

# Housing Asset Management Strategy

2023 to 2028



# HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

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## 1. Introduction

The housing stock represents the Council's most valuable asset and its largest liability in investment terms; therefore, an effective and agile approach to managing the Council's assets is critical to ensuring the long-term sustainability of the portfolio. The Asset Management Strategy (AMS) is the blueprint to setting out the long-term vision and objectives and how these will be delivered.

The current AMS was published in 2019. In line with best practice, the AMS has been reviewed and updated at the mid-point in its five-year lifecycle, following extensive stakeholder engagement.

Since the current Asset Management Strategy (AMS) was published in 2019, we have seen major changes at a local, national, and global level, many of which have been unprecedented. We have witnessed a global pandemic in the form of COVID 19, of a scale not seen since the Spanish Flu epidemic in 1918. The UK has now left the European Union. At the time of writing, we are during a global energy supply crisis, which is contributing to significant cost of living challenges.

Further to this, we are seeing one of the most rapid shifts in Government policy and associated regulatory change in the housing sector for some time. The Building Safety reforms, set out following the Grenfell Tower tragedy, have now translated into the Building Safety Act 2022.

There are also far-reaching changes set out in the Social Housing Reforms, with the Government accelerating the pace of change following a period of slow progress. Combined with the Levelling Up agenda, the changes will empower residents to drive changes to improve their lives and regenerate local communities.

Climate change has also never been so important, alongside the energy supply crisis, radical change is required to ensure that important targets to reduce carbon emissions and improve energy efficiency can be achieved.

All these challenges provide opportunities for the Council to drive changes that will improve the lives of its residents, regenerate its communities and tackle climate change. However, the changes will put significant pressures on budgets and resources, so there has never been a more pressing need to ensure that the Council's assets are managed effectively.

The Council is well placed to achieve these ambitious goals, having taken a pro-active approach. For example, the Council declared a climate change emergency in 2019 and has already made progress with engaging with its' customers.

While the fundamental principles of the current AMS remain unchanged, this updated AMS reflects the changing environment and sets out the actions that the Council will need to take to deliver on its obligations and ambitions, looking at the next few years but ahead to the long-term strategy.

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## 2. Strategic Overview

### 2.1 Purpose

The purpose of the Asset Management Strategy is as follows:

- Provides the context and sets out the vision and associated outcomes, aligned to the Council's over-arching strategy which will ensure that the Council has a resilient, achievable plan for the long-term effective management of its housing assets.
- Sets out a series of objectives which describe how the vision and outcomes will be achieved.
- Confirms the high-level actions required to achieve the objectives.
- Provides an update on progress against previous actions, highlighting achievements since 2019.
- Sets out a coherent approach to planning, driving the short, medium, and long-term budget and funding requirements.
- Describes the Council's pro-active approach to addressing the changes driven by the rapidly evolving socio-economic and political environment.
- Outlines the enablers for delivering the strategy including people, budget, data and insights, policy and process, governance and risk management, effective procurement and technology and innovation.

The AMS is intended to drive the requirements for operational activities rather than set out detailed operational policies, processes, and procedures. The appendices include the key documents which set out more detail in specific areas, including policies and associated strategies.

### 2.2 Context

This strategy relates to the asset management of the Council's portfolio of housing assets. All the assets are located within the Stevenage Local Authority area. Although the AMS sets out the strategy for the housing assets, it is important that they are managed in the context of Stevenage Borough Council General Fund assets, as any major investment project will almost inevitably require some 'trade off' between the HRA and General Fund. This situation will particularly arise where either set of assets are experiencing significant investments or redevelopment such as:

- maisonettes situated above commercial/retail units.
- garages adjacent to housing
- local neighbourhood centres, comprising a mixture of shops, community buildings and housing.

The Council's Corporate Plan, 'Future Town Future Council' is a key driver of the AMS, however the AMS is also part of a wider framework of local and national policies which impact the way in which The Council manages its assets. The AMS has been developed to align with the key policies and the interactions with these policies are clearly set out in this document.

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### 2.2.1 National Context

Several areas of national Government policy, including areas which are rapidly evolving, impact on how the Council manages its assets, include:

- Meeting all legislative compliance regarding Health & Safety including the Building Safety Act 2022 and Fire Safety Act 2021
- Climate Change policy including the Climate Change Act 2008 and the 2015 Paris agreement.
- Compliance with the Decent Homes Standard
- Rent setting and service charge policy.
- The Levelling Up White Paper, a programme of moral, social, and economic change designed to spread opportunity more equally across the UK.  
Social Housing Reforms: aligned with the Levelling Up programme covering wide ranging changes including resident engagement, revision of the Decent Homes Standard, community regeneration and housing supply.
- Wider housing policy and legislation including planning, welfare, rent setting and service charges and leaseholder reforms.

### 2.2.2 Local Context

#### Links to other Corporate Strategies

The AMS is one of the main components of the wider HRA business plan. The three core elements of the HRA business plan are Asset Management, Housing Development and Housing Management & Maintenance Services.



The HRA business plan is SBC's strategic plan for managing, maintaining, and developing its housing stock. It sets out the council's short-to-medium term plans and priorities for its housing management services and provides a long term (30 year) perspective on stock investment and financial planning.

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The plan focuses on the core business of managing and investing in the council's residential properties and associated HRA-owned land.

The AMS interacts with a range of strategies that together form the council's corporate framework. In developing the strategy, careful regard has been given to aligning housing objectives and plans with FTFC corporate objectives and priorities and other key strategy documents. A range of programmes, policies, and plans enable the council to implement the improvements, activities and investment needed to meet its housing objectives.

Property assets cannot be managed in isolation to other over-arching Council policies and strategies, as they are closely linked to the achievement of our strategic priorities. These key priorities are summarised within the Council's Corporate Plan and Summary Action Plan. The diagram below shows the main strategy documents influencing property decisions.



The following section sets out further information around Stevenage Council's over-arching strategy, Future Town Future Council.



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## 2.3 Supporting the Council's Strategic Vision & Outcomes

The Council has set out its ambitions and outcomes in its 'Future Town Future Council' strategy, 'Our Co-operative Council'.

This provides the driving principles for the AMS:

**Our Co-operative Council** A Future town  
Future council

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**Our ambitions**

<b>Housing Development</b> Increase the number of social & affordable homes in Stevenage.	<b>Town Centre Regeneration</b> Create a vibrant town centre where people want to live, work and play.	<b>Connected to our Customers</b> Improve the accessibility of our services and the customer experience.	<b>Co-operative Neighbourhood Management</b> Work with our communities to improve our neighbourhoods.	<b>Excellent Council Homes</b> Provide high-quality homes to our tenants and leaseholders.
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**Our outcomes**

Build 300 new council homes by 2020/2021. Increase the number of homes in the town.	Develop a new vibrant town centre with quality shopping, office and leisure facilities. Build new homes in the town centre. Create a hub for public services in the town centre. Make Stevenage a destination of choice.	Increase customer satisfaction with council services. Make our services available online. Provide excellent customer service.	Better understand our communities' needs and priorities. Invest in and improve our neighbourhoods. Work with our residents to design and deliver services.	Work with our tenants to improve the quality of our council homes. Develop a better housing service for older people. Provide a high quality council housing repairs service.
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**We will: Work co-operatively with our residents to deliver our promises**

**To help us deliver our promises we will:**

- Be a financially resilient Council with enough resource to deliver our priorities
- Have the right people, skills and knowledge
- Become a smart Council with improved performance
- Have stronger partnerships with key agencies to deliver our priorities

**Our values**

- Excellent
- Caring
- Straightforward
- Responsive
- One team
- Innovative

**Stevenage**  
BOROUGH COUNCIL

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### 2.4 Asset Management Strategy: Objectives

The FTFC strategy is ambitious, and the Council will be using its most valuable resources (people and property) to support the delivery of its ambitions and outcomes. The following objectives within the AMS are key priorities which form the current strategy, each aligned to one or more of the Councils strategic objectives, set out in the over-arching FTFC strategy:

Ref	Objective	Link to SBC Strategy
1	Ensure safety is our number one priority, providing safe environments for customers, staff and visitors	5. Excellent Council Homes for Life
2	Deliver an excellent customer experience, empowering our customers through effective engagement and providing an easy to access, straightforward service	3. Equal Access to Services for All- Improve the accessibility of our services and the customer experience.  4. Co-operative Neighbourhood Management- Work with our communities to improve our neighbourhoods.
3	Tackle the climate change emergency by investing in the right solutions to reduce energy costs and our overall carbon footprint.	3. Equal Access to Services for All- Improve the accessibility of our services and the customer experience.  4. Co-operative Neighbourhood Management- Work with our communities to improve our neighbourhoods.  5. Excellent Council Homes for Life
4	Provide and maintain high quality homes including improving standards in our estates and communities	4. Co-operative Neighbourhood Management- Work with our communities to improve our neighbourhoods.  5. Excellent Council Homes for Life
5	Improve our performance and secure long term financial sustainability through the effective management of our assets, smarter ways of working and innovation	6. Be a financially resilient Council with enough resource to deliver our priorities.  7. Have the right people, skills and knowledge.  8. Become a 'SMART' Council with improved performance  9. Have stronger partnerships with key agencies to deliver our priorities

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### 3. Building on success

The Council has had significant success in implementing the plan outlined in the previous asset management strategies. Projects have included, but are not limited to:

- delivery of a significant decent homes and external works programme
- conversion of hard to let sheltered bedsit accommodation to self-contained 1-bedroom flats.
- creating additional units in existing assets to increase their viability and provide additional accommodation for example Silkin Court and Wellfield Court.
- disposal and redevelopment of some sheltered accommodation identified as not being sustainable in the long term for example Walpole & Asquith Court.
- works carried out and further works planned to improve our retained sheltered accommodation including communal works and remodelling.
- further schemes identified where additional accommodation can be created and in doing this make asset groups sustainable in the long term.
- Secured external funding to support the decarbonisation of our properties.

This success demonstrates the benefits of an active asset management strategy, flowing from the Council's leadership and vision, aimed at delivering 'excellent council homes for life'.

This new updated asset management strategy for 2023-2028 builds on the success of the previous plan and responds to the changes and influences that are likely to affect Stevenage over the next five years.

It is a challenging environment with on-going budgetary pressures across the public sector together with major changes and developments in the town centre, the delivery of the council's housing development and communities and neighbourhood programmes, and critically major changes to government policy and standards within housing.

Delivery of a successful asset management strategy is a key component in enabling Stevenage to grow and prosper.

In recent years the AMS has focused on the delivery of the Decent Homes Standard and long-term investment in the existing stock based on stock condition and life cycle projections, without building in rationalisation and regeneration plans. The AMS now has a wider scope than was previously the case and explores options for undertaking rationalisation and redevelopment of the council's housing stock and land assets, where this has the potential to support the council's wider financial, regeneration and affordable housing objectives.

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### 3.1 Sheltered & Supported Housing

SBC currently has 18 sheltered housing schemes, including two flexi care schemes and one supported housing scheme at Symonds Green that also provides community support to residents in the area. Two of these schemes Walpole & Asquith Court are currently being de-commissioned, ahead of these sites being developed. The new development includes the provision for sheltered units.

### 3.2 Right to Buy

The number of dwellings owned by SBC, has declined through right to buy sales, whilst at the same time, demand for social housing has increased steadily. New legislation forcing the sale of higher value void properties will potentially reduce property numbers further. SBC has plans to replace properties through building new housing.

### 3.3 Stock Valuation

There are two housing stock valuations; one is for the stock used as council houses, called Economic Use – Social Housing Value (EU-SHV) and this is £607,235m. The other is the vacant possession value (effectively market value) and this over £1.6 billion.

The approach used by the council is to undertake a full re-evaluation of 20% of the stock every year, with a desktop review of the remainder, informed by the results of re-evaluation.

### 3.4 Leasehold Properties

There are 1405 leasehold properties as of the 31<sup>st</sup> March 2023, these are distributed throughout the stock, there are 40 blocks where all properties are leasehold.

The majority of works in the past has been focused on the Decent Homes Standard and internal works. The updated AMS vision and objectives includes ensuring the highest standards of safety, tackling the climate change emergency, and improving our estates and communities. As a result, more works will be focussed on external and communal area investment, which will require substantial consultation with leaseholders to allow works to progress. Where appropriate, leaseholders will be recharged for their share of the costs for any works carried out.

## 4 Delivering the strategy

### 4.1. New Homes

Housing remains a key priority for Stevenage residents and for the Council as it is quite clear that Stevenage needs more affordable homes:

- The current Strategic Housing Market Assessment highlights that 575 new affordable homes are required per annum.
- More than 9000 social houses have been lost through Right to buy since 1981.

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- There are 2500 people on the Council housing register.

The Council has an ambitious house building target, to deliver more social and affordable Council rented homes.

At present, the Council is on track to meet its target of delivering 500 homes by 2025, having delivered 375 new across a number of schemes since the inception of a dedicated Housing Development team & Executive Sub Committee for Housing development in 2015.

The New Council Housebuilding programme is progressing well and is detailed in Table5 below:

**Table 5: Current Council Housebuilding programme**

-	Estimated/Completed/Onsite	1 Bed Flat	2 Bed Flat	3 Bed Flat	2 Bed House	3 Bed House	4 Bed House	5 Bed House	Total
Archer Road	Completed	8	9	-	9	4	-	-	30
Vincent Court	Completed	-	-	-	4	-	-	-	4
Kilner Close	Completed	1	2	-	-	1	1	-	5
Twin Foxes	Completed	6	8	-	-	-	-	-	14
Wedgewood Way	Completed	-	-	-	-	6	-	-	6
Ditchmore Lane	Completed	4	6	-	-	-	-	-	10
Gresley Way	Completed	6	-	-	8	-	1	-	15
Burwell Court	Completed	9	6	-	-	-	-	-	15
Addison House	Completed	3	6	-	-	-	-	-	9
deHavilland House	Completed	12	9	-	-	-	-	-	21
Helston House	Onsite	16	9	4	-	-	-	-	29
Kenilworth Close	Onsite	113	92	-	8	19	2	2	236
Oaks Cross	Onsite	11	-	-	-	-	-	-	11
Dunn Close	Onsite	27	-	-	-	-	-	-	27
Courtlands	Onsite	-	-	-	-	-	17	-	17
Open Market Aq	Completed	-	-	-	-	-	-	-	225
Brent Garages	Pre-Planning	50	53	-	-	-	-	-	103
Shephall View	Pre-Planning	14	17	-	-	36	-	-	67
Local Plan Site	Design Development	201	203	-	-	34	-	-	438
Local Plan Site	Design Development	7	7	-	-	-	-	-	14
Local Plan Site	Design Development	-	-	-	20	25	-	-	45
<b>Total</b>	-	<b>488</b>	<b>427</b>	<b>4</b>	<b>49</b>	<b>125</b>	<b>21</b>	<b>2</b>	<b>1341</b>

Key ambitions of the programme include:

- An improved offer for Older People as part of the new build programme.
- Design principles which deliver high levels of thermal comfort to support the Council’s climate change objectives, robust and cost-effective maintenance, aesthetically pleasing designs with good useable floor spaces and use of future technology to support digital inclusion.
- Standard Employer’s Requirements to set out the detailed technical briefs for each development project, ensuring consistency across the programme.
- A diverse range of supply sources to deliver value for money including brownfields developments, use of under-utilised garage sites, in-fill sites, and regeneration sheltered & supporting housing sites.

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- Creation of a housing development company allowing the Council to utilise its general fund assets in a mature way, benefitting from increased opportunities for creative, cross-asset development.

As with all development programmes, they need to be reflective of the economic and environmental conditions that are in-force at any given time. The Council's ambition to develop housing in the HRA co-exists with a need to derive income and develop more tenures of affordable and sub-market housing that meets the needs of the Towns wider population. The housing crisis is something that affects many people including those on average or above average incomes whilst it is acknowledged that the need for a reduced level of public subsidy to help this group of people may be appropriate. As such the Council has now set-up a Development Company which will allow it to hold stock other than the tenures that exist within the HRA, such as private rented and sub-market rented products.

### 4.1.1 Design & Specification

Whilst site constraints and specific scheme needs will influence the precise property types, the following general design principles are:

- High levels of thermal comfort to promote low cost in use - controlled through Design Guide
- Standard Employer's Requirements to ensure robust and cost-effective maintenance, prudent quality e.g., installations of kitchens, bathrooms, and fittings.
- Aesthetically pleasing design with good useable floor spaces.
- Future technology friendly for ease of instalment for digital media and peripherals associated with entertainment to lifestyle medical aids.

### 4.1.2 Employers Requirements

The Council has developed Standard Employer's Requirements which is a detailed technical brief, informed by the design guide, but which can be utilised as a contractual specification, with suggested contract amendments. This will be the contractual starting point for all new developments.

