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| 5 March 2024 | | ITEM: 6 |
| Housing Overview and Scrutiny Committee | | |
| Findings of Stock Condition Survey of Housing Portfolio | | |
| Wards and communities affected: All | Key Decision: Not Applicable | |
| Report of: Alastair Wood – Head of Assets, Repairs and Compliance, Housing Adults, Housing & Health | | |
| Accountable Assistant Director: Ewelina Sorbjan Assistant Director, Housing and Development, Adults, Housing & Health | | |
| Accountable Director: Ian Wake, Executive Director of Adults, Housing and Health | | |
| This report is: Public | | |
| Version: Final | | |

Executive Summary

This report seeks to provide the committee with an overview of the findings from a partial stock condition survey, the investment needs of the housing portfolio and how the Council will be utilising this information in the development of future programmes and projects.

Commissioner Comment:

It is suggested no commissioners' comments are required for this report because it's for information only and contains information requested by the members of the Overview and Scrutiny. There are not financial implications for this report and no decision is sought.

1. Recommendation(s)

Housing Overview and Scrutiny Committee are asked to review, comment and challenge:

- 1.1 The assets investment needs of the housing portfolio.**
- 1.2 Key priorities for investment of the housing asset.**

2. Introduction and Background

- 2.1 This report has been compiled to give the committee an overview of the findings of the partial stock condition survey completed by the Housing Service. Based on the findings of this exercise and combining this with the existing data relating to the housing asset we are able to provide an overview in respect to investment requirements of the housing assets.
- 2.2 The Housing Service recognises the importance of monitoring our housing assets to ensure that we continue to maintain the housing stock appropriately in order to provide safe and secure homes for our residents whilst also ensuring that we maintain accurate information to develop investment programmes to meet the current and emerging demands of our housing portfolio.
- 2.3 The Council's current approach to undertaking stock condition surveys is to undertake partial surveys on selected assets that give a borough wide representation of the assets from across the entire housing portfolio. This approach allows the Council to undertake more frequent stock condition surveys, with the last one being done in 2017.
- 2.4 The data captured in the most recent partial stock condition survey will supplement the data that was captured in 2017 in addition to the data of which is captured annually through the delivery of the repair, maintenance, and investment programmes. The properties that were surveyed in 2017/18 have been excluded from this exercise to ensure that we are capturing new data from other assets.
- 2.5 In February 2022, Thurrock Council entered into contract with MLCS3 to undertake a stock condition survey of circa 30% of existing housing stock equating to completing surveys to 2,952 properties in addition to a sample of blocks equating to 161 blocks across both general needs and sheltered schemes. On-site surveys commenced in late March 2022, following initial resident engagement.
- 2.6 Key data captured as part of this survey includes:
- 2.6.1 Recording the condition of the main internal and building components, the age of the component, estimated year of replacement and quantity to provide lifecycle costing for asset management purposes and assist with the development of future planned works.
- 2.6.2 HHSRS – (Housing health and safety rating system) and Fitness for Human Habitation) Act 2018 assessment criteria.
- 2.6.3 EPC – an official Energy Performance Certificate was completed by the surveyor, all of whom are qualified Domestic Energy Assessors. EPCs and the data captured offer the opportunity to report on carbon output and EPC recommendations.
- 2.6.4 Backlog Repair – any “backlog” type of repairs that should be carried out in order to maintain the standard of the property including recording of any building defects that compromise the health and safety of residents/visitors, impact on security or potentially having a detrimental impact on other building components if not rectified. The works are recorded using an agreed schedule of rates and a quantity is recorded to provide a total cost to carry out the work.

3. Property Selection

- 3.1 This exercise involved surveys to 2939 individual homes and 161 communal blocks from across the housing portfolio.
- 3.2 To ensure the Council surveys relevant representation of the entire stock, the Housing service selected specific archetypes from all geographical areas of the Borough. Please note the total number of properties issued is greater than the number to be surveyed to allow for properties where access cannot be obtained. The following table provides a breakdown of the confirmed archetypes together with number of properties target and access to date.

