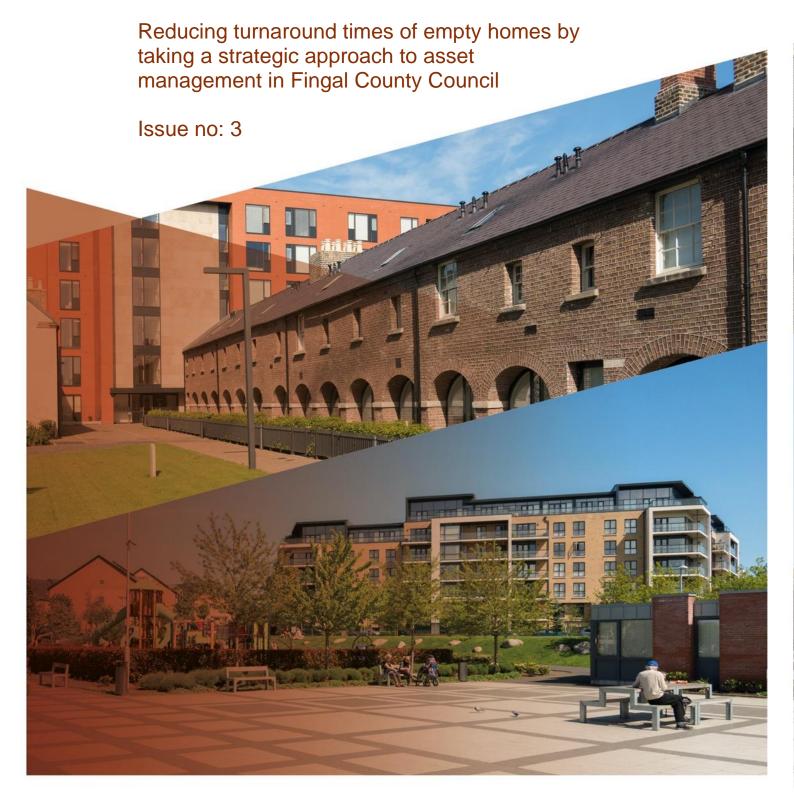


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# Reducing turnaround times of empty homes by taking a strategic approach to asset management in Fingal County Council

"The time to repair the roof is when the sun is shining" – John F. Kennedy

# Introduction

A key issue for Irish local authorities is the length of time it takes to turnaround and re-let a property after a tenant moves out. The national average re-letting time (from the date the tenant vacated the building to the date of the first rent debit) was 34.4 weeks in 2021<sup>1</sup>, an increase on the average of 32.7 weeks for 2020. A report in 2022 by Campbell Tickell<sup>2</sup> identified the gap between Irish and English local authorities relating to average empty property durations, on average it took Irish local authorities seven times longer to re-let a property after a tenant moved out than in England. For the 2018/19 period, it took an English local authority four weeks on average to re-let an empty property, compared to 28 weeks for their Irish counterparts. Figure 1 shows the average re-let times between Irish and English local authorities and voluntary social housing providers/Approved Housing Bodies (AHBs).

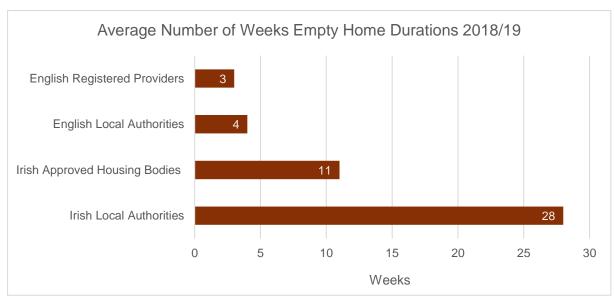


Figure 1: Average empty home durations 2018/19 England and Ireland

Source: Slade et al. (2022). Improving the Management of Empty Properties. Campbell Tickell.

This Housing Agency Policy Insights Series paper describes the changes introduced by Fingal County Council to successfully reduce turnaround and re-letting times of void properties. It demonstrates the benefits that can be gained through a strategic asset management approach to social housing stock, which utilises stock condition surveys and planned maintenance programmes.

