

Item No. 12.	Classification: Open	Date: 14 September 2021	Meeting Name: Cabinet
Report title:		A Home to be Proud of: the council's approach to ensuring residents are safe, secure and comfortable in their council home	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Stephanie Cryan, Council Homes and Homelessness	

FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS

Southwark Council is London's largest social landlord and manages 55,000 homes. Maintaining our homes to a decent standard and keeping them warm, dry and safe for our residents has always been the starting point for any major works that are undertaken to our homes. However, it is important that we listen to our residents and adapt and change our approach to ensure that we are meeting the Council's commitments to tackling inequality and to taking positive action to tackle the climate emergency.

This report sets out the framework for a comprehensive revision of the Asset Management Strategy to take account of the challenges of building safety legislation, the climate emergency and the creation of a fairer society. It sets out our commitment to exploring public health outcomes linked to housing, with a particular focus on damp and mould.

Resident and community involvement will be at the heart of the development of the strategy. We want to make sure that everyone has the opportunity to feed into the consultation and to help shape what a Southwark home looks like in the 2020s and beyond with the development of a Southwark Standard.

We also need to take practical steps to reduce carbon emissions, linking in with main Climate Change and Great Estates strategies. Ensuring that we contribute the Council's commitment to be net carbon neutral by 2030.

The emerging strategy will commit to keeping people safe and ensuring everyone lives in a home they can be proud of.

RECOMMENDATIONS

That Cabinet

1. Agrees the broad framework for a future asset management strategy ('The Plan') that is driven by the council's commitment to tackling inequality and to keeping people safe in homes that are well maintained and cared for.

2. Requires a full strategy to be developed adhering to the principles and priorities set out in this report to be presented to the council's cabinet in summer 2022.
3. Approves the proposal and approach set out below to undertake further work to achieve a balanced approach to Climate Emergency commitments.
4. Requires a more detailed analysis of inequality in Southwark to be undertaken in relation to investment and asset management of our homes.
5. Notes the commitment in this report to deliver services that provide safer and secure homes following the legislative changes introduced and upcoming since the last Asset Management Strategy in 2016.

BACKGROUND INFORMATION

What is an asset management strategy

6. This is the council's plan to look after its homes; balancing the needs of residents, the importance of safety, security, comfort, climate change and finance. Taking into account residents priorities, stock condition, legislation and policy, and available resources.

Introduction – our residents

7. Southwark is the largest social landlord in London and the largest landlord of high-rise blocks in the UK. The borough is also one of the most densely populated and diverse communities in the country, with significant levels of deprivation in parts.
8. By 2026, Southwark's population is expected to grow by 20%, to around 376,000. This growth will place further pressure on all Council services and on housing provision. In Southwark, the proportion of households (39%) renting from the Council is significantly higher compared to the London average.
9. Southwark generally has a much lower age profile than the national picture but, with the exception of households in the 25-45 age group, the number of households of all ages is projected to rise, with the largest relative increase predicted for households in the 60-64 bracket.
10. It is increasingly well understood that good quality housing has a direct impact on health as it helps to prevent accidents in the home, reduces winter-related deaths and protects against poor mental health. According to the 2011 census, nearly 19,000 Southwark residents reported a long-term health problem or disability.

11. Poor health outcomes as a consequence of the CV19 pandemic have been shown to disproportionately affect Black, Asian and Minority Ethnic people, a significant number of whom live in poor housing. In Southwark, Black African, Black Caribbean and Chinese people account for more than 25% of Southwark residents. Around 52% of Black African, Black Caribbean and Black British people rent from the Council, compared to 24% of the White population.
12. According to the 2019 Indices of Deprivation study, Southwark ranked 43rd out of 137 local authorities in terms of socio-economic deprivation and almost a third of our residents live in communities ranked in the 20% most income deprived in England. This poverty is concentrated in north and central Southwark, especially in Nunhead and Livesey, but exists in the south too.

Introduction – our buildings

13. Southwark Council is landlord of around 55,000 properties, of which around 38,000 are tenanted, and over 15,000 are leasehold properties. The stock under Southwark's control is unusually large and varied in its composition.
14. Table 1 below shows that as expected for a social landlord based in an urbanised area, the majority of this stock comprises traditional housing blocks: however, there are also a significant number of street properties and houses within Southwark's management. In terms of its tenanted stock alone, over 6,500 dwellings are categorised as houses, street properties or conversions.

