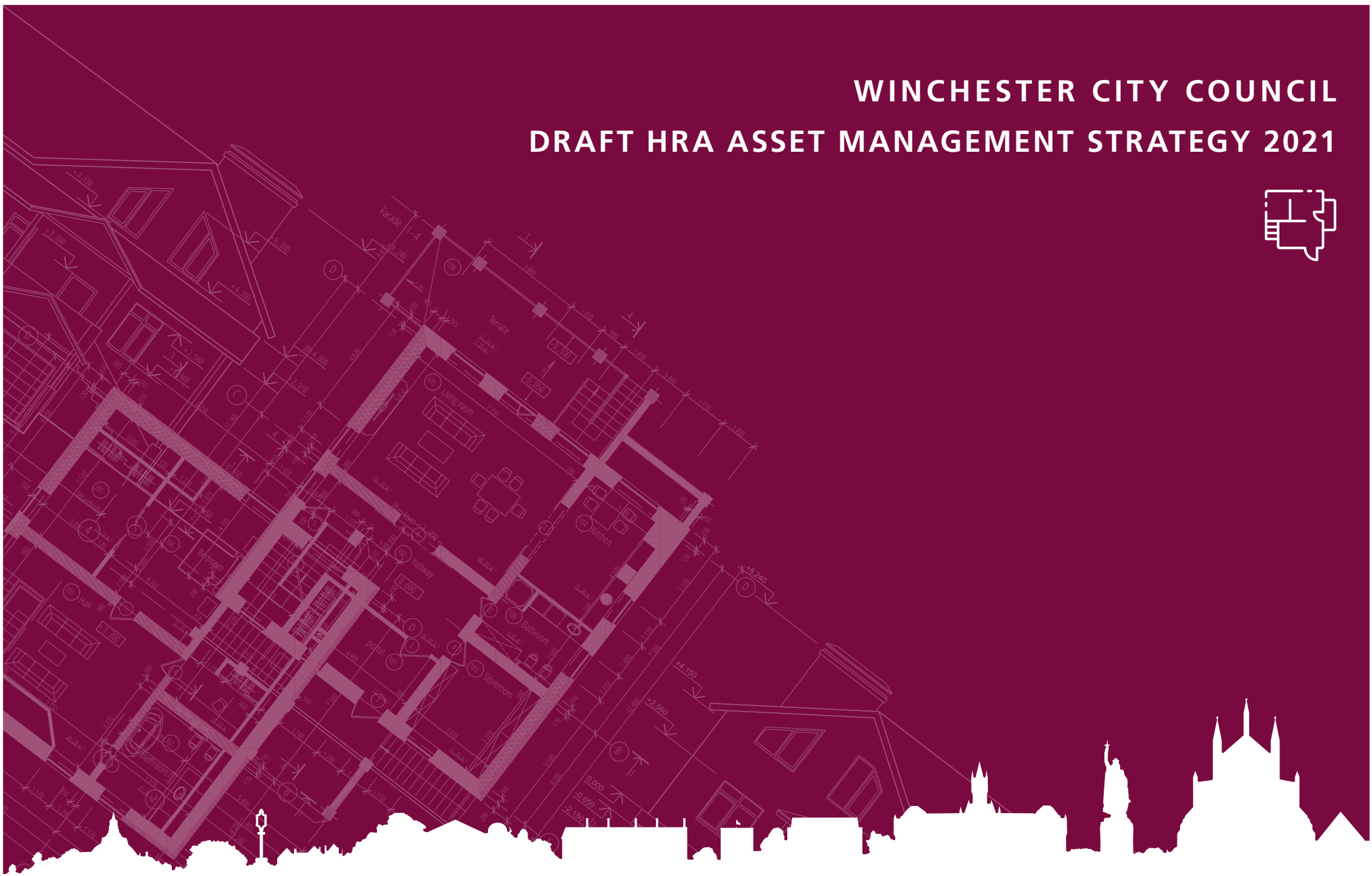


WINCHESTER CITY COUNCIL DRAFT HRA ASSET MANAGEMENT STRATEGY 2021



INTRODUCTION

The council manages around 5,000 homes, of which just under 500 are designated sheltered and approximately 60 units of temporary accommodation; along with a variety of community assets including 40 sewage treatment works.

