

## **Asset Management Strategy 2022-2025**

### **1.0 Introduction**

#### **1.1. Purpose**

This strategy outlines the Council's approach to managing the condition of the housing stock whilst delivering a service that offers value for money. It is closely linked to the Council's Corporate Plan. The strategy provides an integrated overview of the Council's housing assets and garages and is intended to support key decisions in terms of stock improvements, redevelopment and disposal.

The strategy also incorporates recent health and safety legislative changes particularly around building safety following the Grenfell Tower fire in 2017.

It is a challenging environment with continuing budgetary pressures across the public sector and major changes to government policy and standards within housing.

In recent years apart from the redevelopment of the sheltered housing stock the Council's focus has been on delivering decent homes (defined under Decent Homes Standard) and long term investment based on stock condition and lifecycle costings. Going forward there is a need to explore redevelopment of some of the Council's other housing stock where this has the potential to support the Council's wider financial and social housing objectives.

### **2.0 National Context**

#### **2.1. Social Housing Green Paper**

The Social Housing White paper published in November 2020 includes the following:

- i) A review of the Decent Homes Standard which has not been revised since 2006.
- ii) Upgrading the energy performance of our homes and this is a possible addition to the new Decent Homes Standard.
- iii) Improvements to sharing of fire safety data.
- iv) A person responsible for complying with health and safety requirements.
- v) Reference to proposals in the Building Safety Bill to put in place a more stringent regime.

A review of the Government's Decent Homes Standard is now underway in two parts. Part 1 was carried out from Spring to Autumn 2021 which sought to understand the case for change. Part 2 will run from Autumn 2021 to Summer 2022 and will consider how decency should be defined. It is anticipated that the main outcome will be a refreshed Decent Homes Standard.

## 2.2. Health and Safety/Fire Safety

Following the Grenfell Tower disaster in 2017, Dame Judith Hackitt (the former Chair of the HSE) was commissioned to produce a report 'Building a Safer Future'. The final report published in May 2018, laid the foundations for revisions to existing fire safety legislation and the creation of the 'Draft' Building Safety Bill.

### Fire Safety Act 2021 – Introduced April 2021

The Fire Safety Order 2005, as amended by the Fire Safety Act 2021, designates those in control of premises as the '**Responsible Person**' for fire safety. This duty normally falls on landlords, building owners or building managers. This new law means that, in addition to the current duty to carry out a communal Fire Risk Assessment on buildings 'in-scope' of the Act, the 'Responsible Person' will need to ensure that any fire risk assessment now includes an assessment of any fire hazards associated with:

- The structure and external walls of the building (e.g., cladding, balconies, and windows).
- Entrance doors to individual flats that open into communal areas.

### The 'Draft' Building Safety Bill (first published in July 2020)

The Bill is currently going through Parliament (Second Reading July 2021) setting out a new regulatory regime aimed at ensuring the safety of residents in residential buildings. This 'Draft' Bill is expected to receive Royal Assent by April 2022 with the first round of provisions coming into force within the following 6-12 months. The Bill will establish a 'national' Building Safety Regulator (BSR), sitting within the Health and Safety Executive ('Shadow' BSR is already in place). It introduces a new regulatory regime for "higher-risk buildings" – an example being buildings which are at least 18m in height or have at least seven storeys and contain at least two residential units. Importantly the Bill establishes the two crucial roles, the most important being a role termed the '**Accountable Person**' who will be responsible legally for the safety of higher-risk buildings. An Accountable Person who fails to meet key obligations will also be guilty of a criminal offence, punishable by imprisonment for up to two years and/or a fine.

Accountable Persons may be individuals or corporate entities Landlords are most likely to be Accountable Persons. Within the structure and appointed by the 'Accountable Person' will be a role to be known as The Building Safety Manager (there may be more than one building safety manager depending on the extent of 'high risk' buildings within an organisation's portfolio). The Building Safety Manager role will have specified duties for the day-to-day management of fire and structural safety in higher-risk buildings. Building Safety Managers who fail to meet their duties under the Bill will commit an offence, though this will be punishable by a fine rather than prison. In addition, The Regulator will be empowered to order the removal or replacement of a Building Safety Manager.

In combination these two key pieces of legislation are key drivers in the Council's decision to review its current arrangements for managing 'compliance' and is consequently aiming to create a specific Compliance Team (referred to later in this document) to introduce a more cohesive approach, bringing together all building

related 'compliance' obligations into a single team. There will be, over the lifetime of this Asset Management Strategy, a clear shift from the current 'silo' methodology employed to manage 'compliance', to a building by building, approach, which in turn will allow residents of a given building/block to play their part in managing and monitoring safety of the building they live in, as endorsed/encouraged in the recent Social Housing White Paper.

