

	Cabinet 7 th December 2020
	Report from the Strategic Director of Community Wellbeing
Housing Integrated Asset Management Strategy (2020 – 2025)	

Wards Affected:	All
Key or Non-Key Decision:	Non-Key Decision
Open or Part/Fully Exempt:	Open
Background Papers	None
No. of Appendices:	Three Appendix 1 – Housing Asset Management Strategy Appendix 2 – Consultation feedback summary Appendix 3 – 2 year Stock Investment plan 2020/2
Contact Officer(s):	Hakeem Osinaike Operational Director of Housing hakeem.osinaike@brent.gov.uk 020 8937 2023

1.0 Purpose of the Report

- 1.1 The Housing Asset Management Strategy sets out our vision for responsive repairs, stock investment, reform and improvement of the stock and its performance. The strategy will cover a five and ten year period from 2020 within the context of a 30-year HRA business plan.
- 1.2 This report sets out a summary of the work that has been undertaken to inform the strategy, including in more detail the feedback gained as part of the consultation period between 24 June – 19 August 2020.

2.0 Recommendations

- 2.1 That Cabinet note the consultation feedback summary attached in appendix 2.
- 2.2 That Cabinet approve the Asset Management Strategy in appendix 1.

3.0 Introduction

- 3.1 Within the context of Brent Council’s housing stock, strategic asset management covers the range of activities we need to undertake to ensure optimum use of housing and other land and property assets and to maximise their contribution to meeting the current and future needs and expectations of our residents, our financial planning, climate change and compliance with “Building Safer Futures”.
- 3.2 The Housing Asset Management Strategy’s scope will encompass stock investment and reform and improvement of the stock and its performance. The strategy will focus on the first five years, but within the context of a 30-year HRA business plan.
- 3.3 The strategy aligns with the Council’s strategic objectives and will need to be reviewed and adapted in response to changes in the internal and external environment including revised priorities, the performance of the HRA business plan and wider housing and government policy changes and their impact.
- 3.4 In similarity with other social landlords, Brent Council has finite funds to spend on managing assets and therefore the strategy is fundamental in ensuring that our stock is efficiently and effectively maintained to ensure long-term viability and value for money. The strategy aims to set a clear vision for our staff, contractors and residents and to articulate the programmes and actions that we need to undertake to achieve that vision.
- 3.5 Following the publication of this strategy, future work will need to be undertaken to ensure residents are effectively involved in informing the prioritisation of work and setting of indicative budgets over the coming years. This will ensure that where the inevitable choices need to be made around funding of work streams, there is a strong resident voice.

4.0 Background

- 4.1 Development of the new Asset Management Strategy began towards the end of 2019. A number of key pieces of work were carried out in order to ensure that the commitments being proposed within it had been appropriately and robustly informed. The strategy and its commitments were informed by a combination of:
- Tenant and leaseholder engagement and feedback (E.g. STAR 2018)
 - Results of transactional satisfaction surveys following receiving of a service;
 - A stock condition survey of the properties managed by the service;
 - Data on needs across the borough, including housing need (e.g. JSNA); and
 - A desktop horizon-scanning exercise to identify national and regional influences across the sector (e.g. ‘Building Safer Futures’ requirements).

- 4.2 Key findings and headline figures from these were presented in the previous report prior to the consultation, and are included as part of the context in the final strategy document (See Appendix 1).
- 4.2 The Asset Management Strategy in its initial draft form was taken to CMT on 14 May 2020 and Leader's Briefing on 26 May 2020, where it received approval to go out to statutory consultation. The output of this consultation is summarised in section 5.0 of this report, with a more detailed breakdown in Appendix 2.

