



Cabinet

16 November 2022

Report of: Councillor Ronan Browne, Portfolio Holder for Housing and Landlord Services

HRA Asset Management Plan 2023-2028

Corporate Priority:	Providing High Quality Council Homes and Landlord Services
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No
Key Decision	No
Subject to call in	No Not key decision

1 Summary

- 1.1 This report introduces the HRA Asset Management Plan 2023 – 2028. The purpose of the plan is to provide a clear delivery plan based on the recommendations from the [HRA Business Plan](#) and to set a five-year capital programme.
- 1.2 It is not a legal requirement to produce an Asset Management Plan, however, it is good practice and helps provide a good framework for capital investment planning.
- 1.3 The Asset Management Plan will be used to set budgets each year and will be updated on an annual basis. This will ensure that it remains current and relevant in line with a changing financial context and regulatory environment.
- 1.4 The Asset Management Plan is an evidence led document. It is informed by a comprehensive condition survey of almost 90% of the Council’s housing stock and by consultation with residents as part of the development of the HRA Business Plan. It provides responses to policy recommendations arising from the HRA Business Plan, ensures an emphasis on decent and safe homes, and is set within the context of regulatory change to enable continued compliance and tenant safety.
- 1.5 The Asset Management Plan includes a clear action plan which shows prioritisation and target dates, and the budget requirements for each action.

- 1.5.1 The action plan will be updated annually, and informed by annual 20% stock condition survey, with the expectation that new actions will be added each year to set out how the Council will respond to new and emerging issues in a planned managed and financially responsible way.
- 1.5.2 This annual update will inform an annual review of both the Asset Management Plan and HRA Business Plan to ensure that all documents remain up to date and relevant to the financial and regulatory context.

2 Recommendation

That Cabinet:

- 2.1 **Endorse the HRA Asset Management Plan and;**
- 2.2 **Recommend to Council that the HRA Asset Management Plan and associated action plan be approved and be used to inform the revenue and capital budget proposals for 2023/24**

3 Reason for Recommendations

- 3.1 The Asset Management Plan will support the Council to achieve its commitments to deliver high quality council homes across Melton and to manage its available finances and associated capital investment plans effectively.
- 3.2 The Asset Management Plan provides a clear plan through which recommendations from the HRA Business Plan will be implemented.
- 3.3 The Council has made significant improvements to its housing and landlord services and whilst it is still on its housing improvement journey, is ready to transition from delivery of the Housing Improvement Plan to a more proactive, assurance led approach.
- 3.4 The Asset Management Plan is a significant programme of work for the Council. It marks another a key transitional step in how the Council manages its homes and the evidence led investments it makes to ensure homes are fit for the future.
- 3.5 It is also important to note that the Asset Management Plan has been developed at a continuing time of significant regulatory and financial change for the housing sector. The ability to review and respond to this changing context in a planned and managed way is key to the way in which the Council manages its Housing Revenue Account. This is particularly important given the uncertainty relating the recent Government consultation on a rent ceiling between 1st April 2023 and 31st March 2024, the outcome of which is awaited.

4 Background

- 4.1.1 The Asset Management Plan continues the work set out in the HRA Business Plan and supports a proactive and assurance led approach to Housing. The draft Asset Management Plan can be found at Appendix A of this report.

- 4.1.2 The purpose of the plan is to set an accurate capital programme for the next five years. It also demonstrates how this proposed spend will help to keep our homes safe, compliant with regulatory requirements and to meet decent homes standard across all housing stock. It also sets out a clear action plan and projects to help inform future investment in areas such as non-domestic properties, energy efficiency, zero carbon and estates.
- 4.1.3 The Asset Management Plan will be updated alongside the HRA Business Plan on an annual basis. This will ensure that it reflects the most up to date operating costs and plans capital spend accordingly. This will be informed by the ongoing stock condition surveys.