It is recognised that current software may need to be enhanced to assist in the management of compliance. It is understood that a 'compliance' module is available to 'bolt on' to our existing 'stock data' management system, however, it may be prudent to develop and populate this incrementally, over a period of time. A useful 'electronic' tool being trialled by the Council, that will assist in the management of compliance is 'asset tagging' whereby a 'tag' attached to an individual property can be populated with compliance data for that property and can be read by relevant maintenance engineers/surveyors attending site.

### **2.3. Homes (Fitness for Human Habitation) Act 2018**

This Act came into force on 20 March 2019. It is designed to ensure that all rented accommodation is fit for human habitation. It also strengthens the means of redress against landlords who do not fulfil their legal obligations to keep their properties safe.

Landlords will need to make sure that their property is free of hazards which are so serious that the dwelling is not reasonably suitable for occupation in that condition. Where a landlord fails to do this the tenant has the right to take action in the courts for breach of contract on the grounds that the property is unfit for human habitation. The remedies available to the tenant are an order by the court requiring the landlord to take action to reduce or remove the hazard and/or damages to compensate them for having to live in a property which is not fit for habitation. The courts will decide whether a property is fit for human habitation by considering whether:

- There is a serious problem with damp.
- There is an unsafe layout.
- There is not enough natural light or ventilation.
- There is a problem with the supply of hot and cold water or with drainage or toilets.
- It is difficult to prepare and cook food or wash up.
- The building is unstable.
- It is safe regarding 29 hazards set out in the Housing Health & Safety (England) Regulations 2005.

Many social landlords have seen an increase in housing condition claims often submitted by solicitor firms that have significant experience in personal injury claims on a 'no win no fee' basis.

Within the Strategic Asset Management Surveys (SAMS) carried out homes fit for human habitation is included under the health and safety rating system. The surveys identified 6 properties with severe risk. 4 of those have been resolved and 2 are in progress with housing management. The information from the Housing Health and Safety Rating system informs and shapes the capital programme included elsewhere on the Committee's meeting agenda.

### 3.0 Local Context

#### 3.1. Corporate Plan 2021-2026

The Council's overarching vision is a vibrant economy, a thriving community, a great place to live and work and a cost-effective Council. This strategy supports the following priorities within the corporate plan.

- Combating the climate emergency
- Deliver more social housing
- Support our communities

<https://www.stalbans.gov.uk/sites/default/files/attachments/St%20Albans%20City%20And%20District%20Council%20Corporate%20Plan%202021-2026web.pdf>

#### 3.2. Climate Change

In July 2019 the Council declared a climate emergency and begun working on a comprehensive plan to reduce carbon emissions across the District. The target is to reduce emissions by 2030. The Council produced a sustainability and climate crisis strategy in 2020. A key target within the strategy is to raise the energy performance of Council-owned housing to EPC B by 2030. The strategy has a sustainability tracker which is monitored by and reported to Climate Action Group which includes Councillors and other stakeholders.

<https://www.stalbans.gov.uk/sites/default/files/attachments/FINAL%20SADC%20Sustainability%20and%20Climate%20Crisis%20Strategy.pdf>

The Council has also decided that gas heating will no longer be installed in Council newbuild developments. Other alternative heating options e.g. air heat source pumps will be installed along with other sustainability options that include solar panels and electric charging points.

#### 3.3. Links to Other Policies

This strategy also links to other Council strategies and policies including Procurement Policy, Sustainable Procurement Policy, Housing Repairs Handbook, Local Plan and Management of Asbestos Plan.

### 4.0 Overview of Housing Stock

- 4.1. The Council's housing stock comprises 4,952 properties of which 2,074 are flats. The table below shows the breakdown by property size.

Property Size	Number
Dwellings equivalent of HMOs/hostels	69
One bedroom	1,441
Two bedroom	1,439
Three bedroom	1,914
Four bedroom	80
Five bedroom	6
Six bedroom or more	3
TOTAL	4,952

The majority of the Council's traditional brick built stock is typical of that belonging to a local authority. However, within the total housing stock there are 1,069 properties classified as non-traditional in construction. This is broken down in the table below.

