

Asset Management Strategy

2020-23

Version 1

Executive summary

ForHousing strives to be a positive influence on people's lives by investing in quality homes and places, providing the first building block on the journey to a better life. We know that maximising the value and return from our assets will enable us to invest more in homes and communities. This includes safe, decent homes, kept in a good state of repair to support health and independent living, and safe, external spaces which are well maintained, function well and promote a high quality of life for the community.

This three year strategy supports ForViva Group's vision of **"Improved Lives"** and ForHousing's mission "To provide quality homes and places, making more things possible for more people".

ForHousing is part of the ForViva Group and currently owns and manages circa 18,000 homes across the North West of England; primarily within Salford, Oldham, Knowsley and Fylde. We also manage 5,500 properties for Cheshire West and Chester Council as well as other external commercial stock management arrangements.

ForHousing homes have received significant investment, ensuring all comply with the Decent Homes Standard. Significant improvements have also been delivered to key assets such as high rise and supported housing to bring these up to a high standard.

Following the Grenfell fire, scrutiny regarding resident safety, tenant engagement and landlord compliance have significantly increased and new building safety regulatory standards will undoubtedly increase compliance requirements and costs.

The environmental agenda is a key and ever increasing challenge following the IPCC special report (2018), with ambitious targets to reduce carbon emissions in new and existing homes and move away from gas heating in order to limit impacts on climate change.

Viability is a key priority for ForHousing with increasing costs, tenant expectations and compliance requirements. Consequently, it is vital that all expenditure is targeted to maximise asset return and increase the value and demand of homes in order to support future growth and investment in communities, whilst being cognisant of the Value for Money Metrics and challenges associated with Cost Per Unit.

Technological advancements that can drive efficiencies, improve services and facilitate the proactive management of homes and tenancies are also moving at an ever increasing pace. This will offer significant benefits to those organisations that embrace such opportunities.

Summary

This document sets out our aspirations between 2020-23 to provide quality homes and places.

Working in partnership, we will prioritise the right investments for homes to achieve the following positive outcomes:

1. Sustainable - Well designed, truly affordable

- Functional, well maintained and increasing in value
- Appropriate and flexible to changing needs

- Distinctive, visually attractive and in demand
 - Inclusive and well connected
- 2. Safe - Protecting people**
- Quality builds with transparent investment processes
 - Robust and consistent safety compliance measures
 - Effective and compliant procurement practices
- 3. Green - Reduced environmental impact**
- Affordable and clean energy
 - Reduced waste generation
 - Energy efficient homes
 - Responsible consumption and production
 - Thriving green spaces

Priorities and outcomes

The key aim and associated outcomes of this strategy give steer and offer direction for the Homes priority within the ForHousing Corporate Plan 2020-25.

They set out how we will invest in homes and spaces and deliver services to achieve real lasting change which supports the wellbeing, dignity, self-worth and life outcomes of communities where we operate.

The key aim of this strategy is therefore **“To provide quality homes and places”**, aligning to ForHousing’s mission.

Working in partnership, we will prioritise the right investments for homes to achieve the following positive outcomes:

1. Sustainable - Well designed, truly affordable

This is because having a home is widely considered to be the most fundamental of human needs, providing the stability needed to thrive and get on in life. Appropriately referred to as the first social service, social housing offers a decent, affordable and secure place to live, critical for the journey to a better life.

Extending and maintaining the supply and type of homes widens options for people to choose where they live and the opportunities this makes possible. Investment in homes and external spaces makes places desirable to live and work in.

Taking this into account we will provide homes, services and places which are:

Functional, well maintained and increasing in value

- Delivering the right investment at the right time to ensure homes are sustainable and increasing in terms of asset value
- Offering the right standard of living for tenants to be proud of their home and community

Appropriate and flexible to changing needs

- Able to adapt to economic and demographic change to meet housing need in a way that is sustainable for current and future generations

- Supporting independent living as tenant needs change.

Distinctive, visually attractive and in demand

- Incorporating good design across tenures to reflect the local character
- Delivering investment to ensure properties remain attractive and in demand
- Ensuring neighbourhoods incorporate green areas and local amenities

Inclusive and well connected

- Facilitating healthy, active and integrated communities
- Enabling access to information and communication technology
- Incorporating suitable smart technologies to manage homes and tenancies more effectively

2. Safe - Protecting people

This is because the social housing sector needs to regain the trust of tenants in the way it builds and manages homes, particularly in relation to building safety. Tenants need further assurance that the buildings they live in are safe and through effective management will remain safe. They also want to be more involved in decisions to improve the safety of their homes.