<sup>&</sup>lt;sup>1</sup> National Oversight and Audit Commission. (2022). *Local Authority Performance Indicator Reports 2014-2021.* 

<sup>&</sup>lt;sup>2</sup> Slade et al. (2022). *Improving the Management of Empty Properties*. Campbell Tickell.

# **Insights**

A new dedicated asset management team has resulted in reduced turnaround and re-letting times of empty homes.

Planned maintenance is crucial, however, a challenge to implementation is the lack of a dedicated budget and software technology.

A joined-up approach among housing staff in local authorities is essential, to work towards same goal of a planned maintenance programme.

Detailed stock condition surveys are key components of strategic asset management.

## What was the issue?

Making more efficient use of existing housing stock and improving the maintenance of local authority social housing stock are key actions in the Government's *Housing for All* <sup>3</sup> plan. These actions fall under the fourth pathway of the plan: Pathway to Addressing Vacancy and Efficient Use of Housing Stock. The pathway lists planned maintenance and management of local authority housing stock along with energy retrofit supports as key actions to address vacancy and improve re-let times. *Housing Policy Objective 20.6* under the plan aims for a move to a planned management and maintenance model for local authority stock by Q1 2024. The plan also indicates that while the Exchequer will initially support the management and maintenance of local authority housing stock, over time local authorities will be required to ensure that rental income is ring fenced for this purpose.

Historically, there is no strategy of asset management or planned maintenance of social housing stock in Ireland, which may explain the lack of this approach within Irish local authorities.<sup>4</sup> However, Approved Housing Bodies in Ireland have been successful in implementing asset management approaches to their housing stock,<sup>5</sup> through investment in planned programmes of maintenance and cyclical works. Norris and Hayden (2018) have identified significant underinvestment in the planned maintenance and upgrading of dwellings by Irish local authorities. Reactive maintenance is the most expensive of the two, whereas planned programmes of maintenance are more time and cost efficient.

<sup>&</sup>lt;sup>3</sup> Department of Housing, Local Government and Heritage. (2021). *Housing for All – A New Housing Plan for Ireland.* 

<sup>&</sup>lt;sup>4</sup> Norris, M., & Hayden, A. (2018). *The Future of Council Housing: An analysis of the financial sustainability of local authority provided social housing.* Dublin: University College Dublin.

<sup>&</sup>lt;sup>5</sup> Clúid Housing spent €5m as part of their Planned Programme 2021 and €1.3m on their Cyclical Works Budget in 2021, achieving a 95% tenant satisfaction rate with repairs

The lack of a strategic approach to housing stock management results in major works being carried out on empty properties as they provide an opportunity to do so without disrupting a tenant. This approach is generally more expensive as a one-off cost compared to the cost of programmed works, when also considering the additional rent loss for local authorities. <sup>6</sup> Where planned maintenance has not been practiced, re-letting works are often more costly and take longer to carry out. Table 1 below illustrates the different characteristics of both reactive and planned maintenance.

Table 1: Reactive vs Planned Maintenance

Reactive Maintenance	Planned Maintenance
Responding to a tenant's repair request	Planned repairs as part of a programme of works
Emergency, urgent, or routine repairs	Planned upgrading works to protect core fabric of dwelling
More expensive form of maintenance	More cost and time efficient
	Major upgrading plans: Carried out every 20-30 years
	Cyclical maintenance: Carried out on a regular cycle of 5-7 years

Sources: Norris, M., & Hayden, A. (2018). The Future of Council Housing: An analysis of the financial sustainability of local authority provided social housing. Dublin: University College Dublin and Fingal County Council Housing Department.

Recent figures show in 2022,<sup>7</sup> local authorities recouped almost €29 million in funding for stock improvement programmes for the refurbishment or vacant local authority-owned social housing. Of the €29 million, €3.6 million supported the transition to planned maintenance and included funding towards stock condition surveys. In 2022, 2,307 vacant social homes were brought back into active use under the Voids Programme, which was above the predicted figure of 2,273 vacant social homes.<sup>8</sup> A 2022 report shows the number of vacant social homes that had works done to prepare them for pre-letting was lower in 2022 than in 2021 and 2020.<sup>9</sup> This is a result of the intense two-year period of tackling long-term social housing vacancy and legacy vacancy.

