

Asset Management Strategy

2022 - 2027

Plymouth
Community Homes



1.0 Introduction

Plymouth Community Homes (PCH) is a high-performing, respected organisation, providing over 16,000 homes in and around Plymouth.

Investment in our assets accounts for over a third of all our expenditure, making it a key driver contributing to our vision, to improve lives by providing affordable homes, great services and supporting communities.

In its first five years, PCH successfully delivered a Decent Homes Standard (DHS) programme, bringing all homes up to the standard and have maintained this going forward.

Post the DHS programme PCH has delivered on a robust and externally validated investment plan, maintaining programmes of external maintenance, energy efficiency improvements and block refurbishments; maintaining the value of our assets and homes to the benefit of PCH and our customers.

Looking to the future, our new Asset Management Strategy sets out six strategic objectives that reflect the ambitions of our Board and the views of staff and our residents.

The key drivers for the next five year period will be;

1. Understanding asset performance
2. Decent Homes Standard, Building Safety and Fire Safety
3. Providing quality and responsive services
4. Working towards net zero carbon
5. Maximise value of land and related assets
6. Making every voice count

Delivering upon this strategy will ensure PCH go beyond the minimum 'standard' to meet regulatory requirements, supporting the provision of homes that are warm, safe, secure and fit for the future.

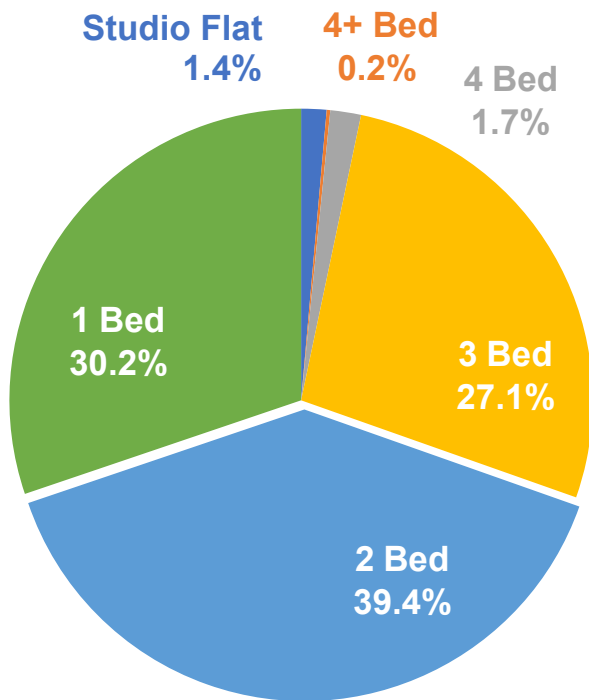


1.1 Setting the Scene

Within the Social Housing sector we face a period of rapid change that will fundamentally reshape what we do and how we consider strategic asset management moving forwards. There is more focus on and wider expectations of the social housing sector than ever before.

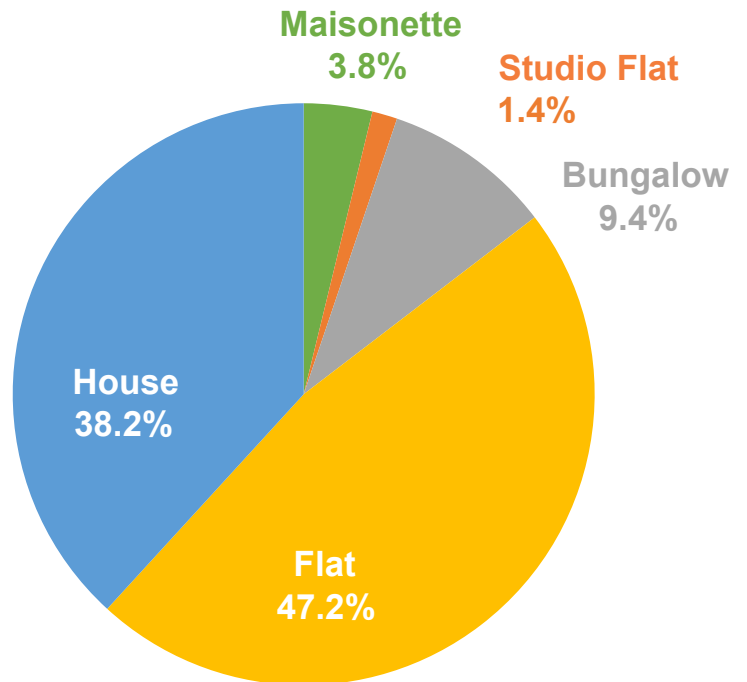
Over the life of this strategic plan, we must prepare and implement investment plans to manage;

