has included:
- A customer engagement exercise including a tenant conference
 - Three specific senior corporate workshops across both organisations: the first focussing on the findings from completed stock condition surveys; the second on a draft of the Strategy; and the third considering the resourcing requirements and the 3-year Investment Plan
 - Multiple reports to the Strategic Housing Board for discussion and feedback
 - Cabinet CLT in August for discussion and feedback
 - SCH Housing Operations Committee for discussion and feedback
 - SCH Board for approval
 - Engagement has also taken place with the Joint Asset Management (JAM) Group at SMBC
 - Economic Development and Managed Growth Scrutiny Board.

The preparation timeline for developing the strategy has been planned to synchronise with the development of the new Solihull Housing Strategy.

Economic Development and Managed Growth Scrutiny Board

- 3.16 At its meeting on 17 November 2022, the Economic Development and Managed Growth Scrutiny Board considered the Council Housing Asset Management Strategy and Investment Plan.
- 3.17 Scrutiny Board made no formal recommendations to be considered by Cabinet. The [Scrutiny Board Minutes 17/11/2022](#) summarise key points made by Committee which, as summarised by the Chair of the Economic Development and Managed Growth Scrutiny Board were:
- There was strong endorsement of the priorities outlined in the Draft Asset Management Strategy
 - EPCs in older housing stock was a key matter to be addressed
 - Provision of new housing development, including affordable social rented was essential to the borough
 - Tenants feeling safe in their homes and within the wider community was very important
 - On-going tenant engagement and consultation was also highlighted.

It is pleasing to note the endorsement of the priorities and the matters listed above are included as priorities within the Strategy and applicable actions are included within the 3-year Investment Plan.

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

- 4.1 The Council is not required to produce a Council Housing Asset Management Strategy, however it is good practice and based on the complexity of the operating environment it has been agreed that a 10-year strategy is required.
- 4.2 The accompanying Investment Plan will consider options at appropriate stages during its implementation.

5. Reasons for recommending preferred option

- 5.1 The Strategy sets the direction for Council and SCH housing plans and strategies, provides a clear basis for partner engagement and helps strengthen funding bids.
- 5.2 Implementation of the Strategy and Plan will be monitored by the Strategic Housing Board with reports provided to the Cabinet Member for Climate Change, Planning and Housing.

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> <ul 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>The Strategy considers younger adults with disabilities, young people and older people through its cross-cutting themes and specific services such as Aids and Adaptations.</p> <p>Meeting the housing needs of older people and improving health outcomes through the provision of appropriate housing.</p> <p>Strategic Objective 5 and 7 of the Strategy is concerned with 'Building Thriving Communities'</p>
<p>Economy:</p> <ul 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>Strategic Objective 6 focuses on maximising the delivery of affordable and social housing</p>
<p>Environment:</p>	<p>Strategic Objective 3 sets out the Council's ambition to implement 'domestic retrofit' to help reduce net carbon emissions from</p>

Priority:	Contribution:
8. Enhance our natural environment, improve air quality and reduce net carbon emissions.	residential buildings. New affordable homes built by the Council will be to net zero standards.
9. Promote employee wellbeing	Strategic Objective 8 identifies the values of building a fantastic team.

Consultation and Scrutiny:

- 6.2 A customer engagement exercise was completed as part of the strategy development work for the Asset Management Strategy. This attracted 164 responses from residents.

Financial implications:

- 6.3 The Council has a 30-year business plan for the Housing Revenue Account which identifies planned investment in Council Housing Assets. Investment requirements resulting from the Strategy will be considered and reviewed through appropriate governance structures.

Legal implications:

- 6.4 There are no direct legal implications resulting from the Strategy directly, however, there are a number of strategic priorities that are informed by statutory/regulatory requirements and associated activities of the functions covered.

Risk implications, including Risk Appetite:

- 6.5 There are no direct risks arising from the strategy, however, a number of the activities and functions covered by the Strategy have risk registers in place. There are, as with the Housing Strategy, a wide range of factors outside of the Council's control. This includes levels of government grant funding, legislation and partner investment and economic performance.

Equality implications:

- 6.6 A Fair Treatment Assessment (FTA) has been completed for the Council Housing Asset Management Strategy. The Strategy aims to deliver positive outcomes:
- Health – the Strategy identifies priorities on providing decent and safe homes that contribute towards tackling health inequalities and promote better outcomes
 - Age – the social housing service provides accommodation and care to older residents
 - Disability – in particular the Aids and Adaptations Service provides bespoke service delivery to improve positive life experiences within the home

- Socio-economic – a strategic objective surrounds the provision of more affordable housing.

7. List of appendices referred to

7.1 Appendix 1. Council Housing Asset Management Strategy

7.2 Appendix 2. Council Housing Asset Management Strategy Investment Plan 2023 - 2025

8. Background papers used to compile this report

8.1 None.

9. List of Other Relevant Documents

9.1 None