5.0 Strategy Consultation Feedback

- 5.1 An 8-week consultation took place (24 June – 19 August) following the initial drafting of the strategy and approval at PCG, which allowed further feedback from all key stakeholders and gave a steer as to whether the commitments proposed were the right ones. Throughout the 8-week consultation period, the consultation portal was open for feedback. A number of key stakeholder groups were engaged with, as set out below.
- 5.2 A total of 53 people responded to the customer portal consultation, the majority of which were Brent Housing Tenants or Leaseholders. There were also responses from other Brent residents and from local voluntary sector organisations. Brent employees were asked to respond to the portal if they had particular interest in the strategy and were unable to attend any staff-specific consultation activities.
- 5.3 Due to the nature of this consultation, focused on strategic and in some cases longer-term aims, it can be difficult to encourage resident engagement on the portal. For example, the Council budget consultation in December 2019 received 84 responses and the NCIL (Neighbourhood Community Infrastructure Levy) received 249. However, both of these were for an affected population of the whole borough (approx. 350k) and were also pre-COVID pandemic. If you consider the response rate as a percentage of the population affected, the budget was 0.024% response rate and NCIL was 0.071%. In comparison, the response rate for the Asset Management Strategy works out to 0.44% of the affected population (Brent tenants and leaseholders).
- 5.4 It is therefore important with this strategy that the resident engagement and feedback that was used to inform the development of it (the most recent STAR survey and the more focused major works survey carried out in 2019 for example) is strongly acknowledged, as these include feedback from a much wider group of Brent tenants and leaseholders. Key findings from these were set out in the previous report and have been incorporated throughout the final strategy document.
- 5.5 As we go forward with delivering individual projects within the strategy, we anticipate deeper engagement with tenants and leaseholders. This will be a more meaningful engagement, as it will relate to their immediate environment or home and through it, they will be able to assist in shaping what we deliver.

Residents

- 5.6 The Asset Management Strategy consultation was shared across Brent Housing social media twice weekly, targeting Twitter and Facebook Groups that include Brent tenants and leaseholders. A link to the consultation was also directly shared with TMO groups and residents forming the Customer Experience Panel. Brent Housing staff were also encouraged to promote the consultation as part of day-to-day interaction with residents, and a link to the portal was also added to property services staff email signatures.
- 5.7 General feedback to the proposed commitments was positive (see appendix 2 and commitment summary below), some further themes that came out of qualitative feedback received as part of the portal consultation were as follows:
- A need for improved communication, engagement and transparency (a key element of commitment 6);
 - A focus on staff empathy (now incorporated into commitment 6); and
 - Resident accountability e.g. being bolder around using measures to tackle behaviour that causes damage to properties (commitment 6 - recharges policy).

Staff and key contractor partners

- 5.8 We held several digital focus group sessions across Council staff groups and contractor partners who will play a key role in the delivery of the strategy. In total 9 sessions were held with staff from a number of teams across the housing service (including Property Services, Housing and Neighbourhoods, the Homelessness Service and Supply and Partnerships), as well as Finance and the corporate Environmental Strategy team. A session was also held with Wates as our key partner in delivering repairs, maintenance and asset management services.
- 5.9 Feedback throughout these sessions was positive and there was strong support for the commitments being proposed. The majority of discussion in these sessions focused on ensuring strong staff awareness and understanding of the issues being addressed as part of the strategy. Discussion also focused on what the delivery of the commitments (and proposed actions that sit within them) will look like operationally and what resources will be required from the teams involved. All feedback and suggested considerations regarding operational delivery was collated and will be used to inform a detailed action plan.

Elected Members

- 5.10 A Member Learning and Development session was held on 17 August. The key focus of this session was to develop understanding of the key issues being addressed as part of the strategy and to go through the key data that was being used to inform it.

- 5.11 Feedback on the commitments and proposed actions within them was positive and it was agreed that all relevant key strategic priorities were being addressed.

General response to commitments

- 5.12 Feedback on the strategy received throughout the consultation period was consistently positive. Below are the headline figures related to agreement with each key commitment. A more detailed breakdown is available in Appendix 2.

- 5.13 **Commitment 1** – *we have a good understanding of the condition of our housing stock and use this knowledge to target work, providing and maintaining quality, safe homes for our residents.*

89% of those responding to the consultation agreed that this should be a priority for the housing service and feedback from focus groups and members was positive. Respondents highlighted the importance of developing a clear understanding of what work is required and when in order to effectively and efficiently target works as part of the planned works programme.