Table 1: Housing Stock by Property Type

Property Type	Percentage
FLAT TRADITIONAL BLOCK	80%
HOUSE ON ESTATE	7%
CONVERTED STREET PROPERTY	6%
STREET PROPERTY	4%
FLAT SHELTERED HOUSING	2%
FLAT INFILL BLOCK	1%

15. Within each of the above categories there is a further range of building types and constructions. Table 2 further illustrates the degree of complexity in the composition of the housing stock:

Table 2 – Housing Stock by Property Archetypes

Property Archetype	Percentage
LOW RISE FLATS POST 1945	43%
HIGH RISE FLATS (6 STORIES PLUS)	25%

Property Archetype	Percentage
LOW RISE FLATS 1920 - 1944	13%
FLATS PRE 1920	8%
HOUSES POST 1945	7%
HOUSES PRE 1945	4%

16. Post-war residential blocks account for the majority of Southwark's stock. There are, however, still an unusually large proportion of properties that do not fall within this category, including a relatively high number of pre-war blocks and houses, and properties dating from the turn of the previous century.
17. The council owns 170 buildings which are 18 metres/7 storeys and above. This is a significantly larger number of high-rise buildings than many other landlords, and the highest number of any social landlord across the United Kingdom.
18. In addition, there are 186 buildings that are six storeys in height and dozens of other buildings which the Council has categorised as high-risk from a building safety perspective, due to the nature of their construction, which may need urgent investment to meet the obligations of new legislation due to become law later in 2021.
19. The quality and condition of Southwark's housing stock reflects its varied profile, and different maintenance issues arise from different building types and construction epochs, legacies of which have major implications for the council's investment decisions. For example, it is often difficult to meet modern standards for kitchens and bathrooms in the confined spaces of interwar stock. Similarly, the prominent post-war, system-built housing has left a legacy of maintenance problems attributable to poor design, including a variety of structural issues, water penetration, flat-roof failure, asbestos, and poor thermal and noise insulation. These issues have been further compounded by historical under-investment, and made modernising these properties prohibitively expensive.
20. The nature of the council's housing stock means there are not readily available, cheap and straightforward solutions or modern measures to reduce carbon emissions while ensuring Southwark's homes are economical to run for residents and to maintain for the Council.
21. The above data serves to highlight the significant challenges that the council faces to look after its residents and to provide housing that both protects people and enhances their wellbeing. This proposal commits to exploring traditional and innovative methods to deliver high quality council housing now and into the future.

KEY ISSUES FOR CONSIDERATION

Proposal

22. The development of a new asset management strategy, for presentation to Cabinet in June 2022, which sets out Southwark's housing investment strategy for safer, secure and greener homes and communities.

The 2016 Strategy

23. The 2016 Asset Management Strategy aimed to ensure that every council tenant has a quality kitchen and bathroom. The introduction of programmes for cyclical external decorations, improving lifts and other mechanical and electrical systems, and reducing fire risks was agreed.
24. Since 2016, the Quality Homes Investment Programme (QHIP) has seen investment of circa. £190m in the Council's housing stock. This has included the installation of new kitchens and bathrooms in more than 5,000 homes, the replacement of thousands of boilers and repair works, including repairs to roofs, windows, electrics and communal decorations, to numerous estates.
25. As at March 2021, 99% of properties had received their due gas compliance check and 99% of due asbestos inspections had been carried out. Availability of heating and hot water was at 99% and lift availability at over 95%.
26. Specialist teams covering leaks from above, aids and adaptations, handypersons and disrepair have all been embedded within the Division and a three-year Repairs Improvement Plan is in progress to deliver a high quality, customer-focused repairs service across the borough.

A new Plan

27. Since the 2016 Strategy, significant challenges have emerged for the council regarding the management and development of its housing stock. These factors mean a fresh look as to what proactive asset management looks like in 2021 and into the future and how we decide when and how to invest in our stock is required.
28. The tragedy at Grenfell and consequent legislation, the climate emergency, financial constraints and the focus on public health brought about by the coronavirus pandemic, investment in the council's district heating network and commitments to building new council homes create a challenging and complex landscape for the Asset Management Division.

Approach

29. The new Plan will explore the headings below. Throughout the process of the development of the Plan, the Asset Management Division will continue

to carry out all of its compliance and repairs functions and to invest in homes across the borough through the QHIP, which will be refocused around risk assessment linked to fire and building safety.

