



Asset Management Strategy

Investing in Our Future

2024-27



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Asset Management Strategy 2024-27

Investing in Our Future

1.0 Introduction

- 1.1 The Asset Management Strategy sets out the strategic framework within which Empower Housing Association (EHA) will manage, maintain, invest and divest in tenant's homes in both an economically and environmentally sustainable way.
- 1.2 The Strategy is directly linked to the delivery of EHAs Corporate Plan and Priorities and reflects the national context in which asset management needs to be delivered. It ensures we meet regulatory and legislative requirements, achieve value for money and best practice where possible, ensuring we can continue to grow in line with our purpose.
- 1.3 Within the strategy, the term 'asset' refers to all our homes whether owned or leased and any office or other buildings managed or owned.
- 1.4 Where we use the term tenant, we intend this to include care providers, advocates and representatives who act in their best interests.

2.0 Who we are

- 2.1 EHA specialise in providing housing for adults with disabilities enabling them to live within their community independently. EHA currently provides 296 bed spaces for tenants in 132 properties located across England. These properties include single occupancy homes, shared homes and purpose built or adapted accommodation for supported living tenants.

3.0 Our Purpose

- 3.1 Our purpose is to provide specialised housing solutions that allow people to live independently enabling their ability to thrive.
- 3.2 This strategy forms a key aspect of our commitment to this, outlining our plan to invest in and offer homes for life, of a high standard meeting tenant needs and expectations.
- 3.3 Our Corporate Plan – Shaping Our Future sets out EHAs objectives and priorities ensuring safe, secure and sustainable homes for those we house:
 - **High-Quality Services** - Providing a caring, high quality and efficient service
 - **Safe and Sustainable Homes** - Providing a safe and secure home for our tenants that delivers for the environment
 - **Healthy Business** - A well run, financially robust and compliant organisation
- 3.4 We will prioritise investment in our existing homes, through effective delivery of day-to-day repairs, cyclical works and planned investment as well as a focus on growth through acquisition, development or stock transfer/merger.

4.0 Scope of the Strategy

- 4.1 The strategy applies to all homes managed by EHA which includes those owned as well as leased and includes offices or any other owned or managed buildings.

5.0 Our Operating Environment and National Context

- 5.1 The housing sector has gone through significant change and faces new and ongoing challenges as the focus on building safety and safe homes for tenants remains a key priority in respect of legislation and regulatory requirements.

- 5.2 The Social Housing Regulation Act 2023 has introduced significant changes with the introduction in October 25 of Awaabs Law and Awaabs Law 2 / HHSRS updates in November 2026 that require that damp, mould and other relevant hazards are identified, investigated, recorded and remedied within statutory timescales, with clear communication to tenants and evidence retained for assurance. Other changes include requirements under the Housing Health and Safety Rating System (HHSRS), tenant access to information (STAIRS) within the TIA Standard and the Competence and Conduct Standard.
- 5.3 As a specialised social housing landlord, we must focus even more on efficiency and value for money at a time when tenant expectations are rising. This is alongside the Government's target of achieving net zero by 2050 and the impact on 30-year plans.
- 5.4 With the focus of the Regulator of Social Housing (RSH) on Consumer and Economic Standards, including the new Tenant Satisfaction Measures, and working closer with the Housing Ombudsman Service (HOS) there are key expectations for tenants to be safe in their home and to have a good quality home and neighbourhood to live in. The Regulator of Social Housing's revised Consumer Standards place greater emphasis on safety, quality, transparency, tenant voice, accountability and evidence-based assurance. Asset management will support compliance through robust stock condition data, responsive repairs, planned investment, tenant engagement and performance reporting.
- 5.5 Further considerations include:
- Decarbonisation/sustainability
 - The updated Decent Homes Standard (DHS), compliance required by 2035, and the Minimum Energy Efficiency Standard (MEES) and alignment with the Safety and Quality Standard Economic considerations of a new Government
 - Continuing impact of cost-of-living for tenants

Implementation of the Supported Housing (Regulatory Oversight) Act 2023, including future national standards, licensing expectations, local authority oversight and Housing Benefit implications.