- 5.14 **Commitment 2** – *the homes we manage are fully compliant with all fire regulations and as a service we take a proactive approach to delivering fire safety works, and providing peace of mind for our residents.*

94% of those responding to the consultation agreed that this should be a priority for the housing service and feedback from members and focus groups was also strongly supportive. Respondents highlighted the importance of developing and promoting clear evacuation plans for residents in tower blocks, ensuring additional measures are in place to support the safe evacuation of vulnerable residents in the event of a fire.

- 5.15 **Commitment 3** – *the work we do is informed by resident priorities and feedback, and we use what residents tell us about their experience to provide homes and estates where residents feel proud to live.*

96% of those responding to the consultation agreed that this should be a priority for the housing service and feedback from members and focus groups was also positive. Respondents highlighted the importance of a programme of estate improvements that include localised engagement to address specific estate-based issues.

- 5.16 **Commitment 4** – *the homes we manage are efficiently managed and opportunities to create greater economic and social value are recognised.*

83% of those responding to the consultation agreed that this should be a priority for the housing service and feedback from the focus groups and members was also supportive. Respondents highlighted the importance of developing a decision making process so we can make informed decisions around repurposing of properties (e.g. loft conversions etc.) to better meet housing need.

5.17 **Commitment 5** – *The homes we manage are energy efficient and the services we provide are mindful of environmental impact.*

85% of those responding to the consultation agreed that this should be a priority for the housing service and the feedback from members and focus groups was also positive. Respondents highlighted the importance of identifying the most appropriate heating systems and holistic energy efficiency upgrades for properties over the lifetime of this strategy as well as complying with Heat Metering and Billing regulations.

5.18 **Commitment 6** – *we provide a quality repairs service that is accessible and accountable to our residents.*

91% of those responding to the consultation agreed that this should be a priority for the housing service and feedback from members and focus groups was also strongly supportive. Respondents highlighted the importance of improving how we communicate with residents about work in their home, ensuring clarity and that expectations are managed.

6.0 Action planning and financial modelling

6.1 We have a good understanding of the condition and fire safety requirements of our stock. This knowledge has been used to develop the strategic commitments and to target work to improve homes and safety for our residents.

6.2 With approval of the final strategy at Cabinet, we will develop the arrangements for its implementation including constituent delivery programmes and a performance management framework to assure its delivery. This will include the requirements of “Building Safer Futures” and retrofitting properties to mitigate the Climate Change Emergency.

6.3 The key to improving energy efficiency of homes is via the external envelope and internal air-tightness. These improvements pose challenges both in terms of cost and logistics. Different strategies will be required for different property types, in particular street properties will require different techniques to tower blocks, and each type has opportunities and barriers. The research, design and procurement required to deliver this process will be a key part of articulating the projects and actions we need to include in the first five years of the asset management strategy.

6.4 The delivery of these programmes will require additional staffing, consultancy support and contractor supply chain, to be in place and be at a sustainable level to support the development and delivery of programmes. In addition, there is likely to be increased activity and demand on other areas of the Council, such as finance, legal and procurement.

6.5 Whilst this development work is in progress, there is a 2-year capital delivery programme and financial plan in place (attached at appx 3) to meet the requirements of the strategy. Over this first period of the strategy, the main

focus of our spend is on the high rise major refurbishment programme and completing the low-rise fire safety programme this year.

- 6.6 A separate paper detailing an action and resource plan will be developed to implement the delivery of the strategy over the medium term, complete with resultant programmes and financial profiles, and it will be brought to CMT in March 2021 for consideration.

7.0 Key New and Ongoing Projects

7.1 Climate Change Emergency

- 7.2 Energy used to heat and power housing is responsible for 43% of all territorial carbon emissions in the borough. A significant proportion of carbon emissions are a result of inefficient, existing housing stock, with the 2015 JSNA (Joint Strategic Needs Assessment) data showing that almost 12% of Brent residents are thought to be affected by fuel poverty.