- Energy Efficiency Targets: EPC C (2030) and Zero Carbon (2050)
- Maintain the Decent Homes Standard and prepare for proposed future changes as and when the Decent Homes Standard 2 comes to the fore
- Maintain Safety Standards and implement required changes as needed under the Building Safety Act



Stock Overview

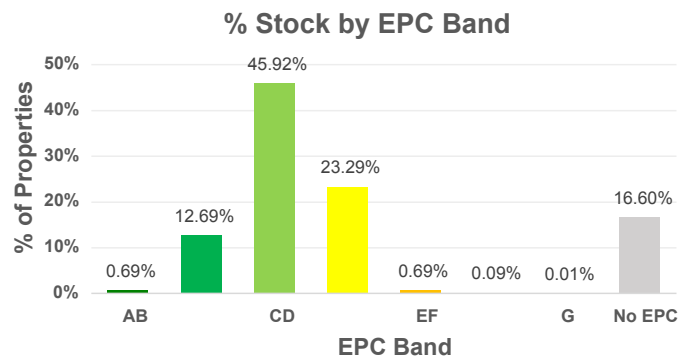
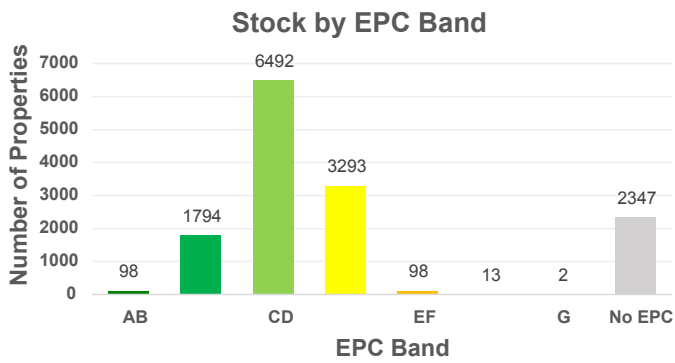
We manage 16,150 homes including 14,137 rented properties, 1,687 leasehold properties, 319 shared ownership properties, 7 shared equity properties, together with over 2,700 garages.



Energy Performance

The key driver currently underpinning investment strategies across the sector relate to energy performance; PCH are in a good position to manage this, meet the SAP C (2030) target and prepare for Zero Carbon requirements (2050).

