

# Lambeth Asset Management Strategy and Policy 2016-2021

## Contents

Executive Summary .....	3
1. Asset Management Strategy: Strategic Approach .....	4
2. Asset Management Policy: Delivering the Strategy .....	4
Objective 1: Deliver the Lambeth Housing Standard to all properties and maintain to the agreed standard over the next 30 years.....	4
Objective 2: Maximise resident satisfaction .....	4
Objective 3: Optimise capital and planned maintenance expenditure to minimise revenue funded repairs.....	5
Objective 4: Establish effective planned preventative maintenance programmes .....	6
Objective 5: Deliver energy efficiency and reduce fuel poverty .....	6
Objective 6: Long cycle voids (empty property) disposals policy.....	7
Objective 7: Regeneration opportunities .....	7
Objective 8: Ensure compliance with equalities, health & safety, and disability requirements.....	7
3. Delivery: Performance, Risk Management, and Resourcing .....	8
3.1 Operational management .....	8
3.2 Performance management and standards.....	9
3.3 Risk management .....	9
3.4 Resources .....	9
4. Asset Management Strategy: background details.....	10
4.1 Our Housing Assets.....	10
Property Portfolio .....	10
4.2 Stock Condition.....	11
4.3 Sheltered Housing .....	11
4.4 Temporary Accommodation: Hostels.....	11
Appendix A: Lambeth Housing Standard.....	12
LHS and DHS Definitions.....	12

## Executive Summary

Lambeth Council's Asset Management Strategy (AMS) for the period 2016-2021 sets out a strategic framework which will guide management, maintenance, and investment in the council's housing assets. Lambeth owns and manages almost 33,000 rented and leasehold homes and by 2020 aims to have brought all homes up to the Lambeth Housing Standard.

The AMS focuses on the fundamental principle of asset management: intervening at strategic points in an asset's normal life with optimised repair and maintenance activities, in order to maintain the performance of an asset and extend its life.

The strategy objectives also focus on the obligations of residents and the council as a landlord, and take into account the external operating environment which may impact on the delivery of the strategy, including national and local policies.

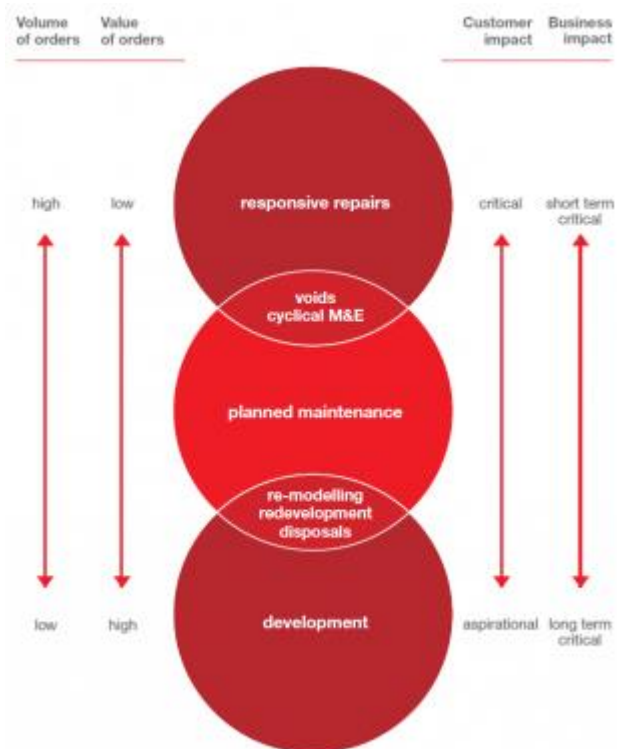
Key policy objectives are linked to improvements in performance and delivering value for money, crucial when faced with current and foreseeable pressures on the HRA, the general fund, and the capital programme.

### The Asset Management Strategy covers:

- All council rented and leasehold stock including the borough's 11 Tenant Management Organisations (TMOs);
- Temporary accommodation provided through Hostel Accommodation ;
- Estate facilities
- All building components, including mechanical and electrical services;
- All methods of delivery, including partnering frameworks, supply chain management, one-off major projects, planned and cyclical maintenance, and responsive repairs;

## 1. Asset Management Strategy: Strategic Approach

Our aim is to develop an integrated and seamless maintenance and improvement process, within which major planned maintenance capital investment projects, planned and cyclical revenue programmes, and one-off responsive repairs complement each other and create synergy, rather than overlap with each other or mismatch.



