

Asset Management Strategy

Person responsible:	Director of Homes
Business Strategy Objective	Growing, Greening, and Transforming
Financial/ Resources	The LTFP has a total budget of £66m for the delivery of Planned and Reactive works over the five years of this strategy.
Customer consultation	Tenants' Committee will be consulted about the Asset Management Strategy at their March 2023 meeting.
Key Strategic Risks addressing	#1 Asset Management: stock condition #2 Asset Management: return on Investment #3 Asset Management: building safety #12 Climate change: flooding #15 Energy Efficiency #19 Customer Satisfaction #24 Value for Money #27 Compliance: regulation and legislation
EIA required:	Yes
EIA completed (date):	TBC
Approved by:	Board
Approval date:	23 February 2023
Links to other key documents:	Business Strategy: Our Direction to 2025 Sustainability Strategy
Review date:	February 2026

Document management

Version	Date amended	Amendments
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1. Introduction

South Lakes Housing's (SLH) vision 'Quality Homes, a platform for life' has been central to our planning for the future. This is underpinned by three strategic objectives: **Growing**; **Greening**; & **Transforming**, with this strategy being pivotal in the delivery of all three strategic objectives.

This strategy sets out the underlying principles which sit behind excellent asset management and the key strategic projects and programmes that will ensure that the assets we own to operate our business are good quality, safe and secure homes, that are managed effectively, provide value for money, support growth and diversity and are sustainable into the future, and that services are delivered in a Customer First manner to achieve high levels of customer satisfaction. It sets out how we will deliver our asset management function over the next five years.

There have been significant changes in the Homes Directorate over the last two years following a Business Transformation review of processes and resources, together with changes in key personnel who deliver our services. This key strategy provides the context and roadmap for the work of the Homes Directorate under a culture of Customer First and continuous improvement.



Central to this strategy is the concept of Active Asset Management, based on a continual circle of 'Assess, Plan, Implement', and then learn. This model ensures that investment decisions are informed by all contributing factors, including evidence of our wider social, economic, and environmental impact, and that the asset management of the housing stock remains dynamic.

Continuously improving our insights, data and information will drive intelligence-based asset management planning and practices and provide a greater understanding of the needs of our customers and their homes.

Achieving the strategy's key objectives will depend on having the right resources and skills in the directorate together with collaborative contribution of key stakeholders, customers, and teams from across the business. This will ensure that we deliver an effective and efficient asset management service over the strategy period and beyond, in support of the thirty-year financial plan and our corporate aims and objectives.

2. Context

2.1. National Context

The Asset Management Strategy will be delivered within the context of a heightened focus on asset management and performance within the housing sector, particularly in the following areas:

- Recent legislation in building and fire safety, following the Hackitt review findings, raises the profile of tenants' and leaseholders' health and safety to new levels.
- The drive to net zero carbon and the increased priority of investment to reduce the carbon impact of our homes to meet regional and national carbon targets, and to try to help our customers to reduce energy usage and ameliorate some of the impact of rising energy costs.
- Improving how we communicate with customers, both externally and internally, on the ambitions of this strategy, and ensuring that the voice of the customer is heard by promoting greater customer involvement in decision making and ensuring that customers have clear information on investment and maintenance plans for their home.

- Future regulatory challenges: The Social Housing (Regulation) Bill, Decent Homes 2, the Future Homes Standard, and the increased focus on the customer experience and voice, as well as customer safety.
- The importance of continuous improvement in data collection and analysis, ensuring active management of accurate validated datasets that inform the Financial Plan and support well-informed decisions on how and where we invest in our assets, whether that be through improvements, planned repairs, cyclical maintenance, or whether a divestment route such as transfer, disposal, change of use or regeneration is more suitable.

The external environment is one of volatility and uncertainty in worldwide, national, and local economies due to the impact of social, economic, and political events. Supply chain and inflationary pressures are putting significant strain on procuring goods and services and placing additional pressures on the incomes and living standards of our customers. Labour and skills shortages are impacting on delivery ambitions and fuelling inflation in wage demands and construction sector prices.

Scrutiny and expectation on landlords have increased due to the focus on building safety issues following the Grenfell fire in 2017, and further intensified focus on building quality including the damp, mould, and disrepair issues in the sector. The sector has justifiably been criticised for failing to listen and engage proactively with customers when voicing their concerns.

2.2. Statutory & Regulatory Requirements

Decent Homes Standard

In 2006, the Department for Communities and Local Government set out a minimum Decent Homes Standard for social housing assets, which is part of the Regulator of Social Housing's Home Standard.

A decent home is defined by meeting the following four criteria:

- It meets the current statutory minimum standard for housing.
- It is in a reasonable state of repair.
- It has reasonably modern facilities and services.
- It provides a reasonable degree of thermal comfort.

A Decent Homes 2 Standard is due soon that is expected to extend the standard to improve energy efficiency, safety, and security. We will adjust our strategic resources to fully adhere to the new standard by the prescribed timescales when it is launched.

Though our SLH Homes Standard surpasses the Decent Homes Standard through enhanced specifications and equipment provision, this Standard remains a key benchmark and is used as a baseline to plan investment in homes and communal areas.

Properties which may technically meet the Decent Homes Standard but where individual components are not in good condition, may be included in planned improvement programmes to ensure that our homes remain in good condition for our customers. This approach ensures that we continue to maintain the Decent Homes Standard across all our homes.

We currently assess compliance with the Decent Homes Standard annually, but we will refine our processes so that we will report on it monthly. This will allow us to measure our compliance with the standard in real time as works are completed.

Building Safety Act 2022

The safety of our customers remains our top priority. We will continue to ensure a culture of safety remains throughout the delivery of this strategy, ensuring that we have robust mechanisms in place to monitor and scrutinise our approach to property compliance at a governance level. These activities

are monitored by the Audit & Risk Committee, with effective oversight by Board, who provide robust management of these risk areas.

We will continue to proactively deliver our Building Safety Programme, ensuring that all aspects of regulatory, statutory, and best practice compliance are met, including the Fire Safety Act 2021 and the requirements of the new Building Safety Act 2022.

All Building Safety policies and management plans will be reviewed during the term of this strategy. It is expected that there will be further developments and guidance in relation to Building Safety during the life of this strategy, therefore we will continue to adapt accordingly and, where possible, strive for a pro-active approach to the implementation of requirements.

