

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:** **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **WEDNESDAY, 8 JANUARY 2014**

**REPORT BY:** **HEAD OF HOUSING**

**SUBJECT:** **HOUSING ASSET MANAGEMENT STRATEGY**

### **1.00 PURPOSE OF REPORT**

- 1.01 The purpose of this report is to inform and to seek the views of the Housing Overview and Scrutiny Committee on the proposals to deliver WHQS, through the development of a new Asset Management Strategy (AMS). The draft strategy also refers to changes which may need to be made to housing stock design and utilisation to ensure emerging housing needs can be met and all stock has a sustainable future. In addition, the draft strategy considers legislative responsibilities that need to be met and how the strategy can support delivery of the Council's Improvement Plan objectives particularly around the alleviation of fuel poverty.
- 1.02 Members are requested to consider the document and provide early views which can be shared with Cabinet.
- 1.03 Included with this report is a copy of the revised draft Asset Management Strategy (2014-2020).

### **2.00 BACKGROUND**

- 2.01 Flintshire County Council, like all other Welsh social landlords, is required to comply with WHQS by the year 2020. The Council has agreed a business plan with Welsh Government to meet this target. Extensive work has been undertaken following the housing ballot to reduce costs and identify efficiencies and income generation options, to maximise the investment resources available.
- 2.02 The draft Asset Management Strategy has three key goals;
- To achieve the WHQS by 2020
  - To make the most efficient and effective use of funds available
  - To maximise job creation and training opportunities for local people.
- 2.03 The draft strategy is based on the levels of funding available through the Major Repairs Allowance (MRA), Capitalised Expenditure from the Revenue Account (CERA), and contributions from sales of housing land and properties. The investment strategy is currently based upon

the latest projections arising from resources within the existing subsidy system. The revised business plan requires an expenditure of circa £103 million to be incurred over a 7 year period to achieve WHQS. Currently, the Council can provide funds of circa £12 million per annum and this will need to rise to £15 million per annum in the last few years of the investment plan to fully achieve the standard by 2020. This gap could be met either by limited prudential borrowing or further income maximisation or serve cost efficiencies (other than those identified in the current business plan).

- 2.04 The Council commissioned a comprehensive Stock Condition Survey (SCS) in 2007, updated 2011 for the ballot purposes. A 25% representative sample of the whole stock formed the basis of the survey. A new SCS is currently being undertaken over the winter months to provide an additional 10% representative sample of the stock, and the remaining 65% of the stock will be surveyed externally. This will provide the Council the opportunity to confirm or adjust its business plan to achieve WHQS by 2020.
- 2.05 The current delivery plan, as approved by cabinet and following tenant consultation, consists mainly of internal elements of work such as kitchens, bathrooms, heating and smoke alarms. The new delivery plan is required to consider completion of these elements and in addition new work streams including further internal works; Envelope treatments, (see 3.02); External and Environmental work programmes (to fully meet the WHQS).
- 2.06 The AMS also describes the need to address other important factors such as, energy efficiency, estate re-modelling, regeneration and actions to aid the management of Anti Social Behaviour and the impacts of Welfare Reform.

### **3.00 CONSIDERATIONS**

- 3.01 The Asset management team are formulating ideas around working in broader geographical areas, (perhaps estate by estate), in lieu of the current system of working in many ward areas each year and only completing one or two streets within those areas.

In addition the range of work streams now needs to be extended to achieve all the investment needs by 2020. Some of the key questions are whether external work streams commence now alongside a continuation of the internal work programmes, or whether the Council completes the internal elements first?

- 3.02 The four main work stream requirements can be clustered as follows:
- Internal work – Kitchens, Bathrooms, Heating, Re-wires, Smoke Alarms etc.
  - Envelope works – Roofing, Chimney work, Roofline works

(Gutters, fascias etc), Windows / Doors, Re-pointing / re-rendering etc.

- External works – Fencing, Paths etc
- Environmental works – Estate wide projects to include off street parking and larger environmental projects.

