

Housing Asset Management Strategy 2013-2043

1 Introduction

- 1.1 The asset management strategy sets out the approach Islington takes when deciding what types of long term investment are needed in our homes and estates to ensure they remain places where people want to live for years to come.

2 What is asset management?

- 2.1 The aim of effective asset management is to use our limited resources in the most effective and efficient way to maintain and improve our housing stock.
- 2.2 The purpose of the asset management strategy is to set out how the council will prioritise works funded from capital resources, known to tenants and leaseholders as 'major works'.
- 2.3 In practical terms the strategy will help the council:
- Decide how best to use the funds it has available to spend on different types of major works.
 - Prioritise which types of works should be done ahead of other types, for example, estate environment works before new kitchens and bathrooms.
- 2.4 The decisions made as a result of the strategy should ensure that the funds spent by the council on improvement works deliver its strategic objectives more effectively, have the most positive impact on residents and help avoid the council making poor investment decision on works which have little long term benefit.

3 Limitations

- 3.1 The council needs to deliver its housing investment priorities and those of our residents who, through their rents and service charges, provide the primary sources of income for this investment. However, the council has a finite amount of money to spend on its homes and housing services. Therefore the council has to make sound and sometimes difficult choices about the type of major works and improvements in which it can invest.
- 3.2 The strategy itself does not set out which homes or estates will receive works ahead of others. This is set out in the Housing Asset Management Plan. This plan sits beneath and is influenced by this asset management strategy. It contains the detail of the works the council expects to deliver and to which of its properties over the next seven years.

4 How the Asset Management Strategy supports Islington Council's strategic priorities

- 4.1 This strategy sets out how, through the maintenance and improvement of its stock and related assets, housing will work towards the achievement of each of the council priorities set out below.

4.2 The council wants a fairer Islington and to achieve this it has the following strategic priorities within the **Corporate Plan 2012-15**:

- Decent, suitable and affordable homes
 - The implementation of this strategy will directly impact on the delivery of this objective.
- Lower crime and anti-social behaviour
 - Effective decisions in housing investment can help deter criminal activity and reduce levels of anti-social behaviour experienced by Islington residents.
- Cycle of poverty broken
 - Investment in housing can create new employment and training opportunities for local people and help to cut the costs of heating homes, both of which alleviate poverty.
- Best start in life for children
 - Housing investment decisions can make children's lives better by delivering more accessible, warmer, less overcrowded and safer homes which helps improve child development.
- Healthy, active and independent lives
 - Making our homes more flexible and easier to manage will help our vulnerable, disabled and elderly residents live more comfortably and securely in their homes.
 - Making our open spaces more welcoming and accessible encourages their use and provides opportunities for residents to be more active and healthy.
 - Making homes warmer, more affordable to heat and preventing damp and problem condensation will reduce the negative effects these issues have health and wellbeing.
- Delivering basic services efficiently and well
 - Using this strategy the council will make effective medium and long term investment decisions maintaining the quality of our housing assets.
 - By reviewing this strategy annually the council will be able to ensure decisions adapt to the changing needs and expectations of residents.

4.3 The **Housing Business Plan 2013-2043** sets out the detail of the income streams available to the Housing Revenue Account (HRA) that pay for the majority of investment works. It also documents the areas of expenditure on housing services which the council is committed to delivering. As the HRA is now self-financing the council must ensure it receives enough income (e.g. rents and services charges) to cover its expenditure (e.g. repairs, housing services, debt repayments etc.).

4.4 In the housing business plan the council agreed to set aside £1.9 billion to invest in its housing stock from 2013 to 2043. This averages roughly £39m (plus inflation) every year but the actual amount that needs to be spent will vary from year to year depending on what works are needed.

4.5 Islington also has a number of housing objectives which are set out in its **Housing Strategy 2009-14**. These are:

- Making housing a solid foundation for improving lives and creating opportunities
- Delivering more homes
- Building better quality homes and neighbourhoods
- Providing better managed homes and value for money
- Promoting better engagement and influence.

The Housing Strategy also sets out the details of the current and expected future demands and expectations of residents on the housing stock.