- 7.3 London Councils' Transport and Environment Committee (TEC) and the London Environment Directors' Network (LEDNet) have agreed a Joint Statement on Climate Change, which includes a commitment to aim to achieve an average level of Energy Performance Certificate rating (EPC) of Band B on all domestic buildings through retrofit.

- 7.4 The Brent Poverty Commission recommended that the Council considers ways of increasing energy efficiency in homes, to address fuel poverty and the health and equality issues associated with it. This strategy will be at the core of addressing this issue for Council owned residential properties by exploring and delivering options for the provision of warm homes in the most efficient ways possible.

- 7.5 Design and installation of a pilot domestic retrofit exemplar scheme in 2020/1.

- 7.6 To understand what it means to invest in and achieve an average of EPC B by retrofitting homes, we are currently developing a typology of our stock in order to classify the energy needs of each archetype. In advance of completing this work we have chosen the typical arrangement of two flats in our converted Edwardian stock to work on in more detail. This property type is likely to be one of the more challenging to achieve technically when combined with the complexities of disruption to residents and the high number of leaseholders living in adjacent homes.

- 7.7 We are currently designing and figuring out what to do in these flats and considering the different options/solutions that may be appropriate for the property type and resident use. From this, we will work out the costs and implications of retrofitting each option and the likely cost in-use for our residents and Brent.

- 7.8 The following core solutions will be applied to each option:

- Comprehensive external and internal insulation

- Property airtightness
- Ventilation system with heat recovery
- Double and triple glazing
- Removal of gas as a source of fuel
- Electrical heating
- Electrical cooking
- LED lighting
- Shower-rooms instead of bathrooms
- Smart house technology for controlling systems and for monitoring heating and humidity and to facilitate resident's effective management of the property.

7.9 The following solutions will be considered as an option to support the core:

- Photo-voltaic electricity generation
- Direct heating and hot water
- Air source heating and hot water
- Solar-thermal hot water
- Night storage heating and Economy 7 and 10

7.10 A 2KW daily heating requirement challenge has been set to the design team. This is based on using 2KW of electricity over an 8 hour period to comfortably heat an average size dwelling. The design will be addressed by u-value calculation of the existing and proposed building fabric changes and heat-losses in each room.

7.11 The proposals and designs will be presented to the Climate Change team at the end of October 2020. It is intended that at least one of the options (there is currently budget in place to carry out one option in this financial year) will then be retrofitted to a void property and a tenant moved in.

7.12 "Building Safer Futures"

7.13 The Government's "Building Safer Futures" initiative, which includes the Building Safety Bill, is the most comprehensive building safety reform in 40 years. In addition to setting out significant requirements for building owners, it also includes a new Building Safety Regulator and sanctions for building owners that do not comply with the new rules.

7.14 The new bill will introduce the concept of duty holders who have clear responsibilities throughout a building's design, construction and occupation and give residents a stronger voice in the system to ensure their concerns are never ignored.

7.15 The new Building Safety Regulator will be responsible for implementing more stringent regulatory framework, which will include being able to enforce sanctions on poorly performing building owners.

7.16 Building owners will also be required to register their building for a building assurance certificate with the regulator. These certificates will be needed for

new and existing buildings and will be issued when the regulator is happy that a building owner is complying with new statutory obligations.

