

**Executive**

**15 December 2022**

Report of the Director of Housing Economy and Regeneration

Portfolio of the Executive Member for Housing and Safer Neighbourhoods

## **2023-2028 Housing Asset Management and Energy Efficiency Retrofit Plan**

### **Summary**

1. This report sets out an investment of £123.65m of capital and revenue funding over a 5 year period in improving existing and increasing the amount of council housing stock in York and sets out a vision for the housing service as “One Team, Healthy Home, Better Lives”. This vision will be delivered through a robust long-term approach to Housing Asset Management, providing structure and accountability to our investment programme for council housing. This will support our ambition of providing **safe, sustainable, affordable** and **good quality council** homes for our residents over the long term.
2. To support this asset management approach is a Retrofit Action Plan, providing clarity on how we will invest in our council homes to improve energy efficiency, supporting climate neutral ambitions, ensuring our homes are healthy and warm, and reducing residents energy bills. This plan also seeks to support retrofit within other housing sectors through collaborative working, advice and green skills development.
3. This report sets out plans for how we will meet the following objectives:
  - For all council homes to consistently meet the City of York Council Property Standard, reflecting the ambitions of the government’s Decent Home Standard.
  - To utilise a data led approach to investing in our council housing, supporting the achievement of value for money in meeting our ambition of providing **safe, sustainable, affordable** and **good quality** homes.
  - Providing new high quality mixed tenure affordable homes through continued investment in the Housing Delivery Programme; and

- Improving the average energy performance rating of council houses alongside supporting further retrofit in the wider affordable and private sectors.

## **Recommendations**

4. Executive are asked to approve the following recommendations.
  - i) Approve the Housing Asset Management approach for 2023-28 as outlined within this report, ensuring that we invest well in our council housing stock in order to provide safe, sustainable, affordable, and good quality homes, by:
    - a. continuing to deliver to the government's Decent Home Standard
    - b. adopting the enhanced York Standard
    - c. continuing to identify and work to deal with damp and mould in homes
    - d. adapting more homes to meet the needs of people with mobility difficulties, older and disabled people, including children with long term illnesses and complex conditions
    - e. delivering homes for older people that support and enhance independence, safety and care; and
    - f. building new homes to a high standard to meet the growing and changing needs of the city's residents.
  - ii) Note the expected HRA business plan investment into the repair, modernisation and improvement of existing properties of around £53m over the next five years with the ambition to increase this sum via the award of government grant and other funds to drive forward energy efficiency retrofit.
  - iii) Approve the Retrofit Action Plan (Annex A), providing a strategic framework to improving the energy efficiency and the thermal performance of both council houses and those in the private sector.
  - iv) To bring an annual report to the Decision Session of the Executive Member for Housing and Safer Neighbourhoods describing performance against the ambitions of the Asset Management and Retrofit objectives outlined in this report, providing increased oversight and transparency for council house residents.

*Reason: To provide a robust asset management approach to our capital investments, ensuring council homes are safe, sustainable, affordable and good quality.*

## **Background**

### Stock Profile

5. The Council provides housing services across a range of different tenures and assets. The Housing Revenue Account (HRA) currently holds approximately 7,500 tenanted homes, together with over 540 leasehold properties and more than 900 garages. Most of the properties are 'general needs' houses and flats while some 500 are clustered into Independent Living communities for older and vulnerable people. Our apartment blocks are served by 579 communal entrance areas and stairways.
6. The most common type of home within our stock are post 1945 low-rise flats with over 22% of the stock found within this category. Medium rise flats are also a highly prevalent housing type with almost 20% of the stock within this category. In total, flats account for over 49% of the city's council housing stock.
7. Approximately 1,000 homes are classified as 'non-traditional' by construction type, these homes were predominantly constructed during the 1920s and then again in the 1950s and 1960s. A variety of methods were used, including system build steel and concrete frames, concrete panels, timber frame and "rationalised-traditional", with a mix of brick-and-block cavity walls with some sections of non-masonry or solid wall. These sections are typically rendered or clad in hanging tiles. The non-traditional homes are often more complex to maintain and present particular challenges in respect of retrofitting them to higher thermal performance levels. Central government grant funding is earmarked to support investment in the energy efficiency of some of these homes.

### Stock Condition Survey

8. An extensive Stock Condition Survey was carried out in 2019. Overall, this highlighted that our approach to home improvement investment, including new kitchens, bathrooms, and re-wires, alongside our considerable investment in day to day, cyclical and void property maintenance has helped us to keep York's council homes "decent" (i.e. satisfying the Government's "Decent Home" standard). The report also provided data to identify short-to-medium-term stock condition priorities. A number of homes were at risk of becoming non-decent without the correct

investment over the next five years. The key priorities identified by the stock condition survey were:

- To complete the current 30-year cycle of home improvements in things like kitchens and bathrooms
- To continue to address rising and penetrating damp issues where it is prevalent in some house types and/or areas
- To invest in the thermal efficiency of some homes including non-traditional house types
- To complete the programme of replacement older wooden external doors through the installation of new, composite and highly secure doors; and
- To complete the programme of replacement of first-generation UPVC windows which no longer meet modern standards or which are experiencing excess repair needs.