The Standard Employer's Requirements deals with the technical aspect of the build approach and is not focussed on design. For example, the document sets out details for kitchen finishes, doorway widths, and heating requirements.

Some aspects of The Standard Employer's Requirements are liable to change depending on specific project conditions and requirements. However, it is used as an agreed starting point, and any deviations from it would need to be clearly flagged by the Employer's Agent and agreed by the Development Service.

#### 4.1.3 Supply of New Schemes

Stevenage Council has wide ranging housing ambitions that span the need to make commercial gains, provide affordable housing and achieve place shaping priorities such as neighbourhood regeneration. Therefore, the supply of new homes into the HRA could emerge from a number of sources. Careful consideration will be to be given to achieving value for money and assessing the availability of both direct HRA funding and grants such as 1-4-1 funding. The deliverability of projects together with land assembly needs are also other important factor.

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It general terms new schemes will emerge from the following land opportunities:

### **Brownfield Developments – HRA and General Fund**

New homes built on disused or derelict sites. This type of project would cover demolition of existing buildings, such as unused and derelict office spaces. Larger schemes are often generated by brownfield opportunities.

### **Garage Sites – General Fund**

There may be a number of under-utilised garage sites within the Borough. These spaces may have stopped functioning for their original intended purpose due to increasing car dimensions and are often used for general storage. The lack of a revenue stream can lead to dereliction.

### **Hidden Homes – HRA**

This refers to less obvious small opportunities such as estate block parking or WC conversions and hard standings. This could also cover small - medium sized “in-fill” sites on existing estates such as building onto blank flank walls, and disused parking areas.

### **Non-standard stock (Airey Homes) and failing HRA assets**

Failing stock or prefabricated homes create longer term maintenance issues for the Council and often fall into considerable disrepair. Where a small terrace or group of such homes can be found, demolition and redevelopment could be explored by the HRA and General Fund.

### **Sheltered / Supported**

Some of the current accommodation could need renewal and it may be beneficial to review in terms of being “fit for purpose”. Decommissioned sheltered or supported schemes could potentially create large development opportunities that also reduce the burden for programmed cyclical works.

All these opportunity types could be explored via local officer knowledge and specific capacity studies over time.

### **4.1.3 Housing Development Company**

The creation of a Housing Development Company will allow the Council to utilise its general fund assets in a mature way and benefit from the uplift created by the development process, the additional new build premium, as well as increasing the scope for creative development and cross asset development. The traditional route of disposal on the open market by auction (followed by many local authorities) limits the time and creates arbitrary pressures that stifle consideration for alternative uses. It is believed that the Council’s current asset portfolio that includes several community centre sites and shopping parades could provide an opportunity for housing led regeneration that also creates better community and retail assets.

Clearly the size of the scheme together with its cost and time for delivery impacts heavily on the investment needs of the project. The Council will always need to balance its other commitments and statutory service provisions with any investment decision in development activity. Therefore, project specific consideration will be given to schemes to determine their best route for delivery that balances the risk, reward and time frame of activity. There will be some schemes that the Council

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elects to deliver itself and others where it carefully seeks an appropriate Joint Venture partner from the private sector.

### 4.1.4 Challenges & Opportunities

The Council continues to deliver on its ambition to provide new homes. There are a number of challenges and opportunities which the Council will need to address to ensure long term sustainability of this objective.

#### **Future Homes Standard**

The Government, following public consultation in 2021, has set out the 'Future Homes Standard' which will be introduced in 2025 and will require new build homes to be future proofed with higher energy efficiency standards, part of the Climate Change strategy to achieve net zero by 2050. The first part of the regulations come into force in June 2022 and will see changes to Building Regulations.

Further regulatory changes will be introduced in 2025, with engagement taking place throughout 2023.

The Council is well placed to meet the requirements having already declared a Climate Change Emergency and invested in low-carbon homes as part of its new build programme. However, the Council will need to monitor the changing landscape, ensuring that business plans, designs and specifications are reviewed and updated appropriately.

Please refer to Section 4.8 (Climate Change & Decarbonisation) for further information.

#### **Levelling Up and Regeneration Bill**

The Government published the Levelling Up and Regeneration Bill in May 2022, the key outcomes that the Council's New Homes approach will need to prepare for are:

- Changes to the current Section 106 system of developer funding, including the 'First Homes' legislation.
- Changes to local planning system
- Introduction of local design codes for developers

The Council is in a strong position to adapt to the new legislation, with the New Homes development teams and Planning department both being part of the same organisation (unlike Housing Associations and private developers), nevertheless the Council will need to develop new ways of working and embrace the opportunity to deliver more sustainable homes for the future.

#### **Building Safety & Compliance**

Following an extensive period of consultation and planning in response to the Grenfell Tower tragedy in 2017, the Building Safety Act came into effect on 28<sup>th</sup> April 2022.



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The Council already works to ensure that Health & Safety is the highest priority across all activities, however the Development programme will need to prepare for the forthcoming changes, particularly around the 'Golden Thread' and the management of building safety information.

The Fire Safety act also came into force on 16<sup>th</sup> May 2022. Combined with the Building Safety Act, the new legislation is designed to minimise fire safety risks and places obligations on 'Responsible Persons', including the Council to carry out more detailed, regular inspections of existing buildings. However, there is an opportunity for the Council to take a pro-active approach through the design stages of the new build programme, by ensuring building designs are low risk, for example minimising the number of High-Rise buildings in the development programme.

Please refer to Section 4.7.8 (Building Safety Act 2022) for more information.

### **Digital Transformation**

The requirement for Building owners to implement robust approaches to information management provides the Council with a wider opportunity to transform the way it manages asset information.

The Council is currently exploring opportunities to implement BIM (Building Information Modelling) which will provide a 'digital twin' of high-risk assets, enabling information about buildings to be tracked and managed through the whole asset lifecycle, from design through to disposal.

More fundamentally, while the Council has a 'Development Handover Process', which captures information from the design and build process such as operational manuals and compliance certification, a more comprehensive, digital process will be designed to improve accuracy and efficiency while saving significant money in the long term through more effective management of assets.

Please refer to Section 5.3 (Digital Transformation) for more information

## **4.2 Engaging with our Customers & Communities**

### **4.2.1 Context & Background**

The Council is committed to transforming how it engages with its customers and communities. This includes:

- Delivering excellent customer service
- Improving Customer Satisfaction
- Better understanding our customers' needs
- Investing and improving our Neighbourhoods and Communities

Asset Management is a critical area of service, with our staff and suppliers engaging with our customers and communities on a daily basis, whether that be through our repairs service, planned maintenance programmes or other initiatives. This provides an excellent opportunity to support the Council's vision by improving customer engagement and service delivery.

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The Council's pro-active approach means it is well prepared for the forthcoming Social Housing Reforms, which places a major focus on customer engagement and community regeneration.

### 4.2.2 Delivering the vision and outcomes

#### 4.2.3 Resident Involvement

The Council has already started to transform how it engaged with its customers. The Council commissioned TPAS, independent tenant engagement experts, to review the current customer engagement approach and a series of recommendations were made, which have been reviewed as part of a wider review led by the Council's Senior Leadership Team and subsequently developed into a Resident Involvement Strategy.

The Council has an established resident framework offering residents several ways to become involved in scrutinising and improving services. However, it was found that there were several limitations including the amount of time residents needed to commit, narrow scope of the various focus groups and lack of alignment with the Co-operative Communities approach.

Key objectives include:

- **New approach**- based on 'engaging, listening and acting', diversifying the profile of residents involved to reflect the town's population.
- **Digital Transformation**- improved digital offering to enable wider resident engagement.
- **Community Engagement Framework**- increased focus on local priorities through initiatives such as local community budgets
- **Co-operative Neighbourhood Management Programme**- a partnership between council staff, Ward Councillors, and the community to provide neighbourhood level accountability.
- **Housing older person's strategy (HOPS)**- a collaboration with Hertfordshire County Council delivering research and partnership working to improve serviced for older persons.
- **Social Strategy and Partnerships**- The Communities and Neighbourhoods Business Unit take a strategic lead for town-wide strategies relating to health and wellbeing, community safety, and social inclusion.
- **Anti-Social Behaviour (ASB)**- The ASB Business Unit oversees ASB related issues around housing tenants and leaseholders, providing Stevenage Against Domestic Abuse Service and No More (drug and alcohol) Service.
- **Social Value and Wealth Creation**- exploring opportunities to further embed social value within the Council's commissioning and procurement activities.
- **Social Housing Reforms**- Resident engagement is a key theme within the Government's Social Housing Reforms; The Council will need to review its approach to ensure alignment with the reforms.
- **Building Safety & Compliance**- The Council is preparing for the forthcoming changes set out by the Building Safety Act, with residents taking a lead role in ensuring that buildings and communities are safe places to live.
- **Climate Change & Decarbonisation**- The Council's Climate Change Strategy vision sets out that change will need to be 'Resident Led'. Residents will take a leading role in determining the best solutions and contributing to the overall Climate Change strategy.

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The new approach is based on 'engaging, listening and acting', reaching as many residents as possible to understand what is important to them in their neighbourhood. The Council is also developing its digital offering to enable wider resident engagement.

The Asset Management services will need to be reviewed and aligned with the new resident involvement strategy.

### **4.2.4 Community Engagement Framework**

The council's Community Engagement Framework sets out how the council will engage with the town's residents and communities to shape services and to ensure the council meets the diverse needs of the town's residents.

This is a council-wide framework but recognises the unique function of the council's housing services and the need to give a voice to council tenants and leaseholders. This is facilitated through forums such as Housing Management, Asset Management Group and Customer Scrutiny. This might also be facilitated through special interest groups such as Disability Panel or through youth engagement mechanisms such as the Youth Council. The framework also seeks to capture the council's ambitions in diversifying the profile of residents involved to accurately reflect the town's population and will be seeking to explore opportunities through technology and web-based platforms to extend community engagement in council services. A focus remains on facilitated place-based social action in neighbourhoods, where local communities come together to address a particular need or ambition. The council might enable this through mechanisms such as Local Community Budgets, Rent in Kind for council premises, or licences to occupy. The council provides community development support to all resident's groups who want to get more involved and will facilitate consultation and engagement on the issues most pertinent to local communities.

### **4.2.5 Co-operative Neighbourhood Management Programme**

Co-operative Neighbourhoods Programme

Co-operative Neighbourhoods is a partnership between council staff, Ward Councillors, and the community. Its objectives are to coordinate services at a neighbourhood level, provide clear points of accountability, and support the activities of residents and communities who want to improve their neighbourhoods and create new opportunities. This has involved the creation of six, geographically based, Co-operative Neighbourhoods Teams, bringing staff together from different parts of the Council to work as one team, focussed on that locality.

Co-operative Neighbourhoods provides a framework to support greater collaboration between council services. Staff can use their strengths, knowledge, and experience to make a difference to communities - by making informed decisions, resolving issues more quickly and helping to bring about sustainable improvements.

The emphasis is on collaboration, not only across teams, but also between different levels of the organisation. Each Co-operative Neighbourhoods Teams is supported by a 'Strategic Lead' and an 'Operational Lead'. They are the key points of contact for Ward Councillors in support of their community

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leadership role and ensure that 'Co-operative Neighbourhoods' responds to the needs of the local community.



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### 4.2.6 Housing older person's strategy

The Housing for Older People Strategy (HOPS) was jointly developed and is being delivered in collaboration with Hertfordshire County Council. The strategy aims to create a robust evidence-based understanding of current and future housing needs for older residents across different tenures and to close the gap between different service provisions and health services. This is addressed through four key themes:

- Development, standards and design
- Information, advice and technology
- Support and assistance to help people move
- Inter-organisational working

The HOPS is currently being reviewed to ensure that it continues to meet the needs of our older residents and is in line with the latest research and policies.

### 4.2.7 Social Strategy and Partnerships

The Communities and Neighbourhoods Business Unit take a strategic lead for town-wide strategies relating to health and wellbeing, community safety, and social inclusion. These strategies reflect council ambitions to improve the wellbeing of residents and are overseen the Stevenage Together Partnership. A number of work streams and activities flow from these programmes and place-shaping work across the town will need to consider how it positively impacts on a number of these agendas. The community development service also commissions the advice services contract, currently held by Citizens Advice Stevenage, providing advice and support to residents across the town.

### 4.2.8 Anti-Social Behaviour

The Business Unit provides the council's Anti-Social Behaviour (ASB) service, which includes ASB related issues around housing tenants and leaseholders. The service also provides the Stevenage Against Domestic Abuse Service and No More (drug and alcohol) Service, available for those whose council tenancies are impacted by either issue.

### 4.2.9 Social Value and Wealth Creation

As part of the council's Co-operative Commitment the Communities and Neighbourhoods Business Unit is currently looking at opportunities to further embed social value within commissioning and procurement processes and support wealth creation within communities.

### 4.2.10 Social Housing Reforms

Resident Engagement is a key theme in the Social Housing Reforms. Empowering residents and improving transparency are two of the principles which underpin the reforms. The ongoing plans within the Council to transform Customer & Community Engagement will need to be reviewed as the details of the reforms emerge, to ensure compliance with the forthcoming changes. Please refer to Section 4.3 (Social Housing Reforms) for more information.

### 4.2.11 Building Safety & Compliance

While the regulatory changes set out in the Building Safety Act include extensive changes focussed on technical procedures and systems, Resident Involvement is at the centre of the regulations. The Council is progressing with preparing for the changes which includes residents take a leading role in

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ensuring that buildings and communities are safe places to live. Please refer to Section 4.7.8 (Building Safety Act 2022) for more information.

### **4.2.12 Climate Change & Decarbonisation**

Similar to Building Safety & Compliance, this is another priority theme where Resident Involvement is essential. The Council's Climate Change Strategy vision sets out that change will need to be 'Resident Led'. The Council is investing in homes to deliver carbon reductions and reduced energy costs. Residents will take a leading role in determining the best solutions and contributing to the overall Climate Change strategy. Please refer to Section 4.8 (Climate Change & Net Zero) for more information.

### **4.2.13 Digital Transformation**

Customer Engagement is a key theme for the Digital Transformation programme. The Council will have already invested in digital solutions including the Online Repairs solution, which enables residents to request new repairs. The next phase will include the capability for customers to manage existing repairs online, enabling more expedient resolution of repairs which will improve customer satisfaction.

The Council will be reviewing the wider Asset Management services, identifying opportunities to provide digital solutions where possible. This might include viewing details about planned maintenance and major investment in residents' homes or in the communal areas where they live.

Digital services will enable improved services and increase customer satisfaction with the Asset Management service.

### **4.2.14 Resources**

The Resident Involvement strategy utilises existing community-based teams, however the Council will need to develop a high-quality training programme for all staff involved in providing Asset Management services, to ensure there is a focussed, consistent approach across the board.

This will need to align with a contractor training plan also, to ensure that external contractors provide the expected levels of service in line with the new approach to customer engagement.

## **4.3 Social Housing Reforms**

### **4.3.1 Context & Background**

The Government has set out plans to reform social housing on a scale not seen for over 30 years. Following a slow start, with the Social Housing Green Paper being published in August 2018 with the Social Housing White Paper following in November 2020, the Government is now accelerating the pace of change, with plans to bring forward the Social Housing Regulation Bill to the current parliamentary session, as set out in the in the Queens Speech in April 2022.

The Levelling Up White Paper was also published in February 2022, with the subsequent Levelling Up Bill also announced in the Queens Speech. Both sets of regulatory changes will drive significant changes in the sector, with an emphasis on safety, resident engagement, and community regeneration.

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The key areas of the reforms are as follows:

### 4.3.2 Social Housing Regulation

- Safety: ensuring that safety is a number one priority with proposals to legislate that all rented properties must be fitted with smoke alarms and carbon monoxide alarms being fitted to properties when any new gas appliances are installed. There is also consultation in progress around electrical safety.
- Resident Engagement: ensuring residents have their voices heard.
- Regulation: Reformed regulation: regulator of social housing, housing ombudsmen & consumer standards.
- Focus on transparency and accountability: performance measures.
- Improved housing standards: Decent Homes: fast-tracked review. Ventilation, security, window restrictors, electrical safety etc.

### 4.3.3 Levelling Up & Regeneration

- Restoring sense of community & local pride.
- Focus on ramping up supply of affordable housing.
- Increase home ownership.
- Regeneration: not just housing but infrastructure, amenities, and opportunities.

### 4.3.4 Challenges & Opportunities

The Council already embraces the key themes of safety, resident engagement and community regeneration as set out in the Future Town Future Council visions and outcomes. A transformation programme is already in place to deliver these outcomes, with excellent progress being made in all areas.

However, it is critical that The Council continues to review and monitor the Social Housing Reforms to ensure it is prepared to comply with any specific regulations including timescales and performance measures.