30. To enhance current processes around resident engagement and project design, an Equalities Impact Assessment (EIA) will be carried out for each QHIP scheme, to ensure positive and negative impacts on residents are fully accounted for and understood.
31. Survey and inspection work will be ramped up to secure an even more detailed picture of the current condition of Southwark's housing stock and to close any knowledge gaps.

Scope

32. The Plan will be developed over the coming months to set out the right investment choices to ensure that Southwark's tenants and homeowners continue to live in homes that they can be proud of and that are fit for the future.
33. The Plan will be rooted in a robust overarching EIA (Appendix 1) that aligns investment decisions with the needs and characteristics of the people who live in our diverse borough. The current EIA will be updated as the Plan is further developed.
34. The EIA, which includes consideration of all protected characteristics, will have a particular focus on the impact of the Plan in relation to residents' socio-economic background and race – two characteristics that have played an extremely significant role in public health outcomes associated with the CV19 pandemic.
35. Comprehensive resident engagement will be carried out to ensure residents' priorities continue to be embedded in any future programmes of work. This engagement will include presentations to and discussions with the Local Housing Forums and the Tenants and Homeowners Forums. Consideration will also be given to consultation with the Online Panel and the potential for the establishment of a residents' Project Team to consider specific aspects of the Plan. Residents of different ages, ethnic backgrounds and socio-economic circumstances will be asked to contribute and tell of their experiences of living in Southwark's homes. Tenants and homeowners living in different types of properties across the borough will help shape the strategy.
36. Presentation of the paper in June 2022 will allow the full implications of the new legislation regarding fire safety and building safety to become known and for the Asset Management Division to prepare its procurement and recruitment plans to meet these new responsibilities, alongside the delivery of its range of statutory compliance functions. It will also allow time for a deeper analysis of the key issues affecting Southwark's residents and the development of the right solutions.

37. The Plan will build on carbon reduction measures already in place and align with the Council's Climate Change Strategy to explore further practical steps to contribute to local, national and international climate change goals. (Appendix 2).
38. The Plan will be clear about the funding required, where it might come from and where any funding strategy fits within the wider financial requirements of the Housing department.

Safe and secure

39. The new Plan will refocus the QHIP around a risk-based approach, driven by the new fire safety and building safety legislation but also taking into account Council commitments to reduce carbon emissions and seeking to ensure Southwark's residents live in high quality modern accommodation that they are proud to call home as well as being safe and secure.
40. The Asset Management Division will engage in a large scale procurement and recruitment drive to ensure the Council has access to the right frameworks to deliver high quality work at the right price; as well as talented and well-qualified staff to meet the demands of the Building Safety Act. Procurement will embed Fairer Future Procurement Framework principles and Southwark Stands Together policies and processes.
41. A suite of measures to improve block and estate security will be detailed and work will be carried out based on resident consultation and collaborative working with Resident Services and the Anti-Social Behaviour Team.

A well maintained home

42. Irrespective of the outcome of the current government review into the Decent Homes Standard, Asset Management will take a holistic approach to the principle of providing good homes for Southwark's residents.
43. This approach will see a comprehensive scope of works designed for each block and estate, which will mean all required work is done in one go, providing certainty and clarity for both tenants and homeowners.
44. Installation of new kitchens and bathrooms will continue where possible, based on their condition and not on their age, alongside other internal works.
45. External works, such as the painting of railings and panels, to ensure communal areas are maintained at a good standard and are welcoming spaces for residents will be carried out; and funding opportunities to improve energy efficiency will be identified.

46. A ‘Southwark Standard’ will be developed which will set out what residents should expect regarding the quality of their home. This will include a focus on ensuring that Southwark’s homes are well-ventilated, free of damp and that running costs are kept as low as possible.
47. Modernising service delivery through the increased use of digital technology, for example installing damp/humidity sensors to trigger warnings of repair requirements, will be considered.
48. Furthermore, Asset Management will work with colleagues across the Council in the development of strategies around Digital Street Furniture, in order to gather more accurate and in depth data to further inform service improvement.

Great Estates and Tackling Inequality

49. The new Plan will explore the lessons learned from the Great Estates pilots and will include plans to contribute to better waste management, community gardening, supporting more people to walk and cycle, as well as looking at ways to make blocks and estates look their best.
50. Asset Management has begun development of a specific damp and mould strategy, with a major pilot underway on the Kingswood Estate. This will be further drawn out in the June paper, within the context of consideration of issues relating to overcrowding and ways in which the Council can improve the lives of its most vulnerable residents.
51. Engagement with Black, Asian, Latin American and minority ethnic communities will form a particular focus of the Strategy to better inform investment choices linked to public health outcomes.