<b>Construction Type</b>	<b>Total</b>
Airey	52
Belfrey	108
Drury/Gregory	89
Drury/System '3'	134
Hawksley Aluminium BL8 Bungalows system	9
High Rise flats	72
Lovell	186
Swedish	3
Trusteel	6
Unity	140
Unknown	3
Wates	87
Wimpey No-Fire	180
<b>TOTAL</b>	<b>1,069</b>

The age profile of the housing stock from the 4,612 complete property surveys carried out to date is set out below.

<b>Age Category</b>	<b>No. of Properties</b>
Pre 1900	70
1900 – 1929	78
1930 – 1949	562
1950 – 1966	2,467
1967 – 1975	952
1976 – 1982	49
1983 - 1990	343
1991 - 1995	6
1996 - 2002	3
2006 - 2006	2
2007 onwards	80
<b>TOTAL</b>	<b>4,612</b>

The above table shows that the majority of the housing stock was built between 1950 and 1975 totalling 3,419 properties (74%).

There are also 1,027 leasehold properties. The Council as the freeholder is responsible for maintaining the structure and exterior of these blocks of flats. A breakdown is set out below.

<b>SADC - Leasehold Properties</b>	
<b>Property Type</b>	<b>Quantity</b>
Flats within blocks	532
Maisonettes	495
<b>TOTAL</b>	<b>1027</b>

## **4.2. Sheltered Housing**

Following the redevelopment of 11 sheltered housing schemes only 2 remain. One had been improved previously and another was popular and is having fire safety work carried out.

## **4.3. Garages**

The Council has 2,310 garages with an occupancy rate of 60%. A number of garage sites have been redeveloped for social rented housing and since 2018/19 the Council has delivered 48 social rented properties across five sites. A further three sites are having feasibility work undertaken. There is an annual budget of £100k per annum in the Housing Investment Programme to carry out improvement works on garage sites where occupancy is high.

## **5.0 Data Information and Management**

The Housing Asset Team will develop the asset management database and supporting data sets for example demographic data to deliver an active asset management system, providing informed investment, building safety and a clear view of the energy efficiency of our assets.

## **6.0 Stock Condition Survey**

As part of the strategic partnership the Council entered into with Morgan Sindall Property Services Limited a full Strategic Asset Management Survey (SAMS) was planned on all the HRA dwellings in the first 5 years of the partnership. It was agreed in 2020 that the SAMS programme would be accelerated to complete by 31<sup>st</sup> March 2021. As at December 2021 over 90% of these surveys had been completed.

The SAMS have allowed the Housing Asset Team to accurately forecast and budget an intelligent and accurate programme of works over the medium term (5 years) that will help to ensure the Council's Decent Homes, HHSRS, Homes fit for Human Habitation, component replacement and energy efficiency programmes are developed with intelligent accurate data to hand.

The SAMS include photographs, the current condition and estimated renewal dates of all the major components of the dwellings, including kitchen and bathroom, heating systems, consumer unit, roofs, doors and windows, loft and cavity wall insulation, rainwater goods, hard standings and adaptations. All of these are given an estimated cost and year for replacement. This is then used to develop the Housing Investment Programme budget forecast.

The SAMS all include an energy performance certificate (EPC) which will be used to help achieve the Council's carbon neutral target declared as part of the climate emergency declared by the Council. EPCs show the current banding of the property and a banding that can be achieved together with the costs of adopting the measures suggested on the EPC.

The SAMS also identify and rank Housing Health and Safety Rating System (HHSRS) failures and identify dwellings with damp and mould issues. These are ranked in terms of severity.

The SAMS information has been linked to repair information to allow an in depth and intelligent component replacement programme to be developed and incorporated into the Housing Investment Programme. The information available to the Council from the SAMS and repair information include the following:

- Repair overview and trend analysis. Three elements feature heavily, plumbing, carpentry and electrical works.
- 30 year cost expenditure profile based on completed SAMS surveys identifying investment needs over 30 years.
- 5 year cost profile relating to fabric improvement (roof, external façade and windows) and heating and plumbing investment. This detail provides useful information in relation to strategic investment and delivery.
- RdSAP and EPC analysis which provides robust and comprehensive data sets on delivering a targeted approach to de-carbonisation and energy efficiency.
- HHSRS Dashboard(s) overlay repair demand and the outputs from the HHSRS surveys completed as part of the accelerated SAMS survey associated with remediation works to resolve the damp and condensation issues.
- Identification of the benefit achieved through intelligent capital investment, identifying significant reductions in revenue expenditure following component renewal (kitchen/bathroom, roofing renewal and window renewal).

### **6.1. Complete Property Surveys**

The Asset Team will ensure the asset information identified by the SAMS is kept up to date and relevant. This will be achieved by adding any replacement components to the Asset Management Database to inform future programmes of works and ensure resources are identified and secured to keep the stock in good condition for the tenants and leaseholders.