The application of good asset management principles ensures the housing stock meets current and future needs. The council needs to invest in maintenance and improvement but, where necessary, change the portfolio to match local circumstances and meet wider challenges for the social housing sector.

This document sets out updated policies and actions around managing Winchester City Council (WCC) Housing Revenue Account (HRA) assets to meet the refreshed Council Plan 2020–2025 local priorities of:

- Tackling the climate emergency and creating a greener district
- Homes for all
- Living well
- Your services, your voice

This document has been developed at a time of significant national change with various significant pieces of legislation, guidance and regulation being developed such as building safety and planning; in addition to the anticipated changes in demand as a result of COVID-19 to the design of internal and external space.

The council has a responsibility to ensure that there are systems in place that can guide investment decisions and support the management of future investment programmes.

PURPOSE OF AN HRA ASSET MANAGEMENT STRATEGY (AMS)



To ensure housing stock and assets are well maintained; compliant with regulation; meet current and future needs and aspirations while being sustainable and affordable and that the Housing Service is proactive in responding to emerging issues.

CONTEXT

NATIONAL CONTEXT

- Government white paper – a Charter for Social Housing Residents – seven themes to set out what every social housing resident can expect from their landlord:
 - To be safe in your home
 - To know how your landlord is performing
 - To have your complaints dealt with promptly and fairly
 - To be treated with respect
 - To have your voice heard by your landlord
 - To have a good quality home and neighbourhood to live in
 - To be supported to take your first step to ownership
- Building safety legislation
- Review of Decent Homes standards to include access to and quality of green spaces and support for well-being
- Planning legislation changes

LOCAL CONTEXT

- Refreshed Council Plan 2020–2025 priorities:
 - Tackling the climate emergency and creating a greener district
 - Homes for all
 - Living well
 - Your services, your voice
- Local Plan
- Housing Development Strategy 2021–2030



OUTCOMES AND CHALLENGES

This plan seeks to achieve the following overall outcomes:

OUTCOME 1

INCREASE THE SUPPLY OF NEW HOMES



OUTCOME 2

ALL HOMES ARE ENERGY EFFICIENT AND AFFORDABLE TO RUN



OUTCOME 3

A HOUSING STOCK THAT MEETS THE CURRENT AND FUTURE NEEDS OF CLIENT GROUPS



OUTCOME 4

ALL HOMES COMPLY WITH THE DECENT HOMES STANDARD



OUTCOME 5

TENANTS FEEL SAFE IN THEIR HOMES AND KNOW HOW TO RAISE CONCERNS



CHALLENGES

- Land – new build development dependent on availability of sites
- New build cost and quality tension – high quality and low carbon add cost and challenge financial viability raising long term affordability issues of cost of major works
- Affordability for tenants of carbon efficient council housing
- Disruption for tenants of retrofitting homes to be carbon efficient
- Addressing the impact of climate change on existing stock – such as localised flooding
- Impact of COVID-19 on design for external and internal spaces
- Unknown impact of COVID-19 on household incomes and as a consequence security of tenure affecting future demand for temporary accommodation
- Demand for affordable housing (both private rental and ownership cost levels higher than regional and national averages)
- Ageing population
- Meeting needs and aspirations of younger households
- Meeting compliance demands of building safety regime
- Nitrate mitigation
- Providing communal open space that promotes a sense of community as part of developments and estate improvement programmes

WHAT'S BEEN ACHIEVED SINCE ASSET MANAGEMENT STRATEGY 2017

- ✓ Built 241 new homes
- ✓ Completion of the award winning Chesil Lodge
- ✓ Set up a Register of Sites with Development Potential
- ✓ All 'non-decent' stock brought back in line with Decent Homes standard and 0% 'non-decency' maintained through annual Repairs Programme
- ✓ Implemented a five year cycle of external stock condition surveys of all assets
- ✓ Sent out fire safety information to all residents of HRA blocks
- ✓ Developed a strategy for improving the energy efficiency of HRA stock based on independent energy surveys
- ✓ Commenced trial of system to improve carbon efficiency of non-traditional housing
- ✓ Delivered an Estate Improvement programme
- ✓ Upgraded all sheltered housing communal spaces and installed Wi-Fi
- ✓ Converted sheltered (previous resident scheme) manager dwellings and communal facilities into additional units of accommodation
- ✓ Introduced new models of temporary and supported housing accommodation provision such as Housing First in partnership with other local providers.