Building on the Stock Condition Survey to ensure safe, secure, sustainable and good quality homes

9. The ambition of a housing asset management plan is to prioritise investment into the right areas, at the right time, to ensure homes are safe, sustainable, secure and good quality. Alongside this, it provides greater transparency to our council house residents regarding our approach and priorities, providing both better understanding of our investment programme alongside supporting greater accountability for our decisions. The recommendations and approach outlined in this report are based on significant interrogation of stock condition information, an analysis of where repair resources have been allocated, and through further analysis of the priorities of council house/flat residents. This report provides a clear plan for decision-making and the prioritisation of resources over the next five years, providing a framework around the annual budget setting process.
10. The key measure of the success of a social housing asset management plan is the number of homes which meet the government's Decent Home Standard. This standard sets the baseline for determining the physical condition of homes. Within this standard are considerations of stock against Category 1 hazards as defined within the Housing Health and Safety Rating System. The Decent Home standard also requires that

socially rented homes are in a reasonable state of repair, that building components are kept in a good condition and that the home has reasonably modern facilities such as a modern kitchen and bathroom. Further, the standard states that each home should provide a reasonable degree of thermal comfort including having efficient heating, at least 50mm of loft insulation (where there is a loft) and that each property has a Standard Assessment Procedure (SAP) rating of its energy performance which is significantly greater than 35. In most cases, the fact that a home doesn't meet all the decent homes criteria doesn't make the home unfit to live in. The key purpose of the decent homes process is to inform priorities and where investment in improvements should be focussed.

11. The City of York Council reports its performance against the Decent Home Standard on an annual basis. As highlighted within the table below we have worked hard and successfully in recent years to improve performance via house modernisation and other investments.

<b>Standard</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
% of dwellings failing to meet the decent homes standard	9%	11%	9%	4.8%

12. However, the challenge continues, with the need for the authority to step-up work to test electrical systems in homes to confirm that they are in a good condition, and to increase expenditure on the replacement of wooden front and back doors to assure security, both of which will help to significantly reduce the remaining percentage of non-decent housing reported above.

13. Within the decent homes definition is the need for homes to meet energy performance criteria. For many years the council has invested in good quality combination gas boilers and communal heating which provide controllable and efficient heat and hot water to 98% of our homes. We will continue to invest in efficient gas heating in the short term, where needed due to technical and resource limitations, whilst increasing investment in other forms of heating such as electricity and lower-carbon alternatives. During the next five years, and guided by national plans and strategies, we will plan a way forward which will allow the transition from gas heating to low-carbon alternatives.

14. In December 2019, Executive approved the recommendations of a report that sought to both begin energy efficiency retrofit works and to undertake strategic planning to embed carbon neutrality into housing

asset management as well as considering our role in supporting retrofit works across all tenures.

15. Since this report significant progress has been made, both in terms of delivering physical retrofit works and finalising a Retrofit Action Plan (Annex A). To date, the council has successfully attracted grant funding under the Social Housing Decarbonisation Fund (SHDF) Wave 1 and Local Authority Delivery (LAD) 1, 2 and 3 programmes. This has supported 228 retrofit installations so far with a further 362 installations planned using existing funding. Alongside this work, a new 'quick wins' service is underway, aiming to provide improvements such as draught proofing to support 250 of our most vulnerable council house/flat residents this winter.
16. York's council housing stock currently has an average SAP rating of 70.6, equating to a "C" Energy Performance Certificate rating. However, the "C" EPC average across our stock, while welcomed, masks the fact that at least a third of our homes (estimated to be 2510) have an EPC rating of "D" or below, with bungalows, non-traditional houses and the oldest (pre-1945) houses having the lowest SAP rating of 67.6, 68.6 and 68.8 respectively. It is these that we seek to target for further investment to improve the energy efficiency and thermal comfort for tenants.
17. Our own investment in energy efficient combination gas boilers (98% of York's council homes have one) and double-glazed windows has allowed us to achieve the average "C" rating for the authority. Grant funding has been crucial in supporting improvement to our least energy efficient homes and the continuation of our own investment will further improve those "D" rated homes.
18. Investment in energy efficiency retrofit must go hand-in-hand with the overall investment in homes to ensure that they remain in good and decent condition, remaining affordable while still maintaining the overall investment in the building fabric and facilities. After all, the retrofit of poorly maintained homes would be a retrograde step and not help tenants in the long run.
19. This plan will link with the Carbon Reduction, Economic and Skills strategies and provide a coherent and wider city level approach which touches upon all areas of domestic energy retrofit.

## Funds

20. Investment in the city’s housing stock is delivered via the prudent management of the 30-year Housing Revenue Account Business Plan. As part of this plan, an allocation is made for investment which is equal to the assumed depreciation of the value of the housing stock in that year, known as the Major Repairs Reserve (MRR). As the Business Plan currently stands, the MRR will support the following annual capital investment projects:

	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
<b>MRR funds</b>	£9.58m	£10.34m	£10.85m	£11.03m	£11.24m	£53.04m

21. These funds are utilised to deliver such works as: new kitchens and bathrooms, re-roofing, new external windows and doors, standing water works, and heating system upgrades. Funds for investment in retrofit works has so far sat outside of this allocation, with Members, via the diversion of revenue to support capital investment, supporting such works through one off funds which are utilised primarily to match fund central government funding. Moving forward, it is proposed to deliver significant retrofit works alongside home modernisation, standing water and voids works, reducing disruption for residents and creating contractor and cost efficiencies.