The climate emergency

52. The Asset Management Division is developing a comprehensive Heat Networks Strategy that will be presented to Cabinet in September 2021.
53. The Division commits to the replacement of gas and all other fossil fuel as energy source for heat networks.
54. The expansion of the South East London Combined Heat & Power (SELCHP), proposals around individual heat metering as well as securing funding sources for a range of other potential measures such as improved insulation, LED lighting and solar energy installations will be explored.
55. The Plan will commit to improving the energy efficiency of Southwark’s housing stock and will set out a practical path to achieving this.

A landlord that listens

56. As above, the Plan will be based on a comprehensive programme of engagement with residents, using a range of tools in partnership with the Resident Involvement Team, and through the refreshed Putting Residents First standards.
57. The Asset Management Division understands the importance of community-led decision-making and will draw out the lessons from the work carried out at the Ledbury and Tustin Estates to ensure that the right consultation takes place at the right time to realise the best outcomes for residents.
58. The new Plan will also retain a strong focus on homeowner engagement and will align with the Homeowners Improvement Plan to identify areas of improved service delivery.

Risks and Constraints

59. The new Plan will identify key risks to delivery and consider mitigation options.
60. Access to flexible frameworks to secure contractor partnerships that can deliver the range of work detailed above, while delivering (and demonstrating) good value for money will be a major challenge. Meeting Council commitments around working with small and medium-sized enterprises and black, Asian and minority ethnic-led businesses will very much depend on being able to access the right procurement models.
61. Recruiting appropriately qualified staff to discharge the responsibilities of the new building safety legislation will require a significant review of the Council's current recruitment processes and Southwark will need to be more competitive in the market.
62. Securing internal and external funding for such a huge programme of work will be crucial to the success of the new Plan and Asset Management will work closely with colleagues in Finance to establish robust financial planning.

Conclusion

63. The Plan to be presented to cabinet in June 2022 will be a comprehensive revision of the 2016 Asset Management Strategy. It will take account of the significant challenges that the council faces regarding building safety, fire safety and the climate emergency, and how the asset management division will contribute to meeting them.
64. The Plan will be rooted in a sound understanding of our people and our housing and will have our tenants and homeowners at its heart. It will lay

out in detail a safer, greener and fairer future for everyone living in Southwark's homes.

Policy framework implications

65. The Borough Plan, refreshed for 2020-2022, reflects the significant changes that have affected the borough over recent years, in particular the CV19 pandemic, and the new and refreshed priorities the council is adopting in response.
66. The framework set out in this proposal and the full Plan to be presented to Cabinet in June 2022 supports a number of these priorities, in particular:
 - *Climate emergency* – we will take a holistic approach to delivering investment in our homes and estates, ensuring quality, energy efficiency, security, consistent provision of services and carbon reduction measures are all taken into account in any scheme design
 - *Thriving neighbourhoods* – we will put the community at the heart of the decision-making process, ensuring that residents' views are heard in the development of projects to create homes and estates that people are proud to call home
 - *Homes for all* – we will employ traditional and innovative methods of consultation and communication, as well as of construction, to maintain high levels of quality in our housing stock. We will work with tenants and homeowners to truly be a landlord that listens.
67. Responding to the Climate Emergency and tackling health inequalities will run through the Plan and we will set out detailed practical steps to address these priorities in the June Cabinet paper.

Community/equalities impact statement

68. Section 149 of the Equality Act, lays out the Public Sector Equality Duty (PSED) which requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The Council's Approach to Equality ("the approach") commits the council to ensuring that equality is an integral part of our day to day business.
69. Improving housing in Southwark is central to the council's wider plans to create a fairer future for all. Access to appropriate, good quality, genuinely affordable homes is important not just for residents but also to the wider economy and essential to shaping a borough that all residents can be proud of and which is truly sustainable into the future. A key part of this is the active management of current council housing assets that this report addresses to ensure that they play their part in continuing to make a positive impact on the community.

70. Residents will continue to be at the centre of and involved in works that take place. A robust and detailed assessment of the impact of these works will be carried out scheme-by-scheme.
71. Any works undertaken will provide a better standard of accommodation for residents and will contribute to improved general health and wellbeing. Due consideration will be given to those residents with specific needs both during works and after completion.

