

# Housing Asset Management Strategy

2023 to 2028





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# 1.0 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.

# 2.0 STRATEGIC OVERVIEW

## 2.1 Purpose

The purpose of the AMS 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 it 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 of 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.

The areas of national government policy, which are rapidly evolving and impact on how the council manages its assets include:

- Legislative compliance regarding Health & Safety including the Building Safety Act 2022 and
- Fire Safety Act 2021
- Climate Change Policy including commitment to Net Zero 2050
- Regulatory policy including the Decent Homes Standard and forthcoming Social Housing Reforms and the Levelling Up agenda.
- Wider housing policy and legislation including planning, welfare, rent setting and service charges and leaseholder reforms.

## 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.

The main strategies which interact with the AMS are as follows:





## **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.

## **2.4 Asset Management Strategy: Objectives and Key Actions**

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, more detail on how the AMS interlinks with the FTFC strategy can be found on the AMS Plan on a Page - APPENDIX C.

# 3 DELIVERING THE STRATEGY

## 3.1. 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 9,000 social houses have been lost through Right to Buy since 1981.
- There are 2,500 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 over 400 new across several schemes since the inception of a dedicated Housing Development team & Executive Sub Committee for housing development in 2015.

Key objectives 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.
- 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.

## 3.2 Engaging with our Customers & Communities

The council is committed to transforming how it engages with its customers and communities. Key outcomes include:

- 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 daily, 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.

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.

The council has already started to transform how it engages with its customers. It 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 (SADA) 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.

## 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.

## 3.3 Social Housing Reforms

The Government has set out plans to reform social housing on a scale not seen for over 30 years, with plans to bring forward the Social Housing Regulation Bill to the current parliamentary session.

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

The key areas of the Social Housing Reform include safety, resident engagement, regulation, improved transparency and accountability, improved housing standards including and fast-tracked review of the Decent Homes Standard.

Further, the key outcomes from the Levelling Up White Paper include:

- 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

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 has to be recognised that some of the regulatory changes will likely place significant demands on the councils finances.

## 3.4 Stock Condition & 30-Year Investment 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 profile incorporates both planned and reactive maintenance including capital investment, responsive and void repairs and planned and cyclical maintenance.

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, Climate Change & Net Zero and 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. However, based on high-level estimates, the following table provides potential updated investment profile considering these key areas of change.

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.

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)								
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 Zero funding 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>

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.

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. Currently, 93% of the council's housing stock has been surveyed. However, sector standards recommend that properties are surveyed, on average, at least once every 5 years to ensure a high standard of data quality to enable effective investment planning and decision making. As some of the data is now older than 5 years, the council is currently in the process of commissioning a new stock condition survey, to be delivered by independent consultants. 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 major forthcoming regulatory changes set out in the AMS.



## 3.5. Asset Information

Asset Information is critical to effective asset management. It is imperative that the council builds on the data quality to enable effective planning and decision making, particularly during this period of unprecedented change.

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.
- 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 and 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, administered by the Asset Management Team. This provides a comprehensive single data source for condition information, works programmes, renewal, and cyclical maintenance history.

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 outside the Keystone database, for example financial information, 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.

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.
- 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.

## 3.6 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.

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.

As part of the first stage of the review, consultants applied a grading model based on a range of financial performance and qualitative measures. Asset groups were established to assign stock within the portfolio into thematic groups, for example long term sustainable stock, stock requiring more detailed options appraisals and stock identified for disposal. The key outcome of the review was that 5,496 units (i.e. 66% of the total housing stock), was deemed to be sustainable in the long term.

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

### **2023 Updated Position**

Following the asset performance review, a range of interventions have been carried out to improve the overall asset performance of the portfolio. This includes a significant amount of investment works, remodelling, detailed options appraisals, and disposals.

## Options Appraisals

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.

## 3.7 Investment Planning

An effective investment planning approach is essential for ensuring that the council can 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 and is overseen by the Asset Management Team.

A series of investment principles and priorities underpin the investment planning approach, which combined with the asset information, enable effective investment planning. Additionally, the Asset Management Teams works closely with stakeholders including residents, housing management and finance to shape the investment plans. The investment plans inform the detailed works packages that are delivered through the investment programmes.

Completed works recorded in the systems to reset component lifecycles and monitor expenditure and long-term business planning, which is all part of the asset management lifecycle approach.

## 3.8 Asset Standards

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.

### 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, 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 2023.

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

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

## 3.9 Safer Places- Building Safety, H &S & Compliance

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, which include the following key areas:

- Housing Health and Safety Rating System (HHSRS)
- Gas Servicing
- Fire Safety
- Asbestos Management
- Legionella
- Electrical Safety
- Lifts & Lifting Equipment

### **Fire Safety**

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. The council is actively implementing changes to ensure that it complies with the outcomes of the Fire Safety Act 2021 and

The Fire Safety (England) Regulations 2022.