We will move away from our current linear approach, where each compliance work-stream is assessed in isolation, to a holistic building safety approach which integrates all compliance work-streams and assesses them all together on a building-by-building basis. To achieve this, we will develop an SLH Building Safety Standard that will combine all compliance requirements relating to a home, block and both internal and external communal areas. A home will only achieve compliance with this standard if it has all the necessary certifications and surveys completed, and it has no residual high-risk actions.

The Building Safety Act places a requirement on building owners of high-rise buildings to assess and manage building safety risks and sets out that reasonable measures must be taken to manage the risk of the spread of fire and structural failure, to prevent their occurrence and limit the impact should an incident occur. At regular intervals an Accountable Person is responsible for submitting a Safety Case to the Building Safety Regulator. The safety case will be used to demonstrate to the regulator how safety risks are being managed on a building-by-building basis. Whilst this is not a current requirement for SLH, as we don't have any high-rise buildings, we believe that the principles involved in producing a Building Safety Case, that requires that a 'golden thread of information', actions and plans for the future of the building, represents good practice and should be adopted to manage risks in our more complex buildings, both in terms of design/construction and building use. We anticipate that we will only apply these cases to our three category 2 Sheltered Housing Schemes, but we will continue to review this as we develop our plans or if it becomes legislation. We will develop our Safety Cases and will continue to review our associated processes and procedures to ensure a robust approach to safety management, and have adequate first, second and third lines of assurance processes.

A Building Safety Group will be established to specifically engage with customers about the level of information and routes to obtaining that information they would prefer to have access to. We want to ensure comprehensive assurance is provided for all homes and communal areas and that customers understand their role in reducing building safety risks.

Significant improvements in data, how it is managed, and the digitalisation of compliance activities has improved our reporting and oversight of the overall compliance function. Our reporting will continue to be transparent to ensure strong governance across this business-critical area.

Energy Efficiency & Net Zero Carbon

In June 2019, the UK became the first major economy to legislate to achieve net zero carbon emissions by 2050. The new legislation led us to create our Sustainability Strategy 2022-2027 which includes an ambitious programme to reduce our impact on the environment, reduce customers energy costs, and deliver a more efficient and green business.

With over 80% of our carbon emissions coming from our property portfolio, environmental sustainability and decarbonisation of our homes continues to be part of our wider asset management agenda.

We will aim to be Net Zero Carbon by the UK Governments target of 2050; however, this will be dependent on funding measures and other policy and technological developments. We will adopt a phased approach to decarbonising our assets and will develop a roadmap of actions to aid our thinking. A culture of zero carbon thinking and practice will need to be embedded throughout all our operations, and customers will need to be supported where necessary.

A range of modifications and retrofit activity will be reviewed to ensure that each property has the most appropriate work identified to improve the overall efficiency in each home. We have bid for £3.5m of Social Housing Decarbonisation Fund (SHDF) funding to help deliver this work.

Whole house energy retrofit surveys will determine the most appropriate measures to install and will support grant funding opportunities. A programme of retrofit surveys has commenced in support of our Energy Efficient programme, and this will see over 900 homes receive a retrofit assessment. Data cloning will be undertaken to generate a full dataset, from which modelling will be undertaken, and they will be continually updated with real survey data.

We will update our Options Appraisal process for existing assets to include costs to reach Net Zero Carbon to fully plan for longer term costs. This will inform wider investment plans and inform regeneration and stock disposals options as for some homes it will not be practical, cost effective or affordable to upgrade them to the required energy efficiency levels.

We are expecting significant changes to the Government's energy and environmental policy over the life of this strategy and will continue to monitor changes and adapt our strategy as required.

Stock Condition

Effective active asset management depends on having comprehensive, high-quality data to support the thirty-year financial plan, and to inform a detailed understanding of an assets' performance and its investment and maintenance requirements. Maintaining accurate and comprehensive stock data therefore underpins the decision making and delivery of our asset management strategy.

Stock condition surveys are non-intrusive inspections of a home's components both externally and internally, to determine, type, condition, and residual life of each component. This information is uploaded continuously into our asset management database and is used to help forecast future maintenance liabilities by applying lifecycle costings. We review key component costs on an annual basis against our actual costs which informs financial planning and reporting.

We have significantly updated our existing stock condition data and now hold current data for 92% of our homes within our asset management system. The older data will be refreshed as a priority when opportunity or consent to complete a survey is agreed. We continue to make progress towards achieving a 'golden thread' of asset data, to effectively enable us to demonstrate the performance and requirements of our assets, from a qualitative, health and safety, and financial perspective. We therefore conduct stock condition surveys annually to 20% of our homes on a rolling 5-year annual programme and undertake a sample validation survey carried by an external body every five years, to provide continued assurance on the quality and robustness of stock data.

Through continual improvement of our surveys and data quality we will target specific archetypes for potential areas of concern, for example risk of flooding, potential for damp, mould and disrepair, and opportunities for future building enhancements in relation to energy performance. An additional set of SAP, EPC and carbon measurements will be incorporated into the survey to inform our planning and to ensure we are able to secure appropriate funding opportunities as they emerge.

Value for Money

The Regulator's value for money (VfM) standard requires that associations demonstrate that they are achieving value for money from their operations. This requires us to have an excellent understanding

of the performance of our assets to inform investment and divestment decisions and to unlocking value tied up in our assets.

Over the course of the strategy, we will review and improve the efficiency and effectiveness of our processes in planning how and where financial resources from the business plan are best targeted. The aim is for programmes of investment and maintenance to be systems-driven, based on reliable quality stock condition data and additional data sources such as repairs data, CDM health and safety files, and intelligence from colleagues, fully informed by customer priorities and feedback and by cross-directorate governance structures such as Senior Management Team.

We will ensure a holistic approach to cyclical management, in relation to activity in our buildings, integrating compliance workstreams with other building safety and related surveys/inspections such as fire door and smoke and carbon monoxide inspections, and exploring the opportunities and benefits of combining activities such as grounds maintenance and communal cleaning to drive further efficiencies.

We will use additional data (such as repairs volumes, investment replacement cycles, carbon impact of components) to understand the impacts between quality and cost to achieve value for money, and the variances between expected and actual lifecycles across different tenures and client groups. This will provide a better understanding of the effectiveness of our component offer to customers and whether lifecycle assumptions should be reviewed to ensure that the needs of specific customer bases are met.