4.2 **Regulatory change**

- 4.2.1 As with the HRA Business Plan, the Asset Management Plan has been developed at a time of continuing regulatory change in the housing sector.
- 4.2.2 The Government signalled major changes for social housing in January 2021 when it published its White Paper, [The Charter for Social Housing Residents](#). The changes include an updated set of standards not only for the homes of social housing residents but also for the services they receive, including a comprehensive schedule of proposed Tenant Satisfaction Measures that will have to be reported annually by every social housing provider.
- 4.2.3 Having developed a comprehensive and evidence led business plan and associated Asset Management Plan, the Council is in a positive position in some areas in preparing for these changes. It now has a detailed understanding of its stock profile and investment needed to meet decent homes standard across all stock.
- 4.2.4 The Business Plan sets out the high-level strategic plan for spend, based on a number of assumptions. Refinements have been made to the spend profile in the Business Plan and efficiencies have been achieved, increasing the annual headroom available to invest in Council Homes.
- 4.2.5 The regulatory changes for the housing sector are significant, including changes to legislation, regulation, new consumer standards and a new inspection regime. All housing providers including Local Authority Landlords will be subject to an external assessment, led by the Regulator of Social Housing, every four years.
- 4.2.6 The HRA Business Plan includes details about the relevant changes. The Asset Management Plan has been designed to incorporate requirements that are already being introduced, with sufficient flexibility to continue to adapt each year to meet the ever-changing environment.

5 **Main Considerations**

- 5.1 The Asset Management Plan has been informed by the HRA Business Plan, stock condition survey and tenant feedback on priorities for investment as part of the development of the HRA Business Plan.

5.2 The HRA Business Plan set out a number of recommendations. This Asset Management Plan addresses a number of these recommendations and provides a plan and details of investment required.

5.3 The stock condition data has been used to produce a programme of work for the key areas of investment to ensure our homes meet Decent Homes standard and will continue to do so.

5.4 The resident satisfaction survey informed the recommendations in the HRA Business Plan, and subsequently influenced the approach taken in the Asset Management Plan

5.5 Specifically, the Asset Management Plan covers:

5.5.1 **Compliance and safety in our homes:**

- a) Work achieved to date is detailed, showing our current position.
- b) Certain areas of compliance are managed through Northgate Housing, and other areas will move over once development has been completed.
- c) Future investment requirements are outlined.
- d) Each area of compliance will have its own management plan developed and adopted to demonstrate, in detail, how we manage it.

5.5.2 **Asset data, planning of work and delivery:**

- a) Our current level of accurate stock condition data is approximately 88%.
- b) The first tranche of surveys were carried out between August and December 2021 (1461 surveys completed). An additional 'No Access' project was carried out between July and August 2022 (167 surveys completed) to survey some of the properties that could not be accessed during the initial phase.
- c) After benchmarking against other Local Authority landlords, it is clear that this is much higher than most. Having this level of detail and understanding of the condition and investment requirements puts the Council in a strong position in planning for the future and managing budgets effectively. Maintaining a robust understanding of stock condition is important and to enable this, a rolling programme of surveying 20% housing stock each year will be undertaken to ensure the data remains accurate, alongside data validation when properties become vacant.
- d) A total of 335 properties have been identified as failing the Decent Homes Standard. The majority of these are properties with heating systems that are older than fifteen years, followed by over life kitchens and bathrooms. The capital programme attached to the Asset Management Plan focusses investment on these properties. 100% decency will be achieved by the end of the life of this plan.
- e) Further work is identified to help us understand the performance of our homes in terms of energy efficiency and zero carbon.
- f) Our current levels of contractor resources and the requirement for future procurements are outlined and included in the action plan.

5.5.3 **Modern homes**

- a) The Asset Management Plan defines what we consider to be a modern home. This is based on the requirements of the Business Plan and includes key recommendations such as replacement of aluminium windows.
- b) It demonstrates how our tenants' priorities have been used to set investment and where we have focussed on high standards.
- c) Clear timescales for replacement of key components have been defined and the standard of replacement for each component has been set out.
- d) All properties that still have aluminium windows have been included in the window replacement programme in the first year of the plan.
- e) Where there is an element of choice and flexibility around improvements, this is highlighted in the plan.
- f) Projects are included that will help us develop longer term strategies for garages, outbuildings, estates, neighbourhoods and other non-domestic HRA assets.
- g) Essential investment is defined separately, and our approach recorded.
- h) Tenant and leaseholder engagement are discussed in relation to improvement works.

5.5.4 **Responsive repairs and cyclical maintenance:**

- a) Clear standards for the repairs service are defined, along with the void standard.
- b) Actions are included around procurement of services where required.
- c) A commitment to an ongoing cyclical decoration programme is made.