HIGH LEVEL ACTION PLAN 2021–2023

YEAR ONE

- Establish HRA Energy Forum
- Disposal and Acquisition Policy
- Housing Company
- Nitrate Mitigation

YEAR TWO

- Sewage Treatment Works Asset Management Strategy
- Temporary Accommodation Asset Management Strategy
- Options appraisal programme for 'other assets' (non dwelling)
- Older Persons housing accessibility upgrade
- Understand the long term heating options for existing stock

YEAR THREE

- Review HRA Asset Management Strategy
- Extra care provision
- Investigate sheltered shared ownership



INCREASE THE SUPPLY OF NEW HOMES

AIM

HEALTHY HOMES – GOOD FOR PEOPLE AND THE PLANET, THAT PEOPLE CAN AFFORD AND WANT TO LIVE IN



- To address the climate emergency by designing new homes to deliver as close to net zero carbon as possible
- To build beautiful, high quality, healthy and affordable homes to meet identified needs
- To create housing that people choose to live in and are proud to call home
- To ensure value for money and bench marked build costs
- Creating community space in reference to the National Design Guide

The Housing Development Strategy 2021–30 sets out details and challenges.



TO ACHIEVE THIS WE WILL

- Build 1,000 new homes across the district between 2021 and 2030
- Identify a pipeline of sites which will include undertaking a strategic review of general fund and HRA land
- Commission site/asset appraisals when made aware of opportunities for development
- Feed in outcomes from Next Generation Winchester Project to Development Strategy and Local Plan
- Develop a coherent asset management and investment strategy for the sewage treatment works within the HRA
- Disposal and Acquisitions – Refine policy to meet the council priorities and objective of the HRA AMS
- Use council assets to mitigate nitrates
- Design new homes to create a sense of place that responds to its local context and local distinctiveness





ALL HOMES ARE ENERGY EFFICIENT AND AFFORDABLE TO RUN



AIM

IMPROVE ENERGY EFFICIENCY BY REDUCING ENERGY DEMAND AND SIGNIFICANTLY REDUCED CARBON EMISSIONS FROM COUNCIL HOMES



- Achieving net zero carbon from the 5000 dwellings will cost in excess of £75m; programmes will be needed for the replacement of gas heating systems
- With each household producing an estimated 4-5 tonnes of carbon annually through electricity and/or gas consumption, very significant investment is needed to get close to 'carbon neutral' and will rely on Government funding as well as the decarbonisation of the national electricity grid through major national renewable energy programmes
- An allocation of £15.7m between April 2021 – March 2031 within the Housing Revenue Account capital programme to fund measures to improve the energy efficiency of the council's housing stock, help reduce energy demand overall and to significantly reduce carbon emissions from council homes
- A number of trials are currently being funded by Government grant to identify how best to invest the £3.8 billion the Government has allocated for this work



TO ACHIEVE THIS WE WILL

- Invest £1.6m in an annual programme focussing on improving energy efficiency through additional insulation measures (a 'fabric first' approach)
- Understand the options available along with their advantages and disadvantages
- Establish an officer/member/tenant panel/forum to assess progress with national trials, review funding options and bring forward proposals for a long-term programme to replace gas heating systems in council homes
- Delivery of tenant awareness and information programmes
- Progress sheltered communal areas re-fit project
- Change New Homes Employers Requirements to reflect how new homes are going to be heated post 2025

A HOUSING STOCK THAT MEETS CURRENT AND FUTURE HOUSING NEEDS OLDER PERSONS HOUSING



AIM PROVIDE AN APPROPRIATE RANGE AND CHOICE OF HOUSING OPTIONS FOR OLDER PEOPLE



- The Strategic Housing Market Assessment (SHMA), published in February 2020 presents evidence that an extra care provision will be required in the southern parishes
- It's recognised that many want to remain in the homes they have lived in for many years. Some will need adaptations to do so
- Balance the risk of promoting under-occupation and fuelling an increasing demand for major adaptations that could be avoided if more households opt to move to smaller accommodation. Current data suggest that over 900 HRA units are under-occupied
- Despite fluctuating demand for some sheltered housing, there is insufficient evidence to support any immediate steps towards either disposal or decommissioning
- In the longer term, a surplus of rented sheltered housing and a shortfall in leasehold sheltered housing is anticipated
- Opportunities may arise to decommission some of the less popular rented sheltered schemes, with a view to either disposing as is, or remodelling to permit marketing as leasehold/shared ownership sheltered housing to address the expected shortfall