Environmental/Climate change impact statement

72. On 18 June 2019, the council's cabinet agreed the resolution passed by the Council Assembly on 27 March 2019 to "declare a Climate Emergency and do all it can to make the borough carbon neutral by 2030." The cabinet noted "that there are considerable financial savings to be made by 'going green', whether it be more energy efficient lighting, smart meters at council properties, or piloting energy generation schemes such as installing solar panels on council properties".
73. The government estimates that residential buildings account for 27% of Southwark's carbon emissions. The Council's direct emissions account for 12% of the borough's emissions and council housing is the second largest contributor to carbon emissions at 14%. The Council therefore plans to take targeted actions across energy supply and usage and to retrofit council buildings including council homes to make them greener.
74. The current proposal, put forward in August 2021 by London Councils, to develop a Retrofit London Housing Action Plan, is noted. It is well understood that real progress on this will require a partnership approach between local, regional and central government, as well as the private sector and other key stakeholders.
75. This proposal commits to exploring a range of measures, including the decarbonisation of heat networks, intelligent lighting systems and solar installations to be developed in practical terms for the June paper, in consultation with residents.

Consultation

76. Throughout the development of the Plan, the Asset Management Division will involve residents. This will include a range of methods, including consultation with the Local Housing Forums, Tenant and Homeowners Forum, the Online Panel and the potential for the setting up of a Project Group to review specific aspects of the proposals.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Governance

77. This report seeks the cabinet's agreement and the noting of certain elements in relation to the council's future asset management strategy as further detailed in paragraphs 1-5. The development of the asset management strategy is an executive function and as a strategic policy is delegated to the cabinet to consider in accordance with the council's constitution.
78. There are no significant legal implications arising from the recommendations in this report, but the director of law and governance and her staff will provide advice to officers on any legal and governance issues arising during the development of the strategy, which is to be presented to cabinet in June 2022.
79. The cabinet's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. In addition, the council has also chosen to include socio-economic status. The cabinet is specifically referred to the community impact statement at paragraphs 68-71, and specifically the EIA at appendix 1 setting out the consideration that has been given to equalities issues which should be considered when approving the recommendations in this report. The PSED General duty is a continuing duty and as noted in paragraph 33 the current EIA will be updated as the strategy is developed. Reference is made in the report to extensive consultation that is intended to take place in developing this strategy, the outcome of which will be reported to cabinet in the later report.

Strategic Director of Finance and Governance (H&M 21/053)

80. As one of the UK's largest local authority landlords, the council undertakes significant investment in its housing stock. Decisions about investment in this valuable resource need to be considered carefully, ensuring the level of investment is sustainable and affordable for the housing revenue account. As outlined in this report, the council faces significant challenges in relation the management and development of its stock, notably new building and fire safety regulations, the need to invest in the district heat network and to respond to the climate emergency as well as the commitment to deliver new homes. This report sets out the approach that will be taken to develop a Southwark Homes and Resident Plan, which will be presented Cabinet in June next year. It is expected that the work necessary to develop the Plan will be contained within existing revenue budgets, and there are, therefore, no financial implications arising from the recommendations made in this report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Asset Management Strategy (2016)	160 Tooley Street, London, SE1 2QH	Paul Wood 020 7525 0638
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s60405/Report Asset Management Strategy.pdf		
Climate Change Strategy (2021)	160 Tooley Street, London, SE1 2QH	Tom Taylor 020 7525 5415
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s99897/Report Climate Change Strategy.pdf		
Refresh of the Council Plan 2018-2022	160 Tooley Street, London, SE1 2QH	Joseph Brown 020 7525 1409
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s92005/Report Council Plan.pdf		
Southwark's Borough Plan 2020	160 Tooley Street, London, SE1 2QH	Joseph Brown 020 7525 1409
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s92006/Appendix A Southwarks Borough Plan 2020.pdf		
Southwark's Key Housing Stats 2020	160 Tooley Street, London SE1 2QH	Paul.wood@southwark.gov.uk
Link (please copy and paste into browser): https://www.southwark.gov.uk/assets/attach/42459/southwark-key-housing-stats-2020.pdf		

APPENDICES

No	Title
Appendix 1	Equalities Impact Assessment
Appendix 2	Climate Emergency Equalities Assessment

AUDIT TRAIL

Cabinet Member	Councillor Stephanie Cryan, Council Homes and Homelessness	
Lead Officer	Michael Scorer, Strategic Director of Housing and Modernisation	
Report Author	Paul Wood, Programme Manager	
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Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
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