The Council welcomes the reforms which align with its vision and values; however, it must be recognised that some of the regulatory changes will likely place significant demands on The Councils finances. In particular, changes to the Decent Homes Standard requiring accelerated additional capital investment or ongoing operational maintenance spend must be factored in to the short, medium and long-term business plans.

While details are still being iterated through the legislative processes, accurate budget planning is not possible, so The Council will need to have an agile approach to investment planning and delivery of transformation across the board.

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### 4.4 Stock Condition & 30-Year Investment Profile

#### 4.4.1 30- Year Profile

The Council recognises that continued investment in its housing assets is critical to maintaining stock condition, meeting its regulatory obligations, and supporting the delivery of the visions and outcomes set out in the FTTC strategy.

The 30-Year Investment profile sets out the long-term investment requirements which must be reviewed in the context of available resources and realised through the HRA business plan.

The 30-Year Investment profile incorporates both planned and reactive maintenance including capital investment, responsive and void repairs and planned and cyclical maintenance. The following table provides a summary of the current 30-Year profile:

Table 6- Current 30-Year Plan

Current 30-Year Plan							
Element	1 To 5	6 To 10	11 To 15	16 To 20	21 To 25	26 To 30	Totals
Future Major Works	£75,667,095	£41,627,057	£36,088,080	£53,973,033	£42,721,384	£53,652,069	£303,728,718
Improvements (Captured in future major works)	£0	£0	£0	£0	£0	£0	£0
Response and Void	£13,679,750	£13,679,750	£13,679,750	£13,679,750	£13,679,750	£13,679,750	£82,078,500
Cyclical	£17,498,750	£17,498,750	£17,498,750	£17,498,750	£17,498,750	£17,498,750	£104,992,500
Contingent Major Repairs	£3,840,000	£3,840,000	£3,840,000	£3,840,000	£3,840,000	£3,840,000	£23,040,000
Related Assets	£0	£0	£0	£0	£0	£0	£0
Exceptional Extensive Works	£1,045,000	£922,000	£495	£421	£0	£1,443,000	£3,410,916
Disabled Adaptations	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£15,000,000
<b>Total</b>	<b>£114,230,595</b>	<b>£80,067,557</b>	<b>£73,607,075</b>	<b>£91,491,954</b>	<b>£80,239,884</b>	<b>£92,613,569</b>	<b>£532,250,634</b>

However, there are several significant areas of change, set out in the AMS, which will require previously unprecedented levels of increased investment over the next 30 years, including:

- Building Safety & Compliance- increased investment in high-risk buildings and fire safety across the board
- Climate Change & Net Zero- significant investment in solutions to improve the energy efficiency and reduction of carbon in existing stock and to fulfil our commitment to achieving Net Zero
- Social Housing Reforms- increased standards will mean an increase in levels of investment, for example as set out by the forthcoming updates to the Decent Homes Standard

As set out in the AMS, a significant proportion of the forthcoming changes are evolving, which presents the whole sector with challenges in forward planning. Extensive preparatory work will be required over the period of this strategy and beyond to fully understand the requirements and resources required to deliver the outcomes. This includes research, data collection planning, analysis and consultation. However, based on high-level estimates, the following tables provide two potential updated investment profiles considering these key areas of change; there are two Scenarios that have been developed.

The below scenario is based on the Council's housing portfolio achieving EPC-C by 2030. The Net Zero plan then kicks-in to ensure the stock meets Net Zero targets by 2050. This has several benefits



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including a much smoother investment profile which is more likely to be affordable, while maximising funding opportunities which are currently directed at EPC-C 2023 targets rather than Net Zero. Furthermore, it focused on a fabric first approach which mitigates the risk of the Council investing in technology which may be superseded by 2030 and in any event would not benefit from the economies of scale which are likely to result in lower pricing:

It should be noted that at this time the Council has not included net zero options within the revised HRA Business Plan due to the technical complexities of identifying the best solutions for the stock and the financial impact on the plan if external support is not available.

### Scenario 1- (EPC-C by 2030 and Net Zero by 2050)

Element	Notes	1 To 5	6 To 10	11 To 15	16 To 20	21 To 25	26 To 30	Totals
Future Major Works	-	£75,667,095	£41,627,057	£36,088,080	£53,973,033	£42,721,384	£53,652,069	£303,728,718
Improvements (Captured in future major works)	-	£0	£0	£0	£0	£0	£0	£0
Response and Void	-	£13,679,750	£13,679,750	£13,679,750	£13,679,750	£13,679,750	£13,679,750	£82,078,500
Cyclical	-	£17,498,750	£17,498,750	£17,498,750	£17,498,750	£17,498,750	£17,498,750	£104,992,500
Contingent Major Repairs	-	£3,840,000	£3,840,000	£3,840,000	£3,840,000	£3,840,000	£3,840,000	£23,040,000
Related Assets	-	£0	£0	£0	£0	£0	£0	£0
Exceptional Extensive Works	-	£1,045,000	£922,000	£495	£421	£0	£1,443,000	£3,410,916
Disabled Adaptations	-	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£15,000,000
<b>Total</b>	-	<b>£114,230,595</b>	<b>£80,067,557</b>	<b>£73,607,075</b>	<b>£91,491,954</b>	<b>£80,239,884</b>	<b>£92,613,569</b>	<b>£532,250,634</b>

### Proposed Adjustments (Additional Budget Requirements)

Element	Notes	1 To 5	6 To 10	11 To 15	16 To 20	21 To 25	26 To 30	Totals
Increase in A & A Budget to meet increased demand	Unable to carry out a comprehensive assessment without full review of data but seems sensible for portfolio size	£1,750,000	£1,750,000	£1,750,000	£1,750,000	£1,750,000	£1,750,000	£10,500,000
High-Rise- Options Work Stage	Increased by 12.5 % to allow for inflation since original options assessment completed	£9,562,500	£0	£0	£0	£0	£0	£9,562,500
Stock Condition Surveys- 20% per year	Recommend 25% increase based on current market rates	£375,000	£375,000	£375,000	£375,000	£375,000	£375,000	£2,250,000
Digital Switchover ILS	Not reviewed	£0	£0	£0	£0	£0	£0	£0
Procurement consultant support	Not reviewed	£160,000	£0	£0	£0	£0	£0	£160,000
Wifi in ILS	Not reviewed	£0	£0	£0	£0	£0	£0	£0
CCTV	Not reviewed	£145,000	£0	£0	£0	£0	£0	£145,000
Fire Safety Works (High Rise)	Unable to carry out a comprehensive assessment without full review of data but seems sensible for portfolio size	£2,050,000	£750,000	£750,000	£750,000	£750,000	£750,000	£5,800,000
Fire Safety Works (Low & Med. Rise)	Unable to carry out a comprehensive assessment without full review of data but seems sensible for portfolio size	£1,350,000	£750,000	£750,000	£750,000	£750,000	£750,000	£5,100,000
Fire Doors (High Rise)	Unable to carry out a comprehensive assessment without full review of data but seems sensible for portfolio size	£980,000	£100,000	£100,000	£100,000	£640,000	£460,000	£2,380,000
Fire Doors (Low & Med. Rise)	Unable to carry out a comprehensive assessment without full review of data but seems sensible for portfolio size	£2,490,000	£150,000	£150,000	£150,000	£1,500,000	£1,050,000	£5,490,000
Smoke & CO Detectors	Unable to carry out a comprehensive assessment without full review of data but seems sensible for portfolio size	£715,000	£0	£0	£0	£0	£0	£715,000
Decarbonisation (EPC by 2030)	Scenario 1 is based on ensuring all stock meets EPC-C by 2030 then Net Zero plan kicks in from 2031. Costs could vary significantly depending on actual energy performance of the assets (vs extrapolated from current EPC data set), market rates, intervention type, national policy, technical standards etc	£11,500,000	£6,300,000	£0	£0	£0	£0	£17,800,000
Decarbonisation (Net Zero by 2050)	Scenario 1 is based on ensuring all stock meets EPC-C by 2030 then Net Zero plan kicks in from 2031. Costs could vary significantly depending on actual energy performance of the assets (vs extrapolated from current EPC data set), market rates, intervention type, national policy, technical standards etc	£0	£11,000,000	£27,500,000	£27,500,000	£27,500,000	£16,500,000	£110,000,000
Funding- 40% (assumption)	Seems reasonable but could vary significantly depending on national policy and how the Net Zerofunding model at a global level develops	£-4,600,000	£-6,920,000	£-11,000,000	£-11,000,000	£-11,000,000	£-6,600,000	£-51,120,000
Decent Homes 2	The revised Decent Homes standard is currently under review and subject to stakeholder consultation. The potential changes are only indicative. Therefore no benchmarking data is available. It is anticipated that the key areas likely to be included (decarbonisation, compliance, environmental works etc) are covered in the overall SBC 30 year plan, but it would seem sensible to build in an allowance based on 5% of the existing Decent Homes costs (approximately £ 1k per asset per year), with investment to 'catch up' front loaded to the first 5 years of the plan then an allowance for lifecycle replacements profiled over 25 years.	£2,000,000	£250,000	£250,000	£250,000	£250,000	£250,000	£3,250,000
<b>Total Additional Budget Requirement</b>	-	<b>£28,477,500</b>	<b>£14,505,000</b>	<b>£20,625,000</b>	<b>£20,625,000</b>	<b>£22,515,000</b>	<b>£15,285,000</b>	<b>£122,032,500</b>
<b>Grand Total</b>	-	<b>£142,708,095</b>	<b>£94,572,557</b>	<b>£94,232,075</b>	<b>£112,116,954</b>	<b>£102,754,884</b>	<b>£107,898,569</b>	<b>£654,283,134</b>
<b>Total per annum</b>	-	<b>£28,541,619</b>	<b>£18,914,511</b>	<b>£18,846,415</b>	<b>£22,423,391</b>	<b>£20,550,977</b>	<b>£21,579,714</b>	<b>£21,809,438</b>

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### 4.4.2 Stock Condition Survey

The Stock Condition data set is critical to enabling effective investment planning. The primary data source is the stock condition survey, which incorporates information about buildings and associated components including age, condition, quantity, and type to drive the investment planning process and ensure the Council can monitor compliance with regulations and standards.

The stock condition data is derived from stock condition surveys.

A series of stock condition surveys were undertaken by independent surveyors, Savills and King Sturge, during the period 2005-2008 and the data was externally validated by Tribal consultants in 2010. This information will be continually improved and updated through an on-going rolling programme of surveys. In addition, independent engineers, Curtins Consulting, carried out a risk assessment and structural survey of high rise and non-traditional housing stock in 2006 and this survey was updated and validated in 2010, enabling anticipated structural repair costs to be identified.

The Council has been undertaking a rolling programme of stock condition surveys, with a minimum of 20% of the stock being surveyed each year. Therefore, 93% of the stock has now been surveyed.

Sector standards recommend that properties are surveyed on average, at least once every 5 years. This ensures a high standard of data quality to enable effective investment planning and supports improved decision making.

While the majority of properties have had a stock condition survey completed, some of this data is becoming older than the recommended 5-year standard. In 2022 The Council commissioned a new stock condition survey, delivered by independent consultants, Pennington's Choices. This will provide a refreshed data set to inform future planning and decision making, which is particularly important to enable the Council to prepare for the in the major forthcoming regulatory changes set out in the AMS.

### 4.5. Asset Information

Asset Information is critical to effective asset management. It is imperative that the Council builds on the data quality during this period of unprecedented change, as high-quality data will underpin effective planning and decision making. It is increasingly important that accurate information is available as the Council implements its digital transformation programme, providing more digital services to customers, staff and suppliers.

As set out in Section 4.4.2, Stock Condition data is the foundation for effective investment planning. However, a number of other information sets are required to deliver on the visions and outcomes of the AMS:

- Compliance data including an up-to-date asbestos register and records of compliance events

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- Building safety case data contributing to the 'Golden Thread' of building lifecycle data
- Energy performance data
- Repairs and maintenance history
- Asset performance insights including voids, turnover, income, demand
- Customer information
- Robust financial data- planned and actual expenditure at asset level
- Supplier information for effective supplier management

All stock data is held on the Keystone asset management database, which is administrated by the asset management team. This provides a comprehensive single data source for condition information, works programmes, renewal and cyclical maintenance history. The database is used to carry out planned maintenance modelling scenarios and provides information for business plan forecasts as well as detailed work programmes, proposed contract works and assessments of progress in meeting the Decent Homes standard.

As part of the wider digital transformation programme, the Civica Cx Assets system will be replacing the Keystone system, which offers an upgraded solution utilising the latest technology. This will ensure that the Councils asset information will be managed within a fit for purpose system that will provide further opportunities around digital asset management, which is key to modern, effective asset management.

In addition to survey information details of all completed works are captured and updated in the data base to maintain the accuracy of the data.

The Asset Management Team carry out regular health checks to ensure data quality is maintained.

Other information utilised is held in the Keystone database. For example, financial information is held in the finance system, so it is important that regular reconciliations between systems are completed to ensure alignment and maintain data quality.

The Council is also exploring opportunities provided by BIM (Building Information Modelling). A BIM platform would leverage the latest technology in digital asset management, providing a 'digital twin' of key buildings and components. The initial focus is on high-risk buildings, where BIM technology can support the Council to meet requirements of the Building Safety information requirements (The 'Golden Thread'). The interactions between Keystone and other existing systems will need to be managed appropriately. The BIM project team will also work closely with the Development team to explore how BIM technology can be used on new build developments. Please refer to Section 4.5.1 (Digital Engineering & BIM (Building Information Management)) for more information.

As more internal processes and Council services become digital, data quality will become even more critical. The Asset Management Team are engaged with the Digital Transformation programme and will explore opportunities for improving data quality which might include:

- Investment in data warehousing to improve reporting and insights.

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- Investment in data quality/governance tools to automate data quality checks to improve accuracy, completeness, and timeliness of data.
- Providing training and support for staff to embrace data quality taking ownership at a local level.

### 4.5.1 Digital Engineering & BIM (Building Information Management)

Within any organisation managing buildings there is a need for:

- Graphical information, such as fire partition plans or plans locating maintainable assets.
- Structured data, such as the replacement cost or classification code for an asset
- Unstructured Information, such as a test certificate relating to an asset's compliance.

Maintaining all these disparate pieces of information in disconnected systems is highly challenging. Given the building safety act imposes requirements with regards to keeping information or documents up to date, digital asset management offers a unique opportunity to improve the effectiveness of how an organisation manages its assets. The optimum solution for enabling functional digital asset management is BIM.

To ensure data quality, important if you wish to drive better decision making from your data, the validation of information is critical. Traditional asset registers are incredibly difficult to validate. Within a BIM system the asset data and the 3D model are the same entity, and it becomes much easier to compare a space and its assets to your modelled records, validating that all assets are accounted for.

Another issue with the traditional asset register is they often reside in a spreadsheet format where it is easy to provide data in a non-consistent manner. With a well-structured model created to UK BIM Framework standards and a robust EIR, data will always reside in consistent data parameters, allowing the data to be analysed and useful conclusions drawn.

Through consideration to what asset information will add value to the organising, BIM can start to answer important questions that can be used to make better decisions:

- What assets will reach the end of life each year, and how much will they cost to replace?
- How often should each asset be attended and what PPM activities should be carried out?
- What energy and performance data are needed on assets and building fabric to drive sustainability objectives?
- What information is needed to drive better building safety, for example how to record the location of asbestos, or known safety issues for maintenance staff?

In line with best practice, it is recommended to implement an approach where the model acts as a graphical user interface for the building information. Giving access to asset data, classifications, documentation, and maintenance history through the simple selection of an asset in a 3D interface.

Practical steps for in the initial phase of the digital journey include:

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- Accessing some BIM awareness training
- Procuring systems: Model Authoring software (e.g., Revit), a CDE solution (e.g., Asite)
- Adopting ISO 19650 conventions for file naming, revisioning and document status.

### 4.6 Asset Performance Review

The council carried out a review of its Asset Management Strategy in 2014, which included a detailed analysis of the housing assets and their investment requirements over the 30-year business plan period. This section details the outcomes of the 2014 review, progress since the review, the latest position, and recommended actions during the life of this strategy. The asset review included a comprehensive review of the financial performance of individual and groups of assets.

The review focused on two main areas:

- Defining the true financial performance and investment requirements of the housing stock, relating to this the HRA capacity and the financial demands of development.
- Addressing sustainability in its fullest sense, recognising the importance of neighbourhoods and economic factors, as well as dwellings themselves, in influencing demand and then addressing assets or asset categories with fundamental sustainability problems.