TO ACHIEVE THIS WE WILL

- Work with Hampshire County Council to identify opportunities for an extra care scheme in the southern parishes and Winchester
- Digital inclusion – promote the service and provide training to maximise the uptake of Wi-Fi in sheltered housing
- Investigate the viability of a scheme that meets the needs of older people with mental health needs
- Consider how to meet the demand for leasehold sheltered accommodation
- Continue to invest in disabled adaptations
- Invest in sheltered housing upgrades to improve accessibility
- Reconsider standards and provision of bathrooms in homes designated for older people





A HOUSING STOCK THAT MEETS CURRENT AND FUTURE HOUSING NEEDS

TEMPORARY ACCOMMODATION



AIM
DEVELOP A TEMPORARY ACCOMMODATION PORTFOLIO THAT IS APPROPRIATE FOR THOSE WHO REQUIRE SHORT TERM SOLUTIONS TO ENABLE THE SERVICE TO PREPARE CLIENTS FOR PERMANENT HOUSING



- Temporary accommodation is provided as an option for homeless households
- The objective is to support households to maintain tenancies and move-on to suitable housing options
- The suitability of the temporary accommodation portfolio especially in terms of family provision and shared areas is the focus of the review
- Provision should reflect the profile of demand and objectives of short term accommodation



TO ACHIEVE THIS WE WILL

- Review provision and look to options within HRA assets to best meet temporary accommodation needs
- Review provision at all sites
- Compile a profile of users and needs
- Consider impact of COVID-19 on demand and economic stability
- Develop a coherent asset management and investment strategy for the temporary accommodation within the HRA





ALL HOMES COMPLY WITH THE DECENT HOMES STANDARD



AIM 0% OF NON-DECENT HOMES OWNED BY THE COUNCIL



- All 'non-decent' stock brought back in line with Decent Homes standard and 0% 'non-decency' maintained through annual Major Works Programme
- The Government November 2020 white paper 'A charter for social housing residents' requires review of Decent Homes standards to include access to and quality of green spaces and support for well-being
- Remodel of capital programmes will be required in response to the proposed changes to the standard contained within the white paper
- Open space that provides a sense of community



TO ACHIEVE THIS WE WILL

- Maintain and refine asset management information systems i.e. Keystone database
- Deliver an annual maintenance programme
- Continue to invest in the Estate Improvement programme to enhance areas where tenants live
- Review voids standards for all empty homes before re-letting





TENANTS FEEL SAFE IN THEIR HOMES AND KNOW HOW TO RAISE CONCERNS



AIM COMPLIANCE WITH BUILDING A SAFER FUTURE REGIME REQUIREMENTS



- The outcome of a comprehensive review of fire safety management was completed and reported to Cabinet in June 2020
- The review incorporated engagement with residents through a variety of platforms
- A Fire Safety Management Plan has been developed which supports the refreshed fire safety policy and is monitored by the Fire Safety Management Group
- Future compliance requirements will be taken forward by a Building a Safer Future Project Group



TO ACHIEVE THIS WE WILL

- Project Group set up to
 - Prepare for Building a Safer Future regime
 - Respond to further national building safety announcements
- Focus on Winnall flats as only HRA site within scope of Building a Safer Future regime
- Focus on improvements to compartmentation through door replacement programme

TENANT INVOLVEMENT AND CONSULTATION

The council has long since had a strong legacy of robust tenant engagement. A spectrum of activities are used to help understand what's important to our residents and their priorities for service delivery and improvement.

This strategy has been developed in conjunction with our residents as set out below and we will continue to use a variety of approaches to ensure all residents have the opportunity to tell us their views.



