

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>CABINET AND FULL COUNCIL</b>	
<b>DATE OF DECISION</b>	<b>15 July 2024 (Cabinet) and 17<sup>th</sup> July (Full Council)</b>	
<b>REPORT TITLE:</b>	<b>Council Housing Asset Management Strategy 2024/29</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Susmita Sen, Corporate Director for Housing Sue Hanlon, Interim Director of Repairs and Asset Management</b>	
<b>LEAD OFFICER:</b>	<b>Boe Williams, Interim Head of Assets (Housing)</b>  Email: <a href="mailto:boe.williams@croydon.gov.uk">boe.williams@croydon.gov.uk</a>	
<b>LEAD MEMBER:</b>	<b>Councillor Lynne Hale, Cabinet Member for Homes and Deputy Mayor</b>	
<b>KEY DECISION</b>	<b>Yes. Number: 0524H Decision significantly impacts on communities living or working in an area comprising two or more Wards</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>No</b>	Public
<b>WARDS AFFECTED:</b>	<b>All</b>	

## 1 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to agree the Council Housing Asset Management Strategy 2024-29. A previous Asset Management Strategy was agreed in 2019, however, that strategy was focused on individual component replacement, and failed to fully consider the long-term investment needs of our portfolio. This led to insufficient funding for investment, and homes falling into a state of disrepair, such as the events that occurred at Regina Road leading to reputational damage.
- 1.2 This report details the factors driving the need for a new Asset Management Strategy, the methodology utilised during its development and the feedback we've received from residents and members during briefing sessions held earlier this year.

## **2 RECOMMENDATIONS**

### **CABINET**

For the reasons set out in this report and appendices, Cabinet is recommended to:

- 2.1 Consider the feedback received on the principles behind the Asset Management Strategy 2024-2029 from residents, partners and Members via engagement and consultation briefings; and Equalities Impact Assessment detailed in Appendix 2
- 2.2 Consider the feedback from the Homes Scrutiny Committee held on 9<sup>th</sup> July 2024 and executive response (Appendix 3).
- 2.3 Agree the Council Housing Asset Management Strategy 2024 - 2029 (Appendix 1) and recommend to Full Council for adoption.
- 2.4 Agree to delegated authority to Corporate Director to make minor amendments (i.e., slight wording changes to make more accessible, formatting etc.) in conjunction with Executive Mayor and Cabinet Member but prior to its recommendation and adoption by Full Council.

If approved by Cabinet:

### **FULL COUNCIL**

For the reasons set out in the report and appendices, Full Council is asked to:

- 2.5 Consider the feedback received on the draft Asset Management Strategy 2024-2029 from residents and partners via the engagement and consultation process as detailed in Section 6 of this report.
- 2.6 Note the feedback from the Homes Scrutiny Committee held on 9<sup>th</sup> July 2024 and executive response (Appendix 3).
- 2.7 Consider the Equalities Impact Assessment detailed in Appendix 2
- 2.8 Agree and adopt the Asset Management Strategy 2024- 2029 as detailed in Appendix 1.
- 2.9 Agree to delegated authority to Corporate Director to make minor amendments (i.e., slight wording changes to make more accessible, formatting etc.) in conjunction with Executive Mayor and Cabinet Member prior to final publication.

### 3 REASONS FOR RECOMMENDATIONS

- 3.1 The Council Housing Asset Management Strategy sets out how we will maintain, manage, and invest in our Council Homes. It should be an agile document, adapting to the ever-changing regulatory environment, and challenging external expectations linked to property condition.
- 3.2 As a key part of the Housing Transformation programme agreed at Cabinet in December 2022, the strategy sets out how the Council will comply with regulations as well as achieve our aim of delivering *good quality homes, that are safe, fit for purpose and in neighbourhoods where our residents want to live*.
- 3.3 Following the introduction of Consumer Standards by the Housing Regulator in 2023, and the requirement to meet the 'Home Standard', the Asset Management Strategy sets out how we will achieve this standard, and how the Council will manage our housing assets, their quality and financial performance, which should positively impact our residents, the wider communities and supports the Executive Mayor's Business Plan to have 'Pride in Croydon'.
- 3.4 Lastly, the Asset Management Strategy supports the Housing Strategy which was agreed at Cabinet in December 2023. It aligns with other key strategic documents such as the Homelessness and Rough Sleeping Strategy (approved in April 2024), and the Housing Regeneration Framework and Resident Engagement strategies which are also being considered at this meeting.

