

Council Housing

Asset Management Strategy – 2024-2029

Purpose & Aim

The Asset Management Strategy aligns our key asset management activities to support the Council to meet its vision to create 'great homes, places and communities to enhance life opportunities' whilst also supporting the Mayor's Business Plan.

The Asset Management Strategy is part of the strategic framework for the Housing Transformation Programme which will improve and transform our housing services. Its purpose is to be a critical business tool, that ensures performance is measurable and supports medium and long term decision making for our housing stock.

To achieve our strategy, we will work collaboratively with residents, partners and businesses to support our aim of providing safe and warm homes in thriving, sustainable communities.

The aim of this Asset Management Strategy is to deliver the following objectives detailed in the [Mayor's Business Plan 2022- 2026](#):

- Get a grip on the finances and make the Council financially sustainable.
- Become a council which listens to, respects, and works in partnership with Croydon's diverse communities and businesses.
- Strengthen collaboration and joint working with partner organisations and the voluntary, community and faith sectors.
- Ensure good governance is embedded and adopt best practice.
- Develop our workforce to deliver in a manner that respects the diversity of our communities.
- Children and young people in Croydon have the chance to thrive, learn and fulfil their potential.
- Croydon is a cleaner, safer, and healthier place, a borough we are proud to call home.
- Invest in council homes to drive up standards and develop a more responsive and effective housing service.
- People can lead healthier and independent lives for longer.

Introduction

This Asset Management Strategy is based upon the Council's recently approved Housing Revenue Account (HRA) Business Plan. Like many other councils our HRA is under pressure to meet the Council's aspirations for new homes, whilst meeting maintenance and investment requirements for its existing housing. The plan will therefore seek to assist in optimising the use of council assets, council resources and grant funds, where appropriate.

The Strategy sets out how we will maintain, manage and invest in our Council Homes. It builds upon, and replaces, the previous Asset Management Strategy 2019 – 2028. Since the last plan, the operating and legislative landscape for social housing has changed significantly and will continue to do so.

The Strategy describes how we will achieve these objectives and is supported by detailed guidance and operational plans outlining further work required and a schedule

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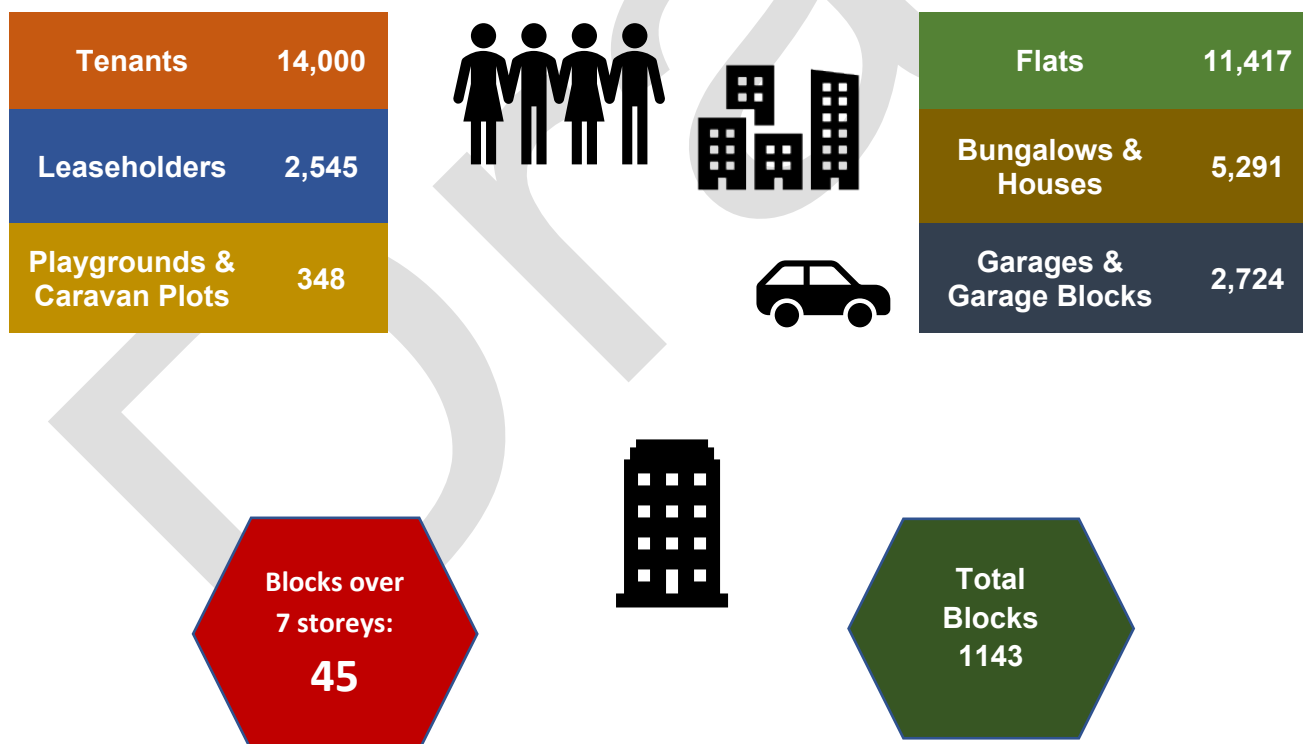
of actions for the first year. It is an agile document which will be reviewed and updated on an annual basis in the light of further information and changing external expectations.