We adopt a hybrid approach to component replacements by pre-inspecting a large proportion of system driven planned works programmes to prevent the premature replacement of components that still retain significant life and performance. A project to assess the value of this approach will be undertaken to ensure that it offers value for money.

Procurement

With the annual Homes budget of around £48.6m, (excluding responsive) over the next five years, the opportunity for delivering value for money through effective procurement is evident.

These levels of expenditure can support Social Value benefits in the local economy through the appointment of local contractors and suppliers in our maintenance, improvement, and asset management activities, maximising the local pound and supporting local employment and training opportunities through apprenticeships.

SLH procures works and services in compliance with the UK Public Contracts Regulations 2015 and Public Contracts (Amendment) Regulations 2022. A new Procurement Bill is currently progressing through Parliament and is expected to come into force during the term of this strategy. The Bill is intended to simplify the UK's public procurement regime with a focus on value for money, transparency, and creating greater opportunities for SMEs which has potential benefits for SLH. The requirements of the new Bill will be reflected in a revision to our Procurement Strategy.

Several alternative routes to procurement can be considered, including but not limited to traditional tendering, partnerships arrangements, and frameworks.

In addition to key metrics around customer satisfaction, value for money, and health and safety, the evaluation of contractors for all future contracts/frameworks will need to include substantial focus on carbon management given increasingly pressing decarbonisation deadlines.

2.3. SLH Context

99.4% our homes comply with the Decent Homes Standard, with 0.6% failing due to refused work by our customers. When discounting these homes, as per the Standard, we achieve 100% Decent Homes compliance. This indicates that the condition of the components within our homes are in a reasonably good state of repair and reflects the investment that our homes have received over the last ten years.

Results from the 2021 STAR survey indicated that 82% of customers were satisfied with the overall quality of their home.

The Asset Management Strategy sets the overarching context for the work of the Directorate. The strategy has interdependencies with the following key strategies and documents within the business:

- Business Strategy – Our Direction 2025
- Long Term Financial Plan
- Customer Experience Strategy
- Procurement Strategy
- Development Strategy
- Corporate Health & Safety Policy

The strategy is supported by a number of Homes Directorate Strategies, Policies and Management Plans including Building Safety Policies, (Gas & Electrical Safety, Fire and Water Safety, Asbestos, Lift, and Radon), the Repairs & Maintenance Policy Handbook, and the Sustainability Strategy.

Our stock has an average age of 62 years and was predominantly built in the 1950's & 60's and are now nearing an age which requires significant levels of investment such as reroofing and rendering, which is only likely to occur once in an assets' expected lifespan. Energy efficiency standards were very poor at their time of construction meaning that they require significant levels of investment to bring them up to modern efficiency standards.

Many of our homes were originally constructed by the local authority as whole estates and communities. Over time and through government initiatives, customers have been able to purchase their homes and move many into private ownership. This proliferation of private and social homes across our neighbourhoods makes it difficult to make a discernible impact through our investment in neighbourhood improvements, without using our limited resources to benefit the whole of the estate. It is therefore important that we engage with local stakeholders to maximise our opportunities.

As previously discussed in the National Context, recruiting local labour, particularly with the relevant professional, technical and/or manual construction related skills is extremely challenging. Local investments in neighbouring businesses such as BAE Systems and the planned construction of The Eden Project North will only exacerbate these problems and will temporarily distort the market, potentially for several years, through attractive wage offerings. This is also likely to impact on the limited SME subcontractor market, who are also likely to be attracted by these activities and this will be reflected in their pricing for SLH work, adding additional pressures to our Financial Planning.

2.4. Financial Context

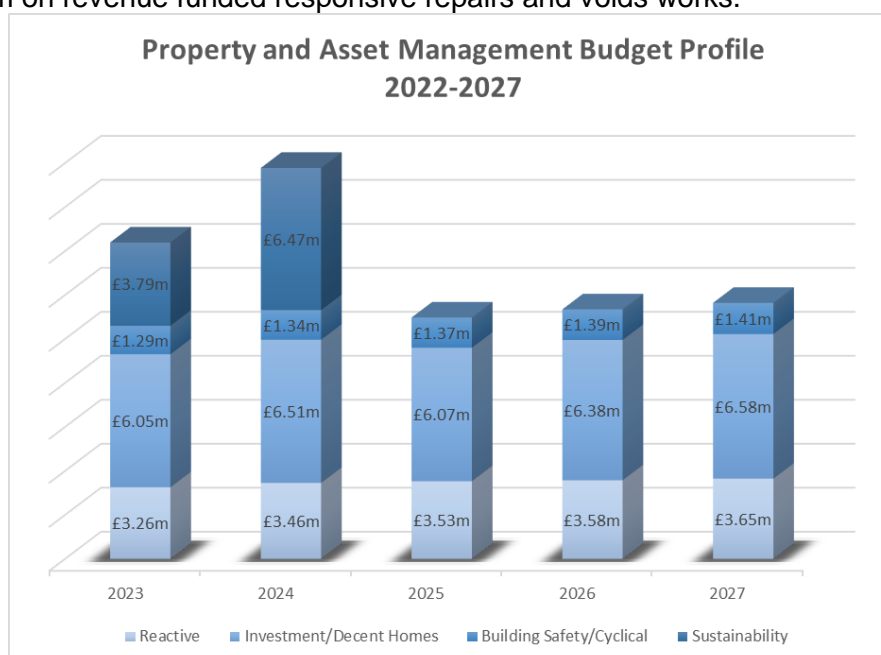
We recognise that we need the financial capability to deliver the strategy, using a combination of our own borrowing and accessing external grants.

The strategy informs the Financial Plan provision for planned investment in our homes. The strategy has been developed using the stock condition data from our asset management system, informing our investment decisions from April 2023 onwards. This approach ensures that the Financial Plan provides for sufficient funding to maintain our assets to the SLH Homes Standard.

The current five-year Business Plan assumptions show a total budget of £66m for Investment, Cyclical, Building Safety/Compliance, and Responsive Works. The Investment budget is a combination of capital and revenue spend with the Cyclical, Building Safety/Compliance and Responsive budgets wholly revenue spend. The values change year on year and the targets will be reviewed annually following analysis of outturn and update of the 30 year Long Term Financial Plan.

