

# Asset Management Strategy

**April 2024 – March 2027**

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# 1. Introduction

Mosscare St Vincent's (MSV) Asset Management Strategy sets a strategic framework through which we will make decisions in relation to the management, maintenance and investment in our homes and other assets.

The Asset Management Strategy (2024-2027) supports and influences the 30-year Business Plan. As a property business it is essential that we understand our assets and their performance and take the necessary actions to ensure our assets remain suitable for both our current and future customers.

This strategy has been developed in conjunction with our corporate strategy, the MSV Way 2024 – 2027. The MSV Way sets out our vision to provide 'places where everyone can flourish' delivered through 'Our promise to customers' and underpinned by our Values.



Within the MSV Way, we have identified three strategic themes - **People, Place & Performance**. Within our **Place** theme one of our strategic priorities states that we will provide “*Warm, Safe and Affordable Homes where people can start well, live well and age well.*” The Asset Management Strategy is integral to setting out how we will achieve this.

During the process of developing our strategic framework of which the Asset Management Strategy is a part, we have engaged directly with over 200 customers from a wide range of areas and demographics. Over 75% of these customers are what we would term 'non involved' i.e. not people who we have heard from traditionally. As well as the co-production sessions, we have also used feedback from our local Nibbles and Natter events as well as using data from surveys including TSM perception surveys to inform the strategies priorities.



Each of the objectives within the corporate plan and associated strategies are supported by a medium term financial business plan and inter-dependencies between core strategies and corporate cross cutting strategies. This is further supported by a link to the strategic risk framework and MSV's approach to achieving value for money.

MSV measures itself against the Value for Money Metrics set out by the Regulator of Social Housing. Also, in line with the MSV Value for Money strategy, each strategy and business function has targets to make best use of social housing assets and resources available. Regular reporting will be presented to the Board on value for money in delivering this strategy, tested through customer voice, impact and influence, achievement of budgets, appropriate procurement and continuous performance improvement.

This strategy is also aligned with the Strategic Risk framework, setting out how it will be delivered and progress measured, ensuring risk mitigations are in place. This strategy is linked with key aspects of the current strategic risk register, which will be identified within each risk and strategy update report in this area, with triggers in place to signal any risk of non-delivery.

## 2. Strategy Aims

Effective asset management is about keeping all homes in our ownership under review, so we continue to offer the right accommodation, in the right location, to meet the demands of our customer base. Listening to our customers is crucial in understanding their needs, aspirations and expectations and it goes hand in hand with providing excellent services. It helps to ensure that our homes meet the needs of our customers as well as legislative standards, both now and in the future.

This Asset Management Strategy defines how we will ensure our future investment plans:

- Are based upon accurate data which is used to maintain investment in sustainable homes and ensure that we invest where and when needed.
- Are delivered in a timely and efficient manner to maximise revenue and overall contribution to strategic outcomes.
- consider all options for poorly performing assets, providing full visibility on the investment decisions made and resource allocated.
- Maximise the opportunities for efficiencies in terms of how the planned investment programme is delivered, procured and monitored.
- Improve customer choice, personalisation and responds to feedback received from our customers.
- Seek customers views on the quality of their homes and on the fixtures and fittings we install as part of our planned works programmes to ensure these meet our customers needs both now and in the future.

It is broken down into three key elements:

1. **Strategic Asset Management:** This is principally how we use the data and information about our homes to understand their performance and the likely investment they will need both now and in the future. As an embedded driver of our stock investment strategy, the thermal efficiency of

our homes is now incorporated into this strand of work. We are committed to providing homes which are safe, warm, free from hazards and cost effective for our customers to live in. Information about the how well our properties achieve these aims alongside their financial performance is at the core of our decision making on whether to retain, improve, replace or dispose of properties.

- 2. Building safety and legal compliance:** Those activities which ensure the safety of customers within our homes, ensure contractor competency, and meet legislative and regulatory requirements. Keeping customers safe is our primary priority. The Fire Safety Act 2021, the Building Safety Bill and The Consumer Regulation Review introduced wide-ranging changes, including the creation of a new Building Safety Regulator with a range of enforcement powers and a new regulatory regime.
- 3. Stock Investment and ongoing maintenance:** This is the customer facing part of our service and is principally focused on the management of investment programmes and providing a high quality and responsive maintenance service. We know that even well maintained homes need fixing sometimes and we know that our ability to provide a quick and effective repairs service when things go wrong impacts our customers satisfaction with our service more than anything else we do. So it is vital we get this critical service right. We will be helped to achieve this by proactively listening to customer requirements and targeting areas of dissatisfaction.

Our planned approach to Asset Management encompasses sustainability, option appraisals, investment planning and delivery covering the entire lifecycle of our assets (see diagram below). Overtime this will ensure we use the information we have available to us to more accurately predict investment needs in advance of them being required making our service more proactive rather than reactive which will in turn improve customer satisfaction and drive down costs.



### 3. Our Property Portfolio

MSV own and manage 8,880 homes (figure includes leasehold & shared ownership) across 19 Local Authorities located in Greater Manchester, Lancashire, Cheshire, West Yorkshire. The housing stock comprises of principally low and medium rise accommodation with only three buildings within the portfolio of over 11 meters, with the remaining stock at four storeys and below. There are currently no high-rise buildings in MSV’s portfolio as defined by the Building Safety Act.

With a build date profile ranging from pre 1919 to current day, most of the properties are a traditional form of construction with a small more recent number of properties developed using timber frame construction techniques. Most of MSV’s portfolio has been developed organically through acquisitions and development, together with stock transfers of similar post war age property in Stockport, Carrbrook and Clitheroe.

The Group’s portfolio is made up of a diverse mix of stock and tenures with approximately 15% being specialist later living or Independent Living accommodation, and with a relatively high percentage of both flatted accommodation and terraced pre-1930’s stock. These property types typically attract a higher-than-average maintenance and management cost per unit.

MSVs stock is concentrated in Greater Manchester with over 90% located in eight of the GM Local Authority areas.

Local Authority	General Needs	Older Persons	Support Housing	Market Rent	Shared Own'ship	Leasehold	Total	%
Manchester	3,263	261	303	43	194	18	<b>4,082</b>	<b>46%</b>
Stockport	1,087	-	7	12	60	104	<b>1,270</b>	<b>14%</b>
Rochdale	530	119	138	-	7	-	<b>794</b>	<b>9%</b>
Bolton	557	115	31	-	34	6	<b>743</b>	<b>8%</b>
Ribble Vally	252	48	4	-	62	7	<b>373</b>	<b>4%</b>
Trafford	234	-	7	44	27	-	<b>312</b>	<b>3%</b>
Salford	224	71	4	-	-	-	<b>299</b>	<b>3%</b>
Tameside	169	8	60	-	51	1	<b>289</b>	<b>3%</b>
LA with Less than 200 Properties	537	48	97	45	47	-	<b>774</b>	<b>9%</b>
<b>Total</b>	<b>6,853</b>	<b>670</b>	<b>651</b>	<b>144</b>	<b>482</b>	<b>136</b>	<b>8,936</b>	
<b>%</b>	<b>77%</b>	<b>7%</b>	<b>7%</b>	<b>2%</b>	<b>5%</b>	<b>2%</b>		

The remaining 9% are found in low concentration across eleven neighboring Local Authorities as shown in the map below:



In February 2023, The Board approved a Disposal Strategy to help consolidate our footprint, reducing our operating areas down from 19 to 14 Local Authority Areas. This was done by defining our areas of operations into three categories: (1) Core operating areas, which are the eight GM Authorities defined in the table above which comprise over 90% of our stockholding; (2) Growth Areas, these are Local authorities where we have low stock concentrations but an active development programme; and (3) Areas of divestment, where we have low stock levels and no existing plans to grow.