22. Whilst the capital investment numbers are significant, these funds support planned investment into around 7500 council homes. The funding isn’t sufficient to allow investment in all areas of all council houses/flats, as such, prioritisation is needed to help us both meet resident expectations and legislative requirements set out, such as the Decent Home standard.

Consultation

23. We are committed to listening to people’s views and using their feedback to shape our customer focussed services. We sent our tenant satisfaction survey to more than 4,000 tenants last year; almost half of these tenants told us that being able to influence how services are delivered is important to them.

24. To date this year, we have contacted over 2,000 tenants for their feedback on services: including a new Contractor Code of Conduct, timeframes around responding to tenant queries, living room fires and our

Home Improvement (previously called Tenants Choice) programme. Their feedback is being used to shape these services moving forward.

25. Where we are reviewing a service, we will continue to contact tenants to ask their views to ensure we are delivering services in the way residents want us to. We will use a variety of methods (text, email and letters) to increase the gathering of satisfaction levels from tenants to ensure we build on good service and improve in the areas residents have told us we need to.
26. The Energy Efficiency Retrofit plans have been the subject of discussion and engagement with partners and residents. This includes a presentation to the Housing and Community Safety Policy and Scrutiny Committee on Tuesday 19 July 2022. A subsequent citywide consultation took place on a draft version of the plan. There was broad support for the retrofit action plan and the responses identified a significant interest from residents in improving the energy efficiency of their own home. Key challenges identified from residents were around finding a suitable builder available to undertake works and costs.

### **The Five-Year Housing Asset Management Plan**

27. The vision that will guide how we work is “One Team, Healthy Home, Better lives”. Our Mission is:

“We are ONE TEAM, working with you in positive and responsive ways, always listening and improving our services. **We invest in and plan for the future, ensuring we support safe, sustainable, affordable, and good quality homes.** Working in partnerships, we aim to support strong and diverse communities where you can live well and thrive.”

28. The overarching asset management objectives for the next five years are:
- That all homes consistently meet the City of York Council Property Standard;
  - An information led assessment of all homes will set investment priorities targeting sustaining safety, security and quality as well as improving sustainability; and
  - We will continue to invest in new high-quality mixed tenure affordable homes, both through development and acquisition.
29. Key measures of success will be:

- Compliance with Decent Homes Standard – 100%
- Percentage of properties with a valid Gas Safety Certificate – 100%
- Percentage of properties with a valid Electrical Inspection Certificate – 100%
- Homes with an EPC rating of C above – 95%
- An annual carbon saving, compared to 2022 use, of 1,975 tonnes of CO2
- Sustaining customer satisfaction with the quality and maintenance of their home
- Delivery of plans within budget
- Eradicating damp and mould caused by structural or maintenance issues

30. We will aim to ensure that all of our homes meet the Decent Homes Standard, as outlined below this will broadly mean:

- Category 1 Hazards – None of our homes contain any hazards which fall within this category
- Reasonable State of Repair – All of our homes will meet this standard. One or more 'key' components, or two or more other components, must be both old and in poor condition to render the dwelling non-decent.
- Reasonably modern facilities – All of our homes will (if they do not currently) meet this criteria. A 'non-decent' home lacks three or more of the following facilities:
  - a kitchen which is 20 years old or less
  - a kitchen with adequate space and layout
  - a bathroom which is 30 years old or less
  - an appropriately located bathroom and WC
  - adequate external noise insulation (where external noise is a problem); and
  - adequate size and layout of common entrance areas for blocks of flats.
- Reasonable Thermal Comfort – all of our homes will meet this requirement.
- Effective insulation & heating – all council homes will meet this standard, meaning they have either gas programmable central heating; electric storage heaters; warm air systems; underfloor systems; programmable LPG/solid fuel central heating; or similarly efficient heating systems which are developed in the future.

The level of insulation that is appropriate is:

- For homes with gas/oil programmable heating, cavity wall insulation (if there are cavity walls that can be insulated effectively) or at least 50mm loft insulation (if there is loft space) is an effective package of insulation; and
- For homes heated by electric storage heaters/LPG/programmable solid fuel central heating a higher specification of insulation is required: at least 200mm of loft insulation (if there is a loft) and cavity wall insulation (if there are cavity walls that can be insulated effectively)

31. A home lacking two or fewer of the above is still classed as decent. Therefore, we will continue to modernise both bathroom and kitchens on the 30 years Home Improvement (previously called Tenants Choice) programme as this will keep tenant disruption to a minimum and remain affordable, because it is not necessary to modernise the kitchen at 20 years if a home meets the remaining criteria. We will continue to fit good quality kitchens; however, we will set aside monies in each year of this plan fund the replacement of kitchens that fail before their 30<sup>th</sup> year.