PCH Rented Residential Properties





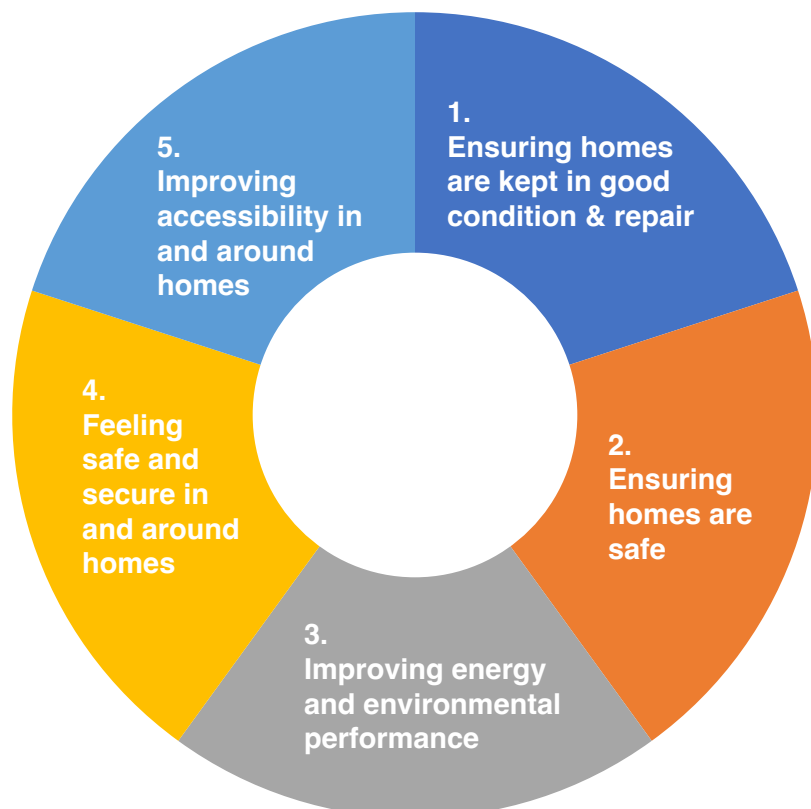
1.2 Resident Views

PCH know that to be the provider of choice we need to provide high-quality services that our residents want and value.

To ensure our Strategy is driven by residents, we have carried out an extensive consultation exercise to understand the needs and aspirations of our residents.

The headline messages from residents' centre on providing homes in good condition/repair and that are safe. With rising fuel costs residents are also concerned about energy efficiency and their impact on the environment.

We recognise the importance of homes and communities in people's lives and the different improvement priorities our residents have depending on where they live.



1.3 Looking forward

The coming five years will see PCH tackle its most complex block investment programme to date and implement a considered strategy to work towards net Zero Carbon.

1.3.1 Programmed Works Forecast

- Planned maintenance - 1,500 units per annum
- Roof renewals - 200 single dwelling per annum
- Window renewals - 1,100 over the next 5 years
- Kitchens - 760 over the next 5 years
- Bathrooms - 380 over the next 5 years

Complete capital investment¹ works to;

- Marlborough House
- Pembroke Street
- Wolseley Road Flats

Energy efficiency works

- Bring 2,900 units up to a SAP C or above to improve thermal performance.

1.3.2 Strategic Targets

- Complete a full stock performance analysis by mid 2023/24
- EPC's 2,347 - over the next 5 years
- Stock Condition Surveys - 100% of rented properties over the next 5 years



¹Other sites and projects are under review, these three represent sites where we have agreed significant investment is required and plan to deliver works over the life of this Asset Management strategy

2.0 Understanding Asset Performance



All investment has an ‘opportunity cost’ – spending on one thing means we must go without another. With the additional investment needed to meet net zero carbon targets and to meet the building safety legal and regulatory compliance requirements, we need to ensure all investment delivers on value for money.

Accurate, robust and up to date data is at the heart of well-considered, effectively planned and costed asset management activities. Whilst we have made real improvements to the functionality of the systems in which we hold our data and invested in a Survey Team, there is more to do and increased pressure to continue our work to proactively increase the stock data we hold.

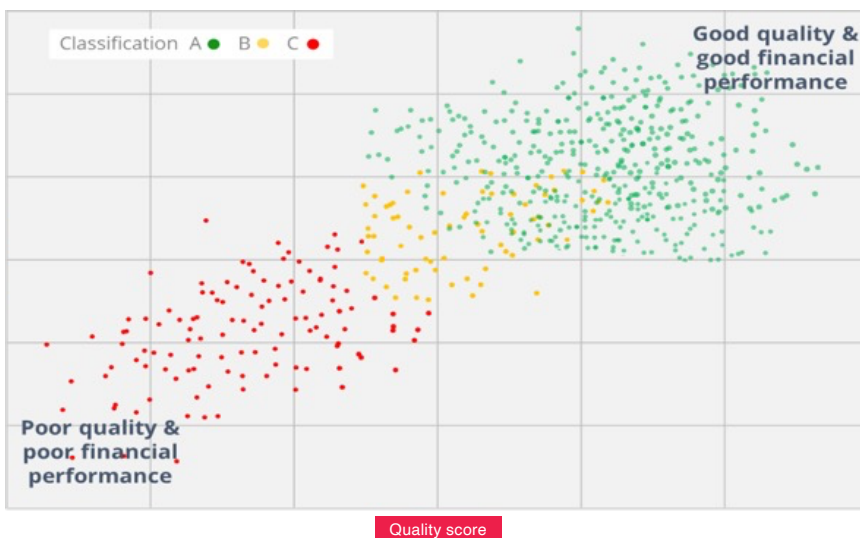
We will continue to focus on improving how we manage and use our data in both Northgate and Promaster, so that information can be analysed at the right level to yield useful results. This will require


additional consideration to align our main systems, ensuring information is shared across platforms, coupled with work to cleanse data records and review how they are organised.