## 2. Asset Management Policy: Delivering the Strategy

The strategy will be delivered through the following policy objectives:

Objective 1: Deliver the Lambeth Housing Standard to all properties and maintain to the agreed standard over the next 30 years

Graph 1 below (p 11) charts the delivery of the LHS.

The capital programme will be programmed so as to bring all homes up to LHS and then ensure that all homes remain compliant. Ongoing delivery of the Asset Management Strategy focuses on intervening at strategic points in an asset's normal life with optimised repair and maintenance activities, in order to maintain the performance of an asset and extend its life.

Objective 2: Maximise resident satisfaction

### *Quality of homes and repairs*

We aim to maximise resident satisfaction with the quality of homes and repairs by improving the speed, quality, and value for money of repairs. We will also support residents to deliver their obligations as set out in their tenancy or lease.

### *Improving communication*

Channels include:

- Consultation, as detailed in the Engagement Strategy.
- Communication plans for each capital project.
- Regular local communications, such as newsletters and individual letters for residents who are having works carried out.
- Information available on the website, including contact information such as email addresses.
- Continued resident involvement in contractor selection, evaluation panels for partners for the Lambeth Property Contracts, Lambeth Housing Contracts, and procurement of the LPC contracts.
- Use of estate inspections and walkabouts to involve residents, staff, and ward members in monitoring major works, repairs, and voids at a local level.
- The Tenants' and Leaseholders' handbooks.

Objective 3: Optimise capital and planned maintenance expenditure to minimise revenue funded repairs

### *Asset Management Database*

We will ensure that Keystone, the asset management database, is fit for purpose and holds sufficient, accurate, and up-to-date information.

Keystone is populated with information collected on a standardised stock condition survey form and is linked with Oracle, the finance system, and Northgate, the housing management database. It allows us to store our stock condition data, calculate levels of decency, project future costs, identify 'repairs-hungry' properties, and plan for different scenarios.

Keystone allows us to more accurately determine the investment needs in our homes and target our resources accordingly. This helps inform programming and stock investment decisions in line with our 30-year business planning process.

### *Optimising the repairs balance*

We will work with our contractors (both those delivering the Lambeth Housing Standard and Lambeth Property Contracts) to deliver strong contract management and use the partnering process across both capital and revenue works to maximise planned work and reduce responsive repairs. Getting the right balance between responsive, planned preventative maintenance, and capital maintenance investment is critical. In general terms our aim is to maximise expenditure on planned repairs and minimise expenditure on responsive repairs.

- Responsive maintenance: while we have a responsibility to protect the council's housing asset by undertaking day-to-day repairs, we also need to comply with the terms of the various stakeholder provisions as detailed in the Landlord Tenant Act 1985.
- Planned preventative maintenance: the programme covers previously painted external surfaces and communal areas and a wide range of repairs to the external fabric of the buildings we manage.
- Capital investment (delivery of the LHS programme): by replacing or upgrading the elements of a home that have been identified as approaching or having reached the end of their useful life, responsive repairs will be reduced in many circumstances. By using more resilient materials (such as PVCu windows and high specification coatings) there are also opportunities to elongate the cycle of planned maintenance.

- Disrepair: speed of resolution has become a strategic priority. Our LPC contractors are incentivised to resource and prioritise disrepair work.

#### Objective 4: Establish effective planned preventative maintenance programmes

- Implementation of a cyclical (5/7 year) planned preventative maintenance programme (PPM), which includes external repairs and decorations, and internal communal areas.
- Review what responsive work is more effectively undertaken as part of cyclical/planned programmes.
- Use repairs data and in-house knowledge to identify repair trends/high unit costs.
- Enable customer services to view planned programmes of work, guarantees and warranties when responding to repair requests.
- Review the maintenance needs of Estate facilities

The PPM programme is independent of the Lambeth Housing Standard, and will be delivered through the Lambeth Property Contracts/Mechanical Electrical contracts.

The programme will be established by identifying when each property was last decorated (or maintained as necessary) and placing them in a five-year cycle. Adjustments will then be made to reflect when properties are included in the Lambeth Housing Standard programme. Some final adjustments will then be made to balance out the programme to cover approximately 20% of the stock in each year.