5

<sup>&</sup>lt;sup>6</sup> Norris, M., & Hayden, A. (2018). *The Future of Council Housing: An analysis of the financial sustainability of local authority provided social housing.* Dublin: University College Dublin.

<sup>&</sup>lt;sup>7</sup> National Oversight and Audit Commission. (2022). *Local Authority Performance Indicator Reports 2014-2021.* 

<sup>&</sup>lt;sup>8</sup> Department of Housing, Local Government and Heritage. (2023). <u>Voids Expenditure and Returns</u>.

<sup>&</sup>lt;sup>9</sup> National Oversight and Audit Commission. (2022). *Local Authority Performance Indicator Reports 2014-2021.* 

A recent report published in 2023 by the National Oversight and Audit Commission<sup>10</sup> shows the number of vacant local authority dwellings at the end of 2022 was 4,417 and the overall vacancy rate of local authority stock was 3.03%.<sup>11</sup> The report also found that poor quality stock requiring significant works, along with difficulties acquiring contractors and increased costs were cited as the key issues contributing to the poor performance of local authority re-letting times. Some local authorities have explained to the National Oversight and Audit Commission that housing acquired at the end of the year could not be tenanted until the following year, which also impacted figures. The lack of stock condition surveys and planned maintenance programmes are also accepted by the report as contributing to the level of vacancies.

#### What was the solution?

Between 2014 and 2021, Fingal County Council had an average re-letting time of 26 weeks. The national average for this period to re-let a dwelling has remained between 31 and 35 weeks. While below the national average for this period, increasing demand for social housing accommodation meant that Fingal County Council was being challenged to bring vacant properties back into use quickly. Figure 2 outlines the changes made by Fingal which have resulted in reduced re-letting and turnaround times of properties.

Figure 2: Changes introduced by Fingal County Council



Source: Fingal County Council, Housing Department

Firstly, Fingal County Council has moved towards a strategic model of asset management, with the aim of reducing turnaround and re-letting times, and have made a provision of €29.1m towards asset management for the period 2023 to 2025. To improve, Fingal County Council has recognised learnings from local authorities in England and Ireland and has made the following changes to their processes:

<sup>&</sup>lt;sup>10</sup> National Oversight and Audit Commission. (2023). *Local Authority Performance Indicator Reports* 2014-2021.

<sup>&</sup>lt;sup>11</sup> The impact of the Covid-19 pandemic on local authorities during this period should be noted.

<sup>&</sup>lt;sup>12</sup> National Oversight and Audit Commission. (2022). *Local Authority Performance Indicator Reports* 2014-2021.

#### **Hired a new Head of Asset Management**

In 2019, Fingal County Council hired a new Head of Asset Management, at Senior Executive Officer level. The new Head of Asset Management was tasked with implementing the move from reactive maintenance to a more planned maintenance approach. The new role is intended to move the works into a more planned, professionalised asset management programme, and result in lower costs and better-quality homes.

#### Set up a dedicated Asset Management Team

In 2019, Fingal County Council set up a dedicated asset management team with the aim of reducing turnaround times of vacant properties, under the remit of the new Head of Asset Management. The asset management team started as a team of four administrative staff and increased by another four additional staff for the administration of the local authority retrofit programme, made up of both administrative and technical staff. The team of technical staff are dedicated to managing the existing stock, one element of which is planned maintenance along with reactive maintenance, voids management, energy retrofits and the management of traveller accommodation. Fingal County Council have said that buy-in from the technical staff to new methods of carrying out works has been important. Additional budgets were made available to set up the new team.

#### Developing a planned asset management programme.

In their effort to reduce turnaround times, Fingal County Council is developing a planned maintenance programme.