### 4 BACKGROUND & DETAIL

#### **Drivers for developing the Asset Management Strategy 2024 – 2029**

- 4.1 The Exit Strategy (October 2023) devised by the Improvement and Assurance Panel (IAP) produced in conjunction with the Council, sets out the progress required by March 2025. This document also sets out the **necessity** to produce a Council Housing Asset Management Strategy to provide clear direction for this service.
- 4.2 Our ability to deliver and maintain good quality Council Homes impacts on our wider priorities as a Council to support and enable strong, healthy, and safe communities and thriving children and young people. We can only achieve this if our residents and leaseholders live in a good quality home, in a well-managed estate or neighbourhood.
- 4.3 Following the Grenfell Fire tragedy in 2019, and more recent concerns regarding the condition of social housing, the Council must adhere to legislative requirements which have been approved to support the improvement of living conditions and fire and building safety standards for social tenants and

leaseholders, including the introduction of Awaab’s Law. This legislation, along with the introduction of Consumer Regulations increases the accountability of social landlords to the Government in ensuring their homes are safe. It is also expected that a revised Decent Homes Standard will be launched later this year.

- 4.4 The Asset Management Strategy will enable us to address the increasingly complex and challenging context within which we deliver housing maintenance services. The strategy demonstrates a forward-thinking and proactive approach, ensuring our homes meet legislative requirements.

### Methodology for developing the AMS 2024 - 2029

- 4.5 The strategy is based on five underlying principles to ensure we and our residents get maximum benefit and value from our assets. These principles will be maximised if they are considered together and integrated 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 asset in good condition and provide a home where our residents want to live. Undertaking regular planned maintenance and investment works also reduces future responsive repair costs and maintains our homes at an expected standard. We are currently operating under challenging financial circumstances, with insufficient funding to address the needs of our existing portfolio from a renewal and modernisation perspective. We therefore need

to consider all options for the future of our stock and be innovative in our approach, if we are to achieve our first principle of a ‘warm, comfortable and decent home’.

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

**3. *Encouraging Resident Involvement:*** Residents should be actively involved and listened to when we are considering investment in our portfolio. They should be encouraged to give feedback on their needs and concerns to ensure that their home meets their requirements. Engaging with residents is central to our approach and 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.

**4. *Sustainability:*** The strategy focuses on long-term sustainability and ensuring that our housing assets are maintained and improved to meet the needs of current and future residents. Our investment programmes need to focus on improving affordable warmth and reducing our carbon emissions. By constantly scanning the horizon, learning from partners and other social housing providers, we can utilise this learning in our approach to delivering improvements to our homes. Where possible, we will seek grant funding to supplement our capital funding requirements, striving to deliver new and exciting opportunities that offer better value for residents and drive carbon efficiencies. This element of the strategy aligns with the Council’s Environmental Strategy.

**5. *Financial performance and 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 and consider what we do with homes that do not meet current or future housing demand.

## **Delivering the Asset Management Strategy 2024- 2029**

- 4.6 A Delivery Plan will detail the key actions and milestones to be achieved by 2029, to ensure strategic priorities and objectives are delivered. Projects and milestones will be SMART (specific, measurable, achievable, relevant, and time-bound) and

continuously reviewed. The strategic priorities and objectives of the strategy will be reviewed annually, to ensure we consider any future changes to legislation including the likely introduction of a revised Decent Homes Standard.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

5.1 The following alternative options were considered ahead of developing the Asset Management Strategy

- Do not produce a new Asset Management Strategy
- Delay the development of Asset Management Strategy

5.2 The alternative options for not producing an Asset Management Strategy were rejected for the reasons set out in section 4 above.

## **6 CONSULTATION & RESIDENT ENGAGEMENT**

6.1 Resident engagement activities took place in January and February 2024 and included a face-to-face workshop with residents and colleagues; an online survey (58 responses received); A briefing to the Tenant and Leaseholder Panel and consultation/feedback events held in various blocks including sheltered housing schemes. Whilst responses to the on-line survey were supportive of our approach, as the response rate was poor, we held a further eight face-to-face resident consultation events in May 2024, and received feedback from over 200 residents in respect of our future approach to asset management. Residents are supportive of the approach and the strategy.

Additionally, the Housing Scrutiny Panel reviewed the draft strategy in February 2024 and broad support was received. The draft strategy was also circulated to all Members in March 2024, and three Member Briefing sessions were held, and 62 members attended. The briefings were recorded so Members unable to attend in person could view the sessions at a later date. Again, broad support was given to our approach and investment priorities which are detailed in the table below. Residents were asked to score each priority 1-10:

Investment priorities	Average rank
Making and maintaining our homes to be 100% Decent	3.19
Improving access to ensure homes are safe and compliant	3.75
Improving conditions of the home	4.39
Improving the thermal efficiency of our homes	4.86
Undertaking more work on a planned basis rather than a quick fix repair	4.86
Complete more works at the same time	5.61
Making estates and communities safer and greener	6.36
Disposing of homes that are costly to live in or maintain	6.61
Allowing more choice to residents on what happens and when, in their home	7.14
Concentrate on improving the appearance and safety of an estate	7.49
Other	10.13

**6.2** The Asset Management Strategy is being considered at Homes Scrutiny Sub-Committee on the 9th July 2024, and the recommendations from the committee will be published as a supplement to the report along with the executive response (Appendix 3).