These are summarised in the table below and provide a consistent set of principals guiding our growth and asset management strategies. This helps ensure these strategies are complementary and drive operating efficiencies.

No.	Core Operating Areas	Growth Areas	Areas of Divestment
1.	Manchester	Bury	Birmingham
2	Stockport	Calderdale	Burnley
3	Rochdale	Cheshire East	Pendle
4	Bolton	Hyndburn	St. Helens
5	Ribble Vally	Rossendale	Warrington
6	Trafford	Blackburn with Darwen	
7	Salford		
8	Tameside		

MSV also has a small portfolio of commercial properties, garages and open space. These assets generate financial and non-financial value to complement the housing assets. MSV also occupies operational offices at Trafford House, Bredbury, Thomas Street, Great Western St and community facilities. These are kept under review as part of MSVs 'Flexible Future's' plan for business operations and practices.

## 4. Strategic Asset Management

### a. Stock Condition Information

A comprehensive refresh of MSVs stock condition information was commissioned in September 2022. A catch up programme was put in place for the first two years to bring ageing data up to date, which will reduce down to a rolling programme of 20% of all stock per annum going forward to ensure this data remains up to date and relevant.

Best practice suggests that properties should be surveyed on a minimum five yearly basis and that cloning of data should be avoided. Our programme will ensure that every property within our portfolio is visited by a qualified surveyor at least once every five years to establish property condition. As a minimum the scope of this survey includes:

- **A HHSRS Assessment** – This will provide confidence that properties are safe secure and free from Hazards, including damp and mould.

- **A Stock Condition Survey** – This provides an assessment of condition of all key components within the property as well as its estimated remaining lifespan. This enables us to estimate and forecast components required renewal date in the business plan to ensure we can accommodate this and accurately prioritise stock investment plans.
- **An RD-SAP Assessment** – This provides energy performance data to improve our data in this area to help plan net-zero investment strategies as well as support customers in our least efficient homes.

MSV currently hold recent, unique stock condition data (i.e a full in person survey undertaken by a qualified and independent surveyor within the past 5 years) for 53% of properties, 46% of which has been undertaken in the past 18 months. This figure rises to 81% of properties surveyed in the past six years which reflects the catch-up programme which is currently underway following a few years where limited surveys were undertaken after a significant programme in 2018/19. This is identifiable in the line in the table below which shows the number of surveys falling out of tolerance.

Our minimum target of 85% coverage within five years will be achieved during the 2024-25 financial year.

Item	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
No. Surveys within 5 years held as at 1 <sup>st</sup> April (Opening Balance):	2,876	5,408	4,271	7,771	8,118	8,118
% SCS coverage within 5 years (Based on opening balance)	36%	67%	53%	96%	100%	100%
No. Surveys within 6 years held as at 1 <sup>st</sup> April (Opening Balance):	2,876	5,408	6,614	7,771	8,118	8,118
% SCS coverage within 6 years (Based on opening balance)	36%	67%	81%	96%	100%	100%
Surveys approved to be carried out in year.	3,975	1,766	3,500	1,600	1,600	1,600
Surveys completed in year	2,532	1,206	3,500	1,600	1,600	1,600
Surveys falling out of 5 year tolerance in year.	0	2,343	0	0	0	2,532
Total Rental Properties as of 31 <sup>st</sup> March.	8,060	8,130	8,118	8,118	8,118	8,118

Key: Green boxes indicate actuals and amber boxes indicate forecast numbers.

In order to gain maximum benefit from this programme, MSV target property groups where we know there is a greater risk of disrepair, customer dissatisfaction, potential under investment or gaps in our data coverage or accuracy. To do this we prioritise surveys to be undertaken in the following way:

- Stock without a stock condition survey within the past 5 years.

- Stock without an EPC or those with an EPC below C.
- Stock in an asset group where a disrepair case has been raised within the last 2 years.
- Hard to Treat Properties (Pre-1929).
- Stock highlighted as in need of investment by neighbourhood teams.

Specialist mechanical and electrical surveys are also undertaken of installations such as passenger lifts, electric gates, door entry systems etc. across our stock holding as required on a minimum five yearly cycle to aid forecasting and replacement planning. These were last undertaken in 2019 and as such will be resurveyed in 2024.

### **b. Component replacement forecasting**

With accurate, current data in the asset management system and using the component lifecycles shown in the table below, replacement dates for components are forecast and adjusted annually based on:

- New stock condition data obtained within the financial year, indicating the likely required date of renewal of all key components.
- Replacement or renewal of key components based on stock investment programmes, void works or reactive major repairs.

### **c. Component MSV lifecycles**

The table below shows the replacement cycles used for forecasting replacement of key components within our homes. Please note however, that this is a forecasting tool and where better data is known following an in person survey, components are actually scheduled for replacement based on their condition rather than just using age data alone. This information is acquired through inspections of our inhouse surveyors or reported via our stock condition surveying programme. Renewal dates are therefore brought forward or pushed back in the plan based on the best data available.

NB: Our records hold both condition and age data about all core components and as such decent homes guidance on age of components is maintained as maximum irrespective of condition.

<b>Component</b>	<b>Replacement Cycle in Years</b>
Bathrooms	30
Roof covering	60
Boilers - domestic	15
Central heating	30
Electrical system	30
External doors	30

Kitchens	20
Windows	30
Lifts	30

#### **d. Investment in existing homes & maintaining the Decent Homes standard**

MSV prioritises investment in existing homes. Key component replacement programmes are devised at the start of each year by:

- Drawing upon the first-hand stock condition data we hold in Orchard Assets, obtained by recent first hand surveys undertaken by external appointed qualified surveyors.
- Reviewing the properties which are flagged as being in most urgent need of a component renewal, including current repairs data trends.
- Cross referencing this with information from our neighbourhood colleagues to ensure that the data supports local knowledge.
- Running a Decent Homes report from Orchard which flags any properties which according to the data held in the system may breach decency due to the age of a component or for another reason.

Where the information flags the need for capital works which is not supported by recent first hand evidence such as a survey, then a survey is arranged to establish if these works are required.

Where a property is flagged as non-decent due to data held on the system, if this relates to a component replacement due to age (such as a kitchen or a bathroom), this is automatically added to the relevant works programme to be undertaken in year. If it relates to another matter, such as wall pointing for example, then an inspection is arranged to establish if works are required and arranged as necessary. Decency is only signed off once these inspections have taken place or works completed to these properties.

Using the above information and processes, each year, we generate a one-year budget (based on known costed programmes), a five year plan (based on stock condition data, known building defects that need addressed and priorities based on repairs data) and a 30 year financial forecast (based on stock condition, known changes to legislation and benchmarked cost data).

#### **e. Energy**

Reduced Data Standard Assessment Procedure ratings (RDSAP) are collected as part of our programme of stock condition surveys and full energy performance certificates undertaken as required prior to re-let. This information is used to help plan investment, as well as assess the suitability of our stock for the future.

## f. EPC C by 2030

The Government has set a target of all fuel poor homes achieving an EPC rating of C by 2030. MSVs current SAP performance indicates that we have 87% properties above this target.

- Our average SAP score is 74 EPC Band C.
- Our data quality score is 7.7 out of 10.

Chrome, a specialist software package to support the management of Energy data, has been used to calculate the above. This tool is also used to support the business derive the most efficient investment decisions to achieve EPC C and net zero which is used to inform business planning. This is based on RDSAP data at individual property level.

- Current assessments indicate that we need to spend approximately £2.5 million on low-level interventions in order for all our stock to achieve EPC C.
- A proportion of our homes require more significant investment to meet this standard and are deemed 'Hard to Treat'. These properties require interventions to improve the insulation standards of the fabric of the building and are concentrated in our properties built pre-1930. This affects 585 homes at a cost of circa £11,400 per property.