The Asset Team will commission a further programme of surveys to the blocks and communal areas of HRA assets.

### **6.2. Key Outcomes From Surveys Completed**

The stock information identified by the SAMS shows estimated expenditure to the stock over the next 5 years to be just over £22m, this expenditure has been included in the Housing Investment Programme and smoothed to ensure the Council can fund the works.

The table below shows the components and estimated costs identified for replacement over the next 5 years.

<b>Component</b>	<b>Properties</b>	<b>Value</b>
Roof Fabric	1,601	£5,448,140
Heating & Plumbing	2,015	£4,367,851
Windows & Glazing	377	£3,084,590
External Fabric	824	£2,898,327
Kitchen	483	£1,558,000
Decorations	353	£1,370,500
External Works	1,180	£1,061,896
Doors	559	£688,950
Bathroom	283	£670,300
Communal Works	93	£597,450
Electrical	1,649	£297,849
Aids and Adaptions	19	£33,800
<b>Total</b>	<b>9,436</b>	<b>£22,077,653</b>

## 7.0 Energy Strategy

An energy strategy is being developed that will allow the Council to meet its declared target of being carbon neutral by 2030. The strategy is designed to be agile and able to incorporate technological developments and funding opportunities as they become available in the coming years. The strategy will follow a fabric first approach to ensure any measures installed in dwellings will be affordable to the residents while still reducing or removing the carbon output from these dwellings.

The Council are looking at innovative technology including Goldeni sensors to inform both the Council and residents on how their homes can operate more efficiently.

## 8.0 Compliance

There is a requirement for the Housing Department to have a dedicated team within the Asset Team for all HRA related compliance management responsibilities issues. These include gas safety, electric safety, fire safety, lifts/lifting equipment, water hygiene and asbestos management. The team will be led by a senior manager and will include managing the obligations arising from the 'Draft' Building Safety Bill and the Fire Safety Act 2021.

The Asset Team organise and ensure statutory servicing and maintenance is undertaken on assets regulated by compliance regulations, these include:

- Annual Gas servicing to domestic and communal boilers
- Testing of Domestic and Communal Electrical wiring every 5 years
- Quarterly testing of assets with cold water storage
- Ensuring the Asbestos Register is updated following any asbestos surveys or works to remove/mitigate asbestos risks



- Fire Risk Assessments (FRAs)– New FRAs where requires and reviews of existing FRA are carried out every 3 years. Annual FRAs are carried out on high risk blocks for example sheltered and temporary housing. Prioritised actions arising from FRAs are monitored on an annual basis.
- Lifts and Lifting equipment serviced and maintained in accordance with manufacturers and insurer's recommendations.

### **8.1. Business Case**

A business case has been prepared to agree the formation of a Compliance Team that will also look after the energy strategy of the Housing Department. The business case also has a reorganisation of the Planned Maintenance Team and Repairs Team. This is designed to make the Asset Team able to deliver efficiently and effectively on the increased demands on compliance and energy efficiency following new and forthcoming legislation.

### **9.0 Property Disposals**

The Council has a disposal policy. The following list provides the criteria against which each property will be assessed:

- The property is in need of major structural works to ensure the long-term stability of the structure. Examples of these works include underpinning, extensive replacement of decayed or infested structural timbers, roof deflection or instability, etc.
- The property is in need of major works to remedy penetrating or rising damp especially if part of the property is below ground i.e. a basement.
- The property is in need of major work to remove any health and safety rating system hazards or asbestos containing materials that require a high level of ongoing management in conjunction with extensive works to comply with Decent Homes provision i.e. installation of a central heating system, rewiring, new kitchen and bathroom, new windows.
- Properties with an Energy Performance Certificate below band C where the construction, location and design make it difficult to thermally upgrade or improve the properties in order to improve the energy efficiency and thermal performance i.e. properties which do not have mains gas supply or which are of solid wall construction. This includes non-traditional construction.
- Properties that due to their age, design and/or location command a higher than average market value which due to their age and condition will incur higher than average costs to maintain over the 30 year Business Plan.
- Properties which due to their original design, location and designation are no longer fit for purpose and have associated level of difficulty re-letting.

- Properties which if they were to be demolished would provide access to an identified development site. In the case that lack of access would otherwise prevent that site from being viable for development. These properties would be considered in conjunction with strategic housing in terms of identification and management in the process.