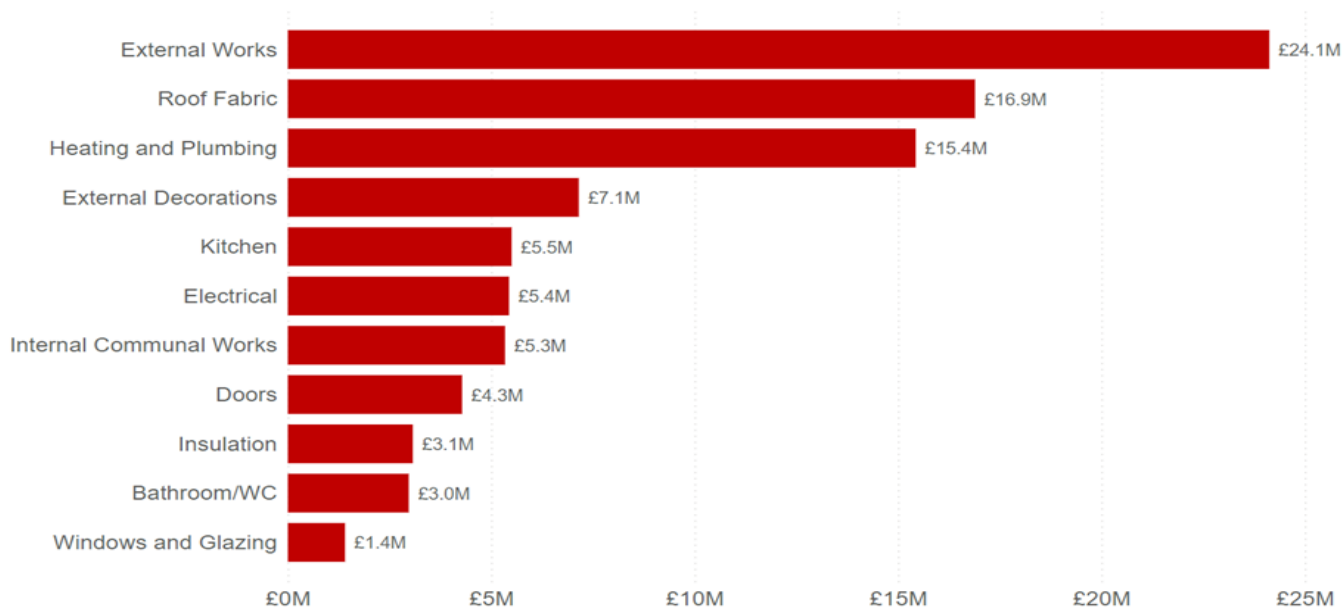
| Archetype | Included in Sample | Surveyed | Access % |
|--|--------------------|-------------|---------------|
| Bedsit - End Terraced | 27 | 17 | 62.96% |
| Bedsit - High Rise | 67 | 25 | 37.31% |
| Bedsit - Low Rise | 79 | 24 | 30.38% |
| Bedsit - Mid Terraced | 1 | 1 | 100.00% |
| Bedsit - Semi Detached | 3 | 1 | 33.33% |
| Bungalow 1 to 2 Bed - Detached | 6 | 6 | 100.00% |
| Bungalow 1 to 2 Bed - End Terraced | 78 | 58 | 74.36% |
| Bungalow 1 to 2 Bed - Mid Terraced | 77 | 51 | 66.23% |
| Bungalow 1 to 2 Bed - Semi Detached | 46 | 32 | 69.57% |
| Bungalow 3 Bed+ - End Terraced | 3 | 2 | 66.67% |
| Bungalow 3 Bed+ - Mid Terraced | 8 | 4 | 50.00% |
| Bungalow 3 Bed+ - Semi Detached | 4 | 2 | 50.00% |
| Flat/Maisonette 1 to 2 Bed - High Rise | 524 | 206 | 39.31% |
| Flat/Maisonette 1 to 2 Bed - Low Rise | 1494 | 902 | 60.37% |
| Flat/Maisonette 1 to 2 Bed - Upper Floor | 39 | 17 | 43.59% |
| Flat/Maisonette 3 Bed+ - Ground Floor | 54 | 35 | 64.81% |
| Flat/Maisonette 3 Bed+ - High Rise | 27 | 15 | 55.56% |
| Flat/Maisonette 3 Bed+ - Low Rise | 97 | 50 | 51.55% |
| Flat/Maisonette 3 Bed+ - Upper Floor | 142 | 75 | 52.82% |
| House 1 to 2 Bed - End Terraced | 93 | 53 | 56.99% |
| House 1 to 2 Bed - Mid Terraced | 249 | 149 | 59.84% |
| House 1 to 2 Bed - Semi Detached | 99 | 66 | 66.67% |
| House 3 Bed - Detached | 1 | 1 | 100.00% |
| House 3 Bed - End Terraced | 407 | 265 | 65.11% |
| House 3 Bed - Mid Terraced | 641 | 386 | 60.22% |
| House 3 Bed - Semi Detached | 653 | 409 | 62.63% |
| House 4 Bed+ - Detached | 3 | 1 | 33.33% |
| House 4 Bed+ - End Terraced | 20 | 15 | 75.00% |
| House 4 Bed+ - Mid Terraced | 58 | 34 | 58.62% |
| House 4 Bed+ - Semi Detached | 48 | 37 | 77.08% |
| TOTAL | 5048 | 2939 | 58.22% |