The structure of the plan below provides:

- Some key numbers to describe our homes and the scale of the challenges we face.
- Our objectives and a road map for how we will achieve these objectives.
- An action plan for the first year of this plan setting out the specific measures we will take and their timeline.
- Additional appendices of more detailed information.

About our Homes

Our asset portfolio comprises a wide range of properties from 1950/60s flats in blocks, to pre-war street properties and sheltered housing schemes. Our tenure is a mix of council tenants and leaseholders. This strategy reflects both the breadth of our portfolio and tenure mix, recognising the needs of leaseholders will at times be different to tenants, not least from the perspective of affordability.



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Fire Risk Assessments	1,143
Annual Gas Safety Checks	12,524
Five year electrical testing programme	13,449
Asbestos surveys	731
Passenger Lifts	104
Legionella Checks	139
Average SAP	70

- figures as 31 March 2024

Our number one priority relates to the planning and delivery of fire safety and other compliance works to our buildings as well as ensuring that we implement future changes arising from the Government’s new legislation, namely: the Fire Safety Act, the Building Safety Act, and the Social Housing Act (including a review of the Decent Homes standard) and specific requirements for dealing with damp and mould.

We will address non decent homes and the general upkeep of the housing stock through the timely renewal of building components and the investment through our Capital Works Programme over the coming years. Simultaneously, we will also begin the planning of energy efficiency and carbon reduction measures to ensure we can meet the Government’s target of 2050 for achieving net-zero.

Looking forward we know that ‘Big Data’ will play an increasingly significant role in planning our services. The introduction of BIM (Building Information Modelling), initially to allow us to comply with the Building Safety Act for our high-rise homes, will be the starting point for our journey to use existing data sets to underpin our future asset management activities allowing us to:

- Improve our investment data to better plan major works,
- More accurately model stock investment and energy reduction costs,
- Move from reactive to predictive and planned maintenance,
- Make data driven, evidence-based decisions for all aspects of our services, and
- Improve services to residents and strengthen our digital channel offerings.

Our Vision for the next 5 years

We will invest in and improve our council homes, as part of our priority to create great homes, places, and communities to enhance life opportunities for the residents of Croydon.

Delivering good quality council homes has a positive impact on our wider council priorities to build strong, healthy, and sustainable communities. We can only achieve

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this if our council tenants and leaseholders live in in a home that is fit for purpose in a well-managed estate or neighbourhood. To create clean and green places we need to ensure our council housing assets and land are well-designed and well managed, where we give residents a voice, so services are tailored to their needs.

Background to investment and the current position

Following an ITV media show on the appalling living conditions of residents living on the Regina Road Estate in March 2021, the Council made a self-referral to the Regulator for Social Housing (RSH) for breaching the Home Standard and Tenant Involvement and Empowerment standard. In May 2021, LBC was served a regulatory notice by the RSH for breaching the Tenant Involvement and Empowerment Standard and the Home Standard. The areas of the standards breached that were directly relevant to this Asset Management Strategy were:

- Failure to provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants, and has the objective of completing repairs and improvements right first time; and
- Failure to meet all applicable statutory requirements that provide for the health and safety of the occupants in their home.

The breaching of the consumer standards was due to numerous issues that have been key to developing a programme to address them effectively. The issues are sometimes distinct and relate to only one aspect of the breach, but often the issues cut across the standards and across the housing service. Those of most relevance to the Asset Management Strategy were:

- The very poor performance of our previous Repairs Contractor over a period of ten years, and weak contract management by the Council, exacerbated by unreliable data. Following a procurement process in 2022/23, the single repairs contractor was replaced by three new contractors and the new service mobilised on 1st August 2023.
- The use of outdated and/or manual systems that did not contain reliable customer profiling information, or up-to-date asset data, led to poor decision-making and an inability to assess trends across our asset portfolio, leading to a significant deterioration of our stock, health and safety concerns and reputational damage to the council.
- Following several years of significant under-investment in our properties, including insufficient growth in the responsive repair budgets, we experienced a significant increase in Legal Disrepair claims and an increase in properties failing the Decent Home Standard.

Following the mobilisation of the new repair contracts in August 2023, we have seen a significant increase (almost doubling) in the volume of repairs being reported. This spike in demand placed our in-year budget (2023/24) and staffing resource under

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intense pressure, and to recover the situation, additional budget provisions were made in 2022/23 and in 2023/24. This has been reflected in the recently approved HRA Business Plan (February 2024).