Taking this into account we will operate in ways which achieve:

Quality builds with transparent investment processes

- Information and audit trails evidence buildings, constructed or in receipt of investment works, are safe to occupy

Consistent and robust safety compliance measures

- Risk and control measures effectively manage health and safety at home, out in the community and at work
- All landlord compliance requirements are delivered in a robust and consistent manner to maintain tenant safety
- Contractors operate to high safety standards
- Fire risk assessments are undertaken with effective implementation of recommendations
- Tenants have a clear understanding of obligations in relation to maintaining fire safety of individual dwellings

Effective and compliant procurement practices

- High-safety, low-risk and value for money outcomes are prioritised in procurement practices
- Full life cycle costs are understood and factored in
- Decisions, particularly in relation to safety, are influenced by tenants
- Quality control, performance standards and delivering efficiencies inspire innovation and drive continuous improvement

3. Green - Reduced environmental impact

Reducing waste and carbon emissions reduces the impact of activities on greenhouse gases which reduce air quality and contribute to global warming

Taking this into account we will provide homes, places and deliver services which include:

Affordable and clean energy

- Using replenishable heating sources which are naturally-occurring
- Using renewable and smart domestic technologies to reduce key air pollutants, limiting the carbon footprint
- Making heating in homes more energy efficient, reducing fuel bills to offer affordable warmth and address fuel poverty

Reduced waste generation

- Increasingly adopting practices which prevent, reduce, recycle and reuse waste
- Encouraging partners to adopt these sustainable practices, which are also integral to procurement decisions

Energy efficient homes

- Increasingly adopting new build standards which address homes as one of the largest contributors to carbon emissions and also reduce energy costs for tenants

Responsible consumption and production

- Managing waste, including chemicals, in environmentally sound ways throughout their life cycle, including their release into air, water and soil
- Increasingly adopting green transport options

Thriving green spaces

- Protecting, maintaining and enhancing the natural environment
- Providing green spaces people want to use and enjoy, potentially experiencing health and wellbeing benefits

Delivery: Customer, Culture, Compliance, and Cost

Do the right things, in the right way, to the right standard at the right cost

By adhering to the principles of Customer, Culture, Compliance and Cost we provide safe, quality homes, places and services at the best cost. As well as meeting the need of tenants and communities we protect social housing assets and maintain their quality and value in order to deliver sustainable improvements.

Customer. Do the right things.

Good quality housing remains in short supply in the North West and there is significant and increasing demand. As well as ensuring that existing homes remain in good condition, we have a focus on maintaining or exceeding decency whilst maximising property sustainability. Ultimately we aim to maximise asset performance whilst tailoring services to meet changing needs.

We ensure that investment work meets the principles of Secure by Design, to ensure tenants feel safe and secure. We also deliver repairs, investment and other asset management services that contribute to attractive and well maintained external spaces.

We aim to address properties with Standard Assessment Procedure (SAP) ratings of D and below in order to increase the energy performance of the stock. This will include carrying out Energy Performance Certificates (EPC's) to the poorer performing properties, cleansing and populating missing data in our energy module and undertaking investment to retrofit homes

where this is financially viable, including accessing grants where these are available. These activities will enable us to raise the average SAP for Salford Stock to 75 and Knowsley and Oldham to 73.

We will seek to reduce the impact of operational services on the wider environment by applying requirements concerning reducing waste and carbon emissions when delivering works and we actively look at alternative heating sources within homes in anticipation of the move away from gas heating.

We will also ensure continuous improvement and best-practice learning through our membership of appropriate bodies and institutions.

Culture. In the right way.

We utilise asset information, including stock condition, performance and neighbourhood intelligence to inform investment and management decisions. These aim to keep homes desirable, maximise asset return, address underperforming stock and increase tenancy sustainability. Business Intelligence Analytics (BIA) helps us understand the future requirements of the stock based on predicted economic and demographic change and how we need to manage properties to minimise revenue costs. By monitoring maintenance needs we identify emerging issues to plan investment works and we ensure property databases are updated through planned surveys and information attained during property visits which are regularly externally validated. We are committed to co-designing quality services with tenants to offer an appropriate balance between cost and quality.

We will identify, assess and adopt, where appropriate, relevant technologies that allow us to manage and deliver services to tenants more effectively, including incorporating suitable smart technologies within homes. These support the effective ongoing proactive management of homes and tenancies and can enable independent living without the tenant having to move to supported accommodation.

Compliance. To the right standard.

ForHousing homes have already received significant investment, including extensive refurbishment and in some instances remodelling of high rise homes and supported housing. We have also replaced ACM cladding and installed sprinklers in high rise homes as an additional fire safety control measure and protection to tenants following the Grenfell fire.

Intelligence based programmes totalling over £45.6m will be planned and delivered over the next three years. This will maintain homes to the Government's Decent Homes Standard or above to deliver lasting change by transforming neighbourhoods. This includes mixed sustainable communities and investing in environmental works and communal areas to improve their appearance and function. We also consider the decommissioning of non-viable assets, including homes which are inefficient or too costly to improve to decency standards or to meet tenant expectations.

We will, without exception, maintain statutory and regulatory compliance in relation to all of our homes, through robust and comprehensive servicing plans, procedures and systems in order to deliver 100% continuous gas safety compliance, achieve 100% ECIR compliance by 2021 and maintain full compliance in all other areas of Landlord Compliance.