*Please note the above table exclude the surveyed blocks

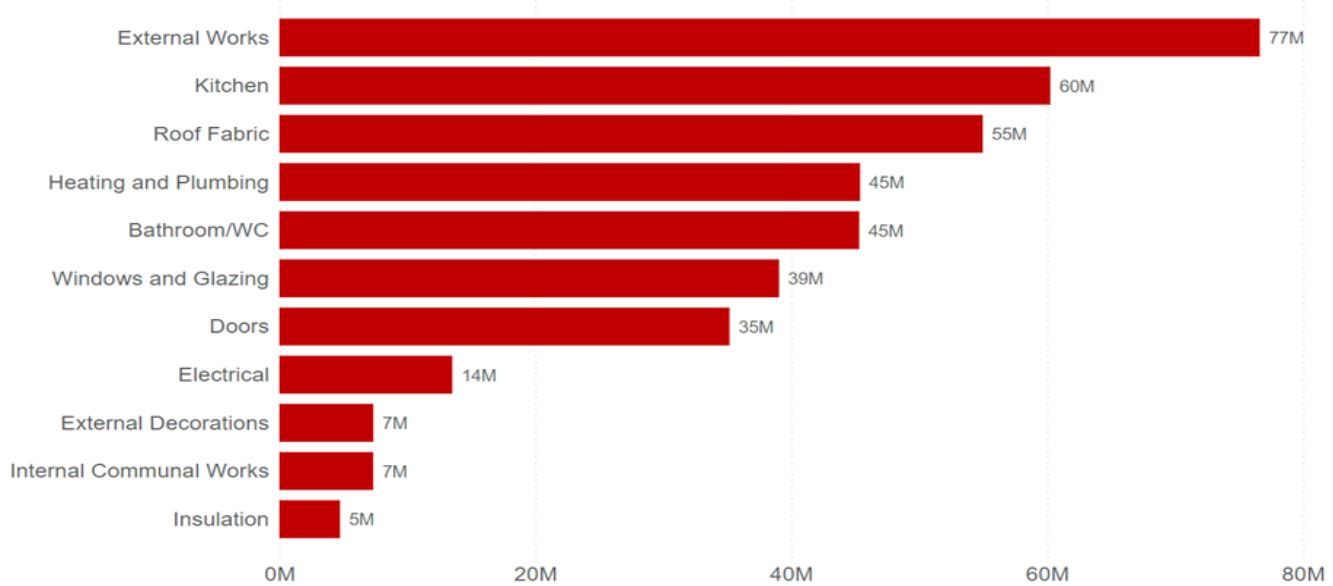
4. Asset investment needs

- 4.1 Following receipt of the information captured in the stock condition survey, the Council has combined these data with the other data held regarding the asset from different sources. This includes the previous stock condition survey and data gathered through the delivery of our planned and investment programmes and projects.
- 4.2 This section of the report provides the committee with an overview of required level of investment needed in the housing assets over the next 5 and 30-year periods. This information is now be utilised to inform the update to the 30-year business plan for the Housing Revenue Account. The figures and heading below encompass many individual aspects that can be filtered down into specific workstreams. Furthermore, it is important it identify that in line with industry practices where there are incomplete data sets related to the asset for different elements of works a cloning exercise is undertaken to provide a cost allowance for specific works based on relevant neighbouring building archetypes.
- 4.3 These data will be essential to allow the Council and its future partners to effectively plan and target investment into the stock based on actual need. However, year on year there will be individual home surveys to selected properties that will inform the required scope of works for specific homes based on age and condition and these will be costs in line with the applicable contracted rates at that time. Therefore, costs outlined below are broad parameters but will be subject to variance based on actual work volumes, applicable contract rates and preliminaries.
- 4.4 The following graphs give a visual representation and cost requirement for the work type activity for the housing assets based on the Council's existing data set of which has been combined with the information captured in the recent stock condition survey.

5 Year Distribution of Works



30 Year Distribution of Works



4.5 These findings broadly align to our understanding of the required level of investment needed across the assets in the short to medium term.

5. HHSRS (The Housing Health and Safety Rating System) and Fitness for Human Habitation.

5.1 As part of the survey the consultants are assessing the dwelling based against both above mention acts.

5.1.1 The Housing Health and Safety Rating System (HHSRS) is a risk-based assessment to identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. It was introduced under the Housing Act 2004 and applies to residential properties in England and Wales. The assessment comprises of 29 “risks”. Full guidance regarding HHSRS can be found at: <https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-guidance-for-landlords-and-property-related-professionals>