The PPM programme should result in improved value for money by extending the life of building components and so avoiding the need for premature capital investment. In addition there will be less disruption, thereby improving resident satisfaction.

#### Objective 5: Deliver energy efficiency and reduce fuel poverty

The Asset Management Strategy drives energy efficiency improvements in the council's housing stock, to reduce fuel poverty and CO2 emissions, and supports the delivery of the council's policy on sustainability. The construction procurement programmes will address sustainable construction best practice, and the diverse contracts such as grounds maintenance and estate cleaning will help to provide a cleaner and greener environment for residents while at the same time reducing the environmental footprint of their activities.

Works currently being undertaken which will contribute to achieving the council's objective include:

- **The Lambeth Housing Standard programme.** The average SAP rating in Lambeth's stock is 65.0, with scope for improvement as a result of energy efficiency works implemented as part of the Lambeth Housing Standard.
  - Heating and hot water systems. This is the biggest source of energy use in the home, and boiler replacement and heating system renewals form a significant part of the LHS programme. We are replacing outdated systems with 'A' rated modern boilers and controls.
  - Decent Homes (external elements). Through the installation of double glazed windows and roof replacement including loft insulation, our residents are able to cut heat loss and can save up to £100 on their annual heating bills. Where scaffold is required for other works, we will also fill un-insulated cavity walls.
- **Procurement Strategy.** All our contractors are expected to minimise waste, recycle, use local suppliers and labour, and use responsibly sourced timber and other sustainable materials.

- **Renewable technologies.** We are keen to explore further installations of renewable energy systems via housing refurbishment programmes and are working with the council's preferred supplier, Repowering London, to assess the feasibility of installing solar panels on roofs which meet required criteria.

#### Objective 6: Long cycle voids (empty property) disposals policy

When a council property becomes empty, a specification of necessary works to return it to a lettable standard is drawn up. When the cost is up to £5,000 it is funded through revenue budgets (some works within this expenditure may subsequently be accepted for funding from capital allowances). Where the cost is over £5,000 the void is termed a 'Long Cycle Void' (LCV). The void no longer has a repairs turnaround target of 11 days but has a timescale programmed to reflect the complexity of the works required.

The council's current policy is to dispose of empty properties which are uneconomic to repair, for example properties requiring extensive structural works or where damp or dry rot has permeated the building. A cost protocol has been agreed to identify the properties to be considered for disposal. Current policy is that if the repair costs are too high the property is sold at auction and the funds reinvested into bringing other LCVs back into use. The impact of the Housing and Planning Act 2016 on the Disposals policy is under review.

#### Objective 7: Regeneration opportunities

Given the historic shortage of funds for capital investment in the stock, the council has supported a number of locally based regeneration solutions for estates which had high investment needs.

The council identified its criteria for estate regeneration based on the comparable costs of bringing homes up to LHS within the borough and the ability to develop additional housing and other social benefits.

#### Objective 8: Ensure compliance with equalities, health & safety, and disability requirements

##### *Equalities*

Lambeth has a very diverse community. The council takes its duties under the Equality Act 2010 and its public service obligations seriously. The development and delivery of services is informed through equality analysis, where the needs of residents are identified and addressed when planning the delivery of services.

##### *Social Value*

One of our key aims is to ensure that our investment programmes deliver wider social and economic benefits to our residents beyond the physical improvement of their homes. Our contractor partners are therefore actively involved in supporting the delivery of social value – such as employment and training opportunities, including apprenticeships; targeting agreed levels of local labour; and delivering on a range of green agenda issues. This is monitored through the HACT model to ensure that Lambeth gains what was offered in tenders and included and paid for within contracts.

##### *Gas Safety*

We have a duty of care to our residents to:

- Ensure that we meet our legal obligations under the Gas Safety (Installation and Use) Regulations 1998, and

- Ensure all reasonable steps are taken to issue a Landlord's Gas Safety Certificate to all tenanted dwellings on or before the expiry date of the previous Certificate. We have a target of 100% compliance.

Our contactors test smoke alarm installations during the gas safety check and offer servicing to leaseholders.

#### *Housing Health & Safety Rating System (Housing Act 2004)*

The underlying principle is that any residential premises should provide a safe and healthy environment for any potential occupier or visitor. To satisfy this principle, a dwelling should be designed, constructed and maintained with non-hazardous materials and should be free from both unnecessary and avoidable hazards.