6.0 Our Homes

- 6.1 Our homes are dispersed across the North-west of England
- 6.2 EHA currently owns 20 properties and leases 112 properties. These homes are spread across 24 Local Authority areas in England.
- 6.3 Current leases in operation vary in length with the plan for any new leases to be for 15-20 years:

Lease Term	No Properties
10 Years or less	0
11-15 years	28
16-20 years	14
21-25 years	2
26 years plus	1
Under Review*	67
Total	<u>112</u>

*refers to leases that require renewal

- 6.4 All properties, whether leased or owned are included within our stock condition data and where there are non-EHA repairing liabilities these are recorded and monitored separately as these are landlord responsibility.

Property age profile

Age Range	Number of properties	
	Leased	Owned
Pre 1950	13	3
1951-60	17	7
1961-1980	28	4
1981-2000	31	4
2001-2020	15	1
2021 - present	8	1
Total	112	20

Property types

Property Type	No Of Properties - Leased	No Of Properties - Owned	Total	%
Detached Bungalow	62	13	75	56.82%
Detached Bungalow Annex	1	0	1	0.76%
Detached Dormer Bungalow	4	0	4	3.03%
Detached House	16	3	19	14.39%
End Terraced Bungalow	2	0	2	1.52%
End Terraced House	2	0	2	1.52%
Basement Flat	2	0	2	1.52%
First Floor Flat	3	0	3	2.27%
Ground Floor Flat	5	0	5	3.79%
Mid Terraced Bungalow	1	0	1	0.76%
Mid Terraced House	2	0	2	1.52%
Semi-detached Dormer Bungalow	1	0	1	0.76%
Semi-detached House	5	0	5	3.79%
Semi-detached Bungalow	5	4	9	6.82%
Terraced Bungalow	1	0	1	0.76%
Total	112	20	132	100%

EPC Property Rating

Over 66% of our homes are rated EPC C or higher

EPC Ratings	No	% stock	Leased	Owned
Rated A	8	6%	7	1
Rated B	1	1	1	0
Rated C	79	60%	66	13
Rated D	43	32%	37	6
Rated E	1	1%	1	0
	132		112	20

7.0 Delivery of the Asset Management Strategy

7.1 It is important that we enable an agile and flexible approach to delivery, so we can respond to developments in the context of changing priorities, emerging issues and legislation.

7.2 In delivering safe and sustainable homes we will:

- Comply with legal and regulatory requirements as a minimum
- Shape our investment strategy to deliver a reduced carbon footprint where we can
- Provide homes not only for now but for life
- Listen and engage with tenants at every opportunity

7.3 Decisions on delivery will be data led, and whilst driven by the property team will be a collaborative, participative process involving colleagues' input from across all parts of the business, a cultural change in this way of working is key to the success of this Strategy.

7.4 Specific requirements for effective delivery will also include:

- Effective recording and updating of property information
- Stock condition survey data being accurate and understanding the performance of assets
- Using data to inform the strategy and balancing day to day repairs delivery, planned works and investment
- Commitment to delivering well maintained and managed homes which are energy efficient, environmentally sustainable and meet the needs of tenants now and in the future
- Developing a clear plan for 'growth'
- Business Plan being sufficient to support the needs/requirements
- Component replacement considerations based on condition, not age alone
- Meeting the needs of not only current tenants and the provision of good quality, safe and secure homes – but also the provision of homes for tenants in the future

8.0 Investment Plan

8.1 Stock Condition and HHSRS data is collected and stored on SDM and is updated as works are completed on homes through day to day and planned works programmes.

8.2 We completed stock condition surveys on 100% of homes in the financial year 2024-25, refreshing surveys every 3 year from 2026/27s. The quality of this data was externally validated, with the most recent validation being undertaken in 2024.

- 8.3 EHA has established component replacement lifecycles which reflects the usage, wear and tear and needs of the tenants living in our homes. Before any replacement is undertaken the requirement for replacement will be validated, ensuring components are replaced based on condition, not solely on age. The lifecycles are used to inform the 30-year business plan.
- 8.4 Planned investment in homes included within the 30-year plan over the next 5 years including responsive repairs is £6.3m (£14.8m over 10 years). The figures are based on current stock condition information and include maintaining properties included in the development pipeline but not the cost of acquiring new properties. It should be noted that the figures will be subject to change as the business plan is reviewed and recast each year. The development of a detailed sustainability strategy and the implication for forecasting net zero spend may result in changes, including taking account of any subsidy funding received if available.