5.1.2 The Homes (Fitness for Human Habitation) Act 2018 came into law on 20th March 2019, which is applicable to Social Landlords, to ensure that rented houses and flats are ‘fit for human habitation’ which means that they are safe, healthy and free from issues that could cause serious harm. The Homes Act considers the risks identified as part of the HHSRS assessment along with additional factors to consider. Further details can be found at: <https://www.gov.uk/government/publications/homes-fitness-for-human-habitation-act-2018/guide-for-tenants-homes-fitness-for-human-habitation-act-2018>

5.2 Under both of these criteria based on all 2939 properties surveyed, six properties were identified to have a severe risk under this criterion and these properties were referred to us immediately so the necessary repairs work could be implemented. Other than these six cases, there were two predominant themes identified under these assessment criterions which related to fire and damp and mould.

- 5.3 The aspect of fire relates largely to individual detectors being missing or damaged or kitchen doors being removed or missing door closers. All of these findings are being reviewed and actioned accordingly.
- 5.4 Ensuring all of our properties have fire detection systems in place is something the Council places the utmost importance in. Therefore, there are a number of workstreams whereby we check, test and upgrade the detection system in our housing portfolio. Over the last two years we have been enhancing the detection system across our high-rise blocks to install detectors in all habitual rooms throughout the flats and this approach is now being rolled out across our sheltered housing portfolio. Furthermore, testing and replacing missing or defective detection systems are requirements under our gas servicing programme and our ongoing cyclical electrical testing programmes. This is in addition to repairs and replacements that are reported through our responsive repairs contract.
- 5.5 The identification of damp and mould is something the Housing service anticipated. Therefore, when starting this stock condition survey specific properties were purposely selected where based on asset data, we knew had a higher prevalence of damp and mould on a reoccurring basis.
- 5.6 This report is not specifically for reporting damp and mould in the housing portfolio and properties that were identified as having mould growth were transferred back to the council for treating under our responsive repairs contract. The committee was provided with a report specifically regarding damp and mould in September 2023.
<http://democracy.thurrock.gov.uk/documents/s40750/Housing%20Ombudsman%20Report%20Spotlight%20on%20Damp%20and%20Mould%20-%20Thurrock%20Councils%20Response.pdf>
- 5.7 To give the committee an overview of actual finding within this survey regarding damp and mould, the following table provides a breakdown in archetypes of surveyed properties where damp and or mould was identified.