Over the five years of our Asset Management Strategy the Long-Term Financial Plan (LTFP) will support:

- £31.59m of investment in our planned capital programme, with the aim of reducing day-to-day repairs as the quality of our homes increase.
- £10.26m of capital investment in Energy Efficiency and Net Carbon Zero, to support the move to low carbon homes and affordable warmth.
- £6.8m on revenue building safety and cyclical works to ensure we achieve all statutory and best practice compliance targets on all our properties.
- £17.48m on revenue funded responsive repairs and voids works.



Our Plans are underpinned by robust Stock Condition Survey and business planning assumptions, validated by Savills in October 2022. Our carbon reduction plans are based on sound knowledge with 97% of homes having an EPC assessment.

As further understanding of Net Zero Carbon requirements develop, and as new technologies emerge, this will be appraised and the implications on the Financial Plan will be reviewed.

3. Our Assets

SLH owns 3,193 homes with an existing use value (EUV-SH) of over £121m. It is therefore essential to the sustainability of the business and to meet the needs of residents that we maintain and improve this portfolio. SLH also manages a further 106 homes on behalf of Lune Valley Rural Housing Association (LVRHA).

The majority of our properties are in South Lakeland, a predominantly rural district covering 600 square miles and includes parts of both the Lake District National Park and the Yorkshire Dales National Park. Our 3,193 homes and 275 leasehold homes are spread across eleven neighbourhoods throughout South Cumbria, with main concentrations in Kendal and Ulverston. As freeholder, SLH provides asset management services to the buildings and common parts and recharge leaseholders proportional costs. There are also 1,069 garages and a leased head office; two leased depots, a community centre, septic tanks, and shops.

A breakdown of the stock can be found in Appendix 2.

The performance of these assets underpins the financial viability of the organisation. The quality of our homes impacts on our customers safety, wellbeing, and quality of life.

In October 2022 we commissioned an independent consultant (Savills) to undertake a 10% stock validation exercise to assess the quality of the stock condition data that we held. The results of this concluded a high level of confidence in the quality of our data and assurance that robust systems were in place to gather and record the data. Another validation exercise will be commissioned in 2027 to reassess the data.

4. Our Vision & Purpose

The purpose of our Asset Management Strategy is to set out the key principles by which we will manage our assets in order to protect and maximise their value, to ensure that they contribute to the successful delivery of our business and strategic objectives, and to ensure that they provide quality, safe, secure, and affordable homes for our customers.

Our vision is:

- To meet the needs and priorities of customers who live in our homes and neighbourhoods now and in the future, by providing and maintaining quality affordable homes that are safe, secure, energy efficient, and promote a positive impact in their neighbourhoods.
- To deliver efficient and well managed, data-led, services that are fit for today and prepared for tomorrow.
- To adopt an active asset management approach to maximise our resources and to implement appropriate interventions that improve the performance of our assets.
- To deliver Value for Money and Social Value as an integral part of the way we think, the way we procure and the way we deliver.

The Strategy will evolve over its life and will be regularly reviewed and updated to deliver a longer-term strategic approach.

5. Delivering Our Vision – Key Action Areas

To deliver our vision we are prioritising the following key action areas that support our objectives and create the most impact in terms of maximising outcomes. We will achieve this through strategic planning, developing action plans and focus areas, setting interim targets, and measuring progress annually through the course of the strategy and at key strategic dates as legislation and regulation changes are implemented. The key action areas within this strategy include:

- **Improving Customer Experience.** Asset management is not just a property function encompassing the use of a building, it is also about customers and their lived experience and safety in their homes. Asset performance cannot simply be the product of an algorithm of financial, property and neighbourhood metrics that does not consider the customer perspective. It is extremely important that we understand the needs and aspirations of our customers. One of the expected priorities in the Government's upcoming Social Housing (Regulation) Bill is the

requirement for social landlords to improve how they listen to and act on the voice of their customers. Customers will be at the heart of everything that we do. We will work with colleagues and stakeholders to improve our services and ensure that our customers' needs, and expectations are met.

- **Understanding & Managing our Assets.** Having a full understanding of our homes through asset and performance data is key to enabling us to meet our strategic objectives and to focus the right investment in the right places at the right time, and that the investment meets the needs of the customer. We will provide homes that meet our statutory, regulatory and compliance obligations and provide assurance to our customers so that they feel safe.
- **Maximising Resources.** Ensuring we make best use of our assets and resources to achieve the best outcomes for customers and the business. To evaluate asset performance and implement appropriate actions that improve the performance of our assets.

6. Implementation

The Asset Management Strategy will be delivered over the next 5 years and the key actions are:

- **Improving Customer Experience**
 - Customer Insight into Service Areas – understanding what Customers want/expect from our services and review if current models remain fit for purpose. Establish engagement groups to gain full understanding.
 - Service Delivery Reviews – undertake in-depth review of each service area and assess alignment with Customer Insight information. Develop Service Change Plans to re-align.
 - Homes Communication Strategy – Review all communication materials and methods in line with Customer Insight information.
- **Understanding & Managing our Assets**
 - Option Appraisals – review appraisal model and adopt best practice. Review options as part of Sheltered Housing Review and Energy Efficiency programme 'hard to treat'/non-viability assets.
 - Energy Efficiency Programme – ensure all homes achieve EPC Band C by Q4 2025.
 - Update SLH Homes Standard - In line with Statutory & Regulatory requirements – update standard periodically to ensure compliance against new legislation and regulation.
 - Stock Condition & Compliance Data – review and develop surveys to capture new data requirements in readiness for Decent Homes 2 & Net Zero Carbon, and to improve data intelligence.
 - SLH Building Safety Standard – explore options to move away from linear reporting of compliance through individual risks and agree new management reporting standard to indicate status of whole buildings in relation to their compliance requirements.
 - Neighbourhood Plans – establish delivery programme and customer information and engagement plans.
 - Cx Assets Implementation – deliver transformation projects in readiness for system implement. Implement Cx Assets modules and reporting.
 - Net Zero Carbon Strategy – review Sustainability Strategy in 2026, post SLH target for EPC Band C, and assess net zero carbon roadmap and costs on plans and resource capacity.
- **Maximising Resources**