A percentage of properties have been identified within our disposal strategy to be sold in the coming years. The table below summarises how this impacts our position on the Journey towards EPC C. The full cost of the below is included in MSVs Business Plan modelling, including those properties which have been identified for disposal, which will be retained in the plan until the disposal is complete.

Energy Performance	No of properties (all stock)	No of properties (for disposal)	Ave cost per unit	Estimated investment (all stock)	Estimated investment (less disposals)
Below EPC C (Hard to Treat)	585	206	£11,400	£6,669,000	£4,320,600
Below EPC C (Simple to treat)	544	22	£4,517	£2,457,786	£2,358,390
<b>Total</b>	<b>1,129</b>	<b>228</b>		<b>£9,126,786</b>	<b>£6,678,990</b>

## g. Net zero by 2050

The Government has also set a target requiring all properties to achieve net zero by 2050 and Greater Manchester where the majority of our homes are located has stated its objective to bring forward this target to 2038.

While the route to EPC C is quantifiable through the use of known technology and can therefore be planned, costed and is known to be achievable, this is not the case with establishing a methodology for the Decarbonisation of our portfolio. There

remains much debate and disagreement about exactly what a net zero target means for housing – for example whether it should take into account embodied carbon spent in the construction process or if its solely a measure of operational carbon usage such as the existing SAP assessment relies upon when establishing an EPC. There is equally much debate about the role that the Grid will play in the national effort to reach Net Zero which will in turn improve the energy efficiency of our properties. How these debates play out will have a huge impact on what is the right solution to decarbonise our housing stock.

What is known, is that the more reliance that our stock has on electricity the more benefit MSV and our customers will derive as the Grid decarbonises on our journey to net zero. But more importantly still, reducing energy consumption through effective insulation drives both savings for customers however their property is powered as well as reducing dependence on carbon in the future. Our first priority is therefore to reduce the energy demands across our property portfolio by improving our stocks thermal performance. Our second priority is to reduce our reliance on gas as a fuel source across our property portfolio in order to take advantage of the future decarbonisation of the grid.

These principals drive a fabric first approach to our investment priorities and in following these we will ensure:

- All our properties achieve EPC and above before 2030.
- Our least efficient older properties which cost the most for our customer to run will benefit from whole house insulation works by 2030, regardless what EPC rating they currently achieve.
- Where not reliant upon the installation of new technology, we will invest in all our properties to achieve the highest energy rating possible with the ambition for all of our properties to achieve a minimum of EPC B by 2035.
- All new properties will be built without gas as their main fuel source.

During the lifetime of this plan, we will continue to review investment options to increase the energy performance of our homes and develop a strategy for each property reflecting the above principals. To ensure that this investment is viable for the Group in the long term and that our investment is made only in assets which are sustainable in the long term, an options appraisal will be undertaken on all assets which require significant interventions at a high cost, and where appropriate, divestment strategies may be brought forward as an alternative to investment.

#### **h. Asset Performance Evaluation & Options Appraisal**

As an asset based business, understanding the financial performance of how individual and groups of assets perform is crucial to the long term sustainability of our business health. We also know that the number of repairs we undertake on a property has the strongest correlation with customer satisfaction. As the number of repairs go up, customer satisfaction goes down. Which means that tackling properties that are high cost, not only makes financial sense, it will also help tackle the route cause of customer dissatisfaction.

Ensuring that we have a robust strategy to support decision making around either investment or divestment of homes that are no longer viable, either in terms of financial, neighbourhood or environmental sustainability indicators is key.

MSV adopted the MRI Orchard Assets Option Appraisal module in 2020, to establish performance and return on investment for both individual and groups of assets. The model provides a Net Present Value (NPV) for each asset.

The Asset Performance Evaluation model is a live tool which needs to be regularly refreshed to remain relevant. Due to the amount of stock condition surveys undertaken in the past twelve months, this process is currently being undertaken and going forward will be refreshed on a minimum two yearly basis. Once complete, the assessment will be used to:

- Identify asset groups for more detailed options appraisal and intervention.
- Lead on asset focused regeneration by establishing links between the performance of assets, and redevelopment potential in order to identify resources and opportunities to support future new homes.

This will complement the work already undertaken to arrive at the recommendations included in the approved Disposals Strategy (Feb 2022), which identifies specific high-cost property types within our portfolio which have been approved to be rationalised over time. These are:

- Geographic outliers (All properties in Birmingham, Burnley, Pendle, St Helens & Warrington - 208 properties in total).
- Older properties, particularly focused on reducing the number of properties built before 1929 (Any properties in this category outside Manchester – Up to 334 properties).
- Properties which represent a higher risk than MSV desire in respect to their compliance with Building Safety Regulations (Most notably in relation to fire compartmentation and protected escape routes in older houses converted to flats. This is an archetype we do not wish to have in our portfolio in the future (55 properties).
- High cost voids (List of criteria for consideration where a void exceeds £8K).

In addition to the above, there are two further portfolios which have been identified as meriting a focused review to determine their long term viability. These are the Later Living Portfolio and Supported Housing Portfolio. This will be undertaken in the first part of 2024 with the initial of having a full set of recommendations by September 2024.

## 5. Building Safety

Keeping customers safe is our first priority. Holding good quality data about our homes and buildings, gathered by appropriately qualified people is central to this. Additionally, we need to ensure that an appropriate level of resources is committed to compliance servicing regimes and investment activities to enable risks to be identified and discharged in a timely manner.

MSV places health and safety first in all decisions relating to our property portfolio. MSV has established a Building Safety Task group involving staff from across Assets, Compliance, Health & Safety and Neighbourhood teams. This group is set up to respond to changes in legislation ensuring our responsibilities relating to both individual and multi-occupied residential buildings are fully met.

Whilst MSV has no high-rise buildings, our portfolio does contain a substantial amount of 'higher risk' supported and older persons housing.

Throughout the length of this strategy, we will ensure that:

- Customers are informed regarding safety within their buildings and concerns are listened to and addressed.
- We hold an accurate and up to record of all key building components which require cyclical servicing to comply with relevant legislation (Gas, Electricity, Water, Fire safety & M&E components) and validate this data at least biennially.
- We ensure we are compliant with all legislation and continually review our approach to 'best practice'.
- Mechanical and Electrical condition and suitability surveys are undertaken of all key M and E equipment every five years so that suitable investment plans can be put in place to ensure elements are replaced 'just in time'.
- All policies for our key risk areas are reviewed every two years, so that they are legally compliant, robust and reflect the organisations risk management approach.
- We report all key risk areas to both the Executive Team and the Board on a regular basis and ensure assurance and evidence of discharging of actions.
- We commission regular technical and professional audits of our services to ensure we receive third party assurance that our services are managed appropriately.
- We define what constitutes a competent person in terms of contractor procurement, to ensure robust contractor selection and appropriate discharging of actions.

The Hackitt review and Regulators new Customer Standards emphasise the importance of ongoing resident engagement in relation to building safety and compliance and an increased level of transparency is now being demanded in respect to the data we hold about our buildings and what this says about the safety of our customers who live in the.

Effective communication of this information is key. The Building Safety act points out the need not only for building owners to demonstrate that they have communicated, but that our customers understand what we have communicated. This means consideration must be given to how accessible the information is we provide to different individuals rather than just adopting a one size fits all.

While MSV fully understands the importance of engaging with residents to support the work we do to keep our customers safe, we also recognise that this needs to be an area of focus for us in the coming year to improve what we do. While we do provide comprehensive information about all aspects of compliance and building safety via the MSV website, which also includes guidance on how to contact us if a customer has any concerns about safety or compliance in their homes, and similar safety information and guidance is provided at sign up for all new customers, we recognise we could do more to make general information about block safety more visible day to day. This is something we are working to improve in the coming financial year.

We also have work to do in respect to knowing our customers better and understanding more about how, when and in what language they want us to communicate with them. This is part of a wider MSV strategy around improving our customer profiling information which will in turn help us to more effectively engage with customers about the safety of their buildings in the way they want us too.