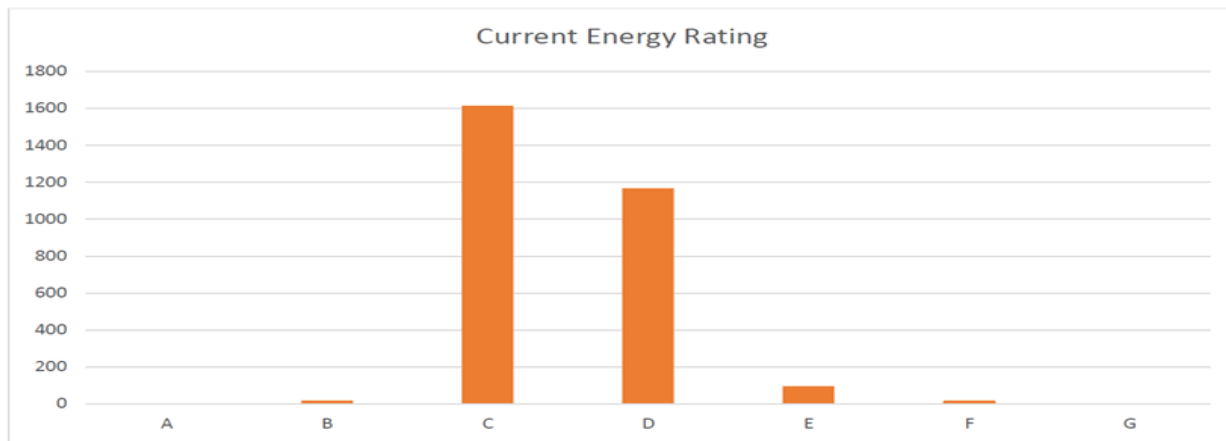
| Archetype | Surveyed | Slight Risk | Moderate Risk | Severe Risk | Total Risks | % Risk |
|--|-------------|-------------|---------------|-------------|-------------|---------------|
| Bedsit - End Terraced | 17 | | 1 | 0 | 1 | 5.88% |
| Bedsit - High Rise | 25 | 1 | 1 | 0 | 2 | 8.00% |
| Bedsit - Low Rise | 24 | 4 | 1 | 0 | 5 | 20.83% |
| Bedsit - Mid Terraced | 1 | | | 0 | 0 | 0.00% |
| Bedsit - Semi Detached | 1 | | | 0 | 0 | 0.00% |
| Bungalow 1 to 2 Bed - Detached | 6 | 1 | | 0 | 1 | 16.67% |
| Bungalow 1 to 2 Bed - End Terraced | 58 | 6 | 1 | 0 | 7 | 12.07% |
| Bungalow 1 to 2 Bed - Mid Terraced | 51 | 3 | | 0 | 3 | 5.88% |
| Bungalow 1 to 2 Bed - Semi Detached | 32 | 3 | 3 | 0 | 6 | 18.75% |
| Bungalow 3 Bed+ - End Terraced | 2 | 1 | | 0 | 1 | 50.00% |
| Bungalow 3 Bed+ - Mid Terraced | 4 | | | 0 | 0 | 0.00% |
| Bungalow 3 Bed+ - Semi Detached | 2 | | 1 | 0 | 1 | 50.00% |
| Flat/Maisonette 1 to 2 Bed - High Rise | 206 | 14 | 4 | 0 | 18 | 8.74% |
| Flat/Maisonette 1 to 2 Bed - Low Rise | 902 | 58 | 22 | 0 | 80 | 8.87% |
| Flat/Maisonette 1 to 2 Bed - Upper Floor | 17 | | | 0 | 0 | 0.00% |
| Flat/Maisonette 3 Bed+ - Ground Floor | 35 | 7 | | 0 | 7 | 20.00% |
| Flat/Maisonette 3 Bed+ - High Rise | 15 | 1 | | 0 | 1 | 6.67% |
| Flat/Maisonette 3 Bed+ - Low Rise | 50 | 5 | 3 | 0 | 8 | 16.00% |
| Flat/Maisonette 3 Bed+ - Upper Floor | 75 | 2 | | 0 | 2 | 2.67% |
| House 1 to 2 Bed - End Terraced | 53 | 9 | | 0 | 9 | 16.98% |
| House 1 to 2 Bed - Mid Terraced | 149 | 17 | 3 | 0 | 20 | 13.42% |
| House 1 to 2 Bed - Semi Detached | 66 | 3 | | 0 | 3 | 4.55% |
| House 3 Bed - Detached | 1 | | | 0 | 0 | 0.00% |
| House 3 Bed - End Terraced | 265 | 33 | 9 | 0 | 42 | 15.85% |
| House 3 Bed - Mid Terraced | 386 | 32 | 11 | 0 | 43 | 11.14% |
| House 3 Bed - Semi Detached | 409 | 48 | 13 | 0 | 61 | 14.91% |
| House 4 Bed+ - Detached | 1 | | 1 | 0 | 1 | 100.00% |
| House 4 Bed+ - End Terraced | 15 | 1 | 1 | 0 | 2 | 13.33% |
| House 4 Bed+ - Mid Terraced | 34 | 3 | 1 | 0 | 4 | 11.76% |
| House 4 Bed+ - Semi Detached | 37 | 4 | 2 | 0 | 6 | 16.22% |
| TOTAL | 2939 | 256 | 78 | 0 | 334 | 11.36% |