- 7.17 These new enforcement powers include issuing compliance notices for buildings that have been found not to meet regulations, with the regulator able to set a specific date for the improvements to take place. It will also have the option of stop notices, which will require work to be stopped if serious non-compliance is found during the construction or refurbishment phase of a building's life-cycle.
- 7.18 One such requirement is for the building owner to appoint a Building Safety Manager, who will support on the day-to-day management of safety risks on any building.
- 7.19 "Building Safer Futures" introduces additional complexity and cost for the Council in regards to the management of its Housing property and residents.
- 7.20 South Kilburn Estate
- 7.21 The blocks identified for demolition require maintenance to ensure they remain safe in occupation and that residents do not feel the Council has no interest in them or their homes. The majority of the blocks have not received any significant capital investment for many years. A number of blocks have problems with fabric damage, which in some instances is allowing water to penetrate the block causing dampness and damage to the block.
- 7.22 We will focus on addressing the condition and fire safety of the blocks proportionately to length of their projected lifespan in relation to the demolition programme.
- 7.23 Additional pressure may arise as a consequence of the impending "Building Safer Futures" legislation and implications.
- 7.24 Kilburn Square –Tower Block
- 7.25 This will be the first tower block to receive a major refurbishment and will be used to pilot high performance energy efficiency measures. The block will need to integrate seamlessly into the new estate regeneration and as such the block fabric design and colour will be carefully chosen. The future heating system for the regenerated and additional estate will be retrofitted to the tower block and existing low-rise blocks so that the entire new estate is provided heating from one communal source.
- 7.26 The challenge for this block is to refine the specification so that it performs as well as modern buildings. Whilst the cost of the works is significant, it will mean that the building has a long extended life, is aesthetically pleasing, is warm and comfortable to live in and rises in value.

8.0 Financial Implications

- 8.1 The Housing Revenue Account (HRA) budget for major works programme gained Cabinet approval in February 2020 for £34m, covering financial years 20/21 and 21/22. The two-year stock investment plan appendix supplementing this report, requires a budget of £40m, therefore a further £6m budget approval from Cabinet will be sought for 21/22, to undertake fire safety works.
- 8.2 The additional £6m budget requirement in 20/21 will require borrowing. An estimated 2% borrowing rate will result in additional £0.12m interest expense. The additional budget pressure will require identification of savings from services.
- 8.3 Future capital investment decisions derived from Asset Management Strategy will need to be made in the context of affordability in the HRA Business Plan. It is envisaged that significant investment identified in the Asset Management Strategy will require remodelling of the Business Plan to ensure that the cumulative financial impact of investment is sustainable over the long term, so that HRA does not face a budget deficit over the next 30 years.
- 8.4 Additional duties identified by Governments Building Safer Futures Initiative, along with resource requirements to implement Asset Management Strategy, are to be funded within existing resources in the HRA.
- 8.5 Delays to South Kilburn Estate decanting plan could result in the risk of unbudgeted cost pressures to undertake major works. Further work will be required to estimate costings.

9.0 Legal Implications

- 9.1 Under section 74 of the Local Government and Housing Act 1989 (“the 1989 Act”), the Council is required to keep a separate Housing Revenue Account (HRA) of sums falling to be credited or debited in respect of its housing stock. Sections 75 and 76 of the 1989 Act set out the rules for establishing and maintaining that account.
- 9.2 Under section 11 of the Landlord and Tenant Act 1985, the Council as the landlord has a duty to keep in repair and proper working order the structure and the exterior of the residential properties it owns as well as certain installations for the supply of water, gas and electricity. Failure to comply with this duty leaves the Council to be liable to legal action from its tenants for being in breach of the tenancy agreement in relation to housing disrepair.
- 9.3 Section 1 of the Homes (Fitness for Human Habitation) Act 2018 ([H\(FHH\)A 2018](#)) amends the Landlord and Tenant Act 1985, inserting section 9A which implies a covenant on the part of the council as landlord which is let wholly or mainly for human habitation, that rented dwellings must be fit for occupation at the beginning and throughout the tenancy. This term adds to landlords’ repairing obligations implied into tenancy agreements by s11LTA 85. The key question when determining unfitness for human habitation is whether a property is ‘not reasonably suitable for occupation in that condition’ because of one or more of the following factors: repairs; freedom from damp; internal

arrangement; natural lighting; ventilation; water supply; drainage and sanitary conditions; stability; facilities for preparation and cooking of food and for the disposal of waste water; any 'prescribed hazard' – this is defined as any matter or circumstance amounting to a category 1 or 2 hazard under the Housing Health and safety rating system (HHSRS)