Keeping our customers safe is at the heart of our business, and the Grenfell tragedy highlighted how important effective communication between landlord and customer really is, and how disastrous it can be when the voice of the customer isn't heard or listened to.

## **6. Stock Investment and repairs**

Appropriate investment in our stock is key to maintaining asset condition, value, reducing repair costs and maintaining customer satisfaction, as well as influencing high performance across a variety of other non-financial indicators.

The delivery of this strategy is informed by analysis of the Stock Condition Survey data held by the Group and supported by the Group's 30 Year Business Plan. Over the length of this strategy, we will

- Listen to our customers feedback, their needs and aspirations, and create homes people want to live in.

- Provide a customer centric, cost efficient, effective repairs and maintenance service.
- Actively seek innovation and explore the possibility of utilising the ‘internet of things’ to create more sustainable and responsive homes.
- Develop a plan for every home which takes account of the specific investment needs for each of our properties based on the data we hold. We will use this information to forecast investment programmes at both a portfolio wide level for thing required by all homes (Kitchens bathrooms, windows doors), as well as develop specific programmes of works for sub-groups of properties (such as the Internal Wall insolation programme for our pre-1929 properties).
- Develop and deliver a repair intervention service which focuses on assessing data to target homes with a notably high level of repairs or suffering from repeat damp and condensation in order to get to the route cause.
- Work towards providing excellent service delivery and high levels of customer satisfaction.

#### a. Stock Investment

Intelligence led decision making will ensure suitable investment plans which focus on long term asset and financial viability and continued value for money.

Using the data and intelligence we have about our homes, we will develop an investment plan for every home. This will be built up of a combination of programmes of work which we know are applicable to a given property. Some of these work streams will be universal with all properties benefiting from them at some stage in their lifecycle whereas others will be more bespoke. The table below is a list of programmes of work which have currently been identified as required and how they are being funded. This concept will be expanded to include any future building defects identified which are likely to relate to a cohort of properties rather than just a single building in order that we can use this tool as part of our annual business plan forecasting to ensure that both universal and specific investment needs of our stock are fully captured. This is by its nature a live process which will be continually refreshed.

<b>Investment Programme</b>	<b>Evidence for investment need</b>	<b>Properties affected</b>	<b>No. of homes</b>	<b>Included in Business Plan?</b>
Core component replacements	Stock Condition Survey	All Rented Stock	8,118	Yes
Energy efficiency works (Below SAP C)	RDSAP Data	13% of stock	1,129	Yes
Fire door Upgrades to meet Fire Safety legislation	FRA Recommendations	All properties with internal communal areas including sheltered and supported.	418	Yes

Energy efficiency works (above Sap C) Hard to Treat Properties	<ul style="list-style-type: none"> <li>- Increased cost of repairs in portfolio.</li> <li>- Increase rates of Damp and Mould.</li> <li>- Increased customer dissatisfaction.</li> </ul>	Properties built pre-1929 of single brick skin construction or a finger cavity (too narrow to insulate).	1,152	964 included (All properties in Manchester).  264 excluded identified within Disposal strategy.
Extraction of cavity wall insulation and refill due to slumping of insulation.	Thermal imaging surveys undertaken as a result of high rates of damp and mould reporting within this property group.	All properties within the Stockport stock transfer estates including leaseholders.	1,144	267 in Bredbury included. 868 not in plan at present. Still to be surveyed.

By ensuring that we capture and deal with building defects which are common to a property archetype as a future investment programme rather than deal with it as a one off repair over time we will more accurately assess the investment needs of our property portfolio, enable our Asset Performance modelling to be more bespoke to each asset as well as more accurate and dive down the cost of reactive repairs.

#### **b. Block refurbishment programme**

We've identified a need to co-ordinate our block refurbishment programme (including general needs, leasehold, retirement living and supported accommodation) in a more strategic manner and to develop some consistent standards including the potential to bring in new technology to aid communication and digital inclusion.

This will ensure our planned investment, building safety works, environmental improvements, internal/cyclical decoration programme and furniture replacements (where applicable) are delivered in a more strategic and coordinated manner. We have undertaken some pilots within our sheltered housing in recent years which have proved very successful and will further develop this programme as part of a Strategic Review of the health of our Assets, linked to the refresh of the Strategic Housing Asset Performance Evaluation (SHAPE) model we have planned in to complete in 2024/25.

Priority blocks for communal refurbishment will be identified as an outcome of this review which alongside customer satisfaction data, will be used to develop a programme commencing in 2025/26.

#### **c. Repairs**

Delivery of a customer centric repair service is crucial in improving and maintaining customer satisfaction. The past five years have been particularly challenging with both rising costs and customer expectations which has been exacerbated by periods of material shortages and increased challenges in gaining access to customer's

homes driven by the Covid 19 pandemic. This has impacted both service standards and budgets.

The past twelve months have however brought more stable times and while access to properties does continue to be a greater challenge now than it was in the pre-pandemic era, we have stabilised our service and our core indicators now reflect a much better position going into 2024. A summary of this progress can be found at Appendix C.

In all cases, we will prioritise a service that ensures our customers' homes remain safe, secure, warm, and free from hazards. We strive to provide a service that fits around the customer rather than one that fits around the business and ensure that customers are able to live the lives that they wish within the homes that we provide. We commit to listening to customers so that we truly understand their requirements. This continues to be an area we are committed to improving over the life of this Strategy.

Over the past few years there have been several investigations by the media into the condition of homes provided by both council and social housing providers. In some instances, this has highlighted a lack of transparency with customers and of poor property condition which have arisen despite complaints being raised by customers. This has increased scrutiny on Landlord's by the media, litigation firms, the Housing Ombudsman and the Regulator of Social Housing and rightly customers expectations have also changed in respect to the works which are being undertaken in their homes.

MSV go to great lengths to ensure that all of our homes are in good condition and comply with all the necessary standards, and this is supported by the evidence we gather through regular stock condition surveys to validate this position. Nonetheless, we are conscious that at times things do go wrong and we must use all the information at our disposal to look for warning flags of where this may be likely to occur.

In order to follow up on potential warning flags further, in 2024 we will establish a Repair Intervention project. Through this project, we will proactively investigate and seek to survey homes where:

- An exceptionally high cost of works has been undertaken in the property. In 2023/24 financial year, almost £2m was spent on only 233 properties within our portfolio which equates to an average of £8.5k per home. We need to understand what has driven such high cost works, if there is an underlying issue that is driving this, and if there is, have the works undertaken resolved it or will they be reoccurring?
- There has been persistent no access, or a property has not been visited for any reason over a 12 month period. We have developed a report which identifies how frequently a property has been accessed over the past three years and for what reason (Eg. Stock condition survey, Tenancy Audit, To undertake a repair, to undertake a Gas or Electric inspection). We have developed a warning flag system to indicate where access has been refused

for any such visits which allows us to rank our homes in a priority order where multiple instances of no access may have occurred, or where a significant period of time has elapsed where no MSV service has had cause to enter a property. This allows us to focus our attention on gaining access to these properties to ensure that the customer is ok and the property is suitable for their needs.

The data is already in place to inform this project and we have reports established to highlight properties which fall into these categories. The project will ensure that we are focusing our resources in areas where we can proactively make a difference based on the data available.

A condition survey of the property will be undertaken once access is gained, either by our in-house surveying team, or via our external cyclical stock condition survey provider, to ensure the properties remain in a good state of repair. This will help reduce the risk of future disrepair cases and reduce the cost of repairs going forward.

#### **d. Empty Homes**

We are currently working on re-categorising the way we record empty homes by (1) Lettable (2) Unavailable and (3) Unlettable with sub-categories aligned to Housemark definitions. This will improve the way we report and track progress on empty homes before and after they have been referred for option appraisal. This will help reduce the number of empty homes overall and help focus attention on properties where action and intervention is required to either bring them back into use or dispose of them.