### **City of York Council Property Standard**

32. In addition to meeting Decent Homes Standards, we will work to ensure our homes meet a City of York Council Property Standard. We will work to ensure all of our homes meet this standard by 2027:

<b>CYC Standard</b>	<b>Why</b>	<b>To achieve Vision...</b>	<b>How</b>
a) An Energy Performance Certificate (EPC) rating of C or better [or SAP rating 69 or above].	To reduce carbon use and save on tenant heating and lighting bills.	Sustainable  Affordable	Via externally funded and self-funded retrofit-programme and as part of normal investment works.
b) Effective protection in walls and floors to prevent damp	To ensure that the home is a healthy place to live	Good Quality	Via a reviewed and revised Rising & Penetrating Damp

CYC Standard	Why	To achieve Vision...	How
penetration and measures to manage or eradicate water below suspended floors, where problems have been identified.			investment programme, targeting the “worst first”.
c) Double glazed windows in all homes where possible and triple-glazed in new homes.	To reduce carbon use and save on tenant heating and lighting bills.	Sustainable Affordable	Investment into the upgrading of “first fit” double glazed windows which have failed and specification of triple-glazing for all new homes.
d) Secure, ideally composite, external doors, replacing softwood doors as a priority	To ensure that homes are safe and secure.	Safe	Check and replace softwood doors in advance of the periodic external painting programme.
e) Hard wired smoke detectors installed when the home is re-wired.	To ensure that the home is a safe and healthy place to live	Safe	Hard wired smoke detectors installed when the home is re-wired
f) CO2 detectors in all homes with gas appliances.	To ensure that the home is a safe and	Safe	CO detectors installed in each home with a gas

<b>CYC Standard</b>	<b>Why</b>	<b>To achieve Vision...</b>	<b>How</b>
	healthy place to live		appliance and checked annually.
g) Extract fans in kitchen and bathroom ideally humidistat controlled.	To ensure that the home is a healthy place to live	Good Quality	Upgrade to humidistat control when replacement is needed or at modernisation.
h) Over-bath showers.	To ensure that the home meets modern standards and tenant expectations.	Good Quality	Installed at the next home modernisation if not currently in place
i) Choice of colour/styles for kitchen units, wall & floor tiles, & worktops when home modernisation takes place.	To ensure that the home meets modern standards and tenant expectations.	Good Quality	Installed at the next home modernisation if not currently in place
j) Loft insulation which is at least 100mm thick and, ideally, 300mm thick.	To reduce carbon use and save on tenant heating and lighting bills.	Sustainable Affordable	Via externally funded and self-funded retrofit-programme, as part of normal investment works and/or when the home becomes vacant.
k) Where reasonable and practical to improve the	To meet the long-term needs of tenants	Safe Good Quality	Via our adaptations and accessibility

<b>CYC Standard</b>	<b>Why</b>	<b>To achieve Vision...</b>	<b>How</b>
accessibility of homes			works and to the Standards set out later in this Plan.

### Damp and Mould

33. The Housing Ombudsman published a report in October 2021 looking at damp and mould in rented housing, drawing upon evidence from more than 500 responses to their call for evidence across 142 landlords. These range in size from primarily large urban high-rise properties to landlords with fewer than 50 properties. Following the research, they have made 26 recommendations based on good practice they observed. Their advice has guided our plan, set out below.
34. The Ombudsman asks that landlords approach a zero-tolerance approach to damp and mould. This does not mean zero-cases, but a prescribed proactive attitude to review stock and tackle damp in an energised and effective way. It should inform strategic thinking regarding their assets through a risk assessment that identifies which dwellings are more prone to damp and mould.
35. We set a commitment to deal with damp and mould, setting aside an estimated £7m over the next five years and guided by a systematic review of current and known cases and a proactive examination of similar property types.
36. We are also advised to establish a clear and transparent procedure for identifying and diagnosing whether damp and mould is structural or not, potentially with the help of independent expertise.
37. We will procure new partners to help us undertake damp surveys and a contractor partner to work with us to design and deliver effective solutions to identified damp and mould.
38. When it comes to minimising damp and mould, there is a systemic lack of useful information for tenants. The Ombudsman finds tenants feel patronised and stigmatised with such advice, which can be particularly frustrating given the fundamental issue of blame leading to a poor tenant-landlord relationship.

39. Through tenant engagement the council will co-design literature to provide meaningful advice and guidance to help “share responsibility” in preventing damp and mould.
40. We will also identify opportunities for extending the scope of our diagnosis within buildings, for example by examining neighbouring properties, and make the most of opportunities to identify early signs of damp and mould, to ensure the response early on is as effective as possible.
41. This will be supplemented by a data driven, risk-based approach with respect to damp and mould. This will reduce our reliance on residents to report issues, help us to identify hidden issues and support us to anticipate and prioritise interventions before a complaint or disrepair claim is made. We will learn from complaints and identify trends in complaint data to manage our stock.

#### Creating accessible and adapted homes for the future

42. There are increasing numbers of older and disabled people living within our existing homes, including children with long term illnesses and complex conditions. We need to ensure that we build new homes that offer flexibility, whilst ensuring that our existing homes are fit for the future and meet the needs of individuals who live in them. By doing this we will improve the health, well-being, and quality of life of individuals and their families, by maximising their independence, safety, privacy, confidence, and dignity, and enabling them to continue living at home.
43. Where reasonable and practicable, we will build accessibility improvements into the delivery of wider works e.g.
- Where an external door is replaced, introduce a more accessible replacement, including removal of thresholds where practicable.
  - Where a tap is replaced, replace with an easy-to-use lever alternative if the customer chooses this option.
  - Where new sockets are installed, or rewired, we will continue to fit at a height in line with most current building regulations to be suitable for wheelchair users.
  - Where new switches or controls are added, or re-wired, we will continue to fit at a height and location in line with most current building regulations to be suitable for wheelchair users.