5.5.5 **Energy efficiency and decarbonisation**

- a) A short-term strategy to heating and energy efficiency measures is included in the plan.
- b) A project to work out the long-term strategy is outlined. This requires detailed analysis of our current energy data by an energy specialist, followed by gathering further data and developing a strategy and toolkit of measures.
- c) The difference between zero carbon and energy efficiency is explained. Zero carbon focusses on reducing the amount of carbon produced by each property, whereas energy efficiency improves the comfort of the home and reduces running costs of the resident.

5.6 **Accelerating the storage heater programme to support residents**

- 5.6.1 Storage heaters are designed to use off peak electricity to charge overnight, then releasing the heat over the next day.
- 5.6.2 They are difficult to control and often lose their heat by the evening, leaving tenants cold.
- 5.6.3 Average heating cost tables indicate that an average, 3 bed, 1980's home will cost around £800 per year to heat with gas heating. The same home will cost around £2400 per year to heat with storage heaters. These costs are based on energy prices earlier this year.
- 5.6.4 There are high levels of dissatisfaction with storage heaters from tenants and they are frequent reason for tenant complaints.

- 5.6.5 The high running costs also increase the risk that people don't use the heating, leaving homes cold and prone to condensation forming, resulting in a higher risk of damp and mould. Excess cold also creates a health risk.
- 5.6.6 The Council currently replaces storage heaters when they are 30 years old, in line with the decent homes standard.
- 5.6.7 Storage heaters are installed in around 240 of our homes.
- 5.6.8 108 of those homes are included in the five-year capital programme (2023-2028). 98 of those are in areas where gas is available.
- 5.6.9 The capital install cost of a new gas heating system is lower than a new electric heating system. As the install and running costs are lower, the Asset Management Plan proposes that homes that have a gas supply available will have new gas heating installed.
- 5.6.10 The remaining 10 properties will have modern storage heaters installed, which will offer a small saving to tenants in terms of running costs. At this point, this is considered to be the best alternative for these homes. The government introduced Lot 20 Legislation in 2018, which meant that the old type of storage heater can no longer be installed. To be compliant, Lot 20 heaters must:
- have a thermostat
 - have a 24 hour, 7 day timer
 - have an adaptive start function
- The heaters we install have these features and also have a boost function, which means extra heat can be supplied at any point in the day. If we do have to install storage heaters, tenants are given energy advice on the best tariffs and instructions on how to use the heaters.
- 5.6.11 Further to engagement with Cabinet Members and the Council's scrutiny committee, an option to accelerate the storage heater programme by including the remaining 132 homes which would otherwise have been replaced after the five-year capital programme in line with the Decent Homes Standard has been included within the Asset Management Plan and associated capital programme and action plan. Consultation with tenants is underway and will be complete before the Asset Management Plan will be considered by full Council.
- 5.6.12 Taking proactive steps to reduce household energy costs is considered particularly important in the context of the cost-of-living crisis and high rates of inflation impacting on households.
- 5.6.13 To accelerate the storage heater programme requires an additional total investment of £845,000 over years 1 – 5 of this plan. However, through reduced inflationary costs this results in a financial saving across the life of the Business Plan. The average annual headroom would increase by around £11,000 per annum.
- 5.6.14 Gas heating is still one of the cheapest forms of heating. However, it does not help meet the objective of achieving zero carbon. Currently, the only restriction around use of gas boilers is that they cannot be installed in newly built properties from 2025. This does not apply to existing homes. Additionally, gas boilers have a lifespan of 15 years, and so any boilers installed during the life of this Asset Management Plan will be replaced by 2043 at the latest, ahead of the Government target of 2050.

5.6.15 The Asset Management Plan also includes a project to develop a longer-term strategy, which will define what types of heating we install in both gas and non-gas areas.

6 Options Considered

6.1 The Council could choose not to develop an Asset Management Plan. This is not recommended. It is a key requirement of the HRA Business Plan approved by Council in July 2022 and is necessary for short term financial planning. Having an Asset Management Plan enables more robust capital programme planning and monitoring, ability to provide assurance relating to stock investment and ability to maintain health and safety and regulatory requirements and ability to profile and proactively manage any changes as a result of a changing financial and regulatory context. It also demonstrates how tenant views are incorporated into strategic planning and investment options for their homes.