4.6 The council is developing an **Estate Regeneration Strategy** which will set out the approach to improving estates that face a range of issues for example estates which are:

- Poorly designed with large areas of unused and expensive to maintain land or buildings
- Have low rates of customer demand and high levels of turnover
- Have high levels of anti-social behaviour which is difficult to combat due to the physical fabric of the estate
- Homes which we are unable to insulate sufficiently and as a result are unacceptably expensive to heat
- Estates which are not sufficiently accessible or adaptable for particular groups of residents for example young children, elderly or disabled residents.

4.7 The **Corporate Health and Safety Policy** sets the standards and framework within the council governing how the health, safety and welfare of residents, staff, contractors and others is protected, risks to this protection is assessed and how decisions are made on preventative measures to be taken. Housing asset management decisions will comply with the requirements of the health and safety policy, standards and framework.

4.8 The council is working to reduce health inequalities experienced by people living in the borough. Through continued investment in and future reassessment of our existing housing assets we can help improve the overall health and wellbeing of children and adults living in Islington. The **Joint Health and Wellbeing Strategy 2013-2016** is the overarching plan for Islington which through three strategic health and wellbeing objectives guides our Housing Asset Management Strategy. These objectives are:

- Ensuring every child has the best start in life
- Preventing and managing long term conditions to enhance both length and quality of life and reduce health inequalities
- Improving mental health and wellbeing.

4.9 The planning system in Islington is guided by the **Core Strategy** and related documents. These documents set out the agreed planning objectives for Islington and as such have a key influence on the delivery of housing asset management decisions. The key planning related objectives which have the most direct impact on the delivery of this strategy are:

- Securing a supply of housing which encourages mixed communities, where the main priority will be maximising provision of social rented housing. Mixed communities include, (but are not limited to), different tenures, household sizes, and ages (including families, older people and disabled people)
- Meeting and seeking to exceed the minimum regional targets for housing supply, with new housing contributing to the increased quality of life for residents
- Ensuring new development and the spaces around it provide a high quality environment that is accessible to all residents, employees and visitors
- Maintaining and enhancing Islington's historic environment through conservation-led regeneration initiatives
- Promoting neighbourhoods that support a sense of wellbeing, specifically; to reduce health inequalities in the borough by encouraging healthier choices including, (but not limited to), the use of open spaces, play opportunities and access to both high quality sports facilities and health care facilities
- Minimising the borough's contribution to climate change and ensuring we are able to cope with the effects of a changing climate
- Reducing Islington's impact on the environment by using resources, including energy, water and other materials, as efficiently as possible
- Promoting waste minimisation, re-use, recycling, composting and resource efficiency over landfill
- Delivering high quality, multi-functional green infrastructure alongside development throughout the borough
- Encouraging walking and cycling over public transport use and encouraging all of these over car use.

4.10 The **Energy Strategy 2013- 2016** provides Islington with an overarching framework for energy projects and programmes. This strategy focuses on tackling fuel poverty to help Islington residents through tough times. It forms a central role in developing retrofit energy programmes for existing stock, influencing the design of new build and also creating economic opportunities in the borough linked to these projects. The council is working towards six aims to achieve the energy vision of a vibrant, resilient and fairer society and five of these are of particular importance to the Asset Management Strategy:

- Improve the energy efficiency of homes using technologies like insulation to improve the energy rating of our older buildings and in the design of new buildings to ensure our housing stock meets the standards laid out in the planning Core Strategy.
- Develop community energy networks to provide a publicly-owned decentralised energy programme which improves the security, reliability and cost of energy.
- Promote energy literacy amongst residents to help them understand their fuel bills, fuel usage and know how to get help before getting into fuel debt.
- Develop local jobs and other employment and training opportunities in the energy sector through our energy projects.
- Improve the energy efficiency of council services and buildings reduce the council's energy costs allowing council funds to be used more effectively.

5 How the asset management strategy has been developed

5.1 This strategy has been developed following an extensive consultation exercise with residents and other key stakeholders. The main findings of this consultation were:

- The council should plan works as far in advance as it can
- The council should take account of a wide range of data when planning and prioritising what works are needed
- Sometimes redevelopment or significant remodelling of estates is the best option
- Improving energy efficiency is important but so is tackling dampness and problem condensation
- Deliver training and work opportunities for local people as part of the capital works programme
- Take sufficient account of the needs of individual residents, in particular those of disabled residents, when planning major works.