44. Where general improvement work is being carried out through other programmes (e.g., Home Improvements), we will consult with tenant/household member regarding their individual needs. Where appropriate, in partnership with the Occupational Therapy Service, and/or other relevant professionals, we will ensure that any work being carried out will not have a negative impact on the use of their home.
45. We will consider the property type, and the likelihood that someone occupying that home may need an enhanced accessibility standard. Where this is the case, we will consider how we can best meet current and future needs, particularly in the case of ground-floor accommodation and Independent Living Communities.
46. Going forwards we will continue to provide a separate adaptations budget to meet the needs of individual tenants, funding a wide range of tailored solutions that will typically include, but not be limited to:
- level access showers,
  - level access ramps,
  - stair-lifts/through floor lifts
  - Ceiling track hoists
  - automatic door openers
  - wash/dry toilets
47. Wherever possible, we will work towards the latest regulations and guidance for accessible design when we carry out adaptations.
48. Where a shower adaptation is needed, we will aim to install a level access shower and adopt a 'whole bathroom approach'.
49. When level access to a home is needed, we will consider a landscaped solution where the home is either a bungalow, or ground-floor flat.
50. During the lifetime of this strategy, we intend:
- To review our adaptations policy for council homes with reference to wider housing services, including Capital Projects, Repairs, Voids, and Housing Development.
  - To reprocur the contractors who carry out adaptation work within our homes, and work towards developing a considered and consistent approach to materials.

51. We will also maximise the use of existing ICT systems to record information about adaptations and accessibility features within existing homes, so that we understand our housing better and so that homes can be most appropriately matched to tenants when they become available.
52. We will continue to recognise the growing importance of technology and look for opportunities to provide such technologies to tenants where appropriate, to help them occupy their homes safely and independently. Examples of these include medication reminders, remotely control lighting and heating, and falls detection. We will work with internal and external partners, including our own ICT Service and Social Care, to evaluate and consider technological solutions.

### Acquisition and disposals

53. At times it is appropriate that we review individual homes or groups of homes to determine whether we can maintain our standard in a financially sustainable way and/or whether the property continues to be suitable for its use. Where assets are unsustainable in the long term the decision may be taken to dispose of the asset.
54. There are several methods by which a property interest may be disposed. Sale by competition is the best way of demonstrating that the best price has been obtained but there are sometimes situations where competition is not appropriate or where best price is not the principal objective. The method of disposal will be agreed on a case-by-case basis. Disposal decisions will be taken in consultation with Executive Member for Housing and in line with the Council's Constitution, the Council's Financial Procedure Rules and relevant scheme(s) of delegation/agreed delegated authorities
55. The Council own several high value properties across the city, and when one of these properties becomes vacant it is assessed using the property condition matrix. Approval to dispose of a property would be sought where it is determined that a property is of high value, large in proportions, expensive to heat, repair and maintain.
56. There are occasions when we may acquire properties on the open market. This could occur when we have the 'right of first refusal' where someone has previously exercised their Right to Buy and now want to sell their home. We may also acquire properties in areas where we are looking to regenerate or redevelop as part of a wider regeneration strategy.

### New Build and Growth

57. The Housing Delivery Programme (HDP) at City of York Council sets ambitious targets to deliver 600 homes to high environmental standards. City of York Council owns land assets across the city which the HDP may utilise to deliver high quality housing that meets housing need.
58. Through building homes and creating communities, the HDP will:
- deliver the housing our residents need
  - build healthy homes and neighbourhoods
  - create distinctive and beautiful places which bring communities together
  - reduce our impact on the environment and residents' energy bills
  - support sustainable transport choices and connectivity
59. The council is delivering the programme itself to ensure better outcomes for local communities, resulting in delivery of at least double planning policy levels of affordable housing across the new build programme and this will be increased where grant funding is available to support higher levels of affordable housing. The Housing Delivery Programme will use data gathered through the council's housing waiting list, Local Housing Needs Assessment (LHNA) along with emerging 2021 census data to ensure house types are developed to actively address housing need in the city.
60. New build homes delivered by the council aim to be both zero carbon in use and embody low carbon in construction, taking a whole-life approach to climate change reducing both the impact on the environment but also significantly reducing fuel poverty.
61. Where HRA sites are too small or not viable for housing development through the HDP the Council will look for alternative ways to use the sites to meet housing need. The options below will be considered for available sites:
- Regeneration opportunities now or in the future
  - Self-Build
  - Affordable housing scheme with a Registered Provider
  - Specialist housing scheme
  - Land swap

62. Decisions on small sites will be made in consultation with the Executive Member for Housing and in line with the Council's Constitution, the Council's Financial Procedure Rules and relevant scheme(s) of delegation/agreed delegated authorities
63. The standards achieved at new build will be maintained as the home moves into occupation and long-term management and maintenance by the authority.