6.2 The Asset Management Plan could have included more commitments to spend on areas such as garages, energy efficiency and estates. However, these commitments cannot be made without the necessary evidence to determine the options available, the level of investment required and the associated outcomes. The focus of the plan has been to commit to spending where there is sufficient evidence to support it, and to identify actions to develop evidence based strategic planning for future investment.

7 Consultation

7.1 Tenants

7.2 Consultation on the views of council tenants of the quality, condition and services provided to them were captured in the Residents' Satisfaction Report November 2021 conducted by sector specialists, Acuity.

7.3 Additionally, a tenant focus group was held on 13th January 2022 to look in more detail at tenants' views on council housing and where the council should place and prioritise its investment. The focus group identified the repairs service and communications as areas of particular concern.

7.4 Additionally, a consultation survey which enabled tenants to tell us their priorities for housing (118 responses received) resulted in three top priorities being identified:

- Building new council homes
- Replacing metal windows with UPVC windows
- Energy efficiency

7.5 Tenant feedback directly informed the HRA Business Plan, and the Asset Management Plan makes direct reference to these recommendations which are clearly linked to the priorities identified by tenants.

Consultation and engagement will take place with tenants specifically in relation to the acceleration of the storage heater programme, leading to its inclusion as part of the Asset Management Plan and five-year capital programme.

7.6 Scrutiny

- 7.7 The Council's Scrutiny Committee considered the HRA Asset Management Plan in October 2022. This was a positive and constructive session, during which scrutiny committee members expressed that efforts should be made to reduce household bills wherever possible. Scrutiny committee members were supportive of the acceleration of the replacement of storage heaters and were keen to see this achieved as quickly as possible.
- 7.7.1 The Council's Scrutiny Committee noted the Housing Revenue Account Asset Management Plan and recommended that the Council:
- a) works within the remit presented
 - b) prioritises reducing tenants' bills over the zero-carbon agenda
 - c) removes all remaining storage heaters from Council-owned properties as soon as possible
 - d) and continues to prioritise the insulation of properties.
- 7.7.2 Comments from the Council's Scrutiny Committee will be presented to Cabinet alongside this report. They will be appended to the Council report in December 2022.

7.8 External review and Validation

- 7.9 The Council has also commissioned the support of sector experts Savills to review the Council's draft Asset Management Plan and provide feedback and recommendations. As with the HRA Business Plan, this process of external review and validation has been valuable and has resulted in the draft Asset Management Plan being updated to include:
- 7.9.1 Investment plan – This would include an explanation of how the other areas of investment would be added into the capital programme.
- 7.9.2 Financial budget setting – A section that explains how this plan is used to inform annual budget setting.
- 7.9.3 Risk management – An explanation of our approach to risk management.
- 7.9.4 Success criteria – A section that explains the measures of success we will use to monitor this plan.

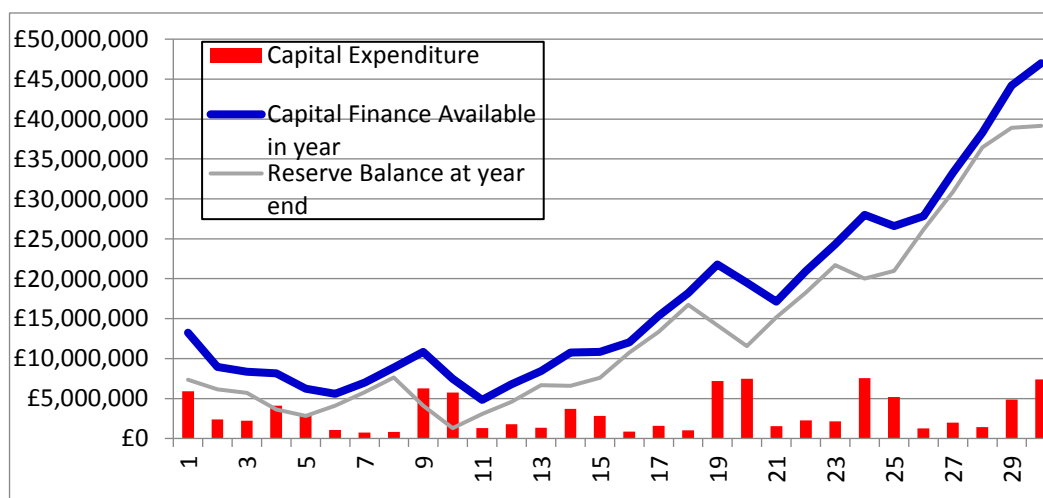
8 Next Steps – Implementation and Communication