- 9.4 Tenants can also take legal action in relation to housing disrepair against their landlords by issuing proceedings in the Magistrates Court where the premises are in such a state as to be prejudicial to health or a nuisance as set out in section 79 of the Environmental Protection Act 1980. 'Prejudicial to health' is defined as '... injurious, or likely to cause injury, to health'.
- 9.5 The Regulator of Social Housing has set out standards which registered providers of social housing must meet. The Home Standard which was set by the Regulator of Social Housing deals with quality of accommodation and repairs and maintenance.
- 9.6 In relation to quality of accommodation, the Home Standard states that registered providers of social housing, which includes local authorities, should do the following: (a) ensure that tenants' homes meet the standard set out in section five of the Government's Decent Homes Guidance and continue to maintain their homes to at least this standard; (b) meet the standards of design and quality that applied when the home was built, and were required as a condition of publicly funded financial assistance, if these standards are higher than the Decent Homes Standard; and (c) in agreeing a local offer, ensure that it is set at a level not less than these standards and have regard to section six of the Government's Decent Homes Guidance.
- 9.7 In relation to repairs and maintenance, the Home Standard states that registered providers of social housing, which includes local authorities, should do the following: (a) 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 (b) meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes.
- 9.8 Under section 105 of the Housing Act 1985, the Council as a local authority landlord has a duty to consult with those of its secure tenants who are likely to be substantially affected by matters of housing management, which includes the management, maintenance and improvement of dwelling houses let by the Council under secure tenancies and the provision of services in connection with such dwelling houses. The consultation requirements under section 105 of the Housing Act 1985 must enable the secure tenants likely to be affected by changes in relation to housing management as mentioned above to be informed of the Council's proposals and to make their views known to the Council within a specified period.
- 9.9 Section 151 of the Commonhold and Leasehold Reform Act 2002 (hereafter referred to as "s151", which replaced the previous consultation procedure in section 20 of the Landlord and Tenant Act 1985, though the old title 'section 20' is still used) sets out the requirements for consulting leaseholders. Under the provisions of s151, Landlords must consult leaseholders before carrying out qualifying work or entering into a long-term agreement for providing services. The Council must consult residential leaseholders: **a)** if qualifying works are to be undertaken at the Property. In a property where not all leaseholders pay the same service charges, qualifying work is any work which would result in a charge of more than £250.00 (inc VAT) to any one leaseholder; or **b)** if the

Council plans to enter into a qualifying long-term agreement. In a property where not all leaseholders pay the same service charges, a qualifying long term agreement is an agreement which the landlord enters into with an independent organisation or contractor which is to last for a period of more than 12 months and which would give rise to annual charges of £100.00 (inc VAT) or more to any one leaseholder.

- 9.10 The consultation rules for qualifying works and the procedures which Landlords are required to follow are set out in Schedules 3 and 4 of the Service Charges (Consultation Requirements) (England) Regulations 2003 (“the 2003 service charge regulations”). The consultation rules for qualifying long-term agreements are set out in Schedule 1 and Schedule 2 of the 2003 service charge regulations. If the landlord does not consult leaseholders as required by Section 151 recovering service charge costs from leaseholders will be limited to an amount of:
- a) no more than £250.00 per leaseholder in case of any qualifying works; and to
 - b) no more than £100.00 per leaseholder per year in the case of any qualifying long term agreements.

10.0 Equality Implications

- 10.1 Officers advise that the Asset Management Strategy will not have any adverse impacts on those persons with protected characteristics as set out in section 149 of the Equality Act 2010 in accordance with the public sector equality duty.

11.0 Any Other Implications (HR, Property, Environmental Sustainability - where necessary)

- 11.1 The Asset Management Strategy includes a number of targets, studies and commitments that are aligned to the Council’s climate emergency goals.
- 11.2 It is essential that the Strategy is reviewed on an annual basis so that we can incorporate the learning from studies and pilot programmes and capitalise on any new technologies and external funding arrangements.

Report sign off:

Phil Porter
Strategic Director of Community Wellbeing