6 Key priorities for housing in Islington

The council has agreed a number of priorities which will help guide its long term decisions about how it will manage its housing assets. Use of these priorities will help deliver the council's wider strategic objectives as shown in Section 4 above. These key housing priorities are:

Providing safer places to live

6.1 The first priority of the decisions we make to maintain and improve our housing assets is to ensure that the risks inherent in our existing housing stock are appropriately assessed. Where significant risks are identified sufficient resources need to be allocated by the council to undertake works to remove or reduce these risks. Examples of ways we will achieve this include:

- Allocating money to a major works contingency budget to ensure the council has resources available to react quickly to significant health and safety incidents or concerns.
- Ensure housing blocks have an up to date fire safety assessment and comply with current fire safety regulations.

Helping to break the cycle of poverty

6.2 The council recognises that improvements in housing can help alleviate the negative impacts of poverty, particularly for children and vulnerable residents. Examples of ways we will achieve this include:

- £26m allocated over the next thirty years to continue to improve the levels of insulation in our homes will help reduce levels of fuel poverty for low income families.
- Work with partners to identify ECO and/or Green Deal funding opportunities to help the council deliver projects which increase levels of energy efficiency in our housing assets.
- Require our repairs and maintenance contractors to sign up to the council's commitment that employees should be paid the London Living Wage.

Promoting health and wellbeing

6.3 As part of the planning and design process of housing maintenance and improvement projects the council will seek ways to promote the health and wellbeing of adults and children. Examples of ways we will achieve this include:

- Provide opportunities for residents to lead more healthy and active lifestyles nearer to where they live by investing £115m over the next 30 years in estate improvements which will deliver higher quality and more welcoming communal and outdoor spaces.
- Work with health partners to improve the accessibility and flexibility of our homes so they can better meet current and future health and social care needs, reducing the need for costly additional adaptations or for residents to move home as a result of health problems.
- Through the provision of good quality community spaces and buildings promote greater opportunities for local people to get involved in locally based activities.

Preventing anti-social behaviour

6.4 The council will consider how improvements to the built environment in which its housing stock is located can help to design out known risks associated with crime and antisocial behaviour. Examples of ways we will achieve this include:

- Investing £6m over the next thirty years in improving lighting in communal areas making these areas feel safer.
- We will help to reduce noise complaints by consulting with residents on how best to improve sound proofing measures between flats in converted street properties.
- Encourage more community and gardening projects which give residents pride in and a sense ownership of communal areas and open spaces.

Supporting employment

6.5 The council will use its influence to promote training and employment opportunities for local residents through its housing investment projects. Examples of ways we will achieve this include:

- Seek out opportunities to provide apprenticeships and other employment and training opportunities for local people both directly by the council and through our major works contractors.
- Invest in community facilities which increase provision of local and affordable child care allowing parents to work and study.

Environmentally friendly homes

6.6 The council will consider the potential impact on the natural and built environment of building materials and practices as well as their long term cost and durability when making decisions about which to use in projects to maintain and improve its housing assets. Examples of ways we will achieve this include:

- Assess levels of contractor commitment to the use of environmentally sustainable practices and materials as part of the contract tendering process.
- Consider ways in which projects can be delivered which reduce adverse environmental impacts and promote environmental improvements and sustainability.
- When undertaking housing investment projects encourage the local community to get involved to improve their estate environment.

Considering the historical environment

6.7 When investing in our housing assets we will consider the potential impact of our plans on the local built environment of which our buildings form part. We will consider when making changes to our stock how the work we intend to do impacts on the historical environment of Islington. We will balance the desire to protect and restore the historical environment of the borough with the need to gain value for money and the impact on the current and anticipated future needs of our residents. Examples of ways we will achieve this include:

- Seek guidance on conservation issues when planning significant investment projects.

7 How Islington will maintain its housing assets

7.1 The council uses the age of each of the various components of its homes and buildings to predict the amount it needs to invest in its homes and estates in the future. This is called 'component depreciation' and it is the approach prescribed by the Chartered Institute of Public Finance and Accounting (CIPFA). Under component depreciation if, for example, we install windows with a twenty year life span we need to make sure we set aside enough money to replace the windows in twenty years' time when they come to the end of their life.

7.2 The council plans to set aside a total of £1.9billion from 2013 to 2043 for investment in its housing stock. This averages roughly £39m (plus inflation) each year. The actual amount that the council will spend annually will vary depending on the actual work that needs to be done each year. This is because in some years more components of our housing stock (e.g. the roofs, windows) will require maintenance work or replacement than other years.