## **Building Safety Act 2022**

Beyond the specific areas of Asset Compliance, the council has been proactively preparing for the Building Safety Act which came into effect on 28 April 2022. Key objectives 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.
- Ensuring alignment with the resident engagement strategy
- Reviewing policies, processes and standard operating procedures in anticipation of the detailed legislation.

## **3.10 Climate Change & Net-Zero**

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 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 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:

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 key objectives to deliver these outcomes are:

- 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.
- Explore grants and funding opportunities e.g., ECO4 and the Social Housing Decarbonisation Fund
- Implement the data and insights e.g., energy performance data to required enable effective scenario planning and programme development, utilising appropriate software such as SAVA
- Ensure the climate change standards are aligned with the development of new homes, to mitigate future retrofit costs and disruption.
- Integrate energy efficiency measures within the asset performance model.
- Ensure staff have the right knowledge and skills to the deliver the climate change approach through recruitment, training and effective internal communication.
- Explore wider sustainability activities e.g., review of fleet, waste and water and environmental initiatives e.g. tree planting.
- Continue partnership working with existing partners such as the Hertfordshire Partnership and the University of Hertfordshire while exploring new partnership opportunities.



## 3.11 Responsive Repairs

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 key outcomes are 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 key objectives to deliver the outcomes include:

- 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 it's more commercially viable.
- In-source glazing, drainage, cleaning services and other trades which are currently still subcontracted out, to reduce costs and ensure complete control over asset standards.
- Review service standards, systems, and processes to improve service delivery.
- Implement an effective cyclical decoration programme to minimise responsive repairs.
- Ensure the appropriate staff resources are in place to deliver an effective repairs service through recruitment, training, staff retention initiatives and internal communications.

## 3.12 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.

The key objectives to deliver an effective service include:

- Increase the amount of works assigned to the in-house DLOR where this makes sound financial sense and doesn't impact on rent loss figures.
- Review of service delivery, processes, and systems
- Develop and deliver an improvement plan based on the service review.
- Review the lettable standard, agreeing a revised standard with key stakeholders.

## 3.13 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.

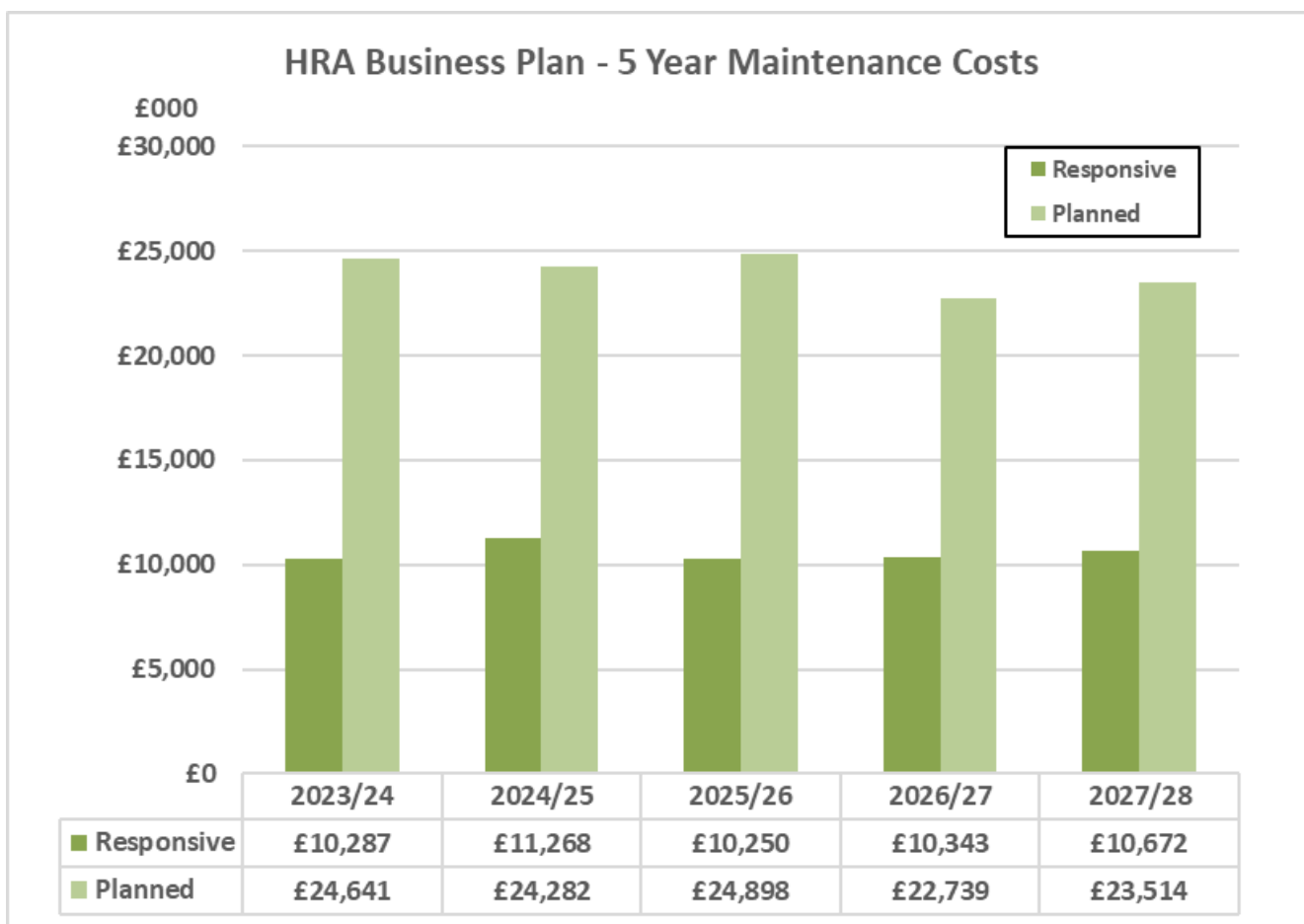
The key objectives to delivering this include:

- Asset performance review- seeks to ensure that poorly performing properties are providing a positive Net Present Value (NPV) to the HRA.
- Effective procurement to deliver work packages in the most cost effective way.
- Increase the ratio of planned works vs responsive works.
- Strategic asset performance model- ensure investment is appropriate or whether alternative options should be pursued.
- Agree procedure for measuring efficiency savings against the published targets.

# 4 ENABLERS

## 4.1 Funding

Funding for the strategy will be found from within the ring fenced HRA account and, where appropriate, from other capital financing sources. The graph below shows the 2023/24 Budget and the amounts currently in the HRA Business Plan, over the following four years, for responsive and planned maintenance.



This graph shows that current plans allow for £52.8 million for responsive and cyclical works and £120 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. At this time some allowance has been made for future reforms that will be refined as more information becomes available. However, due to the complexity and scale of achieving net-zero within the housing stock, this work is not currently costed within the business plan.

## 4.2 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.

## 4.3 Digital Transformation

The council's Digital Transformation programme is fundamental to ensuring it designs and implements the appropriate changes across 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 council assets
- Review of asset systems and the interaction with customer, finance, and other council systems
- Resources and organisational structure
- Data quality

## 4.4 Suppliers & Procurement

The Asset Management & Responsive Repairs Team is responsible for over £ 30 Million of investment in the council's 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.

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.

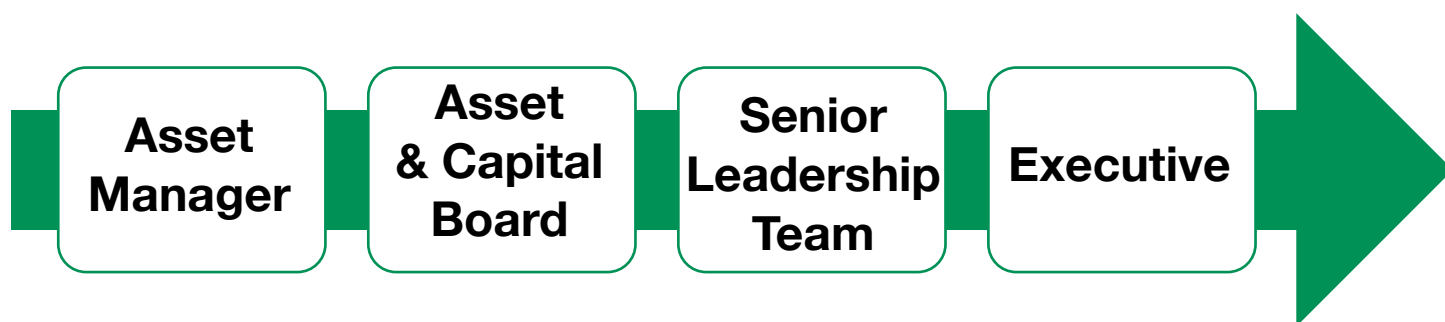
## 4.5 Governance & Risk

### 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.

### Senior Leadership Team

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



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.

## **4.6** Performance Management

The outcomes of the strategy will be reviewed against the strategy action plan as detailed in Appendix B- AMS Action Plan

The below groups will also 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.

### **4.6.1** 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.

### **4.6.2** 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.

## 4.7 Quality Management

The Asset Management Team is 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.
- 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 council's 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.