#### 4.6.1 Stage 1 of the Review

Consultants analysed the council’s stock by applying an asset grading model, which scored properties based on cost and qualitative factors, and by examining the financial impact of properties on the 30-year HRA. As a result, a series of asset groupings were identified, as described in table 8 below:

**Table 8: Asset Management Groupings**

Short Description	Full Description
<b>Sustainable Sheltered</b>	Sheltered schemes where capital investment has been/is being made. These are therefore expected to be sustainable for 10 - 15 years before further review is required.
<b>Medium Term Sustainable Sheltered</b>	Sheltered schemes where capital investment should be contained to minimum necessary to sustain 5 - 10-year productive use of sheltered housing. Demand likely to tail off progressively or potential to intensify service.
<b>High Investment Sheltered</b>	Sheltered Schemes where capital costs are extremely high, and it is difficult to justify continued investment in the longer term and more strategic intervention is required.
<b>Tower Blocks</b>	Tower Blocks which require full reinvestment and upgrading. Fully sustainable for lettings in the longer term (larger accommodation/few bedsits), subject to investment and robust housing management once block upgrades are completed.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

Short Description	Full Description
Flats for Upgrade	Generally smaller blocks of flats which are 'tired'. Expected to be sustainable from a letting's perspective, subject to full investment and upgrading, which in most blocks will involve the de-conversion of bedsit accommodation.
Archway Flats	Small flats and maisonettes which are built over communal access roads and paths. They suffer from cold bridging and noise nuisance. Units are mainly bedsits.
Maisonettes Over Shops	Maisonettes and flats constructed over shops / small commercial units. Remodelling, reinvestment or replacement likely to be required.
Special Needs Use	Stock which is currently used for supported housing to meet specific needs.
Redevelopment Schemes	Blocks of flats / groups of properties where ongoing investment is not considered advisable
Bungalows for Review	These bungalows have been highlighted through the asset grouping review as having a negative impact on the HRA but are expected to be sustainable.
Data review	These assets have been highlighted as having a negative impact on the HRA, but the reasons for this are not immediately clear to the staff who know the stock well.
Sustainable but Potentially Challenging	For these assets some individual indicators highlight some low scores. This may be due to one off data set on small samples. The staff who know the stock well grade this stock as reasonable
Disposals	Stock considered appropriate for private sector disposal.
Held for Road Widening	Property mothballed pending decision on Stevenage Western expansion
All Other Stock (Long Term Sustainable)	Assets where planned investment is at benchmark levels and are considered sustainable.

The outcome of the initial review was that 5,496 units (i.e., 66% of the total housing stock), was deemed to be sustainable in the long term and fell within the 'all other stock' category in the above table. This meant that no housing or asset issues were identified and, provided SBC continues to make planned investment at sustainable levels (as provided for in the HRA Business Plan), these assets should continue to meet housing need and make a positive contribution to the HRA.

The remaining 34% of the assets fell within the other categories. These properties were identified as being potentially 'challenging' as they performed relatively poorly, based on their score in the asset grading model and their financial impact on the HRA. The outcomes for each grouping are detailed in Table 9.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

**Table 9: Asset Review (Stage 1): Potentially Challenging Asset Groupings**

-	-	No. of asset groups	% of Asset groups	Number of dwellings	% of total stock	30 year average planned programme	Annual planned programme spend	30 Year Planned Spend	% of total spend	Average rent collected	Average repairs/voids/cyclical	Rent less repairs/void/cyclical	Balance per unit per annum	30 Year HRA Impact	Group1	Group 2	Group 3
A	Sustainable Sheltered	11	4.00%	359	4.34%	£1,416	£508,442.97	£15,253,289	9.12%	£3,867	£961	£2,905	£1,489.19	£16,038,583	1	10	0
B1	Medium Term sustainable Sheltered	7	2.55%	275	3.32%	£1,487	£409,030	£12,270,913	9.63%	£3,787	£1,021	£2,766	£1,279	£10,548,032	1	6	0
B2	High Investment Sheltered	4	1.45%	117	1.41%	£1,680	£196,603	£5,898,094	4.02%	£3,704	£1,056	£2,647	£967	£3,394,206	2	2	0
C	Tower Blocks	5	1.82%	269	3.25%	£1,769	£475,886	£14,276,584	9.51%	£3,949	£910	£3,039	£1,270	£10,250,026	0	5	0
D	Flats for Upgrade	35	12.73%	594	7.17%	£1,685	£1,001,017	£30,030,523	11.27%	£3,247	£840	£2,407	£722	£12,864,193	1	31	3
E	Archway Flats	20	7.27%	25	0.30%	£1,248	£31,199	£935,981	0.26%	£2,753	£1,018	£1,735	£487	£365,552	5	9	6
F	Maisonettes Over Shops	6	2.18%	52	0.63%	£1,922	£99,935	£2,998,060	1.12%	£3,608	£1,006	£2,628	£706	£1,102,015	3	3	0
G	Special Needs Use	1	0.36%	30	0.36%	£1,726	£51,791	£1,553,722	0.74%	£3,581	£2,735	£846	-£880	-£792,329	1	0	0
H	Redevelopment Schemes	1	0.36%	21	0.25%	£1,913	£40,175	£1,205,257	0.45%	£4,463	£1,807	£2,655	£742	£467,632	0	1	0
I	Bungalows for Review	2	0.73%	2	0.02%	£1,813	£3,626	£108,788	0.02%	£0	£50	-£50	-£1,863	-£111,788	1	1	0
J	Data review	9	3.27%	49	0.59%	£2,454	£120,225	£3,606,750	1.22%	£3,883	£989	£2,894	£440	£647,010	0	5	4
K	Sustainable Assets	60	21.82%	985	11.89%	£1,618	£1,593,855	£47,815,637	12.62%	£3,366	£789	£2,577	£959	£28,323,949	0	52	8
L	Disposals	2	0.73%	6	0.07%	£2,228	£13,367	£401,013	0.13%	£3,299	£967	£2,332	£104	£18,777	0	0	2
M	Held for Road Widening	1	0.36%	1	0.01%	£780	£780	£23,401	0.01%	£0	£1,389	-£1,389	-£2,169	-£65,058	1	0	0
SUB TOTALS	-	164	60%	2785	34%	£1,632	£4,545,934	£136,378,011	60%	-	-	-	£994	£83,050,800	16	125	23
ALL OTHER STOCK	-	111	40%	5496	66%	£1,431	£7,867,506	£236,025,184	40%	£5,182	£714	£4,468	£3,036	£500,624,885	0	21	90
TOTALS OVER ENTIRE STOCK	-	275	100%	8281	100%	£1,499	£12,413,440	£372,403,196	100%	£4,627	-	-	£2,349	£583,675,684	16	146	113

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

### 4.6.2 Stage 2 of the Asset review

The next stage of asset review was to consider the options for the challenging assets and to scope specific recommendations for each group, in order to assist the council in developing its asset management plan.

As part of this assessment, a further 617 units of the stock were re-classified as being sustainable in the long term. In addition, the 30 properties for special needs use, whilst demonstrating seemingly poor financial performance, were assessed as having considerable social value and were sustainable on that basis. This resulted in the number of long-term sustainable assets increasing to 6143 units, representing 72.2% of the housing stock.

The following asset groups were separated for specific assessment or recommended action.

**Table 10: Asset Groups Assessed**

Description	Asset Groups	Units	% of Total	Action
Long Term Sustainable Assets (including Special Needs)	159	6,143	72.20%	Retain and continue to invest in line with planned programme requirements.
Poorly Performing Assets - Reinvestment Option Appraisals	85	1,090	13.10%	Actions detailed below.
Sheltered Housing	22	751	9.10%	Actions detailed below.
Tower Blocks	5	269	3.20%	Actions detailed below.
Other Groups	4	28	0.30%	Schemes being held for redevelopment, disposal and road widening.
<b>TOTALS</b>	<b>275</b>	<b>8,281</b>	<b>100%</b>	-



## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

The asset review identified three key challenges facing the future investment needs of the existing housing stock.

The key challenges and the actions identified to address them are set out below. The resultant investment requirements have been built into the HRA Capital Programme.

### 4.6.3 Outcomes- Challenges & Actions

#### a.) Poorly Performing Challenging Assets

##### *The Challenge*

The group of 1090 assets identified as poorly performing and where the financial impact on the HRA is potentially low or negative consist of the following stock groups.

**Table 11: Classification of Poorly Performing Assets**

Groups	Type	Asset Groups	No. of Dwellings
D	Flats for Upgrade	35	594
E	Archway Flats	20	25
F	Maisonettes over Shops	6	52
I	Bungalows for Review	2	2
J	Data Review (Anomalies)	9	49
K	'Sustainable' but potentially challenging	13	368
<b>TOTALS</b>	-	<b>85</b>	<b>1,090</b>

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

### **Response**

Site surveys were carried out to provide an understanding of the strengths and weakness of each asset grouping. This was followed by a comprehensive desktop review for each of these asset groups.

For each group, the type and level of investment was determined along with the relative urgency. The objective was to improve the stock to make tenancies sustainable, reduce turnover and so underwrite the strength of the long-term revenue contribution to the HRA.

The range of typical scheme recommendations includes the following:

- Keep as is (and potentially review data)
- Upgrade public realm.
- Upgrade and remodel (this mainly involve bedsit and archway flat remodelling)
- Sell balance of units (change tenure)
- Demolish and redevelop.
- Open market disposal
- Area/sub area master plan

For each of these, some standard capital cost assumptions were generated, which can be summarised as follows:

**Table 12: Investment Cost Assumptions for the Poorly Performing Assets**

<b>Option</b>	<b>Standard Capital Cost</b>
Keep as is	No capital cost
Upgrade public realm	£9,000 per rented unit plus £4,800 per leased unit
Upgrade and remodel	£35,000 for flats; £20,000 for archway; £50,000 to convert archway to house
Sell balance of units	Capital receipt invested in works
Open market disposal	Capital receipt invested in works
Demolish and redevelop	Not part of this costing exercise
Area/sub area master plan	Not part of this costing exercise

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

For all schemes, once investment has been made, it is anticipated that this will have one or more of the following effects:

- That the annual investment per unit per annum remains as that contained in Keystone.
- Responsive and void costs return to normal levels – assumed at £350 and £150 per unit per annum respectively.
- Rental income is achieved at 97% of potential rent (rather than the historically low ‘actual rent collected’ at these schemes).
- Where bedsits are to be remodelled, the rental income on ‘lost’ units is removed but the income on retained and remodelled units (which will have increased in size) have been enhanced by £20 per unit per week.
- Where individual units are recommended for sale, the assumed sales income has been introduced, at 90% of the open market value, assuming sale with vacant possession.

For each scheme, there is an assumption as to when the work would be undertaken, prioritising the most (financially) challenged schemes first. They smoothed the major investment over years 2 – 10 of the current business plan (assuming year 1 is the current year), so as to allow lead in time for the first schemes and then a steady programme both of work and capital spend.

The outcome was a comprehensive financial model for each of the 85 schemes, which compared the current 30-year Investment and Expenditure profile and Net Present Value, with a revised profile. The outcomes were considered at scheme level and overall, to adjust the prioritisation and conclusions for each scheme and to propose a 9-year programme of investment and forms part of the basis of the financial assumptions in the business plan.

Based on these proposals, a provision has been made in the Business Plan to deliver the programme of works to the poorly performing assets. The proposed programme has been amended to reflect pressures on the Business Plan and now consists of a longer-term programme commencing in 2017/18 and finishing in 2028/29.

### **2023 Updated Position**

Works have been carried out to re-model some poorly performing stock including hard to let bedsit accommodation. All the converted accommodation are now fully let and have an increased rental value as a result of their conversion.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

Other works have been scoped for delivery during the asset review programme including creating additional accommodation in under crofts and other underutilised spaces. Re-modelling of areas within some poorly performing flat blocks will also be incorporated in the MRC programme.

We have introduced an enhanced Strategic Asset Performance Model, please refer to **table 15** at the end of this section. This model will be refreshed to allow us to update our assets performance and what the impact has been from changes since the original review including improvement works, latest changes to legislation and financing.

### b.) Sheltered Schemes

#### *The Challenge*

The council has previously commissioned an independent review of its sheltered assets, which identified 10 schemes that were considered to have sustainability problems and to be at risk of experiencing longer term demand and/or physical problems. As part of the asset review, consultants focused on these schemes, and categorised them as follows:

Red

- A scheme is categorised as red where there are issues relating to the physical nature of the scheme, its repair or condition, the degree of local demand/competition or a combination of these factors such that SBC needs to take significant action within the short term. The action might be major investment and remodelling or assessing potential for decommissioning as sheltered housing and re-use, redevelopment or disposal.

Amber

- A scheme is categorised as amber where there is a probable requirement that major investment, development or re-utilisation of a scheme will be required within 10 years. The view is that amber schemes are unlikely to sustain good long-term demand without the identified actions or investment. In some instances a sustainable scheme may have development potential, perhaps as extra care housing. If, in the consultant's opinion, this should be realised in the

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

coming 10 years then the scheme would also be categorised as amber.

Green

A scheme is categorised as green where it is essentially sustainable in the long term (up to 30 years) in its present form. Nonetheless there are likely to be some improvement and upgrading works required to meet minimum quality standards and to maintain a healthy demand profile.

The distribution across the sustainability categories of the Stevenage sheltered stock which was subject to the consultant's assessment process is shown in the table 13 below:

**Table 13: Sheltered Stock Sustainability Categorisation**

Category	No. Schemes	No. Dwellings
Red	4	132
Amber	5	208
Green	1	110
<b>Total</b>	<b>10</b>	<b>450</b>

Based on their assessment of these schemes, which represent the more problematic half of the portfolio, the consultants judged the overall sustainability challenge in SBC's sheltered to be manageable. Overall the quality of the stock and the extent of likely future demand compared favourably with the situation faced by many other social landlords.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

### **Response**

#### *Preferred Options by Scheme*

When considering the appropriate response for the council to the findings of the consultant's assessment of the 10 schemes, a number of options which could apply were identified. These were:

- A – Improvement and retention as older people's housing
- B – Significant remodelling for continuing older people's housing use
- C – Remodel or redeployment for alternative use
- D – Redevelopment by SBC
- E – Disposal

The following breakdown emerged of preferred options across the various schemes:

**Table 14: Breakdown of Options for the Assessed Sheltered Schemes**

<b>Option</b>	<b>Units</b>
Option A Improvement and retention as older people's housing	237
Option B Remodelling for continuing older people's housing use	81
Option C Remodel or redeployment for alternative use	0
Option D Redevelopment by SBC	132
Option E Disposal	0

*Medium Term Sustainable - Green and Amber Schemes*

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

The consultants provided costed proposals for modernising the amber and green schemes they assessed, through a programme of improvements and re-modelling and a provision has been included in the HRA Business Plan.

### *Unsustainable Sheltered - Red Schemes*

Of the schemes that have been assessed as being unsustainable three schemes form part of the future housing development programme. The fourth scheme has been released from the development programme but will be part of a further option appraisal prior to any significant investment on the scheme.

### **2023 Updated Position**

Works have been completed in a number of our sustainable sheltered schemes to ensure these are fit for purpose in the future. Schemes have been delivered to re-model communal areas including garden spaces, re-modelling of bedsit accommodation which has historically been hard to let using communal facilities no longer required.

Plans are progressing for the three red schemes and some have already been decommissioned. An option appraisal for the fourth red scheme will be carried out as part of this strategy.

Additional accommodation has been created in some schemes to further enhance the schemes and their financial viability.

Additional schemes are being developed providing further improvements which will be delivered during the life of this strategy.

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### **c.) Tower Blocks**

#### ***The Challenge***

The council has five high rise tower blocks which have a relatively low Net Present Value (NPV). Although the flats are relatively energy efficient, they suffer from poor internal communal areas and unattractive public realm areas outside the blocks.

The tower blocks are, however, relatively popular, with good Parker Morris space standards and a low number of bedsits. The four town centre tower blocks are also in central locations and as such as represent significant assets which should be utilised to support the Council's wider priority to regenerate the town centre.

The Council also has significant land holdings in the areas around the tower blocks which may offer opportunities for new build at higher densities.

#### ***Response***

An Options Appraisal was commissioned to look at potential opportunities for regeneration of the tower blocks and surrounding areas whilst at the same time improving the financial position of the HRA, enhancing income earning potential and reducing exposure to high planned maintenance costs for some existing assets.

#### **2023 Updated Position**

The viability assessment and options appraisal for our tower blocks was completed in 2020. This involved detailed surveys and inspections to inform a series of options including disposal and investment. The outcome was to invest and retain the assets with a plan to invest to ensure the buildings meet the forthcoming building safety standards.

The project is now at the design stage with feasibility options being progressed to inform the construction phase. The design will also need to factor in the Councils vision for climate change and net zero.



## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

### **4.6.4. Climate Change & Net Zero**

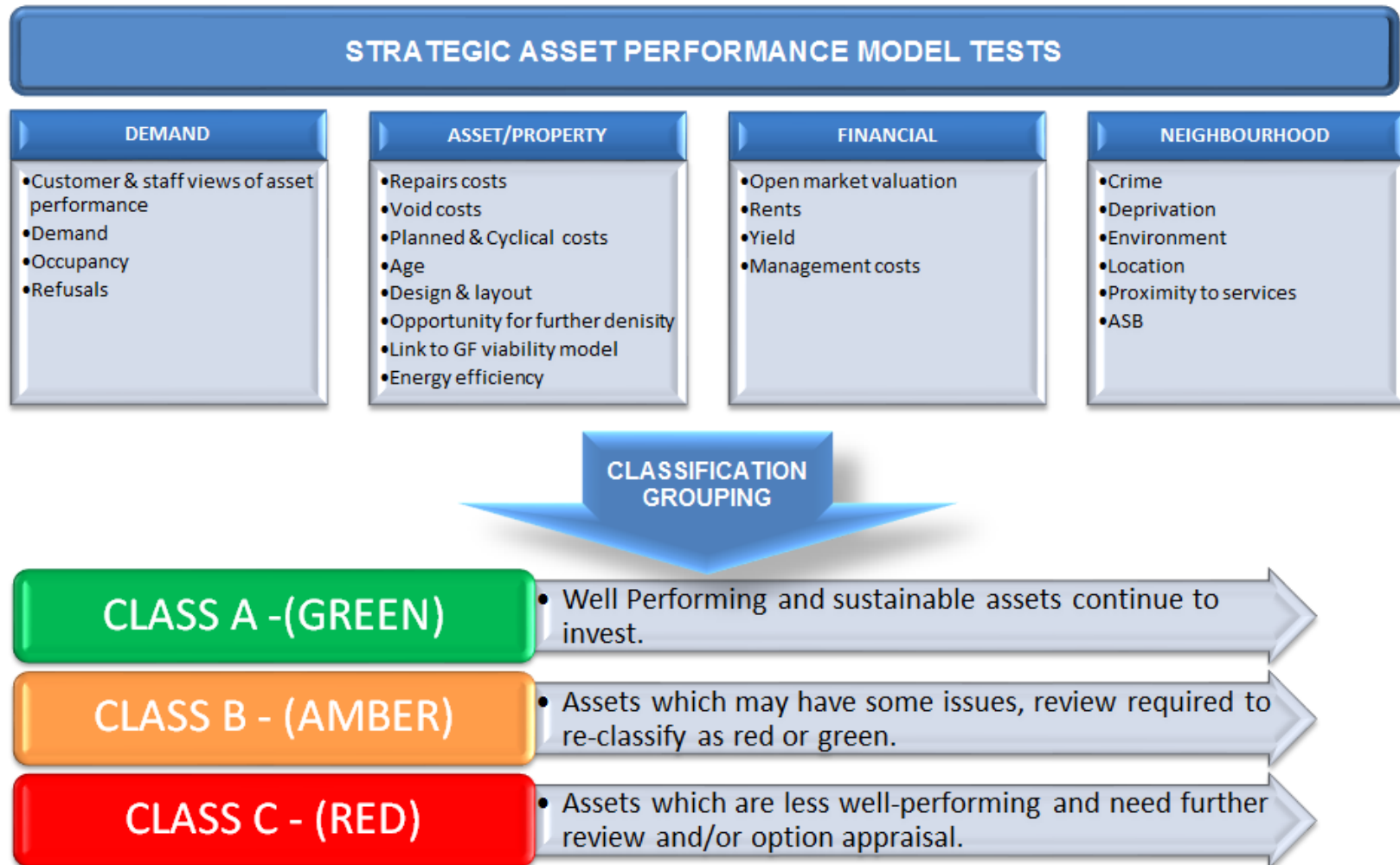
Since the current asset performance model was implemented in 2014, the emphasis on Climate Change and Decarbonisation has increased significantly, with a global focus on working towards Net Zero in 2050 and the Council itself declaring a Climate Change emergency in 2019.

It is important that any asset performance model now incorporates energy efficiency and climate change measures. This will support investment planning and modelling, where factoring in the effect of net zero investment and energy efficiency measure could have a significant impact on the sustainability of individual assets but also asset groups. This might include similar archetypes on an estate which share the same characteristics which contribute to poor energy performance and therefore prohibitive investment costs.

The Council will therefore need to investigate options for aligning energy performance data with the asset performance model. This will support prioritisation of investment and inform long term sustainability reviews.

Table 15: Strategic asset performance model

**STRATEGIC ASSET PERFORMANCE MODEL**



## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

### **4.6.5 Options Appraisals**

Through the Asset Review a number of asset groups will require further detailed analysis before any future investment is approved. The Options Appraisal process will be followed for these groups of assets to determine the best solution. The outcome and recommendations from Options Appraisal will be considered by the Asset & Capital Board.

There may be a number of outcomes from including:

The requirement for Options Appraisals has been identified for some stock which either did not form part of the Asset Review or where circumstances have changed since the review. Those areas identified include the following:

- High Rise Flat Blocks
- Flat Blocks where investment in individual flats exceed £25k.
- Sheltered Housing Schemes

We will develop standard Options Appraisal templates in line with those used through the Asset Review. This will include scoring the solution against a number of criteria including Social, Financial and Environmental.

### **4.7 Investment Planning**

#### **4.7.1 Context & Background**

An effective investment planning approach is essential for ensuring that The Council is able to maintain its asset portfolio, supporting robust business planning and optimising the limited resources available.

The investment planning approach involves is underpinned by the strategic objectives set out in the AMS and enabled through processes, policies, data and insights to develop short, medium and long-term investment plans. The investment planning approach is a lifecycle process, the Asset Management wheel provides an overview:

# HOUSING ASSET MANAGEMENT STRATEGY 2023-2028



### 4.7.2 Approach

The Asset Management team oversee the investment planning approach, working closely with the Council's Senior Leadership Team, Finance, Development, Housing Management Services and other teams across the Council.

The AMS sets out the strategic outcomes which inform a set of investment principle and priorities. These are overlaid the asset information enabling intelligent planning and decision making to form programmes of work for delivery.

The investment planning approach must ensure that the limited resources available are invested appropriately, ensuring that the investment balance risk, value for money, regulatory compliance and delivering on the vision and outcomes set out in the FTTC and AMS.

The Council has an aspiration in line with best practice, to increase the balance of planned vs responsive investment in favour of planned, with a target of 80:20 in favour of planned investment; therefore, effective investment planning is a key area of focus.

Additionally, there has been a lack of investment in cyclical planned maintenance in recent years e.g. gutter clearance, painting of external which has contributed to an increase in responsive repairs. Therefore, the Council will increase investment in cyclical planned maintenance. This will reduce responsive repair demand but will require methodical approach to investment planning to ensure that components due for replacement through capital investment are not included current cyclical programmes

In the development of programmes of work SBC will work within the priorities set with section 7.2. Programmes will be developed to deliver the aims of this strategy within the financing identified through the HRA Business Plan. This strategy will also need to be reviewed if there are any significant changes impacting on the HRA Business Plan and the available funding.

The Asset Management Team will develop all programmes using the stock intelligence gathered and in conjunction with others including:

Residents  
Finance, Procurement and Legal  
Housing Management

The analysis of repairs trends will also inform future programmes to ensure these have the maximum impact on reducing our ongoing maintenance costs.

Information from estate inspections carried out by other teams such as tenancy and caretaking will also inform future programmes.

The Asset Management Team will develop and maintain a 5-year investment plan which will include details of properties due to receive work under the plan.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

Using the intelligence, we gather through stock condition surveys and other information sources we will produce planned and preventative maintenance programmes of work. These programmes will help to reduce demand for responsive repairs and prolong the life of the stock whilst increasing customer satisfaction.

### 4.7.3 Investment Principles

- (i) All investment decisions must seek to contribute to affordable warmth for the residents (by reducing running costs for a warm and comfortable home) and to SBC's commitment to reduce carbon usage.
- (ii) Residents must be consulted on investment decisions, both in any review of options or priorities and in programme and project implementation planning. This will include full Section 20 Consultation with leaseholders, where necessary.
- (iii) All investment programmes should be grouped in sensible geographical and stock phases, so as to minimise disruption to any group of residents at any time and to ensure a distribution of investment across the town.
- (iv) Delivering the AMS will involve substantial capital investment year to year. As well as upgrading and maintaining housing assets, investment should contribute to localised regeneration – creating a noticeable improvement in and around each project.
- (v) The investment programmes should seek to develop added value through developing training, apprenticeships and local employment opportunities.

### 4.7.4 Investment Priorities

All future investment decisions will be based on the principals within the investment priorities outlined below:

**Table 15: Investment Priorities**

Priority	Description	Examples
Health & Safety	To comply with all Health & Safety regulation/legislation.	Gas Regulations, Asbestos Management, Water Safety, Fire safety etc.
Legal Requirements	To comply with all legal requirement as a social housing landlord.	Housing and landlord acts, DDA, Right to Repair etc.
Government Policy	To comply with government standards.	Decent Homes Standard, Energy Targets etc...
SBC Policy	To meet the objectives of wider council policy & strategy. e.g. Future town future council.  Responsive repairs and voids policies.	Stevenage Standard, Repairs Standard, Voids standard.
Local Requests	Requests which fall outside of the categories above	Requests from Councillors, Community, MP, Residents, Staff etc.

## 4.8 Asset Standards

### 4.8.1 Context & Background

In addition to legislative requirements such as compliance e.g., fire safety, the Decent Homes Standard sets out a minimum standard for social housing in England.

The government is accelerating a review of the Decent Homes Standard, as part of the Social Housing Reforms.

As part of its vision to provide and maintain high quality homes, in addition to delivering excellent customer service, the Council is developing its own standards which will set the benchmark for service delivery including Asset Management.

The Council will continue to review evolving government policy and regulatory changes, to ensure it is prepared to meet changes in standards.

### 4.8.2 Decent Homes

The Decent Homes Standard is only a minimum baseline. The minimum standard requires that:

- The property must be free of Category 1 hazards under the Housing Health and Safety Rating System.
- It must be in a reasonable state of repair.
- It must have reasonably modern facilities and services.
- It must provide a reasonable degree of thermal comfort.

The Stevenage standard is higher than the minimum which means that all key internal decent homes elements (kitchens, bathrooms, rewires, heating) in a property that fail the standard on age or condition are replaced in through a planned work programme, in order to minimise inconvenience for tenants and to maximise operational efficiencies, wherever possible works will be carried out at the same time.

The Council aims to achieve 100% compliance with the Decent Homes Standard. Significant progress has been made in reducing the level of non-decency from a position of 54% in April 2008 to the current level of 32% in March 2022. Stevenage, being a 'New Town', has the complication that many of the building components fail, in bulk, at the same time. This is a consequence of having stock that was built within a much smaller time period than may be the case with other Authorities who possess a more diverse stock portfolio. This creates sudden shifts in the ratio of decent homes and manifests as substantial peaks of non-decency on our Business Plan. The Council's housing stock is currently in one of these peaks.

It is worth noting that the ongoing Stock Condition surveys of the housing portfolio will provide a more accurate and updated view of the Decent Homes compliance position.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

The programme of major works that are funded through our Business Plan continue to improve this over the next 5 years, although in some years the number of homes becoming decent may be greater than those made decent.

**Table 17: Number of dwellings that are non-decent as of March 2023** \* some dwellings fail on more than one criterion.

Tenure	No. of Dwellings
No. of non-decent dwellings	<b>1769</b>
Dwellings with category 1 hazards (HHSRS)	<b>0</b>
Dwellings not in a reasonable state of repair	<b>1758</b>
Dwellings without reasonably modern amenities and services	<b>51</b>
Dwellings without reasonable degree of thermal comfort	<b>8</b>

### 4.8.3 Stevenage Standard

The Council has developed the 'Stevenage Standard' which will support the Councils vision to provide excellent housing and customer service standards. The Stevenage Standard sets out that all assets must:

- Meet HHSRS Standards
- Meet Decent Homes Standards
- Be situated within a block (for flats) and wider neighbourhood, where residents feel safe and secure
- Have well designed and maintained communal areas and external communal space.

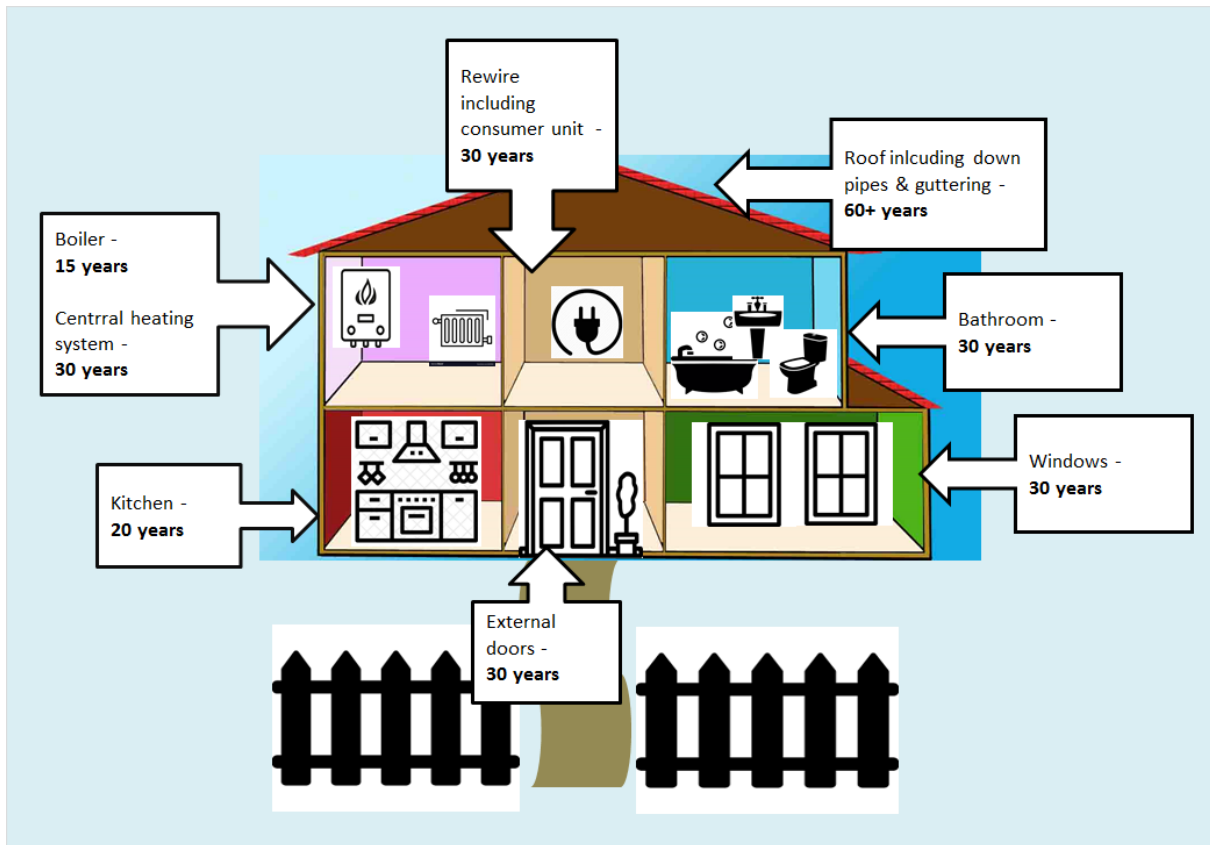
The current Stevenage Standard does not reflect the latest standards and will be reviewed during the life of this strategy to ensure it provides a suitable standard going forward. The image below demonstrates the current asset management standard that is based on decent homes lifecycles, meaning the timeframe in which a property element meets the end of its maintainable life. The new Stevenage Standard will incorporate areas such as energy efficiency, fencing and external works.

The Council will evaluate options for configuring the Keystone Asset Management System to be able to report progress on the new Stevenage Standard and the minimum Decent Homes standard.

The AMS action plan looks at reviewing asset management lifecycles with consideration being given to the fact that planned maintenance programmes are to be cyclically budgeted for and delivered, keeping the housing stock maintained and well presented for longer. The review will be completed with full consultation with customers and key stakeholders.



# HOUSING ASSET MANAGEMENT STRATEGY 2023-2028



## **4.9 Safer Places- Building Safety, H &S & Compliance**

### **4.9.1 Context & Background**

The Council has a legal duty to ensure all residents live in a safe environment and a number of the key areas of compliance are covered in this section. All areas of compliance are covered by separate individual policies and procedures for each area, each of these are being reviewed during the life of the strategy.

The compliance team are responsible for all areas of compliance and a series of planned programmes which ensure we meet our obligations.

Beyond the specific areas of Asset Compliance, the Council has been proactively preparing for the Building Safety Act which came into effect on 28<sup>th</sup> April 2022.

The following sections provide a summary of how the Council is working to deliver its objectives in each compliance area.

