

	CORPORATE POLICY & STRATEGY Providence Row Housing Association	Asset Management Strategy VERSION: 4
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Providence Row Housing Association: Asset Management Strategy

1.0 Introduction

This strategy explains the way Providence Row Housing Association (the association) will optimise the use of its assets in terms of service benefits and financial return.

The strategy attempts to identify the targeting of resources to where they can have the best effect in raising standards, maximising value for money and delivering good quality property and service for residents.

It is also a regulatory requirement that the association properly manages its housing stock and is a viable organisation.

Lenders, local authorities, employees and residents also need to be assured that the association is being managed effectively.

1.1 The concept of an asset

The association's assets are the rental income and its residents and staff (the association also has a separate HR strategy). The associations liabilities are basically the cost of providing the residents homes.

1.2 The purpose of an asset management Strategy

The asset management strategy considers the long term (30 years) risks that would impact on the association's assets and liabilities: the rental income and the expenditure in providing the services in return for the rent charged.

1.3 Corporate Objectives

The association objectives are to provide a balanced mix of housing for residents with Support needs and General Needs housing predominantly in the London Borough of Tower Hamlets and potentially in North and East London.

The association's asset management strategy therefore must always underpin the association's corporate objectives.

1.4 Asset Management Plans (AMP)

The AMP for each scheme provides the main outputs for the delivery of the asset management strategy.

The principal of the AMP is to ensure that the cost of financial resources tied up in each scheme is minimised and that capital and revenue expenditure on the scheme is used efficiently and effectively to provide the best value for money.

The AMP assists to:

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- Prioritise decisions on spending
- Integrate property decision making into the business planning process
- Ensure property decisions meet service requirements
- Identify assets suitable for investment or disposal
- Identify opportunities to increase income or reduce expenditure.

2.0 The process

2.1 Collecting information

To produce the AMP it is necessary to collect appropriate information to inform the process.

The type of information covers three main areas:

- Market intelligence
- Economic performance
- Resident's and other stakeholders' views

2.2 Decision framework

The decision making framework establishes a process for the association to decide on whether to hold, dispose, develop or invest in an asset based upon three broad areas:

- Suitability of the scheme and service provision to meet the resident's and local community needs.
- Ability of the scheme to meet market needs now and into the future
- Ability of the scheme to meet the associations financial requirements

2.3 Reporting

The AMP will contain the following information:

- Scheme aims and objectives
- Details of the scheme
- Results from scheme appraisals
- A snapshot of the scheme/Key areas of change
- Options
- Preferred option
- An implementation programme

2.4 Reviews

- Each AMP will be reviewed on a five year cycle
- Annual monitoring of schemes will be undertaken to ensure current performance is within the association's established benchmarks
- Where a scheme is outside the established benchmarks a review of the AMP will be undertaken.

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- An annual review of the association's benchmarks to be undertaken to reflect any changes in the political and financial environment in which the association operates.
- Annual inspection of all schemes to be carried out to update property information and to identify any changes or new trends.

2.5 Accountability and Governance

The Community services department are responsible for producing the AMPs for approval by the association's Board.

The Community services department will report progress to the Board on a half yearly basis including schemes operating outside agreed AMP benchmarks.

3.0 Asset Delivery Plan (ADP)

The purpose of the ADP is to:

- Establish Performance Indicators measuring the delivery of services provided
- Establish how investment in property or disposal is delivered
- Establish a consultation framework for the delivery of services

3.1 Services

The services provided within the context of the ADP are:

- Responsive maintenance
- Voids costs
- Cyclical maintenance and annual servicing
- Service charge servicing
- Planned maintenance renewals
- Planned service charge renewals
- One off major capital projects

The association will agree a five year plan which will be reviewed annually. This plan will provide information on:

- Service level standards
- Budget for responsive maintenance
- Budget for void costs
- A programme and budget for cyclical maintenance and annual servicing
- A programme and budget for service charge servicing
- A programme and budget for planned maintenance renewals
- A programme and budget for planned service charge renewals
- A programme and budget for one off capital budgets

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3.2 Performance Indicators

Benchmarks and key performance indicators to cover the services provided will be set by the Board and reviewed each year.

The Board will receive quarterly reports showing the association's performance against the agreed benchmarks and performance indicators.

3.3 Consultation with residents

The association will agree a framework to empower residents to influence service standards and capital programmes and to monitor service performance.

The Maintenance Advisory Panel (MAP) and the Service Users Advisory Panel (SUAP) will generally be the main consultation vehicles for the association.

Where specific proposals are likely to impact directly on tenants separate meetings would be held to discuss the proposals.

4.0 Asset management strategy implementation

Each year an Asset Management Strategy plan will be produced by the Community Services department for Board approval in March of that year. The plan will include the following information:

- A report on the current condition of the stock projected over 30 years taking into account the latest stock condition survey and annual updates since the survey was undertaken.
- A financial appraisal of all individual schemes over thirty years and a comparison of key financial information of the schemes and any major changes since the previous year.
- Production of an AMP for each scheme
- A five year planned maintenance program including property component and service replacements and redecorations (internal and external)
- The capital maintenance and services works planned for the next financial year including budgets and program time scales
- Proposals for maintenance notional allowances collected from the rent in the following year
- Proposals to sell demolish or redevelop any Scheme(s), if applicable.

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