- Asset Improvement Planning – review LTFP 30 & 5 year plans to maintain Decent Homes Standard and other Statutory and Regulatory compliance. Benchmark rates and life cycles.
- Active Asset Management – review bottom 10% of worst performing homes and top 5% of high value homes to ensure maximising opportunities and providing VfM. Develop and update ASAP model and reporting.
- Procurement – update Procurement Strategy with emerging procurement legislation and incorporate requirements to align with Sustainability ambitions.
- System Upgrades/Enhancements – enhance system integration and reporting to improve business intelligence and performance monitoring. Enhance customer offer through development of MyAccount self-serve services and access to information.
- Asset/Component Tagging – assess VfM and quality impacts of implementing digital tagging to assets and components to improve data/information provision and activity recording.
- Grounds Maintenance Re-procurement – review service provision and reprocure new contract.
- BIM Modelling & Information Management – assess VfM and quality impacts of implementing BIM system to record and present data and provision of Golden Thread of building safety information.
- Cx Contractor System – review and assess the capability and performance of this replacement system and assess if it provides VfM opportunity.
- Colleague Training & Development - promoting collaborative working internally and externally, to identify challenges and implement measures that address any issues which may arise.
- Promoting an enthusiasm for change and innovation.
- Understanding and managing the risks to the Association's business plan that are relevant to this strategy.

An Action Plan has been developed that will be regularly monitored and managed to achieve the Strategy Key Aims and Objectives and its progress reported regularly to the Executive Leadership Team and annually to Board.

Some of these priorities offer an opportunity for quick wins, however some of the larger projects, those with more collaborative interdependencies or having a greater reliance on systems and data, may take the duration of the strategy to deliver in full. Long-term aims, such as Net Zero Carbon will take longer than the life of the strategy to deliver in full but the actions we take now will set and maintain our progress towards delivery.

7. Continuous Improvement

7.1. Active Asset Management

Asset Performance & Viability

A key part of our continuous improvement is the continual development and proactive use of our Asset Performance and Viability model (ASAP), through which we can assess the financial and social performance of stock to make informed decisions. This will include an assessment of Net Present Value (NPV). Originally the model provided us with an initial picture of asset performance, from which further investigation could be made. It has been refined over the last few years, particularly regarding financial metrics and inputs, but there is further work to do for it to give us real-time accurate performance analytics.

The model will help inform the investment programmes and neighbourhood plans based on an active asset management approach where we will seek to make appropriate investment decisions. This will be in a way that strengthens the Long-Term Financial Plan and contributes to meeting our objectives.

The evaluation tool will identify the stronger and weaker performing assets within the stock. Where analysis identifies groups of (or individual) properties which require major investment, these will be referred for option appraisals. The results of this work will inform where best to target interventions, such as disposals, redevelopment and master-planning the regeneration of estates, linking closely with the Development Strategy.

Net Present Value (NPV) assessments will be enhanced with updated EPC/SAP ratings, and any properties or blocks causing concern will be flagged for further, more detailed option appraisal.

Divestment

Homes requiring excessive levels of investment to meet modern standards will be assessed and considered for regeneration or disposal programme. We will review the suitability of properties in specialist portfolio's such as 'sheltered living' which may no longer meet the requirements of our future customers. We will undertake specific portfolio reviews to determine the best options and in some cases disposal may be appropriate. Clearly any significant regeneration or disposal will require considerable stakeholder involvement and will be subject to recognising legacy commitment and expectations.

7.2. Performance Reporting

Over the term of the strategy, we will continue to closely monitor and report on a wide range of strategic and operational KPI's. We will adopt new technology and systems to improve these processes and will continue to develop the Tenant Satisfaction Measures dashboard that are already being developed.

We will develop more trend analysis and live performance dashboards to support colleagues in overseeing the performance of key workstreams delivered by the Maintenance Teams. A range of PI's will show performance against our key KPI's that support the delivery of services.

7.3. System and Process Development & Implementation

Cx Assets Implementation

As part of the system implementation of migrating data from Keystone to Cx Assets we will take a deep dive into our data integrity and carry out a full data and systems review to integrate and simplify the data and system architecture that is used across the directorate.

The approach will include:

- A comprehensive review of the current approach to the management and ownership of data. It will consider the quality of data and areas for improvement.
- A review and implementation of a planned maintenance module to support delivery of the planned works.
- A review and implementation of a risk management and action tracking module to support delivery of health and safety and compliance works.
- Implementation of a module to manage all cyclical and compliance programmes.
- An ability for our colleagues, consultants, and contractors to upload inspection and survey reports straight to our system, reducing the need for paper forms, emails, and double handling of data.
- Management of the data validation and import process following stock condition surveys and the subsequent review of the business plan.

- A review of the data held within the asset management system and preparation for new and emerging legislation and regulation, such as Decent Homes 2.

Cx Contractor

SLH has previously committed resources to help develop a new Contractor Management System with our partner systems provider, Civica. An assessment of the benefits that the new system can deliver by replacing our current system (Connect) will be undertaken and a business case will determine whether to progress with this transformation project.

Contractor Management

We will refresh our approach to project/contract management which prioritises; health and safety, customer care (contractors responding proactively and sensitively to the diverse needs of all our customers), commerciality, and robust contractor management, including performance monitoring and management through key performance indicators and other metrics such as customer satisfaction, zero defects and 'right first time' etc. We will develop current and new systems (such as Cx Assets & Power BI Reporting) to support this approach.

Repairs & Maintenance

On average we deliver approximately 10,000 responsive repairs and complete 200 voids per annum. We will review how we deliver the responsive and void repairs service to complement our planned investment approach.

We will explore opportunities to meet business needs by balancing the turning around of voids efficiently with undertaking some of the larger scale improvement works that may be required through our energy efficiency programme, thus delivering the right investment, at the right time, with minimal disturbance to customers whilst minimising rent loss.

We will balance responsive repairs with longer term investment programmes and explore opportunities to:

- Develop methods to identify, defer and batch non urgent repairs into Capital Improvement/Planned programmes.
- Embed actions to assess the viability of high-cost voids and responsive repairs.
- Collect and use repairs data to inform trends and underlying defects that would inform planned programmes of work.

We will integrate the delivery of repairs, preventative planned maintenance, and capital investment in relation to compliance and data gathering work streams to ensure that added value data is collected at the time of the visit.