Cost. At the right cost.

We will increasingly move from a reactive to a planned investment approach using BIA to anticipate and address stock component failures. With increasing maintenance and

compliance related costs, tenant expectations and the pressure of welfare reform, it is vital that all expenditure is targeted to maximise asset return. We also need to increase the value and demand of homes to support future growth and investment, whilst being mindful of the Cost Per Unit. We will actively benchmark performance of all asset management activities with our peers to ensure we are consistently delivering value for money services and building in best practice. Technological advancements that can drive efficiencies, improve services and facilitate the proactive management of homes and tenancies are also moving at an ever increasing pace and offer significant benefits.

We will maintain a rolling seven-year external cyclical maintenance programme across all homes to achieve value for money by reducing associated responsive expenditure. Value for money will also be achieved through effective planning, works packaging, procurement practices, supply chain management, maximising the benefits of the VAT shelter where financially beneficial, maximising the use of innovative technology and reusing adapted properties to reduce future expenditure and address demand. We will also ensure that we have the right staff, skills and resources to drive quality, incremental improvement and embrace innovation.

By identifying, assessing and progressing sustainable stock acquisition opportunities in the areas where we operate, we will add value to our Business Plan and by actively letting and managing commercial assets we will maximise their return and ensure they positively contribute to neighbourhood sustainability.

Research

Sustainable

A New Deal for Social Housing (Green paper), August 2018. Described as the first step to fixing the broken housing market where homes should be affordable and safe and tenants should be treated with fairness, respect and dignity.

Safe

Building a Safer Future May 2018. An Independent Review of Building Regulations and Fire Safety, Dame Judith Hackitt. This identified that the current system of building regulations and fire safety is not fit for purpose and that a culture change was required to support the delivery of buildings that are safe, both now and in the future.

Green

The Global Goals, 2015. World leaders agreed 17 goals for a better world by 2030. These goals included the urgency of climate change.

The 5 year environment plan for Greater Manchester 2019-24, sets out aims to address several major environmental challenges that threaten the future health and prosperity of the city region.

Cross theme

Economic and Consumer Standards, Regulator of Social Housing. Contain specific expectations and the outcomes that providers are expected to achieve. Providers' boards and local authority councillors who govern service delivery are responsible for meeting the relevant standards and determining how this is done.

Measuring success

Reporting will include a range of evaluation and reporting mechanisms:

- **Service Plans.** These will set out what activities will take place to deliver the planned outcomes of this strategy.
- **Annual outcome statement.** Informed by service plans, we will produce an annual outcome statement reporting the difference made by the decisions, investments and activities delivered through this strategy. This will report what has been delivered and evaluate how successful these have been in achieving the outcomes defined within this strategy.
- **ForHousing Annual Report.** This will report delivery of the strategy in the context of delivering the Corporate Plan, as it constitutes the Homes priority.
- **Value for Money Statement.** Published annually we will report against the cost and quality measures relevant to this strategy including Cost Per Unit.
- **Contract management meetings.** Regular meetings with contractors will ensure commitments have been delivered to agreed standards.
- **Performance indicators.** The following measures for ForHousing stock will gauge delivery of the Asset Management Strategy:

Sustainable

- Total Existing Use Value
- Average Net Present Values
- Length of adaptations waiting lists
- Adaptations expenditure

Protected

- Indicators for safety in the areas of Gas, Electrical, Legionella, Fire Safety and Asbestos.

Green

- Average SAP ratings of homes
- Recycling rates

Customer

- Level of tenant satisfaction for maintenance and investment related services

Culture

- Average tenancy length
- Level of existing property turnover
- Property bids on existing stock

Compliance

- Percentage of homes that comply with the Decent Homes Standard

Cost

- Average commercial asset return per unit
- Repair and maintenance costs per unit

Each of the above measures will have an established baseline to enable monitoring and evaluation of planned outcomes. These key measures will be reported upon through the performance management framework and annually to the Board.

Governance

As a key priority, the Asset Management Strategy will be approved by the ForHousing Board

who has authority to oversee, scrutinise and challenge the delivery of investment and maintenance activities and the ForHousing Asset team has day to day responsibility.

There will be regular meetings with all investment and maintenance partners, clear lines of performance reporting and clear communications strategies for all services and programmes to ensure success.

Control data and approval history

Strategy owner	ForHousing Board
Lead officer	Director of Assets
Review date	March 2023

Issue	Approved by	Date
Approval	ForHousing Senior Leadership Team	19.02.2020
Approval	Group Executive Leadership Team	24.02.2020
Approval	ForHousing Board	11.03.2020
Equality Analysis review and advice	Human Resources	
Health and Safety review and advice	Health and Safety Team	
Legal review and advice	Legal Services Executive	
Human Resources review and advice	Human Resources (Trade Union and staff consulted when required)	

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