This approach acknowledges that all dwellings will contain some hazards. It allows a judgement to be made as to whether that risk, in the particular circumstances, is acceptable or not.

As part of the stock condition surveys, Health & Safety assessments are carried out and the information is recorded on Keystone. Where a serious hazard (identified as a category 1) is recorded during a survey, these are dealt with by placing a responsive repairs order.

#### *Fire Safety*

There are more than 2000 housing sites in Lambeth which require a Fire Risk Assessment (mainly communal areas). We have assessed all high-rise buildings, sheltered units, and street properties, and higher-risk buildings are reassessed each year.

The Fire Risk Assessments have resulted in a programme of works to carry out fire protection improvements, including flat door upgrades, and plans to reduce risk.

#### *Electrical Testing*

We are delivering a programme of periodic testing and remedial works on electrical installations (domestic and communal) using our voids, major works, and communal electrical maintenance programmes.

#### *Asbestos*

Legislation requires us to manage asbestos in the stock and take all reasonable steps to minimise the risk of exposing our employees, tenants, and leaseholders to asbestos. An asbestos survey is completed as part of the delivery of the Lambeth Housing Standard and any asbestos-containing material is recorded on Keystone.

#### *Construction Design and Management Regulations 1994, 2007, 2015*

To maintain a safe environment for employees, residents, and contractors, and to meet the requirements of the regulations, the Construction Design and Management (CDM) Co-ordinator(s), part of the Lambeth Health & Safety team, will fulfil the role of Project Safety Co-ordination. The Co-ordinator(s) will work with designers on risk reduction and Health & Safety management and audit site safety for the capital work.

## 3. Delivery: Performance, Risk Management, and Resourcing

### 3.1 Operational management

The current restructure of staffing arrangements provides an opportunity for the rationalisation of property, asset management, and maintenance functions.

Whilst the capital, planned, responsive, and regeneration teams have different reporting lines, matrix management principles should ensure that seamless services are delivered to ensure efficient management of the council's assets and maximise resident satisfaction.



### 3.2 Performance management and standards

Responsive and capital services are monitored through a performance management hierarchy – from contract PIs, to service monitoring in line with contract requirements.

Resident satisfaction with major works, both the process and the final product, are key performance indicators (KPIs) by which our contractors' performance is judged. To ensure consistency, we directly survey residents' satisfaction on responsive repairs, planned works, and major projects. Any negativities arising from the surveys are used to learn from and improve the experience of residents on future projects and may impact on contractors' payments.

### 3.3 Risk management

Risks are managed to achieve AMS objectives and feed into the council's overall Risk Management Strategy.

The key risks to the strategy being efficiently delivered relate to the delivery of effective contract management, financial governance, resident satisfaction, the need to maximise leasehold income, and the ability to deliver within increasingly reduced resources, both capital and revenue.

### 3.4 Resources

The delivery of the Asset Management Strategy is funded through the HRA, capital funding, and other sources of income such as grants and s106 funding.

Leaseholders also contribute to a portion of costs. The resources identified in the strategy assume that costs chargeable to leaseholders will be fully recovered, with risk mitigations in place to maximise collection.

## 4. Asset Management Strategy: background details

### 4.1 Our Housing Assets

#### Property Portfolio

The council manages some 33,000 properties: 23,512 tenanted and 9,413 leasehold. This includes approximately 4,000 homes in eleven Tenant Management Organisations, where Lambeth delivers many of the property investment and maintenance services.