#### Older Persons Provision

64. City of York Council continue to review and increase the older persons housing offer to our residents both through direct delivery included within the Council's Housing Delivery Programme and by utilising land assets to support delivery through third party organisations.
65. Following the Older Persons Accommodation Survey 2019, along with the Local Housing Needs Assessment, there is a clear desire from those surveyed to live independently in their own home for as long as possible. Using this information all homes delivered by the Council meet high accessibility standards meaning they are adaptable to meet changing needs of residents as they age. Additionally, single level housing such as flats and bungalows are incorporated into new build projects. Opportunities for intergenerational living will be maximised to combat isolation and loneliness in later life.
66. The Council also currently owns and manages 11 Independent Living Communities (ILCs). Two of these, Marjorie Waite Court and Lincoln Court, have been modernised in recent years with a further refurbishment project underway in the original building of Glen Lodge, due for completion in 2024.
67. The remaining 8 ILCs will be subject to analysis using the ILC condition matrix to assess the condition of the properties including staffing and communal areas to develop a clear strategy for the ongoing management, extension, or redevelopment.
68. The ILC condition matrix will be informed by a detailed Condition Survey over 2023-25 of the 8 ILCs to identify details and 30-year investment needs including:
- Demand level and value to residents/customers in housing need
  - Accessibility and suitability for residents with mobility needs and other disabilities

- Building structure and resolving defects
- Fabric thermal performance
- Heat decarbonization planning and microgeneration opportunities
- Market valuation and Net Present Value, or comparable methodology

69. In alignment with the council's emerging Internet of Things and smart technology strategy, real world data collection and performance modelling from temperature, humidity, CO2 decay, and other sensors may be incorporated into the survey approach.

### Legislative and Regulatory changes

70. CYC Housing Department are regulated by the Regulator of Social Housing and must abide by current and new legislation. We will look forward to, and be aware of, relevant legislative and regulatory change and as the Plan progresses, adapt our approach and priorities when needed.

71. Recent requirements and changes, which we have already addressed, or are progressing, include:

- The need to provide a carbon monoxide alarm in each room where there is a gas appliance (with the exception of a gas cooker). Alarms have been fitted when we have serviced the boiler in the home, and we continue to urge tenants to allow access for servicing and the installation of monoxide alarms.
- Smoke alarms on each floor of a home. Again, we have fitted smoke alarms when we service boilers and carry out other works to non-gas boiler homes. We continue to urge tenants to allow us access in order to install smoke alarms.
- The expectation that government will legislate to require social landlords to have an up-to-date (ie less than five years old) electrical test certificate for each home. Approximately 40% of our homes are currently covered and we are working to have test certificates for the rest. The vast majority of our homes have electrical wiring which is less than 30 years old.

### Materials

72. A key expenditure item in our Asset Management work is materials – the kitchens, boilers, baths, and other key components that we fit into

existing and new homes. It is important that material choices are considered and consistent. We need to consider:

- quality
- usability and customer likes
- durability
- ease of maintenance
- ease of replacement, like for like, where damage occurs.

73. As a priority, we will review key materials and ensure consistency during repairs & maintenance, investment cycles and at new build.

### **Energy Efficiency Retrofit**

74. Alongside the development of a robust and transparent approach to asset management this report also presents details regarding the Retrofit Action Plan, included in Annex A.

75. Reducing the carbon emissions from heating and running the homes in the City of York is a key part in addressing the climate emergency, as recognised in the Climate Change Strategy. It is also essential to tackle fuel poverty in the current cost of living context with a doubling of energy bills from 2021 to winter 2022/23, and to improve residents' health and wellbeing.

76. City of York Council has set an ambition for York to be a net-zero carbon city by 2030. To take us on this journey we need all our properties to meet a minimum of an EPC C or higher through a fabric first approach. Adopting this approach will achieve sustainable bill reductions for tenants and avoid the risk of expensive re-work after 2030 but means that the emphasis will be placed on improving insulation and reducing heat demand. This will lay the foundations for net zero in our council housing stock but due to the high cost and limited budgets this will not on its own be sufficient to deliver it for the majority. We will seek grants and other funds to increase the number of homes which are net zero, and anticipate that by the start of the next five-year plan (i.e. from 2028 onwards) if not sooner, will be able to make further progress to achieve this ambition.

77. To maximise cost effectiveness of improvements and build in a no-regrets approach, improvements to fabric energy performance and installation of renewable technologies will be prioritised for properties at EPC band D and below during cyclical maintenance and capital works.

78. Analysis of the energy performance data we hold about our stock indicates that around 2,750 of our homes will require further investment to reach an EPC C rating target by 2030. A third of these homes are due home improvement or may become empty during the five years of this Plan.

79. The breakdown of properties by EPC rating is:

- Bands A - C: 5,777
- Band D: 1,612
- Bands E-G: 34

80. However, there are a significant number of properties with features still to be identified to feed into this dataset which, when added to the various limitations of how EPC ratings are calculated gives the approximate figure of 2,750 properties at EPC Rating D or below and which will therefore need intervention works to get them to a C.

81. To assist in the gathering of data we will commission a new EPC when a property becomes void or when works involving the installation or replacement of insulation, heating measures or new heating controls, double glazing or solar PV panels.