To help shape investment decisions, we will continue to improve our understanding of stock condition, undertaking in-house Stock Condition Surveys and Energy Performance Certificates. Improving both the level of collation and quality of data records, providing the information underpinning our strategic aims.

This will help us focus on some of the key priorities identified in this strategy including accessibility, suitability for ‘retrofit’ measures and improving our understanding of energy performance.

A key priority will be to develop a forensic understanding of asset ‘performance.’





We will introduce an asset grading model that brings together data and intelligence across PCH to help understand performance in terms of both 'quality' (from a resident perspective) and 'cost' (profit/NPV).

For those properties identified as poorly performing, we will undertake options appraisals, considering remodelling, redevelopment, repurposing or in exceptional cases disposal, whilst also seeking an understanding of their social value as an asset.

This work underpins a number of actions arising from the strategy and will allow us to develop a prioritised programme of interventions to be delivered.

2.1 Objectives

- Improve our approach to data management, ensuring information can be analysed at the right level
- Improve links/interfaces between primary systems
- Improve data quality to facilitate quality outputs from analysis and review of reporting outputs
- Undertake a rolling programme of Stock Condition Surveys and EPC's
- Develop a forensic understanding of asset 'performance' to support evidence-based decision-making
- Conduct option appraisals on all poorly performing assets and develop a prioritised programme of interventions based on the outcomes including opportunities for redevelopment/disposal
- Ensure we align major capital investment in homes that are sustainable in the long-term

3.0 Decent Homes Standard, Building Safety and Fire Safety



Our resident consultation highlighted the importance of homes being kept in good condition, safe and secure.

PCH is committed to being a landlord of choice, going beyond current minimum standards with a focus on improving both the quality and desirability (including kerb appeal) of all our homes, so they are fit for the future.

Cyclical investment programmes will aim to bring properties up to a PCH operating standard, providing homes that are in fabric terms above basic DHS requirements and provide controls in terms of building safety activities that adopts a best-in-class approach to statutory compliance and resident safety.

3.1 Planned works - Investment Strategy

Investment in our properties will retain a three-tiered approach, with thermal performance being the driver for the level of investment.

- **Planned Programme (Revenue):** Properties that meet the 2030 EPC SAP C standard and only require repairs and maintenance works to keep them in good repair.
- **Planned Programme (Capital):** Properties that meet or very nearly meet the 2030 EPC SAP C standard, repairs and maintenance works coupled with roofing and/or window renewals, with a marginal allowance for low level energy improvement works to meet the SAP C target.
- **Refurbishment:** Properties that without material improvement will not meet future energy efficiency targets. Investment to focus on a fabric first approach, aimed to support future sustainability in readiness for the Zero Carbon 2050 target. This will most likely include the installation of external wall insulation.

In conjunction with the above we will also co-ordinate standalone programmes of;

- Roof renewal
- Window renewal

These programmes are required to maintain basic property DHS, however, they will be considered in conjunction with energy performance requirements. Dwelling roof renewals especially will focus on properties that require minimal works to enhance energy performance to meet the 2030 target, enabling us to maximise roof insulation and consider other minor measures referenced above.

These programmes will work together to ensure PCH continue to provide good quality homes with modern facilities that are secure and maintained in good repair.

3.2 Building Safety and Fire Safety

PCH will take an agile approach in responding to changes in Building Safety requirements. This includes having an accurate register of all our asset risks and appropriate arrangements in place to meet inspection, testing, repair and servicing requirements.

We will continue to improve building safety through the delivery of our refurbishment programmes, ensuring measures are taken to ensure we meet current and future requirements.

Our Board also has placed a significant focus on ensuring there are robust assurance arrangements in place to ensure PCH meets all building safety, legal and regulatory compliance requirements.

We will continue to invest in Fire Safety improvements and plan ahead to effectively accommodate new cyclical testing regimes / regulatory requirements.