Over the course of the previous strategy, we have developed partnership working with other housing providers to deliver repairs and voids services and used the income generated to offset costs that would be incurred during our routine operations. A review of these services is planned to ensure that it continues to provide VfM for SLH and improves our performance and customer experience.

7.4. Social Value

A mechanism for measuring social value will be developed to establish how we measure the wider non-financial impacts of investment programmes and projects, especially on the wellbeing of individuals, communities, and the environment.

We will develop and enhance our commitment to Social Value through our investment programmes and operations. Our Social Value approach is underpinned by the following principles:

- Meeting local need: Our methodology will ensure that social value delivery focuses on local need and is informed by the expectations of our respective neighbourhoods and customers.

- Innovation: Develop approaches which go beyond traditional Corporate Social Responsibility methodologies.
- Performance led: Ensure delivery of Social Value is measurable and performance managed and that our supply chain supports the delivery of agreed targets. We will look to develop robust monitoring and evaluation frameworks, underpinned by recognised models (e.g., HACT's Social Return on Investment (SROI) model / Reason Digital, etc.).

Delivery of Social Value through our contracts will be a primary focus of our investment and development programmes with an emphasis on the economic, social, and environmental values that contractors are able to offer.

8. Governance & Strategy Delivery

The Strategy will be led and delivered by the Homes Directorate which brings together the Asset Management, Building Safety, Sustainability, Surveying and Operations teams, with the support and engagement from all aspects of the wider business. Progress will be monitored by the Executive Leadership Team and regular bi-annual updates provided to the Board.

A formal review of the strategy will take place after three years that takes account of any potentially new and significant sector (or wider) conditions or challenges.

The key aims of this strategy will be translated into SMART tasks in an Asset Management Project Plan that will become the operational roadmap for the Homes directorate for meeting the aims and objectives of the strategy over the next five years.

We will maintain strong involvement in regional and national sector working to ensure that we stay abreast of developments, trends, and any legislative and funding developments as they emerge and may require change or consideration within the strategy or action plan.

We will engage with other stakeholders in Cumbria, specifically the newly formed Westmorland & Furness Council, to keep abreast of regeneration and development initiatives and opportunities, including possible joint venture arrangements, which may affect our existing asset base or influence decisions to acquire additional assets.

A key ambition of this strategy is to drive a cultural change around the Homes Directorate by reframing asset management as a collaborative, participative process involving colleagues' input from across all parts of the business. The Homes Directorate will provide overarching leadership in asset management and will be responsible for ensuring that the objectives in the Asset Management Project Plan are delivered within the timeframes of this strategy. However, the intention during this strategy is to create cross-business, collaborative engagement in future asset management decisions, investment, growth, and divestment. Existing structures already exist with SLH to enable this such as the Senior Management Team and Colleague Forum, but other structures may be considered such as an Asset Management Committee or Steering Group.

Developing and maintaining the required skills and staffing resource to develop and deliver effective active management is becoming increasingly challenging, and particularly in the South Cumbria region. As the sector increasingly invests in data, modelling, and planning to take on the investment challenges of the next ten to twenty years around Building Safety, Net Zero Carbon and Consumer Standards, specific skill sets will be required. We will continue our policy of recruiting for talent and attitude, invest in skills and training and give opportunity for internal advancement and learning. We will invest in bespoke additional support where we need it and will review our pay and terms and conditions as part of our People & Culture Strategy. We will restructure our assets and compliance team to incorporate the need for more data, planning and environmental skills and resource over the period of the Strategy.

9. Equality Impact Assessment

In delivering our Asset Management Strategy we aim to treat all customers fairly. An equality impact assessment has been carried out. Where customers require additional support, we will incorporate additional flexibility to provide a service that seeks to meet the needs of a particular individual or household.

10. Risks

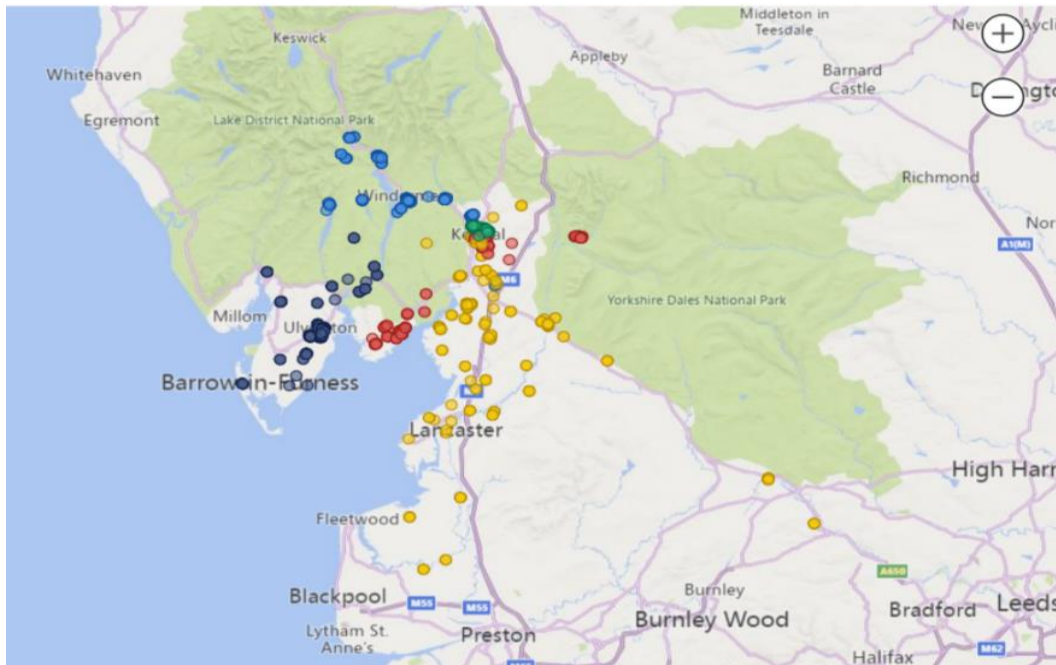
In its Sector Risk Profile report, the Regulator set out a range of common themes and risks facing the social housing sector. The SLH corporate risk map enables the Board and ELT to review all corporate known and emerging risks and allows us to take mitigating action as required. All risks associated with this Asset Management Strategy will be incorporated into the corporate risk map. This strategy will support the risk map by providing greater assurance in relation to key legislation and statutory obligations by implementing additional assurance checks where necessary.