In addition to the above, a voids intervention project has been identified to commence this financial year which will allow us to undertake whole house renovation of specific high cost properties to ensure that when they return to the portfolio post renovation, all required investment works have been completed which fall due over the next five year period. An allocation of 50 per annum have been allowed for in the Business Plan, and these will be identified via the options appraisal process. At present, this process flags properties which are high cost voids, built pre-1929 and have a negative NPV to be considered for disposal, however if these properties are located in our core neighbourhoods, they are excluded from consideration for disposal. At present, we have no mechanism other than our standard voids process for major works to fund or manage a full property overhaul to 'future proof' these homes, before returning them to our rental stock. The voids intervention process, will provide this mechanism. Where a property cannot be quickly relet due to its condition but it is located in a priority area for MSV, it will instead be assessed against the list of investment work we have identified it will require over the next five year period to make it fit for the future (including any capital works replacements and Energy Efficiency works required) and these will be undertaken before it is returned to our lettable stock. This will not only help increase customer satisfaction with the product we are letting, it will also help to reduce the number of repairs reported post relet and drive up the standards in our housing portfolio, by shifting some of our lowest performing assets into a good performers

which meet all of our stated targets. This project has been costed and included in our business plan from 2024 – 2030.

NB: The Voids Intervention project is only for Homes located in areas where the Disposals Strategy expressly identifies that they should not be sold. This therefore provides a clear route for management of all High Cost properties / Poor performing properties that become empty, either via targeted investment or disposal.

## 7. Summary of Asset Management Principles:

MSV will prioritise investment in our properties to ensure all our Homes:

1. Meet the Regulators Decent Homes standards as a minimum.
2. Are free from all Hazards.
3. Comply with all relevant legislation.
4. Achieve energy efficiency standards of SAP C or above.
5. Are affordable to run (including to heat).

Where it is uneconomic for MSV to bring a property up to these minimum standards, we will consider divesting of the property from our Housing Stock to ensure all our homes offer the same high standards.

### **Associated strategies**

- Neighbourhood strategy
- Customer Voice strategy
- Growth Strategy

## 8. Appendices

**Appendix 1 – Equality Impact Assessment**

**Appendix 2 – Assets Insights**

**Appendix 3 – Repairs KPI trends**

## Appendix 1 - Equality Impact Assessment (EIA)

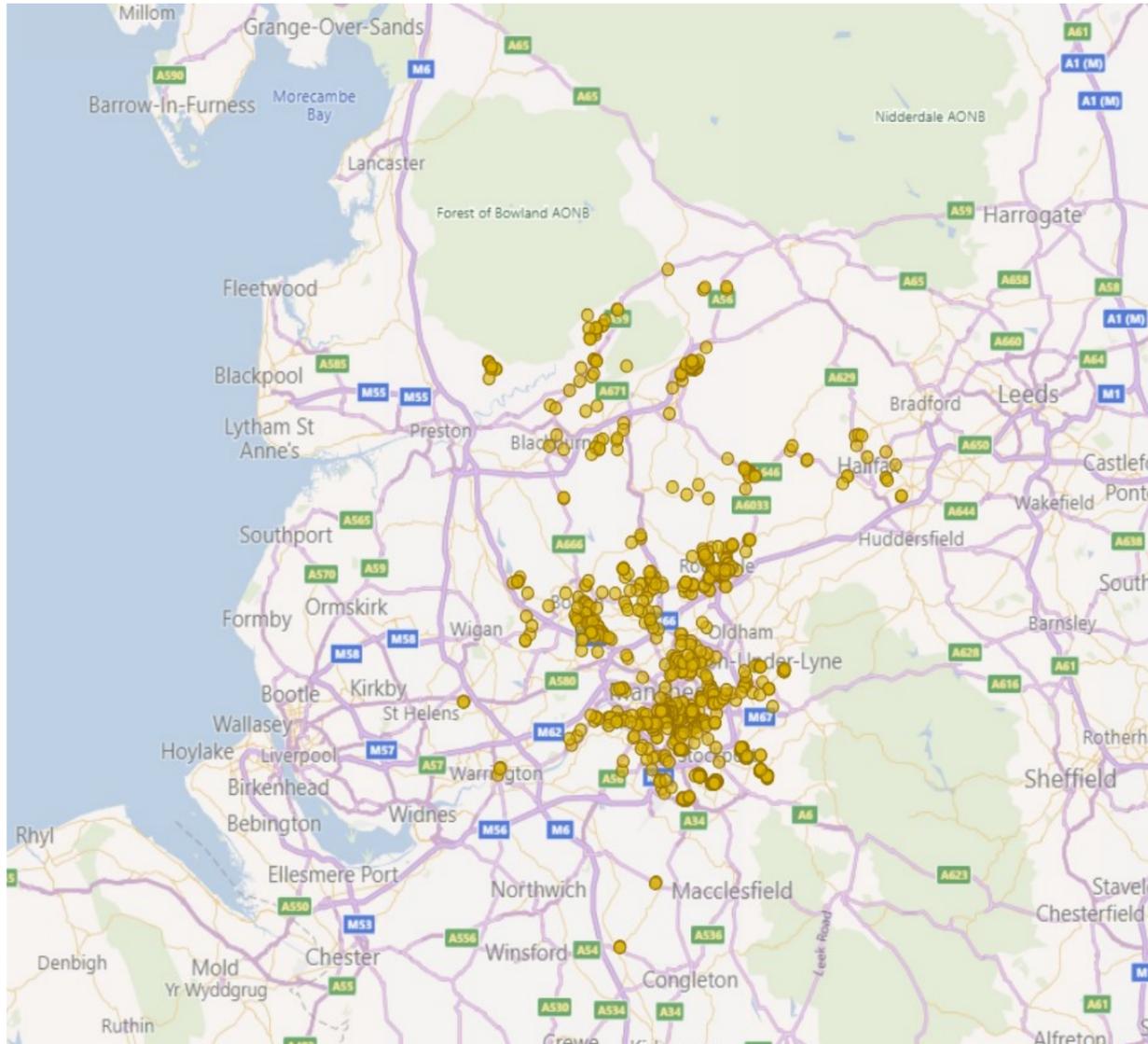
<b>Name of Strategy/Policy</b>	Asset Management Strategy	
<b>Date of Assessment</b>	March 2024	
<b>Name &amp; Role of Assessors</b>	Fiona Creighton, Exec Director - Homes	
<b>What are the desired outcomes of the policy?</b>	The desired outcomes of the strategy are to set out how MSV will ensure future investment plans to enable us to continue to offer the right accommodation, in the right location to meet the demands of our customer base and meet legislative standards.	
<b>Who are the main stakeholders in relation to the function?</b>	Customers of MSV, Third Party Contractors and other partners.	
<b>Who will be consulted and what types of consultation will be carried out?</b>	Executive Team, Employees and Board members.	
<b>Summarise any evidence considered</b>	Notes of Exec and Board meetings.	
<b>Could the function have a differential impact on:</b>	<b>Yes / No</b>	<b>What evidence exists to support your analysis?</b>
	<b>Yes / No</b>	
<b>Race</b> Consider language and cultural factors	Yes	Specification of homes may affect a properties suitability for a specific cultural group. Consultation over planned works specification will be undertaken as part of this work stream prior to commencement of any given programme.
<b>Gender reassignment</b> Consider people proposing to or have undergone a process of having their sex reassigned.	No	.
<b>Disability</b> Consider physical, visual, aural impairment, mental, learning difficulties	Yes	Specification of fixtures and fittings may affect a properties suitability for some one with specific needs. Individual consultation is undertaken as part of every planned works programme to ensure that any fixtures installed are appropriately adapted to the customers needs.
<b>Age</b> Consider Elderly or young people	Yes	Specification of fixtures and fittings may affect a properties suitability for some one with specific needs. Individual consultation is undertaken as part of every planned works programme to ensure that any fixtures installed are appropriately adapted to the customers needs.