82. Energy Retrofit works will be carried out alongside planned home improvement works, when the home becomes empty or as part of a proactive programme of works. When planning and carrying out the works we will always seek to keep disruption to the tenant to a minimum, particularly by planning works to take place at the same time (e.g., internal wall insulation at the same time as electrical re-wiring)

83. When a home becomes empty, we will seek to undertake energy retrofit works if they are needed to bring the home up to an EPC C Rating. These works could include:

- Full draught proofing exercise
- Heating controls to maximise efficiency subject to boiler design capability
- Removal of electric secondary heating
- Optimise heating system e.g., radiator placement, boiler settings and age

- Insulate suspended floors, providing sub-floor ventilation adequate and no damp risk – if band D or where otherwise considered cost-effective
- Wall insulation – approach for different property types and internal / external to be determined
- Solid wall properties and other uninsulated wall types/sections: if plaster replacement work, assess and consider for Thin Internal Wall Insulation or other interventions, ideally when we are doing other works such as re-wiring or installing new kitchens or bathrooms
- Cavity Wall Insulation for straightforward-to-treat cavity walls.

84. When we plan home improvement or other investments, we will also seek to carry out the following energy retrofit works if the home has a low ECP Rating:

- For Empty Homes as above, plus:
- Overhaul loft insulation unless assessed as high-quality existing installation – 300mm, updating, if necessary, roof vents as part of property ventilation strategy where needed
- Air tightness / draught proofing – to include sample of air tightness testing and targeted performance level
- If any windows replaced – high performance double glazing with high quality air tightness installation
- insulate solid floors with thin over floor insulation where possible and damp risk assessment indicates minimal risk
- Walls to be insulated:
- Uninsulated walls below bay windows and bay window roof where possible
- Other non-traditional and system build types considered for insulation were cost effective
- External wall insulation for non-cavity or “hard to treat” cavity walls where complementary works carried out
- Roof replacements – to consider including Solar PV, Solar Thermal or PV-Thermal

85. Having regard to this plan, in addition to the above, we will also investigate the introduction of renewable technologies to support tenants to move away from reliance on fossil fuel heating systems.
86. Retrofit works are complex and can be expensive. Using a traditional financial model, the landlord does not obtain a financial return on its investment. However, there are examples of innovative investment models being developed which could support additional investment, utilising a shared benefits approach. This approach requires residents to pay a charge (less than the reduction in utility costs as a result of the retrofit works). Over time, this charge would repay the initial investment made by the landlord. We will continue to monitor and evaluate these approaches and look to bring forward options which could work in York and support a greater investment in council house retrofit.
87. This five-year plan will, subject to the securing of relevant grants and other funding decisions, seek to deliver the following Retrofit Standards to our council housing stock:

<b>Retrofit Standard</b>	<b>Why</b>	<b>To achieve Vision...</b>	<b>How</b>
a) Current storage heater and direct electric immersion heater hot water tanks upgraded to more efficient solution	To reduce carbon use and save on tenant heating and lighting bills. Also, to reduce the water hygiene risk of stored water.	Sustainable Affordable Safe	Approximately 160 homes including two sheltered housing schemes would benefit from this change.
b) All remaining straightforward-to-treat cavity wall properties with to have Cavity Wall Insulation.	To reduce carbon use and save on tenant heating and lighting bills.	Sustainable Affordable	An estimated 150 to 250 homes need this work with works carried out during home improvements, when the home becomes

			empty or via pro-active investigation, such as analysis of damp and mould issues.
c) Flats and maisonettes with floors above external air and unheated voids to be insulated where practical	To reduce carbon use and save on tenant heating and lighting bills	Sustainable Affordable	An estimated 40 to 60 homes need this work with works carried out during home improvements, when the home becomes empty or via pro-active investigation.
d) Further policy notes to be brought forward to cover complex areas such as solid and non-traditional walls, and air tightness	To reduce carbon use and save on tenant heating and lighting bills	Sustainable Affordable	Around 1,500 homes needing additional wall insulation to be considered  A review of air tightness will inform this approach.

### **Supporting energy efficiency retrofit works in the private sector**

88. The Retrofit Action Plan sets out an analysis of retrofit challenges and opportunities across private tenures, looking to build on the council's existing delivery projects to identify pathways to accelerating and scaling up energy improvements in private tenure homes. This can maximise the impact of council investment by addressing interlinked barriers and moving towards a mass consumer market for retrofit that will support high

quality suppliers and a new generation of high skill retrofit workers, including those already employed in other sectors.

89. Through the successful application for central government grant funding, the council has facilitated the delivery of around 170 retrofit works to low income households in the private sector this year. This work is continuing through the Local Authority Delivery and Home Upgrade Grant programmes. The Retrofit Action Plan looks to support private sector retrofit through a combination of advice for residents and supporting green skills and the supply chain.

### **Advice**

90. The council has allocated £175k from the UK Shared Prosperity Fund to support the provision of advice and support for residents to increase the take up of energy efficiency retrofit measures. Creating an advice service offer to all residents could unlock significant investment from “able to pay” residents who currently lack reliable advice on energy efficiency improvements to their home.

### **Skills and supply chains**

91. Partnerships with York College and other providers are being utilised to raise the profile of retrofit skills development as part of economic growth and green skills agendas. The Retrofit Academy skills pathways that are required for government funded programmes set a coherent framework for expanding capacity and quality through Further Education, apprenticeship and re-skilling of existing workers, including within the council and its contractors.