8 How does the council plan to invest in its housing assets

8.1 The council has a large housing stock. This stock is an asset to the council and the people of Islington but like any home it requires investment in maintenance and periodic improvement to ensure it maintains its value, both in a financial and social sense.

Maintaining residential assets

8.2 The primary housing assets of Islington council are its council homes.

8.3 The council considers there to be five main parts to its residential assets which it will need to maintain and improve as part of this strategy. These are:

- The interior of our homes
- Making homes energy efficient
- Ensuring homes are free of damp and problem condensation
- The exterior of our homes
- Communal areas and our estates.

8.4 The council has agreed a specific objective for decisions it will make relating to the investment it will carry out to each of these parts of its housing assets.

- 8.5 For each of the parts of our assets the council has estimated the proportion of the **£1.9 billion** it anticipates it will have to spend on them and it has attempted to break down the anticipated costs of maintaining and/or improving each of the key elements that make up each part:

Objective 1 - The interior of our homes

The council will maintain the inside of its homes to a good standard by ensuring they are safe, capable of meeting the current and future needs of residents and are homes in which people want to live.

To do this we plan to allocate a total of **£478m** to do planned works to the following:

£135m	Utilities (e.g. water pipes, gas pipes, electrical wiring)
£270m	Kitchens
£68m	Bathrooms
£5m	TV aerials

Objective 2 - Energy efficient homes

The council will provide efficient heating systems and well insulated homes to ensure they are both comfortable to live in and affordable to heat.

To do this we plan to allocate a total of **£319m** to do planned works to the following:

£242m	Individual heating systems
£51m	Communal heating systems
£26m	Insulation

Objective 3 - Homes free of damp and problem condensation

Residents told us preventing and resolving dampness in our properties is one of their top priorities. The council will ensure all our homes are free of damp. The council will also work with residents to help resolve problem condensation in their homes.

To do this we plan to allocate a total of **£73m** to do planned works to resolve known damp problems and tackle problem condensation.

Objective 4 - The exterior of our homes

The council will maintain the outside of our council blocks to a good standard by ensuring they are wind and water tight, safe, durable and accessible to current and future residents.

To do this we plan to allocate a total of **£443m** to do planned works to the following:

£73m	Roofs (including guttering)
£23m	Walls
£161m	Windows
£101m	Doors
£85m	Lifts

Objective 5 - Communal areas and our estates

The council will maintain the communal areas within the boundaries of our estates to a good standard by ensuring they are safe, durable, accessible and attractive.

To do this we plan to allocate a total of **£121m** to do planned works to the following:

£115m	Estate improvements and grounds maintenance
£6m	Estate lighting

There is also **£283m** set aside for a variety of other specific internal and external major works to buildings and the immediate environment on estates.

The council has also set aside **£177m** to cover the expected maintenance costs for properties which will become the responsibility of the council again when the current PFI contracts come to an end.

Maintaining non-residential housing assets

- 8.6 The council anticipates its commercial and other non-housing assets will generate £1.7m income a year from 2013/2014.
- 8.7 The council will ensure these assets are safe and kept in a reasonable state of repair. To do this we have set aside a budget of £0.5m a year to deliver the required planned works.

9 Strategic asset management

Stock condition database

- 9.1 The council holds data on its properties which has been collected over time following previous improvement and maintenance programmes and from stock condition surveys. During 2012 the council undertook an exercise to check the accuracy of this data and considered what additional data from other sources it could use to make more holistic decisions about its housing stock. The council now stores this key asset management data on one central database and will ensure this data is kept up to date in the future, for example, following completion of major works projects or further stock condition surveys.

Sustainability Index

- 9.2 The council will use an index of key data held on its asset management database to assess the current and long-term sustainability of its housing assets, in other words how well our homes and estates work for the people living in them now and are capable of meeting future needs. Using this index the council will be able to make more effective decisions about how best to spend its resources to maintain and improve its housing assets in ways which deliver the most positive impact. The index also highlights when homes or estates are not sustainable and demonstrates when the resources required to make them sustainable are likely to be unaffordable, promoting alternative options to be considered.