### **4.9.2 Housing Health and Safety Rating System (HHSRS)**

The HHSRS assesses the health and safety risks within a property. If a property fails, the HHSRS it automatically fails the Decent Homes Standard. All HHSRS failures are treated as urgent and addressed at the earliest opportunity. The identification of HHSRS failures is being carried out as part of the ongoing stock condition survey.

Refresher training for front line staff has been completed as part of this strategy to ensure failures are identified.

### **4.9.3 Gas Servicing**

We have a legal obligation under the Gas Regulations 1998 to annually check the safety of all gas appliances, pipework and associated fittings within our stock.

The current arrangements for gas servicing are through an external contractor with the contract for this work procured in 2021, this is a five-year contract with a 3\* gas servicing and maintenance contract. The Council will also ensure compliance with gas safety regulations across all the work streams delivered through this strategy. In addition, SBC have arranged for a third party to carry out audit & compliance checks for all aspects of gas safety.

### **4.9.4 Fire Safety**

We have an obligation under the Regulatory Reform (Fire Safety) Order 2005 to carry out Fire Risk Assessments (FRA) in all properties where the Fire Safety Order applies, this includes all high rise and sheltered properties.

The fire risk assessment process is managed internally and delivered by specialist external fire risk assessors, who have all of the correct accreditations and insurances. The fire risk assessment process drives both any remedial works and a planned programme of works to ensure fire safety

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integrity within our properties. We work closely with Fire & Rescue to both ensure compliance and test fire safety procedures.

Effective day to day management of fire safety will involve support and assistance from teams across the council including caretakers, repairs and our customers to ensure we achieve the most effective outcome.

Alongside the FRA process there is an inspection and servicing programme for all our fire safety related equipment this includes emergency lighting, fire alarms, lightning protection systems, smoke control systems, fire extinguishers and blankets.

A full review of our fire safety compliance has been carried out following the Grenfell tragedy in June 2017. As a result of the review we have established a fire safety action plan to ensure our continued compliance with regards fire safety., which will be delivered as part of this strategy. The Council is implementing the changes required to comply with the following legislation, with the recent completion of sprinklers in all high-rise blocks.

### **Fire Safety Act 2021**

The Fire Safety Act 2021 came into force on 16<sup>th</sup> May 2022. The legislation extends the scope of FRAs (for buildings with two or more stories) to include the external wall systems including windows, cladding, balconies, and flat entrance doors which open into common parts.

### **The Fire Safety (England) Regulations 2022**

The Fire Safety (England) Regulations 2022 is expected to come into force in on 23<sup>rd</sup> January 2023, setting out legislation to implement some of the key recommendations from the are an outcome of the Grenfell Tower Phase 1 report. This includes (for all buildings with 2 or more residential units) ensuring that residents are provided with information relating to fire safety instructions and information relating to the importance of fire doors.

For Residential buildings between 11 m and 17.9 m in height, regular fire door checks will be carried out, these are managed internally and will be delivered by a specialist assessor, in line with requirements of the Act.

All buildings 18m (or 7 storeys) and above in height will be subject to legislation which includes providing digital copies of building floor plans to the local fire authority, providing wayfinding signage to assist firefighters in the event of a fire and the management of firefighting lifts and other firefighting equipment.

### **4.9.5 Asbestos Management**

We have a duty to comply with the Control of Asbestos Regulations 2012 and follow best practice relating to domestic properties. Our asbestos register is contained within our asset management system and managed by a dedicated part of our compliance team.

All communal areas have been surveyed on an annual basis and details of these surveys are held within our asbestos register. All asbestos is managed in line with recommendations from the most recent survey. We have an annual programme of re-inspection for all communal areas where asbestos has been identified.

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Asbestos surveying and management are monitored through the compliance team and appropriate surveys are carried out prior to any works being carried out.

### **4.9.6 Legionella**

Our policy for the control of legionella is designed in accordance with the Approved Code of Practice L8. The code recommends that we carry out routine testing of communal water systems.

Risk assessments of individual sites are used to identify the testing and inspection regime including the frequency. The compliance team are responsible for management of Legionella risk across the stock.

### **4.9.7 Electrical Safety**

We are currently delivering a programme of electrical inspection through our voids and internal works programme. As part of our review of compliance a programme of electrical inspections is being introduced and will be delivered through this strategy. An annual programme of periodic testing to residential properties and communal areas will be delivered to ensure electrical safety.

All domestic properties are inspected on a five yearly basis, in line with best practice; we also carry out a further inspection at the time of tenancy change. All communal electrical systems are also inspected on a five yearly basis.

### **4.9.8 Lifts & Lifting Equipment**

The Council delivers a cyclical compliance programme for its portfolio of lifts and lifting equipment in line with legislation including LOLER and Lift Insurance inspections, this takes place across all passenger lifts in blocks of flats as well as commercial properties such as car parks etc. This is complemented by the current programme of lift refurbishments and renewals across the portfolio.

### **4.9.9 Building Safety Act 2022**

The Building Safety Act 2022 came into effect on 28<sup>th</sup> April 2022, following extensive consultation in response to the Grenfell Tower tragedy in 2017. The legislation is primarily focussed on improving safety for the residents and visitors of high-risk buildings. The Council has taken a proactive approach in preparing for the legislation, establishing a project to provide a framework for planning and delivering the required changes.

The Council places safety as its highest priority and is therefore well placed to deliver its obligations under the legislation.

The legislation is far reaching, with changes going beyond physical building improvements to include data and information, culture, customer engagement and an end-to-end review of the whole approach to managing the building lifecycle.

Many of the specific obligations will come into force through secondary legislation over the next 18 months, however the Council will continue preparing for the changes through the project plan.

The main outcomes include:

- Establishment of a new building safety regulator, part of the Health & Safety Executive
- Appointment of a Principal Accountable Person with legal responsibility for each high-risk building
- The requirement to produce 'building safety cases' for in-scope buildings, setting out how risks are being pro-actively controlled and managed.

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- Implementation of gateway-based approach affecting both new build and refurbishment programmes
- Data & Information- establishing a 'Golden Thread' of information about high-risk buildings which begins prior to construction and is maintained throughout the lifecycle of the building.
- Completion of quarterly and annual inspections of all Fire Doors across our portfolio of residential properties, where the Building Safety Act stipulates that these inspections must be carried out. Any issues with door conformance to regulations are highlighted and appropriate remedial works instigated.

The Council recognises that the approach required to fulfil its obligations under the Building Safety Act provides wider opportunities:

- Resident engagement- empowering residents by listening and acting on concerns, improving transparency, and enabling a 'safety awareness' culture in our buildings and communities.
- Whole stock approach- while the legislation is primarily targeted at high-risk buildings, the 'safety awareness' culture and improved management of asset information should be implemented across the whole portfolio.
- Climate Change & Net Zero- improvements to building safety components provides an opportunity to align investment with climate change and net zero targets e.g., external wall systems.
- Intelligent Asset Investment- the requirement to establish robust, more detailed asset information will enable improved planning and decision making.

The Council is making good progress with the Building Safety change project, highlights include:

- Identification of the high-risk buildings in scope of the legislation and detailed assessments completed to identify remediation works and high-level cost estimates
- Development of a BIM (Building Information Modelling) roadmap to enable digital assets approach for managing the 'Golden Thread' of asset information, initially for in-scope buildings but with opportunity to roll out to the wider portfolio
- Training and skills- identifying the training and skills which will be required across the Council to deliver the new approach
- Reviewing policies, processes and standard operating procedures in anticipation of the detailed legislation

### 5. Climate Change & Net Zero

#### 5.1 Context & Background

The Council has taken a pro-active approach to tackling Climate Change and declared a Climate Change Emergency in 2019. The Council has developed a Climate Change Strategy setting out how it plans to respond tackle the Climate Change Emergency and the AMS is aligned with this strategy. The residential sector accounts for 16% of the overall carbon emissions in the UK (2020 estimate), primarily from the use of fossil fuels for cooking, heating, and hot water provision.

It is therefore critical that Climate Change & Net Zero is a critical priority within the AMS. A traditional approach to asset investment, focussed on component renewals with Climate Change being a supporting theme is no longer good enough. Climate Change and Net Zero, alongside safer

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places and social housing reforms must be at the centre of Asset Management Planning & Delivery.

The Council has a vision to reduce its emissions to Net Zero, supporting its businesses and residents to do the same by 2030:



Understanding the emissions will involve building up a detailed picture of what Stevenage's outputs are.

Lead the way by ensuring Stevenage Borough Council (SBC) is producing as little greenhouse gases as possible as quickly as possible

Advocating for and facilitating real change will see SBC lobbying for more drastic action at County and Central Government level, as well aiding local stakeholders' efforts to shrink their carbon footprints.

The response to the climate change emergency will be resident led which means the community will be fully involved throughout the process.

SBC will utilise this opportunity to improve our residents quality of lives, by striving to end fuel poverty, improve the built environment to encourage the shift to active travel and making healthy plant based food accessible.

Clear targets will be set with regular monitoring in place.

The AMS vision and outcomes for Climate Change & Net Zero are to:

- Contribute to the Council's Net Zero 2030 target by reducing carbon emissions across the housing portfolio.
- Improve the quality of lives for residents by reducing fuel poverty, providing energy efficient homes and enabling a resident led approach.
- Deliver wider sustainability objectives including water, waste, transport and environment e.g., trees and green spaces

The Government has signed-up to legally binding commitments to reach Net Zero by 2050 which is the over-arching target for achieving Net Zero, though there are several milestones including those relevant to the housing sector including:

- Changes to Part L Regulations (June 2022): A performance-based standard requiring new build homes to produce 31% less CO<sub>2</sub> compared to the previous regulations 2013. Transitional regulations ahead of the Future Homes Standard (2025)
- Future Homes Standard: (2025) The Government is consulting on the Future Homes Standard which is expected to come into effect in 2025. This standard is designed to future-proof new build homes for Net Zero, based on 75% reduction in emissions for new build homes compared to 2013 standard.
- SAP Band C (2030): Target for existing homes to have minimum SAP rating of Band C by 2030.

The whole Climate Change theme is evolving at a rapid pace; therefore, The Council will need to continue to monitor changes and push forward with its proactive approach.

### 5.1.2 Delivering the vision and outcomes

The Visions & Outcomes set by the Council in addition to the regulatory changes set out by the UK Government, which themselves are part of a global approach, provide opportunities for The Council to lead by example in tackling the Climate Change emergency, while providing wider opportunities:

- A resident led approach provides opportunities to engage residents and communities.
- Contribute to local community regeneration through partnership working
- Set out consistent standards for new homes and investment in existing homes.
- Develop a culture of innovation across the board

The following sets out the Council's approach to tackling key challenges and themes to ensure it can deliver the Visions and Outcomes:

#### i) Funding

The levels of investment required to achieve net zero (primarily retrofit works) is unprecedented. Part of the initial challenge will be understanding the levels of investment required which will require intensive data collection, modelling, research, and planning. It is recognised that current levels of financial across the whole sector will be inadequate and are unsustainable. The Council will need to review its long-term business plan and ensure investment across Housing and Assets is prioritised appropriately.

A range of grants and funding opportunities are available and The Council will continue to engage with these opportunities. Current opportunities include ECO 4 scheme and Social Housing Decarbonisation Fund (SHDF). However, the funding capacity is limited and is currently expected to cover less than 50% of the projected increased investment costs. Therefore, the Council will pro-actively lobby government for a coherent funding strategy and explore grant and funding opportunities, including innovative funding models where appropriate.

#### ii) Investment Approach

As previously referenced, traditional component renewal programmes will not be sufficient to deliver the outcomes of the Climate Change & Net Zero strategy. The Council is already investing in Energy Efficiency measures and since 2019 has completed the following investment:

Priority	Heating	Cavity Wall Insulation	Loft Insulation	Windows	Photovoltaic Panels
Completed 21/22	248	45	9	11	127

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Firstly, the Council needs build on the insights including current energy performance of its portfolio to enable planning and modelling of the investment options.

As there is currently not definitive blueprint for achieving Net Zero in the sector (this could be several years away), the Council will need an agile approach to investment planning. The Council will use the insights to develop scenario plans, which will need to be sponsored at Executive Level.

The Council aims to balance the need to accelerate investment to tackle climate through retrofit measure with taking a measured approach, while more research is carried out at a local, national and global level.

It is expected that a 'fabric first' approach, will be the most sensible, improving the thermal efficiency of the property through investment in efficient external wall systems and insulation. This has a significant impact on reducing fuel bills and improving thermal comfort, while allowing time for best practice to be established in relation heating and hot water provision.

It also allows time for the cost of new technology to reduce significantly, with products and installation costs reducing through economies of scale in a similar way that we have seen with Solar Panels and other technology as supply chains develop and the required skills in the labour markets become more established.

It is critical that ventilation and over-heating is reviewed as part of any works programmes, to mitigate condensation/mould issues and ensure residents enjoy a high level of comfort in their homes.

Ongoing investment cannot be put on hold while the long-term strategy is developed e.g. some key components such as heating systems will be coming towards the end of their useful life, in which case the Asset Management teams will ensure that any investment meets a minimum of SAP Band C.

The Council will also focus on those properties with the lowest energy performance (below SAP Band C) through the lifetime of the AMS and up to 2030. There are currently approximately 3600 properties in this category.

### **iii) Data & Insights**

It is essential that The Council builds on its data and insights to inform the detailed planning and decision-making activities that are going to be required to drive forward the Climate Change & Net Zero strategy and associated programmes. The common currency for measuring energy performance in the UK is SAP (Standard Assessment Procedure) but it is widely acknowledged that SAP has significant limitations and can lead to sub-optimal investment decisions. It is likely that SAP will be replaced over the next ten years with a more effective alternative, but in the meantime, SAP represents the best methodology for assessing energy performance.

It has been a requirement since 2008 to ensure that all properties which are let or sold have a valid Energy Performance Certificate (EPC). The measure used for EPCs is RDSAP, a form of SAP and therefore the Council has a good data set of RDSAP information. Currently, 78% of the housing stock has an EPC, providing a good foundation for planning. This data set can be extrapolated to



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provide an estimate of energy performance for the stock without an EPC, although the Council will aim to increase its energy performance data through ongoing surveys and assessments.

The Council has invested in the SAVA energy modelling tool which utilises energy performance data to support the planning and scenario modelling of future investment. This enables the Asset Management team to project what impact a set of interventions will have on a specific property or group of properties e.g., an estate with similar archetypes. It also supports with cost modelling, to enable a range of options to be modelled.

It is important to leverage wider data sets to supplement the energy performance data when planning and modelling energy efficiency and net zero programmes and interventions. For example, energy running costs for communal areas and domestic properties (harder to obtain as this information is not held by The Council), up to date schedules of rates and pricing for interventions, turnover and demand information, repairs history, resident vulnerability including financial vulnerabilities e.g. arrears and local socio-economic data to support grants and funding applications.

The Council will continue to build on its data and insights, optimise the SAVA energy performance solution to get the best value from the technology and identify any data and information gaps with a plan to close these out as soon as is practical.

### **iv) Resident Engagement**

As referenced in 4.8.1 (Context & Background), the Council's over-arching Climate Change Strategy sets out a vision for a resident-led approach. This provides an excellent opportunity to contribute to the wider Resident Engagement and Community Regeneration objectives, two of the Council's key strategic priorities.

The Asset Management Team will liaise closely with Resident Engagement colleagues to develop a communications and engagement strategy, which supports the resident-led approach. This will involve engaging with communities, therefore this will be aligned with the Co-operative Communities approach.

The approach seeks to:

- Reduce fuel poverty
- Empower residents and communities to shape services and investment plans
- Support residents to take ownership of climate change interventions at a household and local community level e.g., through recycling and involvement in environmental activities such as tree planting

The approach will ensure there is buy-in from residents to support initiatives which could otherwise receive a poor response from residents such as installing new technology in homes which may not be familiar to residents e.g., energy efficiency monitoring, innovative renewable technology

The Asset Management Team will also work with suppliers and contractors to ensure residents are fully supported throughout the works programmes through an effective resident liaison approach.

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This includes setting expectations during works to homes and ensuring residents understand how to utilise new technology to ensure energy bills are reduced as much as possible.

### **v) New Homes**

A number of regulatory changes are planned which will impact on the development of new homes, as set out in Section 4.1

The Council supports the principles of ensuring that the opportunity to prepare for Net Zero is taken at the outset of the new build process, to mitigate future retrofit costs and disruption.

The Council has been investing in energy efficiency homes for some time and recent developments incorporate air source heat pumps, Solar PV and Electric Vehicle charging points.

The Council will continue to monitor the regulatory changes and ensure that the Asset Management Team and Development Teams work collaboratively to ensure new build specifications are sustainable and align with the long-term strategy.