- 8.1 The Asset Management Plan and action plan will be considered for approval by Council in December 2022.
- 8.2 The Asset Management Plan will be used to set the HRA Revenue and Capital budgets for the next five years.
- 8.3 The Capital Programme and associated budgets are to be approved for inclusion within budget proposals for the financial year 2023/24 which will be approved by Council in February 2023.
- 8.4 The details of the Asset Management Plan and associated investment commitments will need to be shared with the Council's tenants and leaseholders in a clear, accessible, and meaningful way. The Plan should also be shared widely with the Council's staff and partners.

- 8.4.1 To ensure that communications are clear, meaningful and accessible, a number of ‘we will’ statements will be developed to demonstrate what the Council will do and by when. An example is: “we will have replaced all aluminium windows with UPVC windows by March 2024”
- 8.5 The Asset Management Plan will be reviewed every year to ensure the five-year capital programme is up to date and current, taking account of any legislative changes and the outcomes of the actions identified in the action plan.

9 Financial Implications

- 9.1 The main consideration from the Asset Management Plan is that the Housing Revenue Account is currently sustainable over a 30-year period, based on assumptions regarding future costs. The 5-year projections will be used to inform the annual revenue and capital budgets and the Council’s capital strategy.
- 9.2 The HRA Business Plan approved in July 2022 identified an average headroom of £793,000 per year over the thirty-year period.
- 9.3 As was intended, the development of the Asset Management Plan has enabled a review of revenue costs, fees and other costs to refine some of the assumptions made in the Business Plan. This has not resulted in any reduction in the level of service provided.
- 9.4 This review has resulted in a revised average headroom of £1,187,000 per year. This also includes aids & adaptations works over the 30 year plan, voids capitalisation costs for the 5 years of the Asset Management Plan by which time time contracts for the relevant property elements are expected to be in place, spend on affordable housing as required (with a commitment not to return right to buy receipts to Government) and £400k investment in Gretton Court for the shower up-grades in order to achieve Decent Homes Standard.
- 9.5 As noted above the £1.187m is an average annual headroom amount as spending needs and balances fluctuate across the 30 years of the business plan. The AMP spending shows as affordable within these fluctuations based on the current financial position. The 30-year reserve balances are illustrated in the chart:



- 9.6 The Asset Management Plan identifies that there are a number of potential areas of investment, but that individual projects need to be completed before that investment can be

quantified. As these projects are completed the Asset Management Plan will be updated and budgets allocated at the appropriate time.

- 9.7 As identified earlier in this report, the Asset Management Plan has been written and is being adopted at a time of uncertainty and change primarily the impact of any rent cap the Government may impose. On 31st August 2022 the Government launched a consultation on a proposed rent cap to understand how best to support households with the cost of living.
- 9.8 The consultation focused on the introduction of a rent ceiling from 1 April 2023 to 31 March 2024, which would act as an upper limit on the maximum amount by which Registered Providers of social housing can increase rents in that year. Three 'upper limit' (rent cap) scenarios were proposed for consultation: 3%, 5% and 7%. At the time of the consultation, inflation was in excess of 10%.
- 9.9 With an evidence led 30-year business plan in place, the Council has been able to predict the impact of the rent cap scenarios far more accurately.
- 9.10 All three rent cap scenarios weaken the financial position of the Council's Housing Revenue Account and the impact of any rent cap imposed will have a long-term impact on the resources available to invest in homes and to meet the robust and evidence led commitments set out within the Council's HRA Business Plan. This will be the same for the whole housing sector.
- 9.11 If the rent cap at any level is imposed for more than one year, the viability of the Housing Revenue Account will be significantly undermined.
- 9.12 The Council's Housing Revenue Account would go into a deficit position if a 3% or 5% rent cap was maintained for 2 years. With a number of properties already below target rent, the Council is already still managing the long-term impacts of previous rent setting policies.
- 9.13 With a rent cap of 7% for one year, the Council could (based on current projections) still maintain its health and safety and decent homes commitments but would be required to review additional planned investments set out in the Asset Management Plan. If a rent cap is imposed, there are areas of the Asset Management Plan that would need to be reviewed to identify further savings.
- 9.14 If the rent cap was in place for 2023/24 only, the average annual headroom in the HRA would be:
- 3% £120,000
 - 5% £320,000
 - 7% £553,000
- 9.15 If the rent cap was in place for 2023/24 and 2024/25, the average annual headroom in the HRA would be reduced to:
- 3% - **£570,000**
 - 5% - **£170,000**
 - 7% £263,000
- 9.16 The reduced headroom would drastically reduce the funds available for additional investment in new build housing, energy efficiency and other areas identified in the Asset Management Plan. This does present a risk and the Council has expressed concerns in response to the Government consultation about the potential impacts of the proposed rent