## **7 CONTRIBUTION TO EXECUTIVE MAYOR'S BUSINESS PLAN**

**7.1** The development and implementation of the Housing Strategy 2023- 2028 is key to ensuring the Council delivers against the following priorities within the Executive 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.
- Strengthen collaboration and joint working with partner organisations and the voluntary, community and faith sectors.
- Develop our workforce to deliver in a manner that respects the diversity of our communities.
- Ensure children and young people have opportunities to learn, develop and fulfil their potential.
- Invest in Council homes to drive up standards and develop a more responsive and effective housing service.
- Work with partners and the VCFS to promote independence, health and wellbeing and keep vulnerable adults safe.

## **8 IMPLICATIONS**

### **8.1 FINANCIAL IMPLICATIONS**

- 8.1.1 Cabinet approved the 2024-25 HRA Budget and Business Plan on 14<sup>th</sup> February 2024. That paper set out the detailed 1- year programme for 2024-25 and a high-level capital budget for the years 2025 to 2029.
- 8.1.2 The operational delivery plan and timescales of key activities will be used to inform the updated iteration of the HRA capital budget. It was noted in the February 2024 paper that a more detailed Capital Programme and updated capital budget would be developed and shared in Summer 2024.

Comments approved by Orlagh Guarnori, Head of Finance, 11/03/2024

### **8.2 LEGAL IMPLICATIONS**

- 8.2.1 The Council has various statutory responsibilities regarding the condition of its properties, which the proposed Council Housing Asset Management Strategy seeks to secure compliance with. The statutory responsibilities set out below are of particular relevance. In addition to statutory responsibilities, the Regulator of Social Housing (RSH) (an executive non-departmental public body established under the Housing and Regeneration Act 2008) sets regulatory standards, codes of practice and guidance for registered providers of social housing.
- 8.2.2 Under Section 8 of the Housing Act 1985, local housing authorities shall consider and review on a periodical basis the housing conditions in their area and the housing needs of the area with respect to the provision of further housing accommodation. Section 3 of the Housing Act 2004 further imposes a duty on local housing authorities to keep housing conditions in their area under review.
- 8.2.3 The Fire Safety Act 2021, the Building Safety Act 2022 and the Social Housing (Regulation) Act 2023 places obligations on landlords/ social landlords regarding living conditions and building safety. 'Awaabs law' introduced in the 2023 Act requires landlords to investigate and fix reported health hazards within specified timeframes. This will include strict timelines for damp and mould to be inspected and repaired.
- 8.2.4 Section 42 (Social housing leases: remedying hazards) of the Social Housing (Regulation) Act 2023 introduces implied terms as to the remedying of hazards at section 10A/B of the Landlord and Tenant Act 1985. On 9 January 2024, the Department for Levelling Up Housing and Communities introduced an 8-week



consultation to set those timeframes. The new rules will form part of a tenancy agreement so that tenants can hold landlords to account by law if they fail to provide a decent home. The consultation ended on 5 March 2024 and the outcome is anticipated shortly.

- 8.2.5 Under section 41 of the Greater London Authority Act 1999, as amended, (“GLAA99”), it is a general duty of the Mayor of London to prepare and publish a London Housing Strategy. Under section 333D of GLAA99, any local housing strategy prepared by a local housing authority in Greater London must be in general conformity with the Mayor of London’s London Housing Strategy.
- 8.2.6 The proposed strategy falls within the ambit of the Council’s Policy Framework as defined in the Constitution and is a reserved function of Full Council (Part 2 article 4.2 and the appendix to article 4.2).

Approved by Head of Commercial, Housing & Litigation Law on behalf of the Director of Law and Monitoring Officer

### **8.3 EQUALITIES IMPLICATIONS**

- 8.3.1 Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken. This includes any decisions relating to how authorities act as employers; how they develop, evaluate and review policies; how they design, deliver and evaluate services, and also how they commission and procure services from others.

Section 149 of the Act requires public bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation, and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.
- Protected characteristics defined by law include race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief.

- 8.3.2 Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes.

- 8.3.3 By law, assessments must be carried out throughout planning and delivery and contain sufficient information to enable the local authority to show it has paid ‘due

regard' to the equality's duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics.

An EQIA (Appendix 2) has been carried out and shows a positive impact on all protected characteristics. Consultation with residents has been conducted which demonstrates strong support for the key principles set out in the strategy. This support is coming from all the protected groups. At the implementation stage, individual delivery plans should have a more detailed impact analysis due to likelihood of having direct impact.

Comments approved by Felisha Dussard, Senior Communities Officer 07/03/2024

## **9 APPENDICES**

1 – Asset Management Strategy 2024 – 2029

2 – Equality Impact Assessment

3 - Homes Scrutiny Committee held on 9<sup>th</sup> July 2024 and executive response (publication to follow).

## **10 BACKGROUND DOCUMENT**

N/A