### **vi) Asset Performance**

The Asset Management team is responsible for the Asset Performance approach, which is designed to monitor and review asset performance, ensuring the long-term sustainability of the Council's portfolio of housing assets.

The Asset Management Team will review the approach to ensure that it aligns with the evolving Climate Change and Net Zero strategy. This will include overlaying current and projected energy performance with the core asset performance measure to ensure the appropriate levels of investment are delivered. For example, some the levels of investment and/or disruption required for some properties to meet Net Zero standards may be prohibitive and a re-model or disposal option may be more appropriate.

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### **vii) Wider Environmental Sustainability**

The Council will continue to develop plans for wider environmental sustainability interventions beyond retrofit measures to properties and fuel poverty reduction initiatives. This includes:

- A review of the impact of transport within Asset Management e.g. DLO fleet
- Waste Management associated with investment works
- Supply Chain review
- Approach to Electric Vehicle Charging including for blocks and communal services
- Environmental initiatives e.g. Tree Planting and Green Spaces

### **viii) Resources**

The Climate Change & Net Zero strategy will need to be delivered by staff with the appropriate skills and knowledge. This goes beyond Asset Management specialist roles, with the need to ensure that all staff, particularly frontline teams, have an appropriate level of skills and knowledge to support the objectives.

The Asset Management Team will review the workforce and supply chains to ensure that the Council has the necessary skills to deliver the Climate Change & Net Zero strategy. This includes engaging with the Council wide review of resources to identify any gaps and to ensure training programmes are implemented where required.

The Asset Management Team will also develop a communications and engagement plan for internal teams to promote the Climate Change & Net Zero AMS objectives and engage with staff across the board

### **ix) Partnerships**

The Council recognises the importance of collaborative working at a local, regional, and national level to tackle the Climate Change Emergency. This has wide range of benefits, for example it promotes the sharing of resources to offset costs and provide the opportunity to leverage a wider range of skills and knowledge to drive forward the changes required.

The Council is member of the Hertfordshire Partnership which is a county wide initiative to share information and best practice.

Additionally, the Council has a partnership with the University of Hertfordshire which is research initiative.

The Council will continue to develop partnerships which add value and contribute to this critical part of the overall AMS.

## 5.2 Planned Programmes

### 5.2.1 Major Refurbishment Contract (MRC)

In previous versions of this strategy investment has focused on internal works to dwellings and external works to houses. This was a requirement in order for us to meet our obligations under Decent Homes, as these were responsible for the majority of Decent Homes failures.

As our focus and priorities move away from internal works, our MRC programme will deliver major works to 550 low and medium rise blocks across Stevenage over 5 years. During the life of this strategy there will be a significant investment in our flat blocks. The works which will form part of this programme include:

- Structural Repairs and Alterations
- Internal and external wall coverings
- Communal area flooring
- Communal decoration
- Landlords' Electrical Systems and Door Entry Systems
- Communal Doors
- Signage
- Roofing
- Windows
- Footways and Hardstanding



### 5.2.2 Internal Works

Our internal planned works programme will continue to be delivered to ensure our stock remains decent. A new contract was procured in 2020 to deliver a three-year programme of works, with the contract coming to an end in 2024.

This programme includes upgraded kitchens, bathrooms, electrics, and heating. Works will be included in the programme if they require replacement before 2022. They will be assessed based on two different criteria; if they are old or if they are in poor condition.

**Old:** This means that the element is older than its expected lifecycle. These are defined as follows; kitchens over 20 years, bathrooms over 30 years, Boilers over 15 years, heating systems including radiators over 30 years and electrics over 30 years.

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**Poor condition:** This means that the element is in disrepair and only has a remaining life of 4 years or less before a full upgrade would be required.

The criteria will be reviewed as part of the final recommendations of the social housing green paper and the decent homes lifecycles review detailed in Section 4.6 of this document.

### 5.2.3 External Works

A programme of windows, doors and external wall insulation is being delivered across the town to improve thermal comfort of residents' homes. This work is being undertaken to street properties outside of the MRC contract.

### 5.2.4 Communal Heating Programme

Our 2015-2018 HRA Asset Management plan identified the need to replace existing communal heating systems in 15 sheltered housing blocks. The current communal heating stock is nearing the end of its useful working life. Spare parts for boilers and controls will eventually become obsolete and the systems are inefficient. Work is necessary to ensure SBC have modern and efficient stock that remains well maintained and compliant with regards to statutory obligations.

Works required under this contract include the replacement of gas fired boilers with more efficient condensing boilers, replacement of distribution pipework serving individual dwellings, installation of heat meters and where feasible the inclusion of renewable technology such as gas absorption heat pumps and combined heat and power systems (CHP).

### 5.2.5 Lift Refurbishment Programme

Lift refurbishment is planned to 24 lifts across the Council's housing stock as well as some corporate buildings.

Work within these properties will be carried out with occupants and residents remaining in occupation throughout the duration of the works and will be planned to ensure disturbance is minimised and safe access and egress to each individual building is always maintained. Works will be planned and sequenced in a way that minimises the impact on occupants.

### 5.2.6 High Rise Sprinkler Retrofit

£2m has been secured in order to deliver a programme of sprinkler installations at our 7 high rise blocks. This decision was made in the wake of the Grenfell Tower fire, and a recommendation was made to the Council's executive following industry guidance as a result of the London tragedy. Further details are given in section 5.4.0 of this document.

### 5.2.7 Planned maintenance

The lack of a robust planned maintenance programme in the past has contributed to poor condition of some of our properties and placed additional pressure on our responsive repair's costs. With the continued delivery of significant capital investment in our stock through programmes such as MRC it is vital that we put in place a planned programme of maintenance to prevent avoidable degradation of the stock and help control responsive repairs costs.

The requirement for a budget to support a planned programme of maintenance has been identified in the HRA business plan. Works delivered through a planned maintenance programme would include painting, gutter clearance, flooring, fencing, hardstanding's and other works to maintain the condition of our stock.

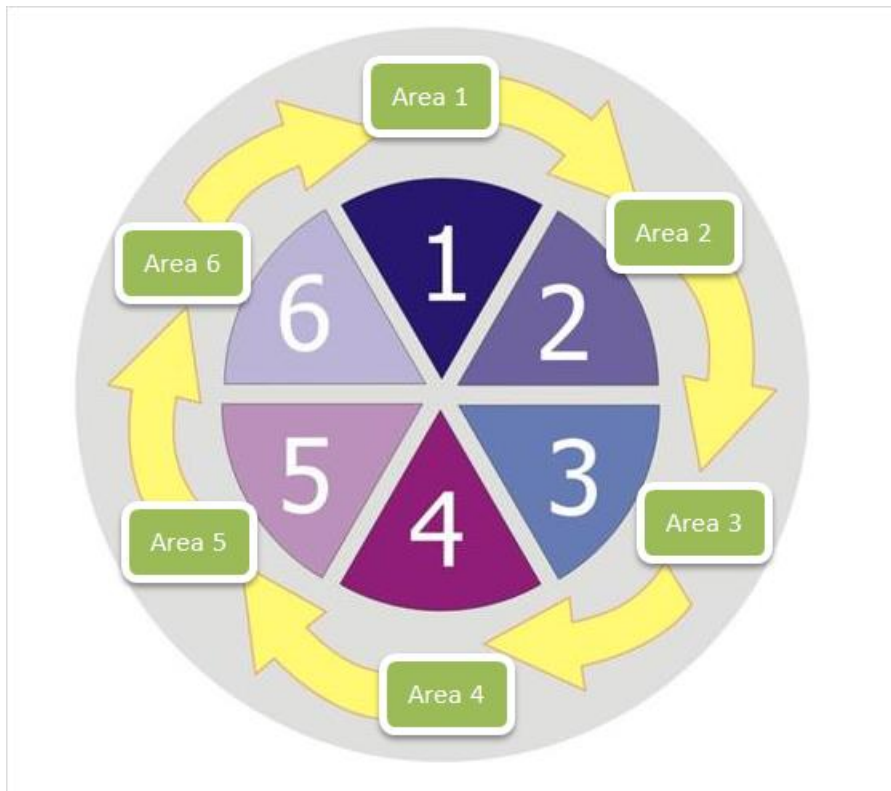
The planned cyclical programme will provide the following benefits:

- Reduce the pressures on the responsive repairs service.
- Improve customer satisfaction.
- Have a positive impact on demand by improving kerb appeal.
- Optimise the lifecycles of relevant asset components e.g., windows, roofline components.

A smart approach to investment planning will be required to align the capital investment programme with the planned cyclical programme, for example to ensure that timber windows do not get painted only to be replaced in a few years. The Asset Management Team will develop some investment rules to support this process, for example if a property is due to benefit from external component replacements within the next 5 years, then the cyclical decoration would be deferred to the next cycle.

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The intention is to deliver this as a 6-year cyclical programme as details below:



### 5.3 Aids & adaptations

Since the introduction of Care in the Community in 1990, the demand for aids and adaptations has been increasing. Demand is being driven by greater awareness of assistance available and an increasing incidence of disabled persons present in the community, not least because of an ageing population profile.

The incidence of disability and the need for support rises with age; however the need to provide adaptations to maintain independent living is an issue for people of all ages leading to complex household needs.

Stevenage Borough Council will, subject to availability of funding, provide aids and undertake adaptation work, to council owned properties occupied by disabled, chronically sick and frail people, where it is reasonable to do so.

Works are generated by referrals from the Occupational Therapist (OT) at Hertfordshire County Council (HCC) and other professionals involved from the NHS. The referral is sent to SBC following a visit to the resident to carry out an assessment of needs. Residents are required to contact Social Services directly to start the process.

The Council must have a referral from HCC before accepting any works. The OT will assess each circumstance on a case-by-case basis and make recommendations to the Council for works to be considered. Aids and adaptations can be referred for either adults or children living in the home.

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The Council will review the case to assess the feasibility of the recommended works in the property. Our team work closely with HCC and the NHS, as well as own internal Lettings and Supported housing teams to assess each situation and review alternative options where appropriate, looking for the best solution, for example moving someone to more suitable accommodation.

There are two types of work, mandatory and discretionary.

**Mandatory work:** this includes work that is designed to help people to be as independent as possible and remain in their own home. This may include for example, adapted showers, grab rails, and external ramps. Other work may also include extensions to the home, to provide ground floor bathing and sleeping facilities. Mandatory work is further categorized by the OT into urgent or standard. Urgent works must be completed within 76 working days (3 months) and standard works must be completed within 134 working days (6 months), budget permitting.

**Discretionary work:** this work is categorized as lifestyle adaptations, for example, scooter charging points and external hard standings etc.

This work is considered at end of the financial year if there is sufficient budget left.

A review of the Aids & Adaptations policy will be carried out during the life of this strategy.

### 5.4 Damp & Condensation

Damp and condensation remedial work does not fall under the capital programme however it is delivered by the Housing & Investment team as this is a significant and often complex element of work requiring specific skills in correct diagnosis and recommending relevant improvement works.

The Damp and Condensation Strategy was reviewed by the Scrutiny and Select Committee on 29 November 2016. Executive Member responses were received on 10<sup>th</sup> March 2017 to the recommendations agreed by the Scrutiny select committee on 11<sup>th</sup> January 2017.

Previous approaches focussed on dealing with the symptoms and not the cause, and this new approach will reverse this with a proactive approach the investigating the root cause of such issues.

Following additional resource appointed to support the delivery of the strategy, the recommendations have been reviewed and an improvement and action plan has been developed that incorporates these recommendations and further actions identified to ensure continued improvements to the delivery of the service. This will ensure that the building assets and internal environment are maintained to a health and safety and habitable standard that will lead to enhanced customer satisfaction.

Ongoing discussions will be held with the council's internal Repairs and Void team to consider their capacity to deliver a greater volume of the damp and mould repairs and remedial works. Alternative procurement solutions for contractors will also be considered.

A policy is being drafted that will underpin the delivery of the damp and condensation service.



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The majority of cases include requirements to remedy general disrepair which have contributed to the problems in houses and flats. Identified work is coordinated with the necessary teams, including teams undertaking major external and internal work, and the repairs and voids team.

Many homes have large family units and lifestyles which sometimes are not suited to either the house type and size and the building elements/services and finishes which are present. These factors often contribute to the conditions found to exist.

The action plan and its component parts will assist the council to inspect, identify and remedy damp and mould issues at the earliest opportunity where this is possible.

### **5.5 Responsive Repairs**

#### **5.5.1 Context & Background**

The council's repair service is delivered by an in-house Direct Labour Organisation (DLO), which is responsible for responsive repairs and works to void properties. It carries out approximately 22,000 repairs a year.

The council aims to provide a customer-focused repairs service, which achieves high levels of performance, customer satisfaction and good value for money. In this respect, its objectives are closely aligned to the 'Home Standard' set out in the HCA's Regulatory Framework, which places expectations on registered providers to:

- Ensure a prudent, planned approach to repairs and maintenance of homes and communal areas which demonstrates an appropriate balance of planned and responsive repairs, and value for money.
- Provide a cost-effective repairs and maintenance service to homes and communal areas that responds to the needs of, and offers choices to, tenants, and has the objective of completing repairs and improvements right first time.
- Meet all applicable statutory requirements that provide for the health and safety of the occupants in their homes.

The DLO currently provides the core services including but not limited to carpentry, fencing, electrics, plumbing and roofing in house. The glazing, drainage, and cleaning services as well as others are subcontracted out to a preferred and compliant list of contractors. It is the ambition of the DLO to take in house any of these services that are financially viable to keep costs to a minimum and ensure complete control over standards on its assets.

As part of the strategic redirection the DLO which was known as the Repairs and Voids team has been rebranded to the Repairs and Maintenance team. This still incorporates empty homes in the department but moves the focus onto maintaining its assets. The caretaking services have been added to this section to fit into the maintenance focused approach which is part of the overall estate management strategy.

It is the intention of the DLO to add a new category of trade for employees called Repairs Maintenance Operative to do the basic maintenance tasks to reduce the repairs at a later date.

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The council's asset management strategy links in with the estate management strategy trying to reduce future investment challenges faced in relation to the existing housing stock.

### 5.5.2 Delivering the Vision & Outcomes

The Responsive Repairs service delivered through the DLO model provides opportunities to support the Council's vision to provide excellent customer service and achieve value for money. The Council recognises the important of understanding and resolving some challenges in order to achieve these benefits.

There are some challenges which the Council will asset management strategy links in with the estate management strategy trying to reduce future investment challenges faced in relation to the existing housing stock.

Key challenges facing the repairs service can be summarised as follows:

#### **i) Overarching Themes**

- Improve the customer journey by providing a more proactive approach to maintaining our properties
- Establish a cost-effective way of working by reducing costs of future regeneration by maintaining the stock to a high standard
- To ensure roles and responsibilities are clear and understood by all to allow quicker fixes before a problem and cost of resolution escalates
- Mitigate health and safety risks such as slips, trips and falls with a proactive rather than reactive service
- Reduce call outs, costs and improve satisfaction by fixing right first time instead of temporary fixes. This includes replacing with new when its more commercially viable

#### **ii) Service Delivery**

The responsive repairs teams are currently dealing with higher demand than projected. The Responsive Repairs Team will work closely with the Asset Management team to identify root causes; however, it is clear that some of the unprecedented demand is a result of a historical lack of investment in cyclical planned maintenance e.g. gutter clearance and external decoration. Further to this, there is a lack of definitive policies and standard operating processes which set out how and who deals with certain types of service requests.

In general, there is a clear process for the planned replacement of key building components such as kitchens and bathrooms, which sits with the Asset Management team, delivered through external contractors. Similarly, responsive repairs such as leaking taps sits with the responsive repairs team.

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However, the process for service requests relating to miscellaneous services and components such as fencing, paths and rainwater goods is less clear. Often, these components require complete renewal as a result of reaching the end of their expected component lifecycle or a lack of cyclical maintenance. This puts pressure on the responsive repairs team in terms of capacity to respond and budgets.

The Council will invest in re-launching the cyclical planned programme (please refer to Section 5.2.7- Planned Maintenance) which will gradually start to result in a reduction in responsive repairs requests, though events such as accidental/malicious damage, severe weather and insurance related issues will always generate some responsive repairs demand.

Further to this the Responsive Repairs Team and Asset Management Team will work closely together to review key service requests and agree a process for how these will be managed. Depending on the service/component, the approach may be to manage through planned capital replacement programmes complemented by the cyclical planned programme or to acknowledge that the best way to manage is through the responsive repairs service. This may be the optimal solution in some cases, for example where 'just in time' approach is more practical. However, in these cases, there will need to be a definitive budget provision, skills and capacity in the responsive repairs team and a clear process.

The review will inform a straightforward but comprehensive Service Standard and Policy, which will drive the requirements for IT systems workflow and be clearly communicated to staff and customers.

