

Report

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Report to:	Housing and Technical Resources Committee
Date of Meeting:	13 December 2017
Report by:	Executive Director Housing and Technical Resources

Subject:	2017 Property and Housing Asset Management Plans
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update Committee on the outcomes of the 2017 Property and Housing Asset Management Plans process, including the Local Government Benchmarking Framework (LGBF) Indicator outcomes for Property Condition and Suitability

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:-

- (1) that the 2017 update to the Property and Housing Asset Management Plans be noted; and
- (2) that the updated LGBF Indicators for Property Condition and Suitability be noted.

3. Background

3.1. The Executive Committee, at its meeting held on 22 September 2010, approved the implementation of an extended model for Corporate Asset Management from 2011. This included developing Asset Management Plans (AMPs) across a number of service areas, in line with CiPFA guidance, and summarised, under an overarching Corporate Asset Management Plan, which demonstrates how each asset type supports corporate objectives. The Service areas included within the Corporate Asset Management Plan are Property, Housing, Roads Infrastructure, Fleet and ICT.

3.2. The attached Property and Housing Asset Management Plans (Appendices 3 and 4) are the seventh in the extended model. The Council recognises the importance of the good management of assets in delivery of quality services, meeting corporate objectives and providing best value. This includes a property portfolio which is suitable for the Council's needs in terms of scale, condition, location, suitability and is based on the Corporate Standard that property should be in good condition, well maintained, well used, energy and cost efficient.

4. Outcomes of the 2017 Property Asset Management Plan

4.1. This Plan relates to direct operational property ie. those which directly support service delivery and the Council's lease portfolio, which consists of 432 properties as detailed within Appendix 1A.

4.2. Operational Property

Within the Property Asset Management Plan operational properties are assessed on a number of Core Facts including Condition, Suitability and Sufficiency and the outcome of this assessment is detailed in Appendix 1B.

The outcome of the assessment demonstrates continued progress towards establishing a core estate through property rationalisation and investment with performance remaining positive, with only a small shift from green to amber in terms of overall Condition.

The recent centralisation of property budgets and services enables the prioritisation of investment and ensures that it is directed in line with corporate priorities. Property Services will continue to engage with all Council Resources and public sector partners in 2017/2018.

4.3. Lease Portfolio

The Council has a tenanted, non residential, lease portfolio which consists of 741 properties, with a gross rental income of £4,759,285 million as at 31 March 2017. The role of this portfolio, which comprises a wide range of property interests from ground rents for major retail developments through to business centres, is to support the economic and social objectives of the Council as well as meeting corporate financial targets. Key Facts for the lease portfolio are included in Appendix 2.

During 2017/2018 the lease portfolio objectives will continue to be reviewed, in conjunction with Economic Development, to ensure they are aligned and contribute to the Council's objectives. Financial performance and risks will be monitored through the 10 year Estates Business Plan.

5. **Outcomes of the 2017 Housing Asset Management Plan**

- 5.1. The Housing Asset Management Plan has been developed to complement and inform the Housing Business Plan and to set out priorities for the physical care and improvement of the housing stock and related assets. The plan details the priorities for the current housing portfolio which extends to 24,940 homes.
- 5.2. In the year to 31 March 2017, Council housing stock fell by 146, from 25,086 to 24,940. This reduction comprised of 262 right-to-buy sales which was offset by 90 new builds and 26 mortgage-to-rent/buy back arrangements. There has been a total reduction, since the start of asset management reporting in 2005, of 3,988 homes from the total of 28,928 as at April 2005, which constitutes a reduction of 13.79%.
- 5.3. There are a number of key priorities with the Housing Asset Management Plan which includes:-
 - ◆ the continued investment and improvement of the quality of existing housing and related assets to ensure that they meet the needs of residents
 - ◆ continuing to meet the Scottish Housing Quality Standard (SHQS)
 - ◆ working toward compliance with the Energy Efficiency Standard for Social Housing (EESH) by required date of December 2020
 - ◆ continuing to progress the Council's plan to provide 1,000 additional Council homes by 2021
 - ◆ development and implementation of a revised planned maintenance model
 - ◆ improving the external environment

5.4. The capital programme for 2017/2018 reflects the level of investment required to continue to achieve SHQS and to work toward achieving the new EESSH by December 2020 as well as investing in the external environment. Key Facts are detailed in Appendix 5.

6. Performance Indicators

6.1. The Local Government Benchmarking Framework (LGBF) Indicators for Asset Management relate to the property Core Facts for Condition and Suitability for direct operational property, excluding Housing.

6.2. Benchmarking for 2017 has given the following return for the LGBF Indicators:-

- ◆ Condition shows 87% in a satisfactory condition (86% in 2016)
- ◆ Suitability shows 96% of properties suitable for service delivery (95% in 2016)

The indicators reflect the continued investment by the Council in its operational portfolio.

The performance figures noted above differ from the Council's internal performance assessment, as set out in Appendix 1, as not all asset types are covered by the LGBF and also as some LGBF measures are calculated on a floor area basis.

7. Employee Implications

7.1. There are no employee implications.

8. Financial Implications

8.1. The details of the Asset Management Plans will influence future investment decisions and capital bids, but there are no direct financial implications from the production of the Asset Management Plans.

9. Other Implications

9.1. The Corporate Asset Management Plan assists the Council in managing its assets efficiently and effectively to deliver best value. It also helps manage risk across its asset base.

9.2. There are no significant issues in terms of sustainability.

10. Equality Impact Assessment and Consultation Arrangements

10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

10.2. The statutory Consultation Authorities have confirmed that the Asset Management Plans are exempt from Strategic Environmental Assessment as their implementation will have minimal effect in relation to the environment.

Daniel Lowe

Executive Director (Housing and Technical Resources)

23 November 2017

Link(s) to Council Objectives/Values

- ◆ Improve services for older people
- ◆ Develop a sustainable Council and communities
- ◆ Raise educational achievement and attainment
- ◆ Improve the quality of physical environment
- ◆ Achieve efficient and effective use of resources

Previous References

- ◆ Executive Committee 7 September 2016

List of Background Papers

- ◆ 2017 Property Asset Management Plan
- ◆ 2017 Corporate Asset Management Plan

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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