PCH will embed a home safety culture across the organisation with all staff and contractors acting as eyes and ears proactively addressing issues relating to the safety and general condition of all housing assets.

3.3 Objectives

- Continue to provide good quality secure homes with modern facilities that are secure and maintained in good repair (DHS)
- Maintain customer satisfaction at a minimum of 95% in the delivery of works and improve customer engagement
- Maximise VFM in the delivery of programmed works
- Support energy efficiency improvements across our stock
- Develop a transparent approach to proactively deal with damp and disrepair issues
- Ensure a robust approach to managing all building safety, legal and regulatory compliance requirements including reporting and assurance arrangements
- Embed a 'home safety' culture across the whole organisation

4.0 Providing quality & responsive services

PCH is passionate about providing good quality services that respond to our customers' needs. To achieve this it is important that we put people at the centre of everything we do.

We know that to deliver this strategy and our objectives, we need people who are committed and motivated to provide great services to our residents.

What we do and how we deliver strategic asset management services in the future is changing. We face new challenges in attracting, retaining and developing people with the skills, knowledge and behaviours needed to respond.

As part of our strategic approach we will also review the current skills gap in the sector and implement measures to help bridge these gaps, supporting development internally and where possible supporting local community initiatives.

This will be essential to support the delivery of the zero carbon agenda, as new ways of working and new technologies emerge.

As an employer of choice we want to attract and retain the best talent by supporting a positive work-life balance and ensuring great employee engagement.

Over the life of this strategy we will continue to review our structures, systems and processes each year to ensure

we are providing quality, cost effective and responsive services to our residents.

Internally we will continue our collaborative approach across teams to support the delivery of this strategy and our objectives. Monitoring of the operational delivery will be overseen by our Customer Focus Committee.

We will seek to maximise social value outcomes from our investment, with consideration to creating more work experience, training and apprenticeship opportunities as well as the direct employment of local people.

4.1 Objectives

- Review the knowledge and skills we need and ensure we are investing in training to manage future challenges
- Grow PCH's apprenticeship and graduate offer
- Benchmark costs to ensure we deliver good value for money
- Identify and implement the optimum balance between in-house and external contractor delivery to deliver quality responsive services
- Maximise social value outcomes from our investment - creating more opportunities for local people through employment, entry level training, re-skilling opportunities and apprenticeships

5.0 Working towards net zero carbon



The next few decades will see great changes in the way we live in and use our homes, and in what we need to invest in.

Our residents see improving energy efficiency and reducing their impact on the environment as a key priority.

To understand this better PCH, in conjunction with Savills have completed a high-level review of our homes to better understand the scale of the challenge and the approaches we might take to achieve EPC C by 2030 and meet the Zero Carbon agenda for 2050. This has helped inform expectation on investment requirements, however, this will be refined as we deliver upon this strategy.

		%			
	Count	By Band	Target D	Target C	Complete
A	98	0.69%	82.60%	59.31%	83.40%
B	1794	12.69%			
C	6492	45.92%			
D	3293	23.29%			
E	98	0.69%	0.80%	24.09%	
F	13	0.09%			
G	2	0.01%			
No EPC	2347	16.60%	16.60%	16.60%	16.60%
TOTAL	14137				

PCH has a strong track record of undertaking energy efficiency work to our homes, including, installation of external wall insulation to over 4,000 dwellings and solar PV on over 2,000 roofs.

Our immediate priority will be to achieve EPC SAP C for all properties. Although our homes are relatively diverse, we are confident that some can be improved relatively easily through simple measures such as increased loft insulation and low energy lighting.

Other homes will need more significant measures focusing on the building ‘fabric.’ This means improving the energy efficiency of roofs, walls, windows and doors and improving air tightness to reduce demand for heat - making the home more energy efficient and affordable to heat.

Planning, delivering and monitoring energy improvement schemes will become a key part of PCH’s day-to-day work over the next few years. To meet this challenge we must improve the quality of our energy data and invest in new technical skills to support programme delivery and maximise access to funding

A fundamental part of our approach is to ensure all investment delivers good value for money and wherever possible will focus investment on ensuring homes are sustainable in the long- term.

PCH’s development programme already supports future strategic aims, delivering new properties at a minimum of EPC B.