ceiling on the whole housing sector. It is considered that the imposition of a rent ceiling will undermine not only our continued progress and impact as a landlord, but a reduced ability to invest in tenants' homes will damage trust and confidence at a time of sharp national focus on excellence in landlord services and against a backdrop of regulatory change.

- 9.17 If the rent cap is implemented, there are areas of the Asset Management Plan that could be reviewed to identify further savings. These would require further thought and consultation with tenants to identify their revised priorities based on reduced budgets. This will be considered when the budgets are finalised and presented for Scrutiny and Cabinet consideration and final Council approval in January and February 2023.

Financial Implications reviewed by: **Director for Corporate Services**

10 Legal and Governance Implications

- 10.1 The Localism Act 2011 reformed the way that council housing is financed in England and Wales. The national HRA subsidy system ended in April 2012 and was replaced with self-financing.
- 10.2 Since Section 167 / Schedule 15 of the Localism Act 2011 came into force, English local authorities have been required to be self-financing in relation to their housing stock.
- 10.3 Expenditure and income relating to property and income listed in section 74 of the Local Government and Housing Act 1989 which includes housing held under Part II of the Housing Act 1985 must be accounted for in the Housing Revenue Account (HRA). The HRA is a ring-fenced budget.
- 10.4 It is not a legal requirement to produce an HRA Business Plan and Asset Management Plan; however, it is good practice and helps provide a good framework for long term strategic planning.
- 10.5 The HRA Business Plan and Asset Management Plan provide an important mechanism for ensuring that the council's housing stock is well managed and maintained, and that investment is made to ensure the safety of residents.
- 10.6 The HRA should be self-funding and continuous review of the financial position of the HRA is required to ensure this.

Legal Implications reviewed by: Monitoring Officer

11 Equality and Safeguarding Implications

- 11.1 In finalising the Plan, the Authority must comply with the public sector equality duty as set out in S149 of the Equality Act.
- 11.2 An Equality Impact Assessment was carried out for the HRA Business Plan which directly informs the Asset Management Plan. It was reviewed by the Council's Check and Challenge Group and can be found on the Council's website [here](#).
- 11.3 Investment in decent and safe homes will positively impact the safety and wellbeing of council tenants. Additionally, taking steps to accelerate the replacement of storage heaters directly responds to concerns about household finances and associated health and wellbeing risks.

12 Community Safety Implications

- 12.1 The Asset Management Plan recognises that there will likely be a need to invest in the wider housing environment in order to support safe, resilient and cohesive communities.
- 12.2 Actions have been included to evaluate our estates and plan investment.
- 12.3 There is also revenue funding to support vulnerable tenants within the base budget.