Risks which need to be considered include financial factors relating to maintenance cost inflation, health and safety, environmental and climate change conditions, such as flooding, supply chain pressures on materials and labour, and other economic conditions which result in an unexpected risk. To minimise the impact of such risks we apply management monitoring processes and have business continuity plans in place.

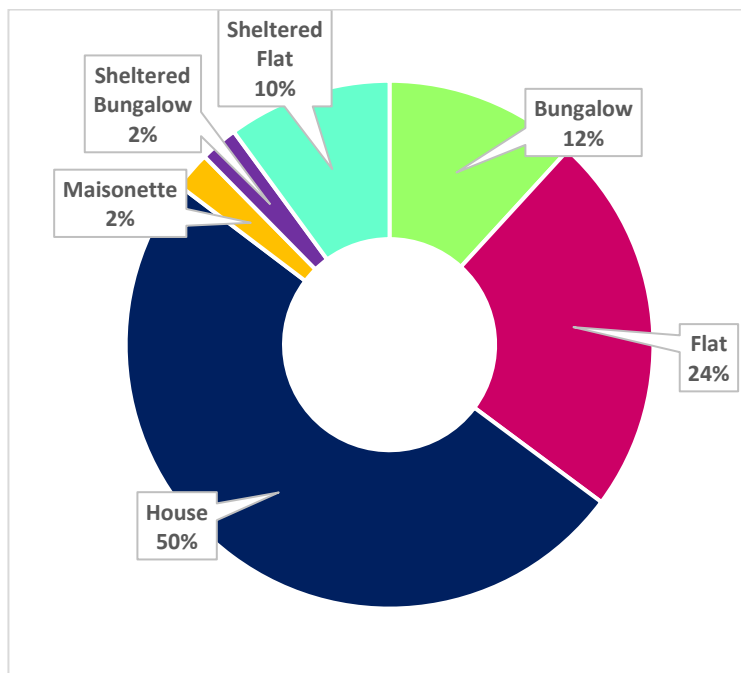
Appendix 1 – Our Assets

1) Property Type

We own 3,193 homes, distributed throughout the lake District most of which are located in Ulverston and Kendal.



2) Property Archetype

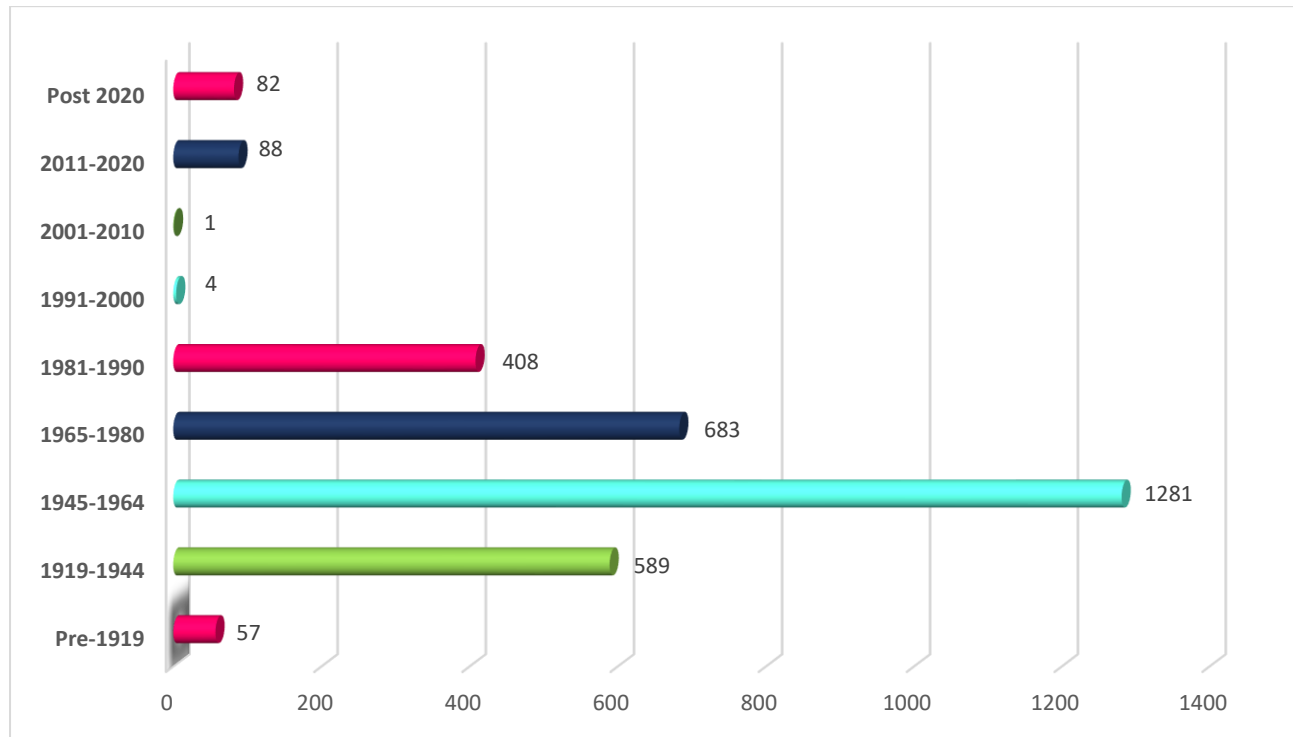


Property Type	
Bungalow	377
Flat	746
House	1601
Maisonette	74
Sheltered Bungalow	74
Sheltered Flat	321

Our property is made up primarily of Houses with 50% of our homes being comprised of this archetype.

3) Property Age

Our stock profile is made up of various types of constructed properties, 49% of our stock is dated prior to 1960.