Investment decisions are aimed at tackling two key housing investment needs: generating new housing supply and maintaining and improving the condition of the existing housing stock, including estate regeneration opportunities. The condition of the existing housing stock is a priority for the Council and is reflected in the revenue repairs budget priorities including:

- The introduction of a Damp and Mould service prior to the introduction of Awaab's Law. A new team was mobilised in January 2023, and following a widespread resident communication campaign, we have seen a significant increase in the number of damp and mould cases reported (c2,000 from 1/4/23-31/3/2024).
- An increase in the responsive repairs budget to reflect the significant increase in the volume of repairs reported since the mobilisation of our new contracts in August 2023.
- Meeting the requirements of the Building Safety Act and ensuring our resident's homes are safe, and all works meet Fire and Building Safety requirements.

The Business plan sets aside £861m to invest in the stock over the next 30 years for both tenanted homes and communal areas with a further £103m identified for regeneration. Investment requirements are reviewed on an annual basis with scope to re-prioritise funding, based on the data received via our accelerated stock condition survey, any announcements on a new Decent Homes standard and further requirements linked to decarbonization.

We know from our latest quarterly independent satisfaction surveys of our residents (Q3 2023/24) that just over half of our residents are satisfied that the Council provides them with a well-maintained home. Slightly more feel their home is safe and of the three fifths that have had a repair completed in the last 12 months, only 61% are satisfied with the service. Our overall satisfaction target for well-maintained homes is 58% by September 2024, with a stretch target of 62%.

Good quality stock data gives us the ability to meet our objectives, especially around improving customer satisfaction with the home, and improving standards within our stock and communities. Stock condition information will inform but not dictate investment decisions. By applying this data, along with responsive repair data and local intelligence, this will enable us to determine investment and management plans.

In November 2022, Savills undertook a 5% validation survey to determine the accuracy of our data, which did highlight data discrepancies. Following this validation survey, we instigated a plan to achieve 100% stock condition data. As of 31 March 2024, we have 40% data, with the objective of increasing this to 60% by 31 March 2025 and 100% by September 2025.

We are utilising every opportunity to improve our data, utilising our repair contractors, our internal teams (damp and mould, voids and compliance teams) to undertake

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‘smart’ surveys of key components, and incorporating stock condition as part of key building information collections for the Building Safety Regulator.

Asset Management Principles

Our Asset Management Strategy has five underlying principles to ensure we and our residents get maximum benefit and value from our assets. All these principles will be fully effective only if they are working together and alongside effective risk management and governance. Integration means that **asset management is more than just the sum of its principles, it is a recognition of interdependencies and combined effects, as well as the need for a joined-up approach to delivering optimal value to the Council and real benefits to our residents:**



1 - Delivering warm, comfortable and decent homes:

Regular maintenance is essential to keep the housing assets in good condition, provide homes where our residents want to live, and it also reduces future costs and maintains an expected standard. We are operating under challenging financial circumstances with insufficient funding to address the needs of all our existing portfolio from a renewal and modernisation perspective. We therefore need to look at all options for the future of stock and be innovative in our approach with all works programmes integrating the concept of warm, safe homes.

We are required to meet the Government’s Decent Homes Standard (DHS) and the Homes (Fitness for Human Habitation) Act. These standards incorporate warm, safe, and decent homes and are validated by the Housing Regulator as part of our annual regulatory return.

2 - Safe & compliant homes:

Strong, effective, and consistent adherence to landlord compliance is essential to meeting the expectation of our residents and the Regulator. As a minimum, we need to consistently deliver 100% compliance on the “Big-6” (asbestos, electrical, fire, gas,

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lifts and water checks). We also need to ensure we meet the requirements of the Building Safety Act. Changes to the Building Regulations and other legislative amendments will guarantee the safety of our residents and fulfil our obligations as a building owner.

3 – Encouraging Resident involvement:

Residents should be actively involved in all asset management projects and encouraged to give their feedback on their needs and concerns, to ensure their home meets their requirements. Engaging with residents is central to our approach to improving standards and to our success as a Council. Residents must have a voice regarding the management of their home, their community and the scope and quality of services they receive. The Asset Management Strategy will align with our Housing Strategy and Resident Engagement strategy.

4 – Focused on Sustainability:

The strategy should focus on long-term sustainability, ensuring that the housing assets are maintained and improved to meet the needs of current and future residents. By constantly scanning the horizon we should continue to seek grant funding to supplement our capital resources, striving to deliver new and exciting opportunities that offer better value for residents and drive carbon efficiencies.

5 – Financial performance and most cost-effective investments:

Our strategy should balance the need for investment with affordability, ensuring that resources are invested in the most cost-effective way. Social housing is valued based on the rental stream it generates. By appraising the viability of stock, we can review the future of our portfolio alongside homes performing poorly or those that do not meet housing demand.

It is imperative we get the most from our assets. We need to support the business plan by maximising opportunities and optimising value for money, which might mean thinking differently about how work is organised and how we achieve best value. We need to understand how much an asset contributes throughout its useful life, and consider factors like its age, location and how it contributes to improving the lives of our residents.