5.8 These data are key to us looking at high prevalence in certain construction types to ensure that we can target and develop projects and programmes accordingly. Furthermore, off the back of these findings the Council commissioned MSCL3 to undertake addition surveys on specific properties to fully establish the causation of damp and or mould so this could fully inform our approach to remediation and gain to establish any trends in specific archetypes.

6. Energy Performance

6.1 As part of the survey programme, Energy Assessments were undertaken and an Energy Performance Certificate (EPC) was produced. This is being done to update our records and to allow the surveyors to identify potential improvement measures so these can be factored into the future investment programmes.

6.2 The below graph identified that all properties surveyed have an energy rating between Band A and Band G. The Minimum Energy Efficiency Standards (MEES) 2018 have identified that energy ratings of F and below are seen as sub-standard. Although these standards do not apply to social landlords, they do provide a benchmark to measure energy performance. Properties with an Energy Rating of F are intended to be prioritised for improvement.



- 6.3 These findings concur with our wider understanding of the housing asset portfolio. However, the identification of some of the worst performing assets is essential for us as a landlord so we are able to deliver improvements to support our residents and to provide better performing properties in respect to energy efficiency.
- 6.4 These findings also provide the Council with an up-to-date representation with regards to the energy performance of our stock and will help develop the Council's long-term plan with regard to how we can try and access funding to supplement our budgets and programmes to enhance the energy performance of the housing assets. This aspect is key in directly tackling fuel poverty, improving the quality of homes and preventing mould growth. This will create a stable environment in the home for residents to reside comfortably and give them the opportunity to effectively heat their home which will in turn improve health and wellbeing.

7. Conclusion

- 7.1 The findings of this exercise are going to be very important as the Council moves forward with planning for future works and investment based on actual asset needs. The landscape of social housing continues to evolve at pace with the needs and the wellbeing of residents at its heart and Thurrock Council must rise to this challenge.
- 7.2 It would be remiss of this report to not allude to the point relating to how the Housing service plans to evolve its delivery of the assets service to meet the demands of the housing sector, regulatory landscape, and wider industry challenges.
- 7.3 In line with the item 201 of the Cabinet meeting of the 8th November 2023, <https://thurrockintranet.moderngov.co.uk/documents/s41220/Procurement%20of%20Housing%20Contracts%20Partnership%20Model.pdf>.
The Council will be seeking to deliver its housing assets service under a new model moving forward. This aspect is intrinsically linked to the stock condition and the data that we hold because this will be keys to providing our future delivery partner essential information during the tendering stage.
- 7.4 Furthermore, given the proposal starting in the 24/25 financial year and moving forward the Council will be working in partnership with a single service provider that will deliver repairs, planned maintenance and capital investment. As part of the future contract the with the delivery partner there will be an initial and ongoing requirement to enhance our understanding of asset condition and need to ensure that there is effective and efficient investment planning. This will also encompass a sustainability study of the entire asset within the first twelve months

of the new contractual arrangement to allow the Council to develop and publish a road to achieving the net carbon zero target for decarbonisation of the housing portfolio.