Unsustainable assets

- 9.3 Assessment of an asset against the sustainability index may highlight concerns about its current or long term performance and therefore value to the council. Homes and estates in these circumstances are considered a potential financial investment risk to the council in their current form.
- 9.4 This situation will prompt the council to conduct an options appraisal for the housing asset concerned to assess its long term economic viability. This appraisal will consider the following:
- The works that will be required to make the asset meet the sustainability index criteria.
 - The feasibility of the works required i.e. are they technical possible.
 - Consideration of the value for money of the works required, comparing the level of investment necessary against the long term value of the asset.
 - Assessment of the level of the risk that works fail to make the asset sustainable.
- 9.5 If as a result of this assessment the council considers it uneconomically viable to maintain the asset it will consider each of the following options available and will consult with the affected residents. Following this the council will select the most appropriate option for the asset. The options are:

Estate regeneration

This option would involve the remodelling of the stock depending on the individual circumstances and problems identified with the asset. The regeneration may be carried out by the council itself or in partnership with a third party. The detail relating to this option and the process the council will follow when considering it will be set out in the Estate Regeneration Strategy.

New build

There may be opportunities for new build to be located in unused or underused parts of the site making the overall asset sustainable in the long term.

Disposal

An asset may be considered for transfer to another landlord or sold on the open market. Alternatively an asset may become sustainable if part of it is disposed of.

Acquisitions

There may be opportunities for the council to purchase or enter into a transfer agreement with another landlord to acquire neighbouring assets which make its existing asset sustainable.

Asset Management Plan

- 9.6 The council will use the results of testing against the sustainability index to prepare its Asset Management Plan which includes projects delivered through its seven year Cyclical Improvement Plan. The council will plan in advance the projects covered in its asset management plan and consult with affected residents on works it plans to do.

10 Profile of Islington Council Housing Assets

Residential portfolio

- 10.1 Islington Council owns just over 35,000 homes. Around 25,800 are tenanted and 9,300 are leasehold.
- 10.2 The council's homes are managed in three different ways.
- Around 25,000 homes are managed directly by the council
 - Just over 3,800 homes are managed by tenant management organisations (TMOs) and co-operatives (Co-op). These are organisations run by tenants that have responsibility for different elements of the housing management service. The council pays tenant management organisations an allowance to deliver the elements of the service they are responsible for.
 - Just over 6,300 homes are managed by Partners for Improvement in Islington (Partners) under two private finance initiative (PFI) contracts. The first PFI contract is due to end in 2033 second PFI contract is due to end in 2022.
- 10.3 Even though there are different ways of managing these homes all residents are tenants or leaseholders of the council which retains overall responsibility for the management and maintenance of the assets.
- 10.4 The breakdown of the council's stock by type of property is shown in the table below:

Table 1: Directly & TMO managed housing stock by archetype as at 1st April 2013

Pre 1945 small terrace houses	53
Pre 1945 semi detached	28
Pre 1945 multi-occupied dwelling	156
All other pre 1945 properties	793
Post 1944 multi-occupied dwelling	88
1945-64 small terrace houses	6
1945-64 large terrace/semi/detached	32
1965-74 houses	506
Post 1974 houses	1355
Pre 1945 low rise flats (1 – 2 storey)	148
Post 1944 low rise flats (1 – 2 storey)	335
Medium rise flats (3 – 5 storeys)	17839
High rise flats (6 storeys and over)	6223
Bungalows	18
TOTAL	27580

- 10.5 The council's housing assets include a number of properties of high design quality and architectural and historical interest and some of these are listed. Many properties are within, or affected by, conservation areas and these factors impose significant constraints on the design and materials which can be used by the council in future maintenance and improvement works.

Other housing assets

- 10.6 Islington housing department owns many other assets which are not homes for example garages, community centres and commercial buildings. It also leases land to third parties to deliver services such as electrical sub-stations and mobile phone base stations. The council aims to maximise income generated from its commercial assets or use these non-housing assets to help the council deliver its wider strategic objectives. A summary of the non-housing assets managed by the Housing Revenue Account is set out in the table below. Data quality on the commercial portfolio is constantly being improved. The details below are based on the information currently available:

Table 2: Non-residential housing assets by archetype as 1st April 2013

Garages/cages (non-integral)	2991
Parking bays	5182
Long leaseholds	224
Electricity substations	144
Private sector	50
Community Centres	49
Voluntary sector	28
Phone masts	22
Wayleaves	8
Operational (other council departments)	4
TOTAL	8702

11 Review

- 11.1 The strategy will be reviewed annually.