<b>Sexuality</b> Either know or perceived	No	
<b>Gender</b>	No	
<b>Religion or belief</b> Consider religious or cultural observance including non-belief, practices of worship	Yes	Specification of homes may affect a properties suitability for a specific religious group. Consultation over planned works specification will be undertaken as part of this work stream prior to commencement of any given programme.
<b>Other protected or vulnerable characteristics:</b> <ul style="list-style-type: none"> <li>marriage or civil partnerships</li> <li>pregnancy or maternity?</li> </ul>	No	
<p><b>If the answer is NO to <u>all</u> questions and no differential treatment has been found there is no requirement for a full Equality Impact Assessment. Please go back regularly and review the cycle.</b></p> <p><b>If the answer is YES to any of the questions please complete the rest of the form.</b></p>		
<b>In what areas could the differential identified be considered to have an adverse impact in this function and what solutions will be introduced to overcome these adverse impacts?</b>	This strategy and plan have been developed based on data and to ensure that all our properties comply with current regulatory and statutory requirements. Investment works are prioritized based on the extent to which a property meets the current or future standards. Overall, the impact is likely to be positive rather than adverse. make housing more suitable for certain groups.	
<b>In what areas could the differential identified be considered a positive impact in this function and what strategies will be introduced to safeguard and spread these positive impacts?</b>	Positive impacts arise from improving our overall housing specification, such as through the decision to invest in improving our properties energy efficiency, in advance of required deadlines. Investment works are focused on where performance is at its worst and will therefore have the most impact to customers living in these homes.	
<b>Which Action Plans have these solutions/strategies been transferred into?</b>	The Asset Management Action Plan will be implemented and delivered by the Asset Management and Property Services team and monitored through internal and external governance processes.	
<b>Who will be responsible for monitoring these Action Plans?</b>	Executive Director – Homes with reporting to Board and Customer & Communities Committee.	