### **iii) Resources**

The recruitment and retention of staff, partly driven through an ageing workforce and a buoyant recruitment market.

The Council is exploring opportunities to offset the challenge through succession planning, apprenticeships, review of the recruitment process to identify improvements and a benchmarking of pay and rewards to attract and retain staff.

### **iv) Technology**

As referenced throughout the AMS, the Council is investing in digital solution as part of a wider digital transformation programme. This will enable the Council to offer more digital services and become more cost effective through streamlined processes supported by technology.

The Council successfully launched the Online repairs service, so residents can raise new repairs online. This service will be expanded to offer customers the option to manage existing repairs through the online service.

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The Council will invest in technology to enable more effective workforce management, financial control and to provide insights which improve planning and decision making, achieving the vision of delivering an excellent, cost-effective repairs service.

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### 5.6 Empty Homes

The effective management of void properties (empty homes) is key to maintaining quality standards, ensuring new residents can move into their new homes as quickly as possible, while minimising rent loss. This service is managed by the Empty Homes team which is part of the repairs function.

At the time of the property being at void the assets are viewed to see what works need to be completed. These Voids are categorised as Standard, Major and Management.

It is the ambition of the DLU to complete as much of this work as possible in house where it makes sound financial sense and doesn't impact on the rent loss figures.

We will be carrying out a complete review of the way we manage void properties and ways we can improve the current performance. The review will also establish an updated lettable standard for our properties which will sit alongside the Stevenage Standard.

Following this review, we will develop a detail improvement plan which will be delivered as part of this strategy and monitor performance to ensure the objectives of the review are delivered.

### 5.7 Value for money

Key to delivery of the Asset management Strategy is ensuring we achieve value for money. We have set a target within the business plan of achieving a 1.5% efficiency saving through procurement, value engineering and other opportunities to achieve efficiencies.

The work undertaken through the Asset Review will seek to ensure that poorly performing properties are providing a positive Net Present Value (NPV) to the HRA.

The asset management strategy is underpinned by the procurement of a number of long-term contracts to deliver packages of work in the most cost-effective way. This helps ensure we maximise the available funding and benefits to our residents.

Within the HRA business plan a 1.5% efficiency saving has been set which will be achieved through efficient procurement of works and measured through the annual business plan review process.

We will also ensure value for money through the use of the strategic asset review model to inform decision of where investment is appropriate or alternative options should be pursued.

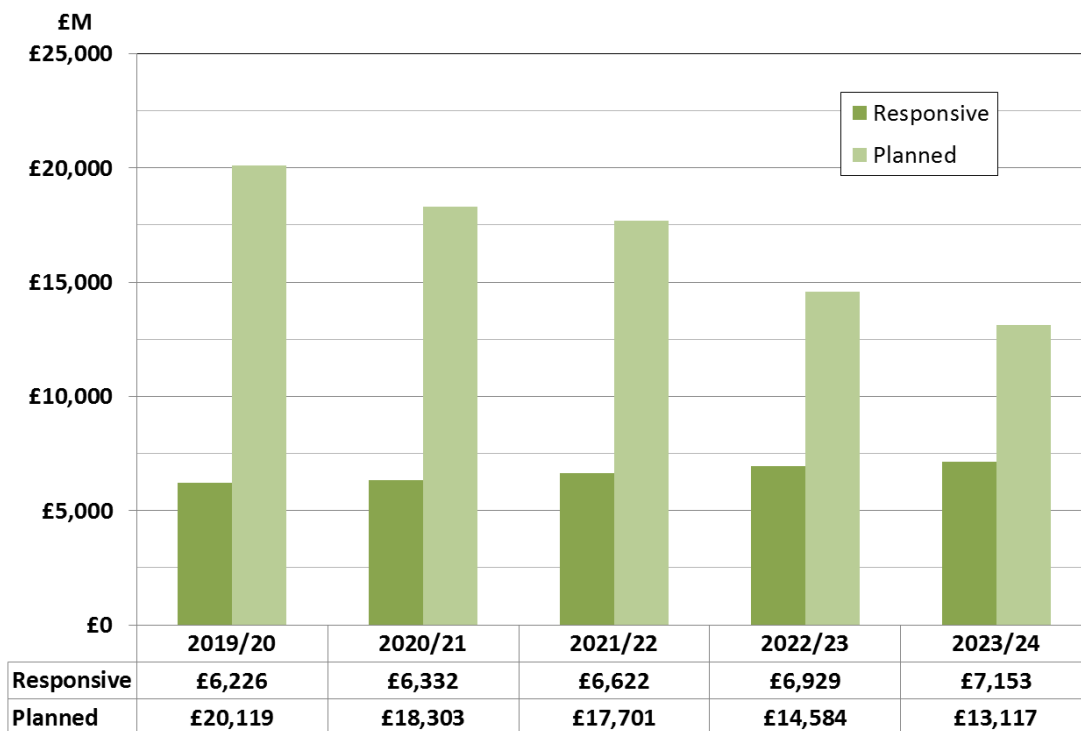
Programmes of planned maintenance will deliver a cyclical planned maintenance approach and in turn should reduce day to day maintenance and repairs costs. One of the actions from the AMS will be to establish an effective way for measuring the impact on repairs costs following major programmes of work.

## 6 Enabler

### 6.1 Funding

Funding for the strategy will be found from within the ring fenced HRA account and, where appropriate, from other capital financing sources. As previously mentioned in this strategy, resources for asset management are allocated through the HRA Business Plan and the business planning process, which feeds into the setting of the Council’s annual budget. The graph below shows the 2019/20 Budget and the amounts currently in the HRA Business Plan, over the following four years, for responsive and planned maintenance.

**HRA Business Plan - 5 Year Maintenance Costs**



This graph shows that current plans allow for £33.3 million for responsive and cyclical works and £83.8 million for planned and major works.

A key theme throughout the AMS is the scale of forthcoming regulatory change including Building Safety & Compliance, Climate Change and Net Zero and Social Housing reforms.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

A lot of the detail is still emerging, and, in some cases, this will take several years. However, there will be a significant impact on funding requirements regardless of how the details unfold, therefore the Council will need to plan and develop a series of investment scenarios. This will require detailed analysis and planning and, in some cases, require upfront investment in data collection and investment in staff time. This pro-active but agile approach will ensure that the Council can manage long term business planning, secure the resources required and have the insight available to respond quickly to changing requirements.

### **6.2 People**

The Council's workforce is critical to delivering the outcomes set out in the AMS and FTFC strategy. As set out in the AMS, the Council will need to assess implications of the major forthcoming changes in the sector, including Building Safety & Compliance, Climate Change & Net Zero & Social Housing reforms on its People strategy.

This includes a review of skill sets, organisational structure and training programmes.

As the UK emerges from the Covid 19 pandemic, there are significant shifts in labour markets, with a very large number of vacant positions. The Council will therefore need to review its approach to recruitment and retention to ensure there is a sustainable people strategy to enable delivery of the AMS.

The Asset Management team will engage with the Digital Transformation Programme (refer to Section 5.3- Digital Transformation) when reviewing resources to ensure alignment with the overall approach to people, process, information and technology.

## 6.3 Digital Transformation

The Council's Digital Transformation programme is fundamental to ensuring the Council designs and implements the appropriate changes across its processes, people, information and systems to realise the ambitions set out in its over-arching FTFC strategy.

The key outcomes include:

- Improving the customer experience
- Increased productivity and efficiency
- Improving the employee experience
- Supporting the Community Regeneration approach

This will be achieved through:

- Reduction of manual processes
- Providing digital services to customers
- Self-service for employees
- Implementing new technology and improving integration of systems

The Asset Management Team will engage with the Digital Transformation programme through all the planned activities to ensure alignment with the overall Council strategy. Examples of related activities and potential projects include:

- Introduction of BIM (Building Information Modelling) enabling a digital approach to managing the Council's assets
- Review of asset systems and the interaction with customer, finance and other Council systems
- Resources and organisational structure
- Data quality



# HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

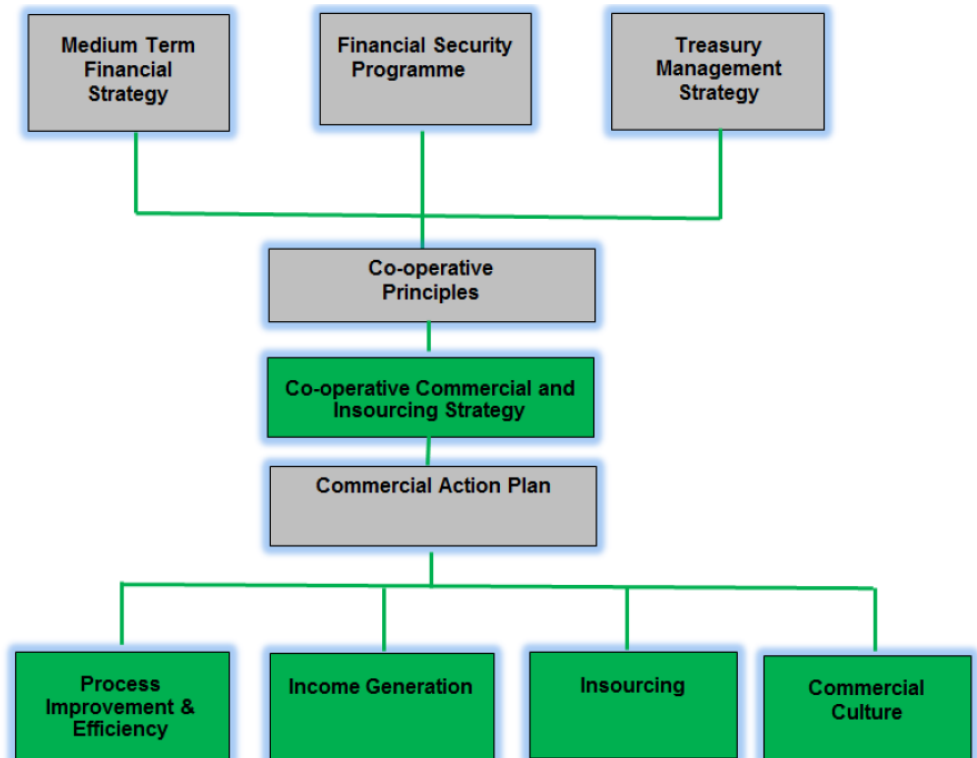
## 6.4 Suppliers & Procurement

The Asset Management & Responsive Repairs Team are responsible for over £ 30 Million of investment in the Councils housing portfolio every year. This includes both products, for example windows, boilers, tools, fleet etc and services for example contractors delivering an extensive array of works, specialist consultants etc

It is therefore important that there is an effective approach to supplier management and procurement.

The Council recently launch its 'Co-operative & Insourcing Strategy' with the aims of:

- Improving value for money
- Embedding a commercial approach
- In-sourcing services where practical
- Exploring opportunities to increase income



## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

The Asset Management Team has embraced this approach with recent procurement activity having included:

- Aaron Services for all domestic properties including servicing and maintenance works contract commenced October 2021.
- Breyer Group is currently delivering our Decent Homes contract 2020- 2024. Electrical Compliance Safety currently working to a 5-year programme carrying out EICR's on all domestic properties.

To enable an improved approach to procurement, the Asset Management team is seeking to appoint specialist consultants to review the procurement process and implement improvements and new solutions.

In addition to having an effective approach to procurement, it is equally important that existing suppliers and contractors are managed effectively. The Asset Management Team has a robust Supplier Management approach which includes:

- Setting out clear contract performance measures from the outset of new contracts
- Regular review meetings with suppliers and contractors
- A pro-active approach to managing issues and ensuring the Council gets the best value out of the relationships.

The Council is also actively monitoring the Public Procurement Bill 2022, which is set to transform procurement regulations across the board, following the transition from EU regulations, which will have implications for both The Council and suppliers.

The procurement of new contractors and suppliers and effective supplier management will be key to ensuring the supply chains are in place for delivering the changes set out in the AMS, particularly around Building Safety & Compliance, Social Housing Reforms and Climate Change & Net Zero.

### **6.5 Governance & Risk**

A new Asset and Capital Board (ACB) has been set up under the direction of the Strategic Director.

#### **Asset and Capital Board**

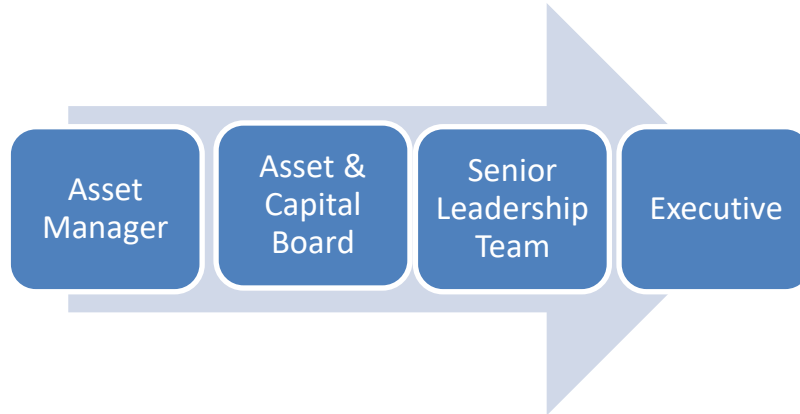
It is the intention of this Board that ACB play a key role in preparing and implementing the corporate objectives within the new emerging Asset Management Plan for both GF and HRA assets. The Board is chaired by a Strategic Director and supported by the Assistant Director (Finance & Estates). This will provide a forum for a high-level discussion and decision forum on recommendations coming forward from the Locality review work, one Public Estate and other property initiative (Housing Development and Regeneration). Membership of this group includes Senior Officers from across the Council including Property and Housing Investment, Estates, and Housing Development.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

### Senior Leadership Team

The outcomes from the ACB are escalated to the Senior Leadership Team (SLT) as appropriate.

Having the correct organisational framework in place is an essential step in being able to develop and deliver effective corporate asset management. Aligning the new FTFC structure with other relevant parts and activities of the Organisation is critical in ensuring that asset management is properly connected and integrated with the Council's overall management and planning of its resources and services.



The governance framework also underpins the approach to managing risk. The Asset Management service is exposed to a wide range of risks around safety and compliance, financial risk, regulatory and legal compliance, supply chain management and risk of reputational damage through poor service delivery.

A resilient approach to risk management is one of the key outcomes of the AMS. Effective policies, procedures and processes, high quality data, intelligent planning and analysis, smart investment in assets and having the resources with the right skill sets all contribute to effective risk management.

The risk management approach also drives the prioritisation of investment.

The risk management approach is co-ordinated through the Operational Risk Register (ORR) which is regularly reviewed and updated. This identified key themes, likelihood and impact of specific risks and mitigations to reduce risks as required.

# HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

## 6.6 Performance Management

In order to ensure regular performance management, the below groups will have annual reviews of the strategy:

- Assets & capital board
- Housing management advisory board
- HRA business plan working group

Performance will continually be monitored through corporate performance monitoring, measures, partnership board, service plans and team meetings.

### 6.6.1 Benchmarking

We are members of the Housing Quality Network Best practice in Asset Management Group. This covers a wide range of issues and enables us to learn from others in developing our strategy and ensuring continuous improvement.

We also carry out benchmarking against Housemark data on a quarterly basis in relation to major works and capital administration costs to benchmark our Asset Management Service with similar organisations, as a way of improving value for money and driving up standards. This helps us to establish performance improvement targets.

### 6.6.2 Key Performance Indicators (KPIs)

The Council monitors overall performance through performance metrics which include Key Performance Indicators (KPIs) for Asset Management & Responsive Repairs. The Asset Management Team will review the KPIs and specific targets to ensure they are aligned with the updates to the AMS and emerging changes e.g. Building Safety & Compliance, Social Housing Reforms and Climate Change & Net Zero.

## 6.7 Quality Management

The Asset Management team are responsible for ensuring that quality standards are maintained across the Asset Management service including responsive repairs, compliance, planned investment and cyclical maintenance.

The quality management approach includes the following activities:

- Performance Management- review of the service areas against KPIs and external benchmarking
- Internal Audits- regular reviews targeted at specific areas of service to assess standards and set out any improvement requirements.
- Works Inspections- programme of inspections for work programmes carried out by internal staff to check the quality of work and standards delivered by contractors.

## HOUSING ASSET MANAGEMENT STRATEGY 2023-2028

- Independent Audits & Reviews- regular audits carried out by independent specialists for example independent audits around gas safety inspections. In addition to specific asset works programmes reviews and audits are also carried out across all areas of service, for example TPAS carried out a review of the Councils approach to Customer Engagement, providing an independent review, insights and recommendations for improvements and change.

The Asset Management Team will continue to review the quality management approach to ensure alignment the AMS and over-arching Council FTTC strategy.

### **7.0 Appendices**

- i) Over-arching AMS Action Plan
- ii) Plan on a Page