9.0 Four Key Themes Anchor the Strategy

9.1 ➤ Data Led Delivery

- 9.1.1 Taking an evidence-based approach to programme planning allows EHA to focus on driving value for money whilst ensuring compliance with standards and improvements to our overall stock performance.
- 9.1.2 The 30-year plan is currently driven by SDM data. We are committed to developing and using high-quality data, informed through in-house stock condition surveys and HHSRS inspections completed every 3 years, validated externally, as well as data and information gained through any planned inspections of our homes and feedback from colleagues and tenants.
- 9.1.3 We will also consider the cost and implications of installing home monitoring systems to homes with repeated reports of damp, mould and condensation. This will inform wider business decisions in respect of investment and meeting the needs and aspirations of tenants. Data quality is reliant on accurate data input, update and regular validation.

9.2 ➤ Repairs and Maintenance

- 9.2.1 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 place at the right time, whilst ensuring that the investment meets the needs of tenants.
- 9.2.2 Maintaining an effective repairs service is critical to our tenants, and we want them to be confident in the quality and safety of their homes, and our repairs and property improvement services. We want tenants to be able to easily report repairs and for them to be completed within given timescales.
- 9.2.3 EHA will continue to meet the Decent Homes Standard and will monitor to ensure future requirements are built into stock condition surveys, planned investment, component replacement and financial planning. We are committed to providing homes that not only meet but exceed the Decent Homes Standard (DHS) and have sufficient ongoing investment plans to ensure they continue to do so.
- 9.2.4 Repairs and maintenance are one of the highest areas of spend for EHA, and we will continue to explore alternative delivery and pricing models to drive value for money.
- 9.2.5 We are committed to providing homes for life and as the needs of tenants change over time, we will respond by adapting homes, working with Local Authorities and Commissioners to achieve adaptations to suit the needs of tenants.

9.2.6 EHA will continue to monitor, implement and evidence compliance with changes to regulation and legislation, including Awaab's Law, Decent Homes reform, the RSH Consumer Standards and supported housing regulatory requirements.

9.3 ➤ **Building Safety and Compliance**

9.3.1 EHA aims to remain compliant with all legislation and regulatory requirements. Compliance with Health and Safety legal and regulatory requirements provides assurance and confidence to tenants in respect of the safety of their homes.

9.3.2 We will ensure compliance as a minimum in relation to:

- Gas safety checks and servicing and assessment of smoke and carbon monoxide alarms
- Fire safety through fire risk assessments and associated remedial works
- Asbestos safety maintaining an asbestos register
- Water hygiene inspections and risk assessments and associated remedial works
- Electrical safety inspections and upgrades and associated remedial works
- Mechanical lifting / Specialist Equipment
- Servicing of fire alarms and active fire protection systems
- HHSRS inspections and associated remedial works in relation to HHSRS Category 1 and relevant Category 2 hazards
- Damp and mould hazards.
- Emergency hazards

9.4 ➤ **Environmental and Sustainability**

9.4.1 EHA will work towards Energy Performance Certificate (EPC) C against at least one metric by 2030 where required, achievable and affordable, taking account of government policy, exemptions, property constraints, lease arrangements, funder responsibilities and available funding. We are committed to working with our lease partners to identify realistic and affordable investment plans to ensure all homes meet EPC C by 2030. All new / refurbished homes must be EPC C or above.

9.4.2 We will review the Environmental & Sustainability Policy prior to 2030 to further support the decarbonisation challenge and assess a net zero carbon roadmap and costs and resource capacity, estimated costs have been stress tested within the 30-year financial plan.

9.4.3 Throughout we will balance the real needs of tenants and these targets against the financial limitations of the 30-year business plan, and landlord investment appetite.

9.4.4 Achieving forecasted expenditure to ensure our homes meet a minimum EPC C by 2030 will be based on EHA investment, funder investment and reassessment and exemption where appropriate.

9.4.5 As part of developing our Environmental & Sustainability Policy we will look to embed sustainability in all aspects of our asset management including day to day maintenance, planned investment and procurement, including supply chain. We will look at how we deliver our services and planned investment more sustainably against the challenge of our geographical spread and wanting to achieve value for money.