**Ratified by: Committee/ **Board** / Delegated Approval**  
(Highlight as appropriate)

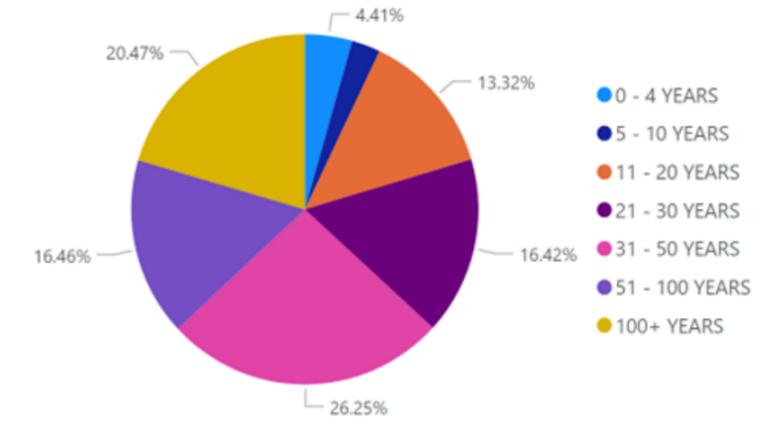
**Date: 10/04/24**

## Appendix A: Map of MSV properties

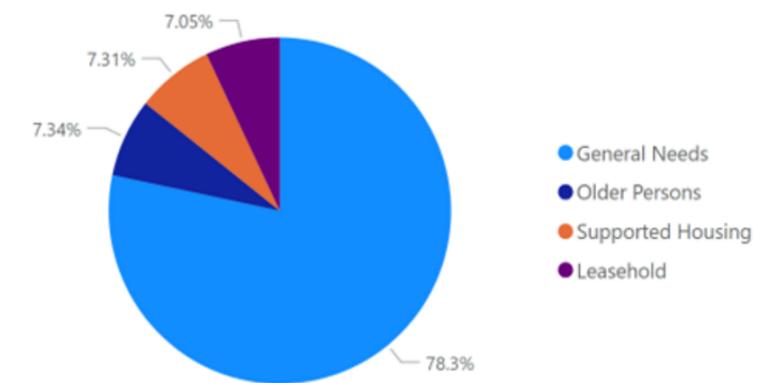


## Appendix B: Details of current archetypes and tenures

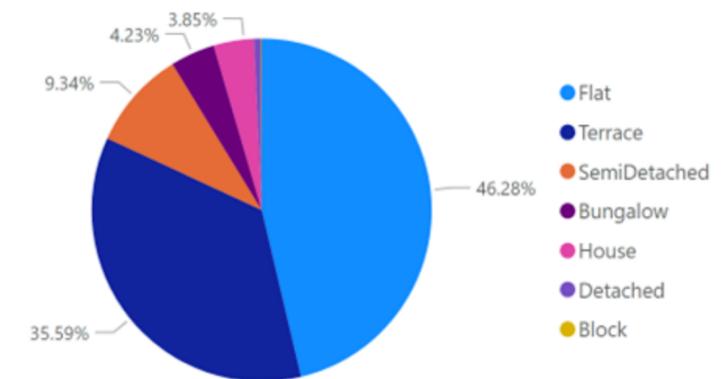
Property Age Bands



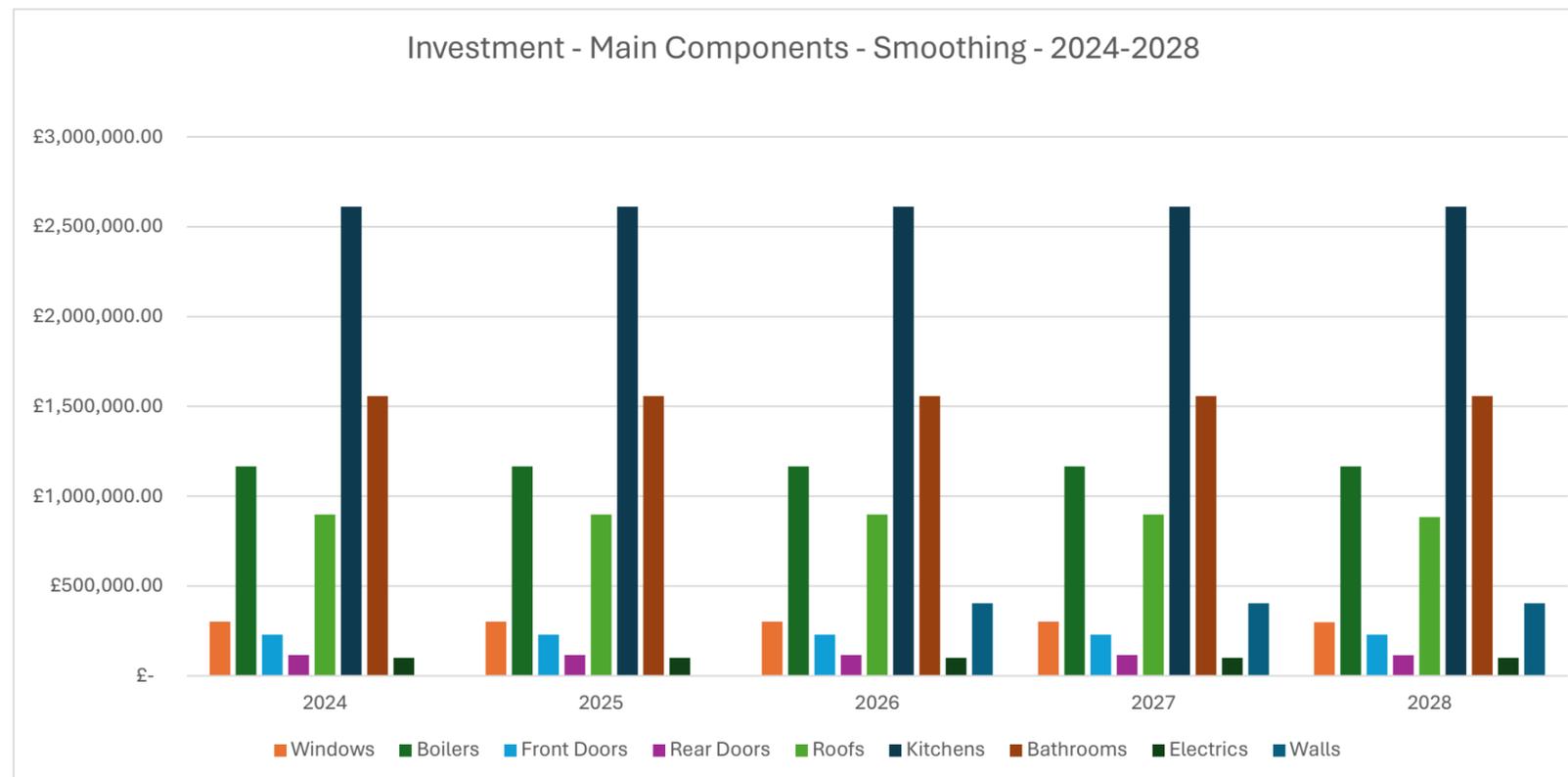
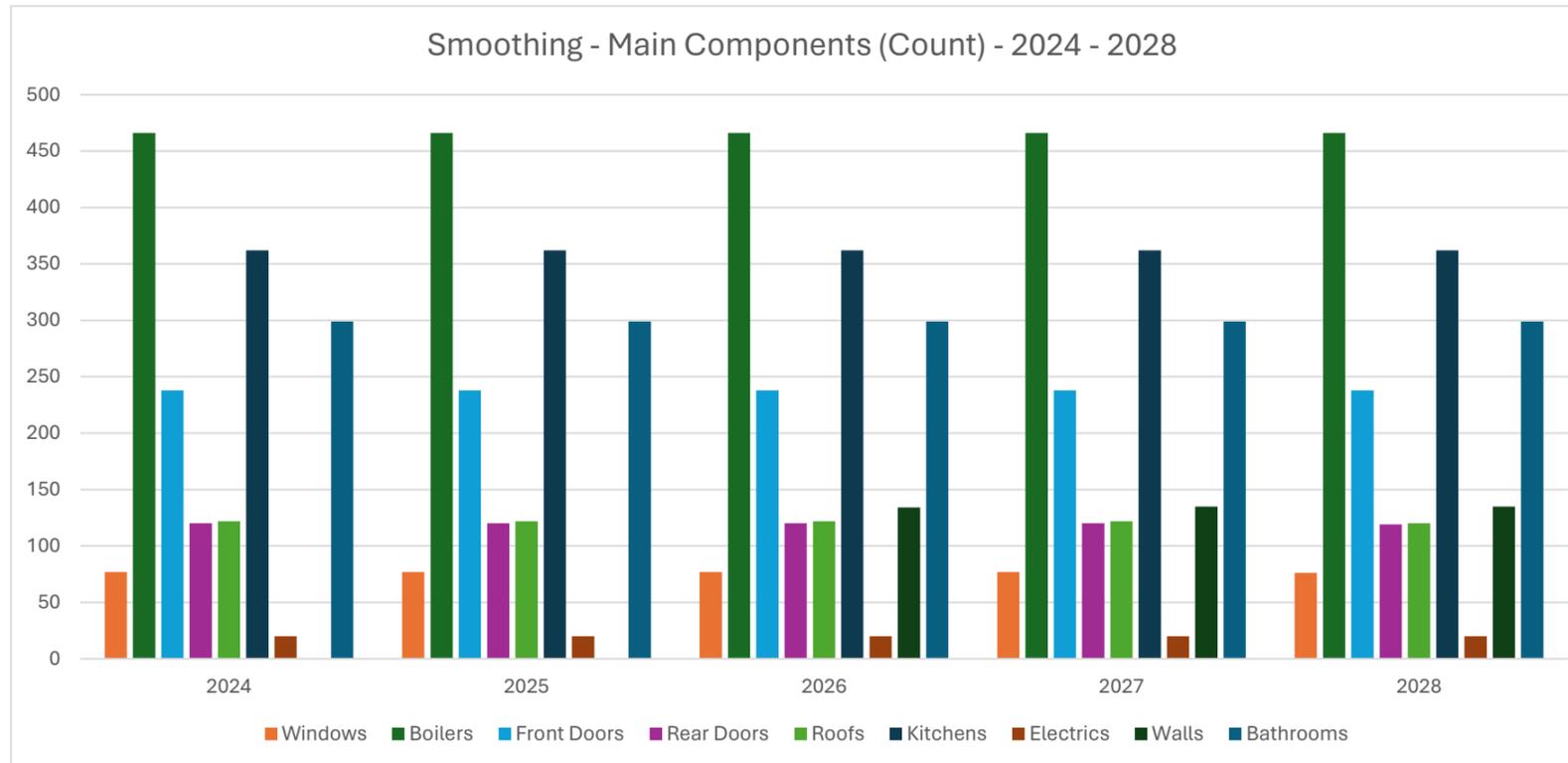
Tenure Type