5.1 Delivery Planning Y1-2

We have already started our journey and have identified over 400 properties that require fabric improvements to reach EPC SAP C / prepare for Zero Carbon and should attract government funding.

The works will be broken down into groups by construction type and works will be completed over years 1 & 2 of this plan.

These will allow us to learn more about the challenges faced in these programmes, retrofit requirements and resourcing needs. During this time frame we will also

have completed an in-depth review of our poorest performing properties, seeking to understand their long-term viability and develop bespoke whole property investment solutions where optimal.

5.1.2 Delivery Planning Yr3-5

Through years 3 to 5 our capital investment will start to shift focus and by year 5 the largest capital works programme will be aimed at energy efficiency works. We will work in Yr1-2 to better understand our asset performance, collecting more stock data and assessing funding availability. This will lead to a stratifying of all remaining stock by the key drivers that support their overall energy performance – construction type / detachment / key component age / material elements / wall surface areas etc, creating a granular level property archetype for energy investment purposes. We will then be able to assess the best solution by group and tailor our investment planning accordingly.

This will result in a blend of capital and revenue work streams working in conjunction to meet the 2030 SAP C target.

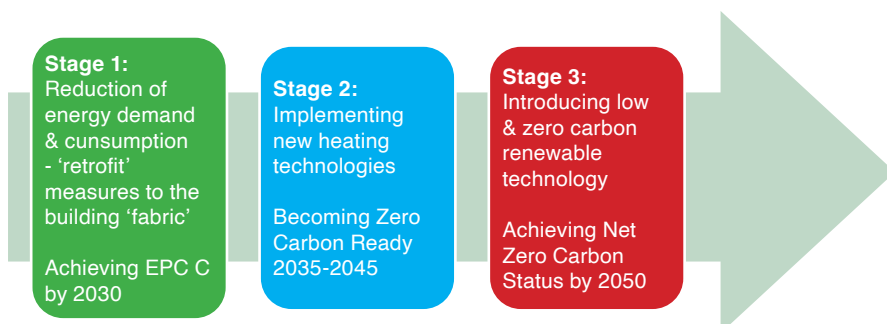
Wherever possible we will look to adopt a fabric first approach, investing in capital works to both meet the 2030 SAP C target and prepare for Zero Carbon.

However, we will need to appreciate that the costs of achieving net zero carbon for some homes may be very high. In these instances, we will undertake a detailed review of building thermal performance to identify the best future option.

Our longer-term plans will build on our own learning and from different approaches used across the housing sector, moving from fabric improvement to implementing new technologies as they become more accepted, user-friendly and affordable.

5.2 Objectives

- Ensure all properties achieve EPC SAP C by 2030
- Embed new retrofit knowledge and skills across the organisation
- Integrate our energy efficiency and net zero 'retrofit' improvements into our existing plans and look to deliver a fabric first approach where practicable
- Design an optimum 'whole-house' retrofit package for different property types
- Undertake option appraisals on homes with high investment costs
- Maximise funding opportunities to support improvement works





6.0 Maximise value of land and related assets

Over the course of this strategy we will look to maximise the value of related assets in our ownership, looking for opportunities where alternative use may be beneficial for ourselves and the local community.

This will involve building upon the partnership arrangements with PCC, seeing where additional land opportunities can make best use of our land/assets across Plymouth. This way we can maximise the impact of our shared resources working with partners to identify opportunities for redevelopment of land.

Equally we will look for opportunities with local partners to consider Heat Networks.

Future investment will be considered on options to build up on top of existing stock, working to understand where demand and location may facilitate this to increase stock density where possible.

We will also look to consider wider PCH assets (land/mothballed garage sites) where works to re-wild may support positive carbon offsetting and potentially yield a return in terms of ecology credits.

PCH manage approximately 2,700 garages, most already contribute

positively and are 'in demand', however, there are around 500 garages currently void or beyond reasonable repair.

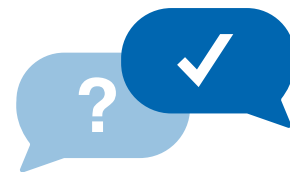
Over the life of this strategy, we will review the performance of garage sites (income, void rate, repair and maintenance costs etc). If we find that there is no demand in a particular area, or the garage is no longer fit-for-purpose due to its size or condition, we will undertake option appraisals to explore alternative uses, including developing new homes, providing additional 'open' car parking on the site and other uses that add amenity or deliver wider community benefits.