A typical planned maintenance programme is outlined in Figure 3 below:

Figure 3: A typical planned maintenance programme as identified by Fingal County Council



Source: Fingal County Council, Housing Department

- Stock Condition Survey: Data is gathered relating to the condition of properties. The Stock Condition Survey can sample a percentage (10%) of properties, or it can include all properties in the local authority. This may be carried out in-house by the local authority themselves or by a contractor. Fingal County Council plans to perform these surveys in-house.
- 2. *Data Analysis:* Analysis of the data to identify what maintenance works are required, and when they will be required. This process involves identifying which hardware/structural elements need service/replacement and when this might occur. Examples include boilers, windows, doors, and electrical works.

- 3. Develop a 5-Year Programme of Works: The data collected is used to develop a 5-year programme of works and a budget is assigned to each programme.
- 4. Works Carried Out: Works are carried out according to the planned programme of works.
- 5. Database is Updated Accordingly: The database used by the local authority is updated with a record of works completed on properties either through the reactive or planned programme of works.

Fingal County Council currently carry out stock condition surveys on a small scale but is now building up its asset management and planned maintenance programmes, and along with the introduction of newer survey technology, plan to carry out stock condition surveys.

To note that a project is currently underway by the Housing Delivery Coordination office within the Local Government Management Agency (LGMA) to develop a national housing stock management survey and an ICT Asset Management System, after approval by the Public Sector Reform oversight group. The project intends to help local authorities transition from a largely response-based approach to housing maintenance to a strategic and informed planned maintenance approach. This will provide the ICT infrastructure to manage stock condition surveys and an end-to-end process for the management of housing stock.

Circular 18/2022<sup>13</sup> indicated that local authorities will now be required to ensure rental income is ring fenced for housing maintenance over time, which was not previously the case. Existing funding programmes such as Voids, Energy Efficiency, DPGs, and Remedial Works Schemes will also support effective housing stock management.

#### **Retrofit Programme**

The National Retrofit Plan sets out how the Government will deliver on the Climate Action Plan targets of retrofitting homes and sets targets for the Local Authority Retrofit Programme. These targets include retrofitting approximately 36,500 local authority homes in the next decade. In 2022, funding was increased to €85 million for the Energy Efficiency Retrofitting Programme for local authorities.

A retrofit programme was carried out by Fingal County Council in 2021 in which 65 units were retrofitted to achieve a B2 BER rating. 81 units were retrofitted in 2022 under the programme. The 2021 Energy Efficiency Retrofit Programme is a ten-year programme which facilitates the move to a 'deeper retrofit' programme. Fingal County Council plan to retrofit 150 units annually by 2024. The programme's core focus is on ensuring that the fabric of the home is upgraded and retrofitted to a B2 BER standard.

<sup>&</sup>lt;sup>13</sup> Circular 18/2022 Planned Maintenance/Voids Funding Programme 2022

- Funding can be harnessed from the Department of Housing, Local Government and Heritage, the SEAI and Climate Action funding.
- Setting targets and allocating funding for local authorities to retrofit their housing stock has the potential to have a positive impact on the quality of local authority housing and the adaptability of this stock to planned maintenance programmes.

Works carried out by the retrofitting programme include attic insulation, external and cavity wall insulation, windows and doors, heat pumps, boilers, heating controls, PV panels, LED lighting, detectors, and full rewiring. The new dedicated Asset Management team in Fingal County Council has responsibility for the retrofit programme and work in co-operation with the relevant technical teams.

## What were the outcomes?

Fingal County Council has identified several advantages of implementing a planned maintenance programme. According to Fingal, there will be the following benefits as a result of the move from a reactive to a planned maintenance approach: reduced turnaround times for vacant properties, additional rental income from homes as they are left vacant for a shorter period, more energy efficient homes, reduced cost of living for tenants and a fairer system of maintenance.

#### Reduced turnaround and re-letting times of vacant properties

Fingal County Council was successful in reducing turnaround times (the time between a property being vacated and when empty property works are completed) by an average of eight weeks, from 22 weeks in the first quarter of 2021, to 14 weeks in the fourth quarter of 2022.