Archeotype

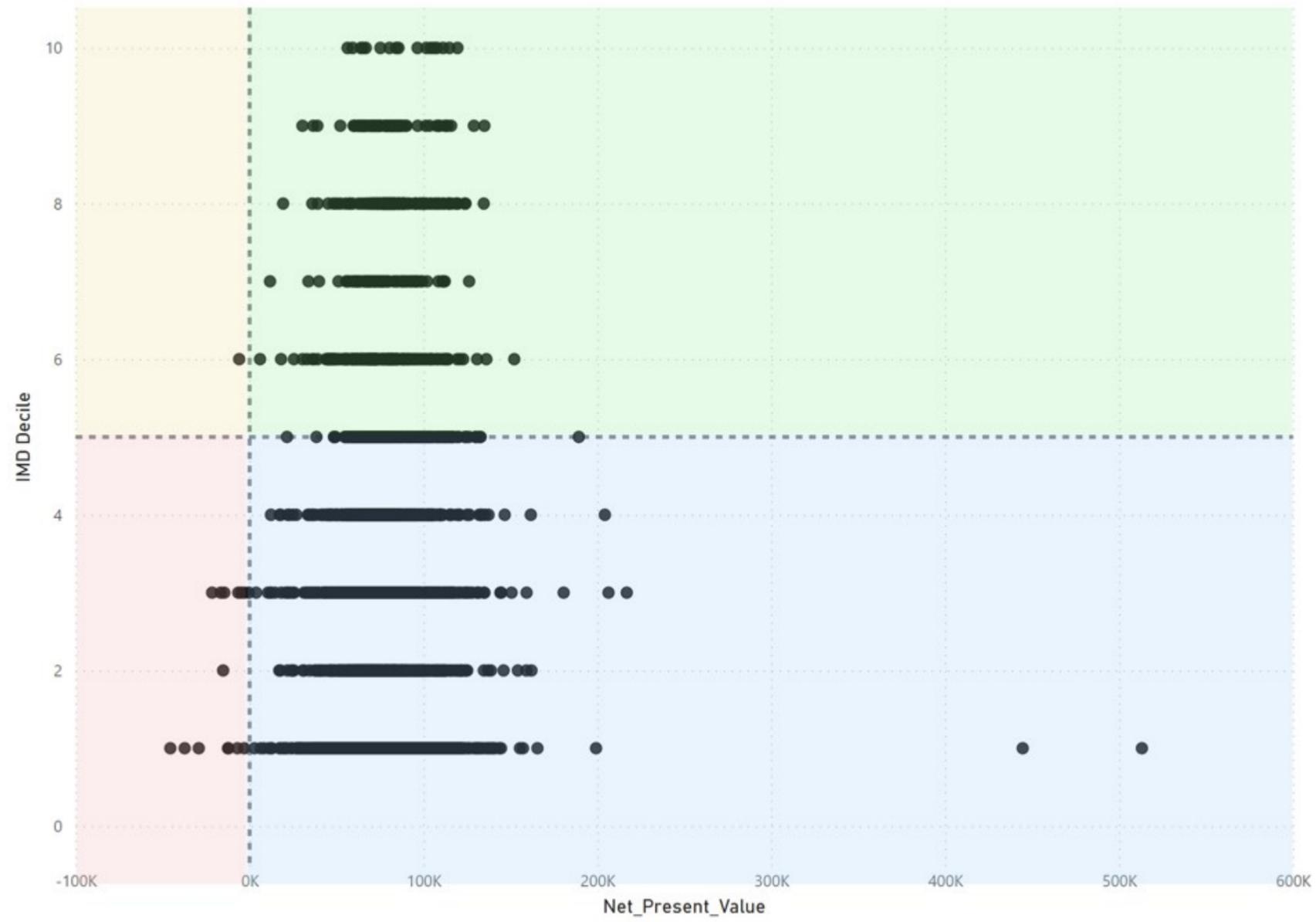


## Appendix C: 5 Year planned invested programme

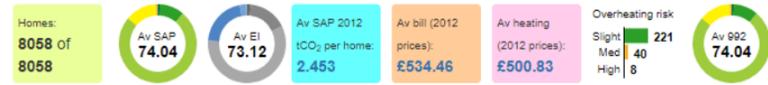


## Appendix D: NPV vs IMD Decile

Net\_Present\_Value and IMD Decile



## Appendix E: Current SAP EPC rating

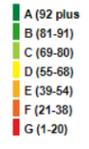
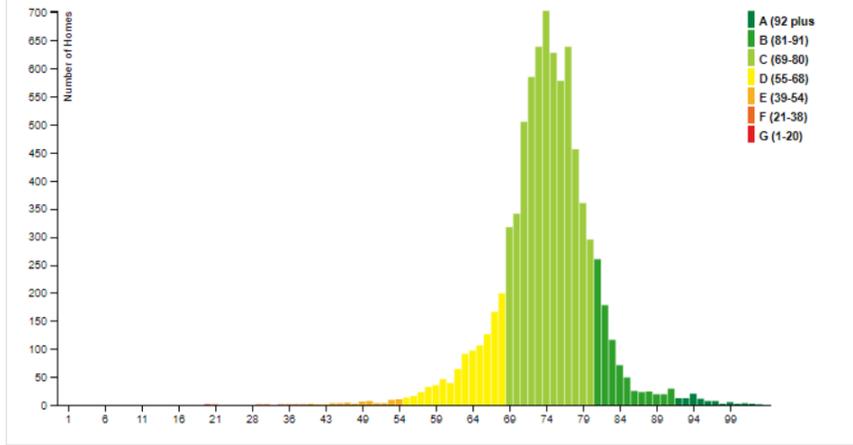


### SAP profiles

- EI profiles
- CO2 profiles
- Fuel bills
- Heating & Hot Water bills
- Overheating
- SAP 992
- Housing Profiling
- Confidence Profiling

### Bar Chart

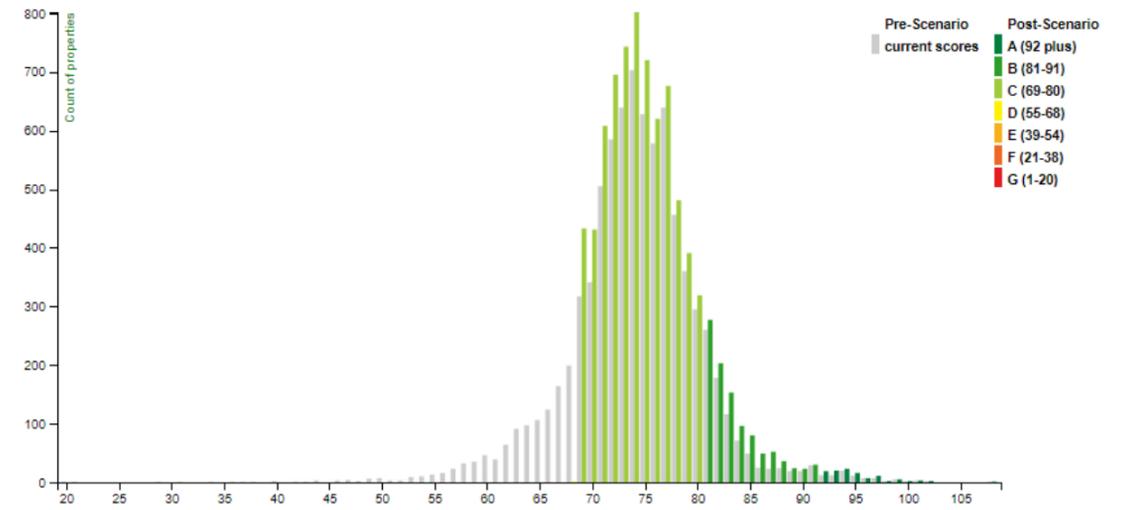
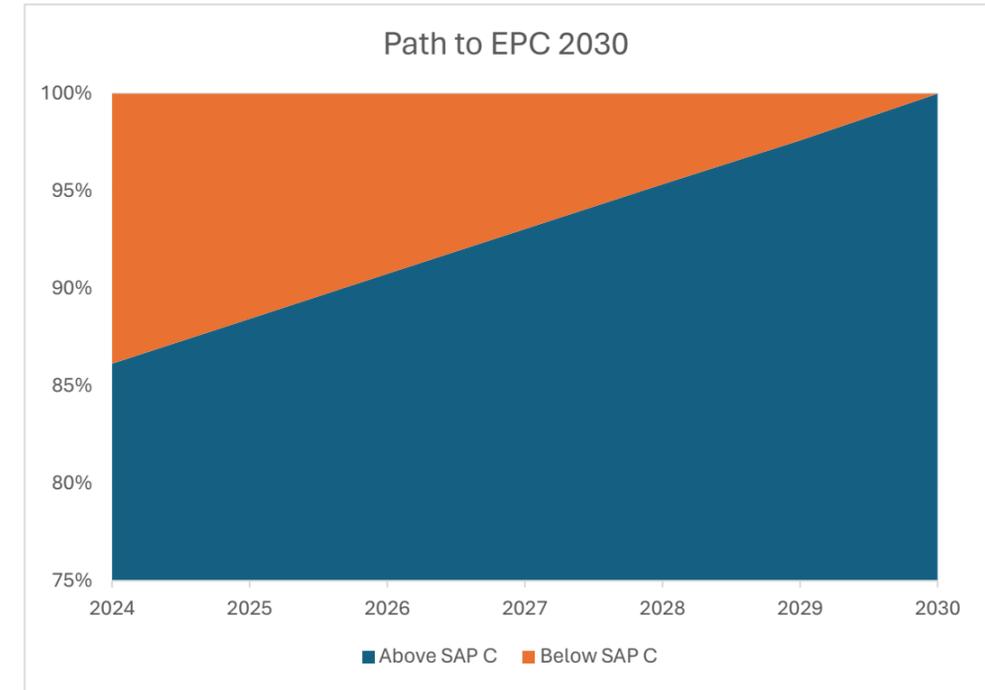
### Addresses



### Sap Rate

SAP	Property Count
A	88
B	807
C	5995
D	1046
E	54
F	7
G	1
<b>Total</b>	<b>7998</b>

## Appendix F: Path to 2030 and EPC C



**Appendix 3: Repairs improvement April 2023 to March 2024**