6.1 Objectives

- Proactively manage partnership working arrangement to make best use of related assets
- Review assets for potential opportunities to add value to PCH and the wider community
- Complete options appraisals of under-performing garage sites



7.0 Making every voice count



To become a provider of choice we know what and how we do things should reflect our residents' needs and aspirations. This is particularly important when considering what happens in our residents' homes and neighbourhoods.

Over the life of this strategy we want to provide ways for more residents to have their say on the delivery of asset management services. This will be particularly important as we undertake improvements in new areas such as net zero carbon programmes.

We will engage with residents to understand how our homes perform after improvement works, ensuring new technologies are effective and that they meet our customers needs.

We will work with our Customer Focus Committee to ensure resident involvement is embedded as part of the culture of our staff and contractor partners and how we do things.

We will work with our resident involvement team to ensure our 'residents voice' informs our service planning

and decisions that affect the quality of homes and neighbourhoods; ensuring services are delivered in a resident-focused way.

Local involvement is key to strengthening the connection between our residents and the places where they live. We will involve residents in decision-making on investment at a local level to ensure we address local priorities. We will also seek out resident feedback to provide us with a 'reality check' on the performance and quality of services.

7.1 Objectives

- Work with our Customer Focus Committee to ensure resident involvement is embedded as part of PCH's culture – 'how we do things'
- Develop a long-term investment programme available to residents and invite feedback
- Work with leaseholders to better understand what they want from us



Our primary objectives are to improve lives and communities, deliver our strategic business plan to look after our homes, to build new homes in Plymouth and beyond, and to grow our business.



Chief Executive, John Clark

Appendix 1: Asset Management Strategy 2022-2027

Objectives Overview

Understanding Asset Performance

Improve our approach to data management, ensuring information can be analysed at the right level

Improve links / interfaces between primary systems

Improve data quality to facilitate quality outputs from analysis and review of reporting outputs

Undertake a rolling programme of Stock Condition Surveys and EPC's

Develop a forensic understanding of asset 'performance' to support evidence-based decision-making

Conduct option appraisals on all poorly performing assets and develop a prioritised programme of interventions based on the outcomes including opportunities for redevelopment/disposal

Ensure we align major capital investment in homes that are sustainable in the long-term

Decent Homes Standard, Building Safety and Fire Safety

Continue to provide good quality secure homes with modern facilities that are secure and maintained in good repair (DHS)

Maintain customer satisfaction at a minimum of 95% in the delivery of works & improve customer engagement

Maximise VFM in the delivery of programmed works

Support energy efficiency improvements across our stock

Develop a transparent approach to proactively deal with damp and disrepair issues

Ensure a robust approach to managing all building safety, legal and regulatory compliance requirements including reporting and assurance arrangements

Embed a 'home safety' culture across the whole organisation

Providing quality & responsive services

Review the knowledge and skills we need and ensure we are investing in training to manage future challenges

Grow PCH's apprenticeship and graduate offer

Benchmark costs to ensure we deliver good value for money

Identify and implement the optimum balance between in-house and external contractor delivery to deliver quality responsive services

Maximise social value outcomes from our investment - creating more opportunities for local people through employment, training and apprenticeship

Working towards net zero carbon

Ensure all properties achieve EPC SAP C by 2030

Embed new retrofit knowledge and skills across the organisation

Integrate our energy efficiency and net zero 'retrofit' improvements into our existing plans and look to deliver a fabric first approach where practicable

Design an optimum 'whole-house' retrofit package for different property types

Undertake option appraisals on homes with high investment costs

Maximise value of land and related assets

Proactively manage partnership working arrangement to make best use of related assets

Review assets for potential opportunities to add value to PCH and the wider community

Complete options appraisals of underperforming garage sites

Making every voice count

Work with our Customer Focus Committee to ensure resident involvement is embedded as part of PCH's culture – 'how we do things'

Develop a long-term investment programme available to residents and invite feedback

Work with leaseholders to better understand what they want from us

Asset Management Strategy

2022 - 27



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