3.03 The Council will be looking at the potential cost savings of grouping elements together within a work stream, such as kitchens and bathrooms being completed at the same time (whole house). This approach is different from the existing method used, (individual elemental approach). This would achieve potential cost savings against both contractor and council contract management costs. This is because the council would be administering a smaller number of projects as opposed to managing a large number of contracts at the same time.

3.04 The Council will be tackling area specific issues and projects in the AMS through its Environmental schemes. Consultations will be required with Tenant groups, Members and other stakeholders to identify issues and solutions in specific areas and wards.

In addition the investment programme can be utilised to address housing management issues such as design issues which exacerbate ASB, or stock which needs to be changed to deal with issues such as Welfare reform or the changing needs of the local population.

3.05 The AMS aims to continue providing job creation and other community gain through the expenditure of the WHQS programme, (supporting the Welsh Government objective to maximise community benefit through investment programmes). The council is developing an ambitious goal to provide 200 local jobs and 20 apprenticeship schemes through its commitment to spend circa £100 million over all the streams of work to achieve WHQS during 2014-2020.

To help achieve this aim, the council will adopt the i2i model (developed by the Chartered Institute of Housing) within contracts for targeted recruitment and training and will be monitored through the Community Benefits Toolkit supplied by WG. The 200 local jobs shall be Recruited and defined as – providing 2 persons per £1 million contract value. Every vacancy on site including those with subcontractors, are to be notified to the council during the contract. The 20 apprenticeship schemes shall be defined as – 0.2 persons (or 11 person weeks) per £1 million contract value.

It is the intention to work closely with other organisations namely Coleg Cambria, Job Centre Plus, the CIH and other councils with similar investment programmes to pursue the option of developing a local training/jobs Academy to facilitate and manage the placement and training of individuals on apprenticeship schemes.

#### **4.00 RECOMMENDATIONS**

4.01 In order for views to be expressed to Cabinet (for consideration as it finalises the Asset Management strategy), members of this Committee are asked to:

- Give their support for the three key aims of the draft strategy as outlined in 2.02
- Give their views on the work stream approach to be adopted in the new plan, i.e.
- Geographical area planning
- Whole house v Elemental approach.
- Agreement of grouping of work streams.

4.02 The Committee is asked to note that once the strategy has been agreed that further consultations will be held with local councillors and tenant groups to develop schemes in more detail around specific areas and wards. The new plan will be agreed in consultation before it commences in April 2015. The 2014/15 programme will continue as previously agreed.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The HRA business plan allows for the full costs to achieve WHQS by 2020 with some further efficiencies and/or some prudential borrowing. The plan also allows for 6% costs to manage and deliver the work streams. Current costs are circa 3%.

5.02 The results of the stock condition survey may have a financial implication on the costs to achieve WHQS by 2020, though this is not expected to have either a negative or significant impact.

#### **6.00 ANTI POVERTY IMPACT**

6.01 There will be local job creation through these significant investment programmes. Work streams to improve the housing stock provide a direct benefit to the lives and living conditions for some of the poorest Flintshire residents.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 The agreed approach will have impact on the external environment of all areas affecting both the aesthetics of the landscape.

#### **8.00 EQUALITIES IMPACT**

8.01 A large percentage of the housing stock are allocated to older people people, therefore, the proposals in this paper will have an impact on this customer group.

## **9.00 PERSONNEL IMPLICATIONS**

9.01 FCC management costs will increase through the delivery of the workstreams, however the costs for staff increases have been accounted for in the management fees to deliver the project as a whole.

9.02 The WHQS expenditure will provide job creation through the i2i initiative and the Capital Works team with have potential for growth in staff to deliver the 7 year plan.

## **10.00 CONSULTATION REQUIRED**

10.01 FCC will develop a number of ideas around the different approaches described in the draft strategy, and will forward these options for consultation with various stakeholders. The new 7 year plan will be agreed in consultation before final rollout of the programme.

## **11.00 CONSULTATION UNDERTAKEN**

11.01 Initial discussions of the different approaches has been held at a Tenants conference recently and the results are being collated.

## **12.00 APPENDICES**

12.01 Asset Management Strategy (2014-2020).

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS**

None

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