ASSET MANAGEMENT RESIDENT ENGAGEMENT ACTIVITIES

- Joint councillor and involved tenant workshop – 3 March 2020
- Asset Management Briefing – November 2020
- Digital survey – Carbon Efficient Housing – October 2020
- Fire Safety Project – engagement activities – focus groups, surveys, invited to join task group discussion
- Older persons housing engagement activities following on from scrutiny exercise – meetings and surveys
- Service Delivery Group for Repairs and Maintenance meeting on carbon plans and fire safety measures
- TACT Meetings – Housing Development Strategy, Private Sector Renewal Strategy – September 2020
- Tenant Satisfaction Surveys – tenants' service priorities
- Next Generation survey – February 2021

MONITORING AND REVIEW

HRA ASSET MANAGEMENT GROUP

The HRA Asset Management Group, chaired by the Corporate Head of Housing with representatives from key housing teams, meet quarterly to monitor progress with the strategy action plan, evaluate assets against the agreed priorities and to address the emerging issues.

The group determines the most effective future use of an asset through an option appraisal process. Options include:

- Re-invest and retain – if it can be demonstrated that loss of income can be prevented through investment
- Redevelopment/conversion required
- Change of use
- Disposal
- Rent review
- Watching brief – asset flagged on database and/or Potential Development list

MEMBERS

- The views of local members will be sought about homes and other assets within their area put forward for options appraisal.
- The basis for wider member consultation on specific assets is set out in the council's constitution and will generally be around homes and other assets in excess of a certain value
- Joint stakeholder workshops will be arranged with tenants to debate asset management priorities and standards.

TENANT VOICE

Service Delivery Groups for Repairs and Maintenance and Housing Management

Meet quarterly to review, scrutinise and challenge performance in a number of key housing service areas.

Carbon Efficient Housing Forum

A member/tenant/officer panel/forum is to be established to assess progress with national trials, review funding options and bring forward proposals for a long term programme to replace gas heating systems in council homes, subject to consultation with tenants and the Business and Housing Policy Committee.

TACT

TACT is the formal tenant group which links in with the council's governance structure. Their role is at strategic level as opposed to the level of operational detail. Strategy development, new and amended policies, and service priorities are presented to this group not only for their view but to ensure that the council has considered the views of a wide range and where possible representative tenant voice.



PERFORMANCE INDICATORS

This strategy provides the framework to support the evaluation of the HRA assets that delivers commitments made in the HRA business plan, and provides well maintained homes which the tenants judge to be good, and which compare well with those provided by the best social landlords.

- Number of new homes – target 1000 in 10 years
- Energy ratings – aiming for the council's stock to be carbon neutral by 2030 and all council properties to be EPC Band C or above by 2030
- Tenant satisfaction with quality of home – in top quartile
- Sheltered tenant satisfaction with ease of access in top quartile
- 0% of stock non decent
- Resident satisfaction with the council providing a home that is safe and secure – in top quartile

DISPOSALS AND ACQUISITIONS

Options appraisals of disposal and acquisition opportunities are required to be proactive and creative to meet future needs and get the most value out of the council's assets. The HRA Asset Management Group will lead on the option appraisal process by applying the criteria set out below.

ACQUISITION CRITERIA

Opportunities to acquire assets (land, property, sale of properties previously bought under the right to buy) are provided for in the HRA capital programme.

The criteria used to assess acquisition opportunities are as follows:

- a. The investment has a positive "Net Present Value" (NPV) – in that the cost of acquisition, management and maintenance 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 suitable for social housing either in its existing form or with investment in remodelling; fits the future needs of the organisation.

Approved budgetary provision to fund the acquisition will also be required.

DISPOSAL CRITERIA

Disposals are only recommended in exceptional circumstances to ensure the council continues to make the most effective use of its housing assets.

The options appraisal will consider redevelopment, remodelling and conversion. Disposal may be recommended, if at least one of the following criteria applies:

- a. The asset has a negative Net Present Value i.e. the cost of the home can't be covered by the rent charged (see Acquisition point a) for more details).
- b. The asset is considered unsuitable for social housing; doesn't fit the future needs of the organisation e.g. room sizes are smaller than standard.
- 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.



APPENDIX 1

THE COUNCIL'S HRA STOCK

Please note actual stock numbers change due to sales through right to buy and new units available through the new homes development programme, disposal and acquisition and are rounded up or down.