Figure 4 shows Fingal County Council has also been successful in reducing the overall reletting time of vacant properties (from when a tenant vacates the property to when a new tenant moves in) by 10 weeks, from 43 weeks in the first quarter of 2021 to 33 weeks in the fourth quarter of 2022.

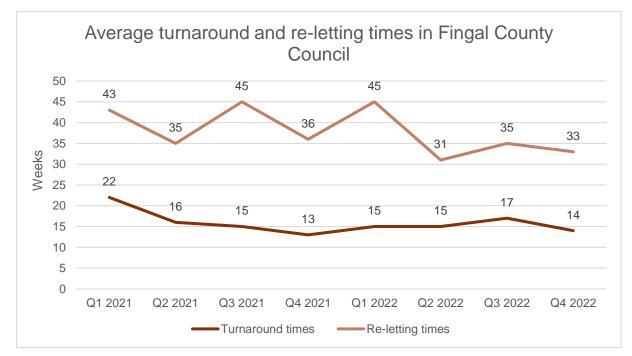


Figure 4: Average turnaround and re-letting times in Fingal County Council

Source: Fingal County Council

#### More energy efficient homes and reduced cost of living for tenants

Where asset management approaches include retrofitting the housing stock, research suggests this has resulted in reduced costs for tenants and increased environmental sustainability. According to the SEAI, retrofitting homes results in cheaper energy costs for tenants. It also leads to certain health benefits, and recent studies show that increased indoor temperatures lead to reduced hospital and doctor visits for those with underlying health conditions. Early interventions in key health hardware such as taps, tubs and toilets, results in improved habitability of housing stock and fewer housing related illnesses. A serviced, and efficient boiler can result in less drafts around the homes. Retrofitting homes forms part of Ireland's sustainability goals, as one quarter of all energy used in Ireland is consumed directly in homes.

#### More cost-efficient form of maintenance

Finally, according to Aoife Lawler of Fingal County Council a planned programme of works provides greater value for money and protects the value of the housing unit as an asset, preventing the erosion of this asset in the future. Retrofitting programmes have actually created

<sup>&</sup>lt;sup>14</sup> East Suffolk Council. (2019). Housing Asset Management Strategy 2019-2024.

<sup>15</sup> IERC. (2021). Creating shared value for all: The multiple benefits of a retrofit renovation wave in Ireland. Cork: International Energy Research Centre.

<sup>&</sup>lt;sup>16</sup> Grealy et al. (2022). Sustaining housing through planned maintenance in remote Central Australia. Housing Studies

<sup>&</sup>lt;sup>17</sup> SEAI. (2020). *Ireland's housing retrofit imperative*.

a more planned maintenance approach as enabling works for retrofitting homes are planned to make the homes 'retrofit ready'.

# **Challenges**

Fingal County Council has noted the various challenges in achieving reduced turnaround and re-letting times, as they have moved to a planned programme of works:

- 1. The need for significant funding at the start of the planned maintenance programme: When surveys are carried out, information about issues and defects in houses become apparent and the local authority needs to be able to address these sooner rather than later, and in some cases when there are health and safety concerns immediately. Regular Stock Condition Surveys will identify issues before they become too serious, but if they have not been carried out in many years, the local authority may find serious issues. Funding is required to address serious issues immediately, which will then level out to a more planned approach.
- 2. Difficulty accessing tenanted properties:

Strategies have been suggested to help with this, and some local authorities will write to a tenant and ask them to make an appointment at a time of their choosing. After three attempts, the case is referred to a housing officer or social worker. Under the lease, the local authority is entitled to inspect a property by appointment at least once a year.

- o In Fingal County Council, surveys are completed in-house, and this helps to access properties as the main intention of the team of architects and technicians is to manage the asset rather than complete a survey. This team can also contact other teams in the local authority should any issues arise within the property and can be dealt with quickly. It should be noted surveys are only carried out to a small sample of housing stock when a team is already there to carry out other works, rather than attempting to access all homes in stock.
- 3. Raising expectations of tenants:

The local authority needs to firstly address health and safety issues, not necessarily replacing hardware such as windows, doors or kitchens, which tenants may request when the local authority surveys their property.