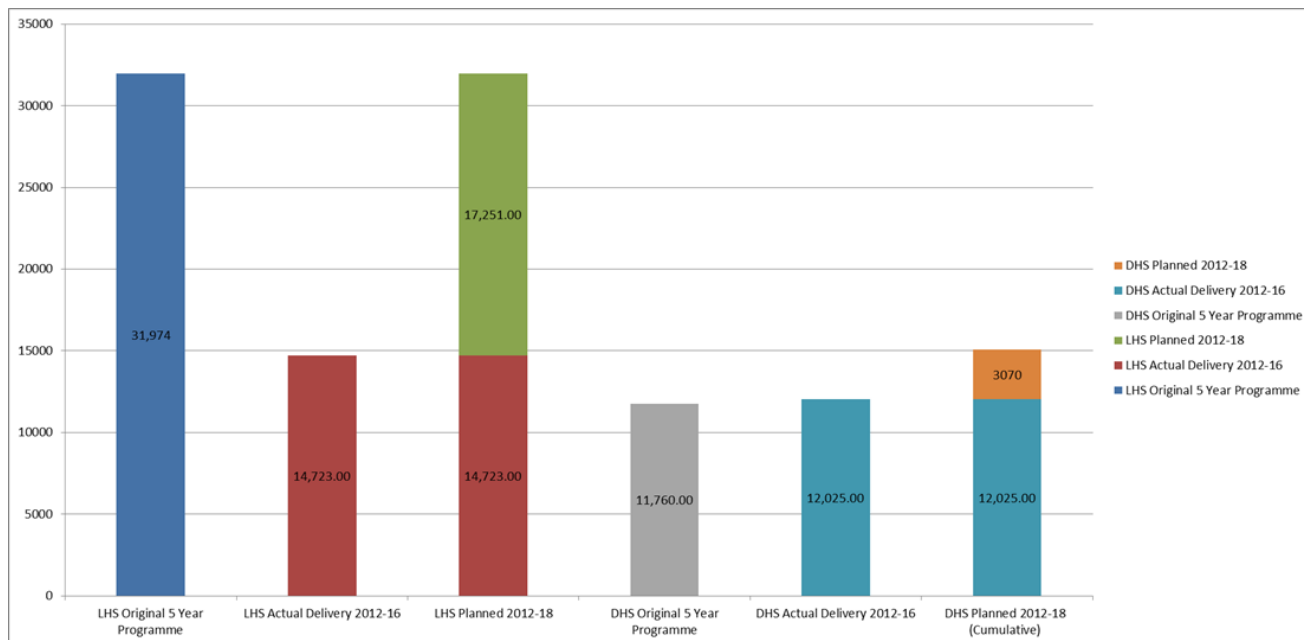
Table 1: Tenanted stock by archetype as at 1 April 2015

Pre 1945 small terrace houses	76
Pre 1945 semi detached	221
All other pre 1945 houses	931
1945-64 small terrace houses	13
1945-64 large terrace/semi/detached	197
1965-74 houses	289
Post 1974 houses	1,891
Non-traditional houses	54
Pre 1945 low rise flats (1 – 2 storey)	1,066
Post 1945 low rise flats (1 – 2 storey)	2,097
Medium rise flats (3 – 5 storeys)	13,219
High rise flats (6 storeys and over)	3,371
Bungalows	87
TOTAL	23,512

## 4.2 Stock Condition

The LHS programme has been delivered through carrying out elemental works to stock to bring all homes to the LHS. The objective is then to maintain homes to that standard over the next 30 years.

The LHS profile – Graph 1



## 4.3 Sheltered Housing

A strategy for Older Persons' Housing in Lambeth was completed and agreed by Cabinet in 2013. Housing Management are carrying out a refurbishment programme to those units scheduled for retention.

## 4.4 Temporary Accommodation: Hostels

The Council manages 35 hostels, seven of which have been recently refurbished.

## Appendix A: Lambeth Housing Standard

### LHS and DHS Definitions

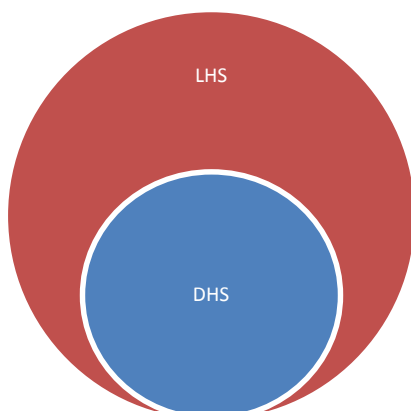
The LHS programme was co-produced and prioritised with tenants and leaseholders and agreed in April 2012.

The following depicts the relationship between the Lambeth Housing Standard and the Government's Decent Homes Standard.

DHS	
1	Kitchen
2	Bathroom
3	Electrics
4	Gas
5	Front Entrance Door
6	Roofs
7	Windows

LHS	
1	Kitchen
2	Bathroom
3	Electrics
4	Gas
5	Front Entrance Door
6	Roofs
7	Windows

**Health and Safety**



8	Insulation
9	Environmental Improvements
10	Aids & Adaptations
11	Fire Safety
12	Communal Boilers
13	Lifts
14	CCTV
15	Sewage & Drainage