- Residential Properties
 - 5,000 tenancies (approximately)
 - 400 leaseholders (approximately)
 - 12 sheltered schemes
 - 3 extra care schemes
- Garages – 200 (approximately) of council owned garages are designated to the HRA
- Land – over 100 sites plotted out in HRA Land Register
- Leased premises – 12 properties
- Non-operational – various
- Community Assets including 40 sewage treatment works
- Temporary Accommodation – various

The majority of flats (54%) are in low-rise blocks (up to three storeys in height). Non-traditional construction represents about 3% of the stock.

STOCK OF TYPE

Property Type	Number of units	% of stock
Bedsits	73	1.5%
Flats	1810	36%
Hostel (rooms, bedsits, flats and houses)	66	1%
Maisonettes	50	1%
Bungalows	834	16.5%
Houses	2250	44%
Total	5083	100%

SOURCE: KEYSTONE 31/3/2021

APPENDIX 2

DEMAND

The housing register provides information on the types of affordable housing demanded by households. In April 2021 there were over 1,400 households on the council's Housing Register seeking rented housing. Of those, 224 have an urgent or high need to move. The highest demand is for one bedroom accommodation accounting for over 65% of those on the register.

4-bed needs are so small that development can be targeted to meet specific needs.

STOCK BY SIZE

Size	Number of units	% of stock
Bedsits and rooms	121	2%
1 bed property	1658	33%
2 bed property	1691	33%
3 bed property	1543	31%
4 bed property	68	1%
5 bed property	1	< 1%
6 bed property	1	< 1%
Total	5083	100%

SOURCE: KEYSTONE 31/3/2021

APPLICANTS BY BANDING AND BEDROOM NEED

Banding*	Percentage
1	< 0.99%
2	15%
3	75%
4	10%
Assessed bedroom need	
1	65%
2	22%
3	10%
4+	3%
Application type	
General	74%
Transfer	26%

SOURCE: HAMPSHIRE HOME CHOICE ANNUAL REPORT APRIL 2021

*Banding – this is a system used to assess and prioritise applications

There are 4 bands:

- Band 1 – urgent need
- Band 2 – high need
- Band 3 – medium need
- Band 4 – low need

SPECIALIST SUPPORTED HOUSING

Type	Number of schemes	Number of units
Sheltered	12	410
Bungalow/over 60s schemes	14	286
Extra care	3	108
Supported Living for those with Learning disabilities	1	15
Temporary Accommodation – HRA owned and managed	5	60

AVERAGE WAITING TIMES

	Band 2	Band 3
1 bed	1 yr 2 mnth	3 yr 7 mnth
2 bed flat	8 mnth	1 yr 7 mnth
2 bed house	1 yr 7 mnth	4 yr 1 mnth
3 bed	1 yr 2 mnth	3 yr 10 mnth
4 bed	10 mnth	1 yr 3 mnth
Accommodation for those of 60 years +	10 mnth	1 yr 2 mnth

SOURCE: HAMPSHIRE HOME CHOICE ANNUAL REPORT APRIL 2021

APPENDIX 3

INVESTMENT PROGRAMMES

30 Year HRA Business Plan

The 30 year HRA business plan contains the following allocations of capital investment funding broken down by Investment Area and at Outturn Prices.

HRA STOCK ENERGY PERFORMANCE

The WCC stock average SAP (Standard Assessment Procedure) rating of 69 is on a par with the national average of 69 for the social rented sector.

This compares well to the average of 64 for owner-occupied and privately rented domestic dwellings and to the average SAP rating of 65 for all English dwellings¹.

99% of the council's stock has a EPC (Energy Performance Certificate) rating of D or above (61% of EPC C or above).

30 YEAR HRA BUSINESS PLAN

Investment Area	Amount £m	Percentage
Planned improvements	253	29%
Improvements	1	0%
Disabled Adaptations	36	4%
Estate Improvements	4	0%
Sewage Treatment Works	5	1%
Fire Precautions	2	0%
Climate Change	14	2%
Other	11	1%
Major Works	39	4%
New Build	500	58%
Total Investment	862	100%

SOURCE: KEYSTONE 31/3/2021

¹Source: English Housing Survey, Headline Report 2019–20 (latest available report at April 2021, published 17 December 2020 via .Gov)



Winchester
City Council