- 9.4.6 Planned works will play a significant part in meeting our wider corporate responsibilities towards the environmental agenda and carbon reduction

10.0 Growth

- 10.1 A key objective within our Corporate Plan is to provide homes for life, the development of specialist supported housing will also meet the increasing demand for suitable properties which has been identified as a key housing need.
- 10.2 We plan to do this by expanding our existing relationships with care providers and local authorities/commissioners, working with investors who provide funding for projects that we manage, and the acquisition or development of owned properties which will strengthen our balance sheet position. We will also look to develop relationships with new organisations, including funders and NHS England.
- 10.3 We will consider future growth on the merits of each individual scheme type and location with a preference to grow our portfolio in the Northwest. We will also consider remoteness of properties as well as location as we have a preference for new schemes to be maintained by our in-house maintenance team

11.0 Financial viability

- 11.1 The Association has a balanced 30-year business plan including modest growth. Growth plans are expected to exceed the business plan levels as we work with our partners to provide quality homes that meet tenant needs and increasing demand.
- 11.2 The financial appraisal parameters to be used within the development financial appraisal will be approved by the Board on a regular basis, schemes will not be progressed without prior Board approval if they do not meet the appraisal parameters.
- 11.3 All new developments are approved by the Board prior to any commitment being made. Any additional commitment will be appraised via the Brixx business planning model to assess the long-term Business Plan and any future funding / cashflow requirements.

12.0 Managing Empty Homes

- 12.1 EHA strives to offer a home for life to our tenants, however, there are inevitably occasions when a tenancy will come to an end and it is crucial that we undertake timely relet works to minimise void rent loss and ensure the standard of works meet ours and tenant expectations.
- 12.2 Where void rent loss is underwritten by partner agencies it is EHA's responsibility to inform and invoice the relevant partner for payment. This income is crucial to ensure that EHA can continue to improve and invest in its homes and offer value for money for the services it provides.

13.0 VFM

- 13.1 Our Value for Money strategy aligns to the RSH Value for Money Standard. We aim to improve our operational surplus in line with our business plan to allow greater investment in our homes and services.

14.0 Risk Management

- 14.1 There are significant risks and challenges to implementing the Asset Management Strategy and EHAs Risk Register outlines the risks and mitigations in not only delivering day to day repairs, planned and compliance work but undertaking new business and property development projects.

15.0 Procurement

- 15.1 Having commissioned work in 2024 to review our Procurement Strategy including a review of EHA's spending trends and current methods of procurement we plan to review our procurement approach including introducing new procurement processes covering the end-to-end procurement cycle, review and update tender documentation, review of how goods and services are procured and delivered including use of frameworks.

16.0 Tenant Engagement

- 16.1 EHA's tenants are at the heart of our business; we can only be sure we are providing the right services and standards if we have inclusive representative and enthusiastic tenant engagement.
- 16.2 Our Tenant Engagement Strategy provides flexibility in how tenants want to and can engage with us and we will help tenants get involved in a way which suits them, making sure there is ease of access, transparency and we remove complexity which could be a barrier to effective engagement.
- 16.3 Tenant involvement is a continuous process, and this strategy reflects our ongoing ambitions and plans which puts tenants at the heart of every aspect. Our approach must constantly be reviewed and developed to ensure we have the correct vision, structures, and resources in place.
- 16.4 We will use feedback from satisfaction surveys and feedback and engagement through our visits to better understand what tenants want from their home and where we can give choice through our planned improvement programme, we will make sure we do this effectively.

17.0 Asset Management Action Plan

- 17.1 This provides a strategic monitoring framework for high level deliverables identified through this strategy.
- 17.2 This is supported by policies and procedures and complementary strategies in place and being developed by colleagues across the organisation.

18.0 Monitoring Delivery of the Asset Management Strategy

- 18.1 The EHA Board is responsible for approving the Asset Management Strategy and will receive annual updates throughout the life of the strategy, monitoring the progress of implementation of the action plan.
- 18.2 The Property & Compliance Manager will retain responsibility for delivery of the Strategy and the relevant reporting to the Senior Management team and Board.
- 18.3 Risks associated with this strategy will be monitored through the EHA Risk Management Framework and reported to Board quarterly.