- Staffing issues for smaller local authorities
   Keeping focus and maintaining a strategic approach can be difficult if there is no dedicated team for asset management.
- 5. Funding skewed towards longer term void properties rather than planned maintenance:

Rents are currently not ring-fenced for planned maintenance programmes and funding is focused on properties which have been void for a long time.

#### 6. Change of mindset

Fingal County Council have described how up until recently, improvements to homes, such as new kitchens or windows and doors, was dependent on an up-to-date rent account and no reports of anti-social behaviour. They state the need to separate the 'tenant behaviour' from the 'asset management' and focus on maintaining, protecting, and improving our asset regardless of the tenant behaviour. However, a separate method to encourage prompt payment of rent needs to be developed and introduced.

#### Lessons learned:

Lessons from Fingal County Council demonstrate the factors required to achieve good quality asset management.

# **Lessons from Fingal County Council include:**

1. New structures and staff may be required to develop a strategic asset management approach:

This may include hiring new staff to raise the profile of strategic asset management approaches or setting up a new voids and maintenance team to tackle staff-multitasking/juggling. Buy-in from senior management is also an important component of developing a strategic asset management approach as drive from senior management can activate effective and functional teams.

2. Developing a strategic approach to asset management requires a long-term, multiannual plan:

Good practice involves developing a long-term, multi-annual plan which incorporates both reactive and preventative maintenance. This long-term plan should provide for maintenance expenditure, allocate timeframes for works, identify contract requirements, and should also allow for tenant participation in the maintenance process.

- Fingal County Council have a long-term plan, as part of a national plan, to survey 10% of all housing estates and input this data into software which would be able to show what works need to be done. This will allow the local authority to plan for the following five years and go to a contractor for tender. The local authority will be able to put a life cycle on every item of maintenance and know when to replace it before it fails.
- 3. A multidisciplinary team approach is required when carrying out Stock Condition Surveys and retrofits:

When entering properties and engaging with tenants where there hasn't been much engagement in many years, issues may be found regarding the health of the tenants which require support from other teams. It may also come to the local authority's attention that there are unapproved extensions/adaptations to the home or damage to the property.

4. Managing complex needs in households and skills within teams:

It is important to ensure contractors develop an awareness of how to deal with tenants and potential complex needs in different situations and environments, when inspecting a property or carrying out a retrofit.

#### **Future Outlook:**

As mentioned previously in this paper, a project is currently underway by the Housing Delivery Coordination office within the LGMA to develop a national housing stock management survey and an ICT Asset Management System. This will help local authorities transition from a largely response-based approach to housing maintenance to a strategic and informed planned maintenance approach and will provide the ICT infrastructure to manage stock condition surveys and an end-to-end process for the management of housing stock. <sup>18</sup> In the absence of an overall software solution, Fingal County Council are looking forward to the introduction of a fully strategic national solution.

It has also been indicated in Circular 18/2022<sup>19</sup> local authorities will now be required to ensure that rental income is ring fenced for housing maintenance over time. Existing funding programmes such as Voids, Energy Efficiency, DPGs, and Remedial Works Schemes will also support effective housing stock management.

This paper has demonstrated the benefits of shifting to a planned maintenance programme for housing stock, with the overall aim of reducing turnaround and re-letting times. While Fingal County Council has been successful in reducing its turnaround times of vacant properties, reducing re-letting times remains an issue. Looking to the future, Aoife Lawler (Senior Executive Officer, Housing Department) of Fingal County Council says she would "like to see local authorities having to apply the same standards to their housing in the area of maintenance and repairs that have been required of approved housing bodies, while at the same time ensuring there is adequate funding set aside for this work."

<sup>&</sup>lt;sup>18</sup> Circular 18/2022 Planned Maintenance/Voids Funding Programme 2022

<sup>&</sup>lt;sup>19</sup> Circular 18/2022 Planned Maintenance/Voids Funding Programme 2022

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