13 Environmental and Climate Change Implications

- 13.1 The Plan considers recommendations regarding net-zero and energy efficiency, however, the Plan itself will not be able to deliver a carbon neutral outcome without significant external funding. This is the case for the wider housing sector.
- 13.2 Further work will be done throughout the life of the Asset Management Plan, and this will need to be considered in the context of the cost-of-living crisis, fuel poverty and thermal efficiency.
- 13.3 The Council will need to be ready to apply for external funding opportunities as they become available, in order to support its ambitions in this regard.
 - 13.3.1 In approving this plan, the Council will need to strike the balance between reducing carbon reduction and reducing household bills. At a time of excessive energy costs and cost of living crisis, consultation feedback has demonstrated that at the present time, opportunities to reduce household bills should take priority.
 - 13.3.2 The acceleration of the storage heater programme and conversion to gas where possible is therefore included as part of the Asset Management Plan. The capital install cost of a new gas heating system is lower than a new electric heating system. As the install and running costs are lower, the Asset Management Plan proposes that homes that have a gas supply available will have new gas heating installed. Gas heating is still one of the cheapest forms of heating. However, it does not help meet the objective of achieving zero carbon.
 - 13.3.3 However, currently, the only restriction around use of gas boilers is that they cannot be installed in newly built properties from 2025. This does not apply to existing homes. Additionally, gas boilers have a lifespan of 15 years, and so any boilers installed during the life of this Asset Management Plan will be replaced by 2043 at the latest, ahead of the Government target of 2050.
 - 13.3.4 The Asset Management Plan also includes a project to develop a longer-term strategy, which will define what types of heating we install in both gas and non-gas areas.

14 Other Implications

- 14.1 **Health and Wellbeing Implications:** Investment in council's homes as proposed will ensure the Council delivers on its health and safety and decent homes obligations whilst also considering other opportunities to improve health and wellbeing for residents where possible.

14.2 **Human Resource Implications:** There is the potential for some of the projects identified in the action plan to identify the need for additional resources. These will be managed on a case-by-case basis.

14.3 **Procurement Implications:** The Asset Management Plan sets out the Council’s approach to procurement and its overall strategy. The action plan attached to the Asset Management Plan includes details of all procurement exercises that will be required and when they need to start. Delivery of a capital programme of this size and scale will require robust understanding and management of procurement requirements and contract management in line with the Council’s contract procedure rules.

15 Risk & Mitigation

15.1

Risk No	Risk Description	Likelihood	Impact	Risk
1	Lack of continuity of leadership impacts on the delivery of the plan	Very Low	Critical	Low
2	Rent cap implemented at 3% for two years reducing the viability of the business plan and resulting in programmes of work having to be curtailed	Significant	Critical	High
3	Rent cap implemented at 5%	Significant	Marginal	Medium
4	Rent cap implemented at 7%	Significant	Marginal	Medium
5	Insufficient resource to implement plan	Very Low	Critical	Low
6	Capital spending is not delivered	Low	Critical	Medium
7	Insufficient headroom in the plan to address all of the spend required from the Asset Management Plan projects	Significant	Marginal	Medium
8	Compliance works are not carried out	Very Low	Critical	High

Risk No	Mitigation
1	Documentation of all key decisions. Adoption of more formal plans, policies and procedures to support the handover to new management.
2	There is capacity in the plan to make savings by reducing the level of service offered, i.e. reduce the standard that certain refurbishment are completed to. However, should the rent cap be imposed at 3% for two years, it will lead to the HRA being in a deficit position and risk management approach will be required.
3	There is capacity in the plan to make savings by reducing the level of service offered, i.e. reduce the standard that certain refurbishment are completed to. However, should the rent cap be imposed at 5% for two years, it will lead to the HRA being in a deficit position and risk management approach will be required.

4	There is capacity in the plan to make savings by reducing the level of service offered, i.e. reduce the standard that certain refurbishment are completed to.
5	The Housing Assets Team is well resourced with most vacancies filled. The Asset Management Plan identifies that certain new workstreams may require additional resources, and a case will be presented if this is required.
6	All workstreams are now procured and contracts in place. Regular monthly meetings are reviewing progress and spend against KPIS where applicable.
7	Significant headroom has been created through the work on the Asset Management Plan. The impact of the additional spend can be included in the annual review.
8	Contractors have been procured. Compliance team has been expanded. Standard operating procedures are in place. Northgate housing system is being used to manage key areas of compliance.

16 Background Papers

- 16.1 [HRA Business Plan 2022- 2052](#)
- 16.2 [The Charter for Social Housing Residents](#)
- 16.3 Melton Borough Council Stock Condition Survey
- 16.4 [Social Housing Rents Consultation 2022](#)

17 Appendices

- 17.1 Appendix A: DRAFT Housing Asset Management Plan 2023-2028
- 17.2 Appendix B: DRAFT HRA Housing Asset Management Plan Action Plan
- 17.3 Appendix C: DRAFT Capital programme 2023/24 to 2028/29

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