- 7.5 The data relating to the condition of the asset largely reflects the departments understanding of the stock and clearly there are several challenges that the council need to face in the coming years to effectively maintain and improve our assets. However, it is vital to identify that at present and moving forward the investment into the portfolio will be subject to an assessment of both age and condition at that time. Therefore, whilst the investment demand contained within this report gives a good broad understanding and allows the council to effectively target areas for investment moving forward based on asset data, the actual required work level and investment need will be determined by further individual home surveys in year. Therefore, utilisation of the actual figure of investment needed in specific periods moving forward needs to be used in the right context.
- 7.6 The overall asset condition of the housing portfolio is broadly in good condition and the Council are on a sound footing to take the asset forward and face the future challenges of the sector and the industry. Proposed developments and replacement of certain assets that require significant investment will be vital if the Council are going to be able to effectively balance its investment across the asset in the coming years. Clearly there are significant investment needs needed in in the portfolio which is real challenge all asset managers and landlords face. However, it must be noted that these findings do not reflect component or element failure.
- 7.7 The findings of this exercise and the combining of data is now being utilised to inform a new 30-year investment plan for the housing portfolio. Furthermore, provisions are being made under the new proposed contractual arrangement for a continual ongoing review of this to give all stakeholders clear viability of asset performance and ultimately to improve the homes and lives of the residents living in Thurrock Council's housing portfolio.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Assistant Director – Corporate Finance

The findings of the stock condition survey partly inform the 30-year HRA business plan as it serves as a baseline of the potential budget required for annual repairs and maintenance and for the medium to long-term major works and housing improvement programme.

The 30-year HRA business plan (subject to approval) has £83.777m earmarked against major works and capital improvements over the next five financial years. This appears sufficient to cover the indicative costs identified in stock condition survey.

The baseline costs derived from the stock condition survey will help in setting a realistic contract price for the repairs, maintenance, and major works & improvement delivery partner tender.

7.2 Legal

Implications verified by: **Godwin Mangse**
Interim Principal Lawyer Housing & Litigation – Legal Services

The Council's implied repairing obligations under section 11 of the Landlord and Tenant Act 1985 (LTA 1985) as amended by the Homes (Fitness for Human Habitation) Act 2018 (HFHHA 2018), requires that residential rented accommodation in England is provided and maintained in a state of fitness for human habitation.

The Council's obligations as landlord to repair and maintain Council properties are set out in the tenancy agreement. Failure to comply with the Council's repairing obligation may result to aggrieved tenant commencing legal action in the Courts against the Council to seek remedy for breach of the terms and conditions of their tenancy agreement.

In addition, section 11 of the LTA 1985 sets out statutory obligations to ensure that the structure and exterior of Council properties are repaired, and that the repairs are carried out within a reasonable time once the Council is put on notice by the tenant.

As this report is an update report and the nature of the recommendation to the Committee, there are no direct legal implications.

7.3 Diversity and Equality

Implications verified by: **Natalie Smith**
Head of Community Development, Community Development Team

A full community equality impact assessment has been undertaken of the implementation of the Housing delivery of the investment programmes.

Thurrock Council must continue to maintain its housing stock appropriately to ensure we are able to deliver the housing service. Effective asset management can only happen if the Council maintains an accurate record of the portfolio from works and surveys of this nature.

The need to maintain and improve our housing assets is more essential than ever; many residents are experiencing high levels of fuel poverty. Fuel poverty has many negative impacts on physical and mental health. Fuel poverty creates a harsh choice for our residents to choose between a warm home or food. The provision of tailored advice and the introduction of further energy efficiency measures and heating systems are designed to address this financial exclusion.

7.4 Risks

There are no risks identified based on this report because it's for information only.

7.5 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

N/A

9. **Appendices to the report**

None

Report Author:

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Adults, Housing and Health