Where a property is being considered for disposal a financial assessment will also be carried out to include the cost of works required and the market value of the property. A report will then be presented to the Housing and Inclusion Committee to authorise the disposal of the property. The capital receipts arising from the disposal will be used to fund other new social rented housing within the Housing Investment Programme. Currently the Council has 9 properties approved for disposal.

## **10.0 New Housing Developments**

Social housing is at a premium in the District. The majority of new housing is delivered by way of planning agreements by housing associations on large scale developments. Typically the Council has no control over the type and tenure of the properties. Consequently the Council has a role to play in ensuring the delivery of additional new housing that meets the needs of applicants on the Housing Register.

The Council completed its first new properties in a generation when it delivered two new houses in 2017. Since that time it has delivered a further 82 properties in the District. These have been on former garage sites and redundant sheltered housing schemes.

There are a further 30 properties in the pipeline to be delivered before March 2023. These include two sites where temporary accommodation no longer fit for purpose was located.

In partnership with the Commercial and Development Department, the Housing Department has developed a 5 year feasibility pipeline of future housing projects. The aim is to deliver in the region of 30 new properties per annum from 2023/24. These will predominantly be on Council-owned garage sites that have a high void rate and experience a high level of vandalism and anti-social behaviour.

In addition, the Housing Department will look at other opportunities to increase the number and quality of social housing properties by making best use of existing stock. This could include the reconfiguration or regeneration of housing no longer fit for purpose or experiencing long term maintenance issues.

A Housing Strategy is currently being developed which includes more detail on the Council's development ambition and making best use of its existing, limited, housing stock. There is also a need to take into consideration new and existing stock that includes and embraces emerging sustainability measures.

## **11.0 The Commitments**

- 11.1.** To provide and maintain homes and environments which are safe, decent and energy efficient.
- 11.2.** To continuously improve our understanding of our stock and its condition to enable effective investment decisions.
- 11.3.** To get the best value from our assets and develop modern new homes for the future.
- 11.4.** Support for wider corporate objectives namely consideration of where and how the management of Housing assets contributes to the delivery of the Council's wider aims, including supporting people's health and wellbeing and improving environmental performance.
- 11.5.** To improve customer communication with residents to ensure it is responsive to their needs and meets the requirements set out in both the contract and also the standards set out by the Social Housing Regulator.

## **12.0 Action Plan Under Each of Above Commitments**

- 12.1.** To provide and maintain homes and environments which are safe, decent and energy efficient.
  - Adopt an Energy Strategy in 2022/23.
  - Identify and bid for relevant Government funding for energy efficiency work programs –continuing as funds become available.
  - Ensure Capital works programmes are undertaken to maintain the HRA dwellings at the decent homes standard – continuing.
  - Implement any changes to the Decent Homes Standard following the review by Government 2022/23.
  - Implementation of a compliance team to oversee and manage all the compliant management responsibilities – 2022/23.
- 12.2.** To continue to improve our understanding of our stock and its condition to enable effective investment decisions.
  - Commission a full stock condition survey of the HRA blocks and communal areas in 2022/23.
  - Roll out a programme to install Goldeni and asset tagging to the HRA stock to provide intelligent asset data to identify works and programs to meet this commitment – begin in 2022/23.
- 12.3.** To get the best value from our assets and develop modern new homes for the future.
  - Complete an Energy 'Net Present Value' exercise on the HRA stock to identify the viability of each dwelling – 2022/23.
  - Look at enfranchisement of whole blocks of flats that have 100% or a high proportion of leaseholders – 2022/23.

- Work with the development team to ensure new homes are low maintenance, carbon neutral and contain modern components –continuing. .

**12.4.** Support for wider corporate objectives namely consideration of where and how the management of housing assets contributes to the delivery of the Council's wider aims, including supporting people's health and wellbeing and improving environmental performance.

- Identify solutions to lack of parking including secure cycle storage on HRA Assets –continuing.
- Develop a programme of works to improve communal areas in HRA Assets following consultation and results from block surveys – 2022/23.
- Identify and develop HRA Assets that have potential for carbon neutral district heating systems that would be available for private and HRA residents – 2022/23.

**12.5.** To improve customer communication with residents to ensure it is responsive to their needs and meets the above requirements.

- Weekly monitoring of call centre statistics – continuing
- To monitor the customer contact action plan including recruitment, call waiting times, diagnostics with Morgan Sindall at fortnightly core meetings – continuing.
- Implementation of the customer portal to enable tenants to report and track repairs – 2022/23.
- Implementation of tenant satisfaction measures as set out by the Social Housing Regulator – 2023/24.