### **Oversight of the Plan**

- The delivery of this Plan, the performance of our repairs & maintenance services, delivery of our investment programmes and new build plans will be the subject of oversight and scrutiny through an annual report to the Executive Member for Housing and Community Safety to enable greater transparency and accountability of outcomes. This will also be considered by tenants engaging in our panels and engagement processes and will be available for further scrutiny by the elected members sitting on the Housing and Community Safety Policy and Scrutiny Committee.

### **Council Plan**

92. This plan and the actions that arise from it will help to achieve the following outcomes of the **Council Plan 2019 – 23 Making History, Building Communities**, updated in May 2021:

- Creating homes and world-class infrastructure
- A greener and cleaner city
- Good health and wellbeing
- Safe communities and culture for all.

## Implications

### Financial

93. The HRA Business Plan covers a 30-year period 2021 – 51. It focuses largely on those activities relevant to the management of the Council's housing related assets and challenges facing key service delivery areas. It includes an Investment Programme, formulated on a 5 and a 30-year basis.

94. For the period 2023-28 the HRA Business Plan allocates the following funds each year to Asset Management, approximately:

- £53m capital investment will be invested over the next 5 years to maintain and improve the council homes that we provide.
- £51m revenue funding in responsive repairs and cyclical maintenance over the same period.
- A further £0.25m of further funds to match grant funds for energy retrofit.
- £0.9m to fund adaptations in council owned homes.
- £18.5m to fund the current New Home Building Programme on council owned sites.

95. This is an agreed investment of £123.65 of capital and revenue funding over a 5 year period in improving existing and increasing the amount of council housing stock in York. At these levels of investment, we can have confidence that we can deliver the Asset Management Plan and maintain the standards of our existing housing stock. However, cost and income pressures, and competing priorities, mean that we may not have enough money to do everything that we might want to. The Plan is a guide to delivering on our priorities within existing budget allowances.

96. The plan acknowledged the desire to go quicker and deeper with retrofit but this is not achievable without further central government

investment. Self-investment in energy efficiency retrofit would have to be balanced against priorities elsewhere within the HRA.

## **Public Health**

97. The provision of homes which are safe, sustainable, affordable, and good quality will help to provide the environment to allow people to be physically and mentally well. Poor quality housing is a known factor in causing health conditions such as asthma, respiratory illness and heart disease.
98. Of particular concern is the risk of mould in homes that can be damaging to health. The improvement in the thermal comfort of the home and work to keep damp and mould out of homes will assist with beneficial health and wellbeing outcomes.

## **Equalities**

99. The Council needs to take into account the Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). The Equality Act also requires the Council to make 'reasonable adjustments' to its premises, or in the provision of services it provides, to remove or deal with any physical features of its premises or practices in the provision of services, which put a disabled person at a substantial disadvantage.
100. The Retrofit Action Plan has been developed with the needs of our more vulnerable tenants in mind, including a review of our approach to the provision and maintenance of accessible homes, and the delivery of energy use reductions to help older, vulnerable, and poor tenants to ensure they enjoy improved thermal comfort.
101. An Equalities Impact Assessment has been carried out and is annexed to this report at Annex B.

## **Legal**

102. The procurement of any building contractor(s) and any service advisor(s) in connection with the proposed improvement works will need

to be undertaken in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

103. The future disposal of any properties or the acquisition by the Council of any properties will need to comply with the Council's Constitution and the Council's Financial Procedure Rules. Where the disposal constitutes a procurement (for example, where conditions are attached to the disposal) the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules will also apply.

104. The Housing Act 2004 requires social housing to satisfy the Decent Home standard in accordance with the Housing Health and Safety Rating System.

### **Property**

105. Included within the report

### **Risk Management**

106. Key risks that could impact upon our ability to deliver this Plan include:

- Shortage of suitably qualified staff and contractors.
- Rises in the cost of materials and contract prices.
- Tenant refusal of works meaning that we cannot achieve the required standard in their home.
- Inadequate information and data to allow us to make informed decisions.
- The lack of timely decisions and management capacity to drive forward delivery.

107. We will manage these risks by:

- Continuing to work with our building materials supply partner to secure and sustain affordable prices for quality goods.
- Engaging in the re-procurement of works in key areas, including home improvement and energy retrofit, including market engagement to judge interest from contractors, and market making by supporting the development of skill and expertise, particularly in energy retrofit.

- Engaging quantity surveying expertise to aid us in the structuring of our pricing requirements for bidders and assessment of bid prices to ensure that we can secure value for money.
- Strengthening of the resources in the investment team to ensure that vulnerable tenants can receive the support they needed to allow them to make the decision to allow works to take place in their home.
- Deploying resources into the investment team to ensure that we maintain good data on our housing stock and to guide our year-on-year investment decision so that we deploy resources towards areas of highest priority.
- Adopt a more rigorous project management approach to the planning and delivery of the investment programme, including greater oversight by senior managers via an Asset Management Board.
- Working alongside Public Health and GP practices to identify council house/flat residents who have health conditions which would support a prioritisation of investment in retrofit works at their home.

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**Wards Affected:** List wards or tick box to indicate all

All

**For further information please contact the author of the report**

**Background Papers:**

A Decent Home: Definition and guidance for implementation, June 2006 – update. Department for Communities and Local Government.

Spotlight on: Damp and mould, October 2021, Housing Ombudsman Service.

## **Annexes**

A - Retrofit Action Plan

B - Equalities Impact Assessment