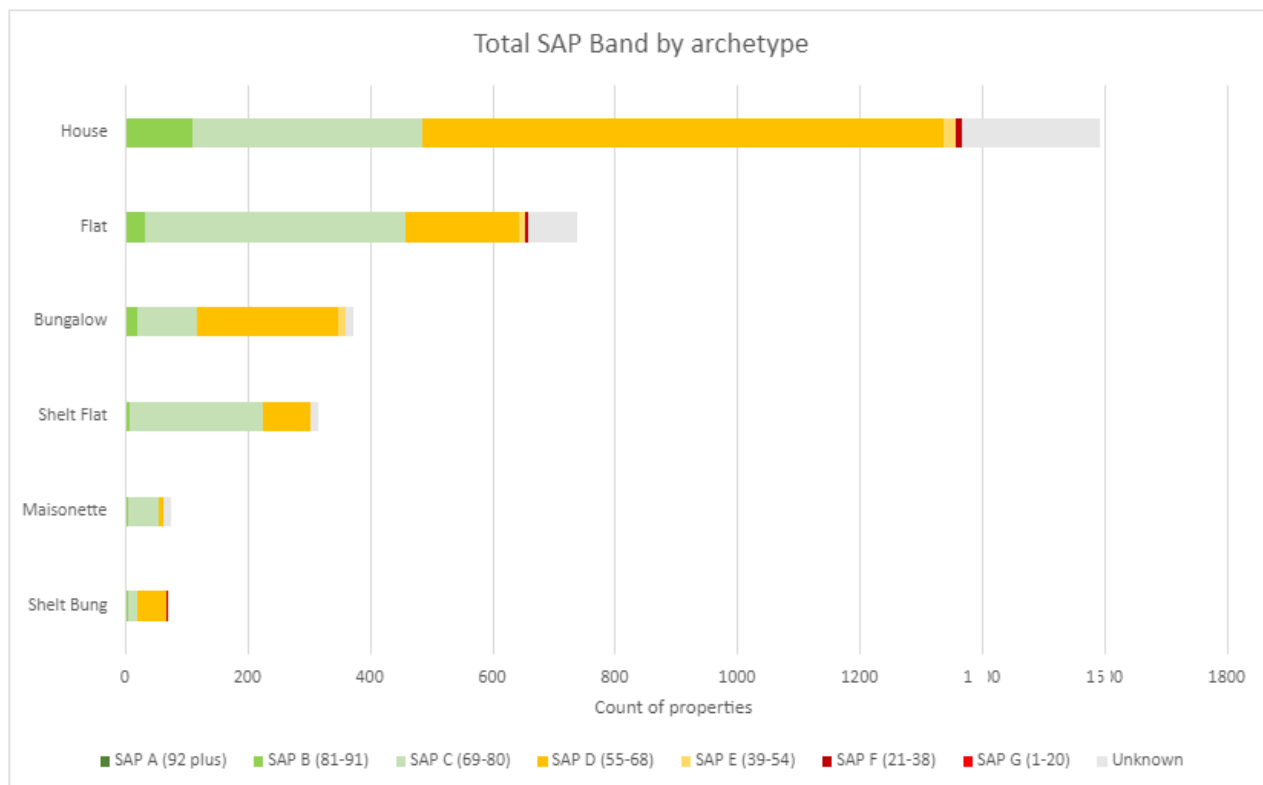
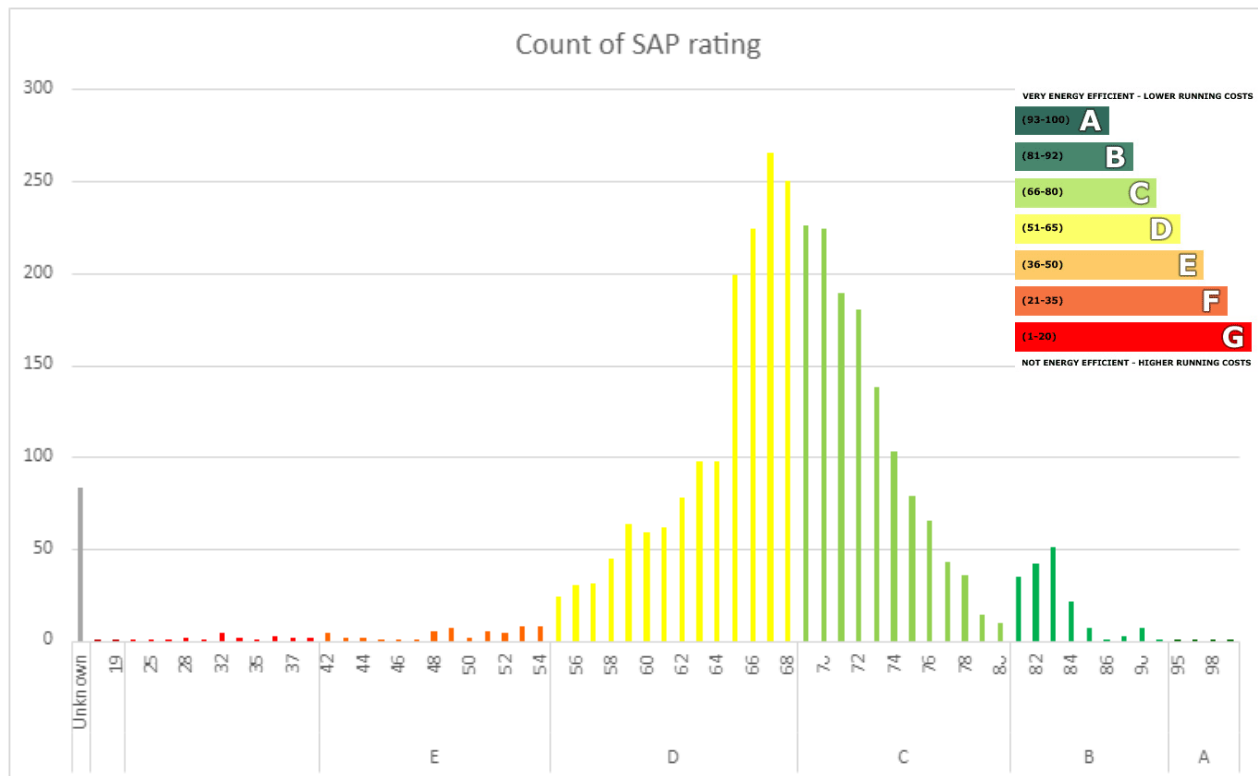


4) Other Assets



5) EPC/SAP Ratings

All property EPC ratings are based on a combination of SAP scores and lodged EPC's. The majority of our homes are classed as an EPC Band 'D'.



6) Stock Profile – Stock Condition Information – Savills Validation Confidence %

