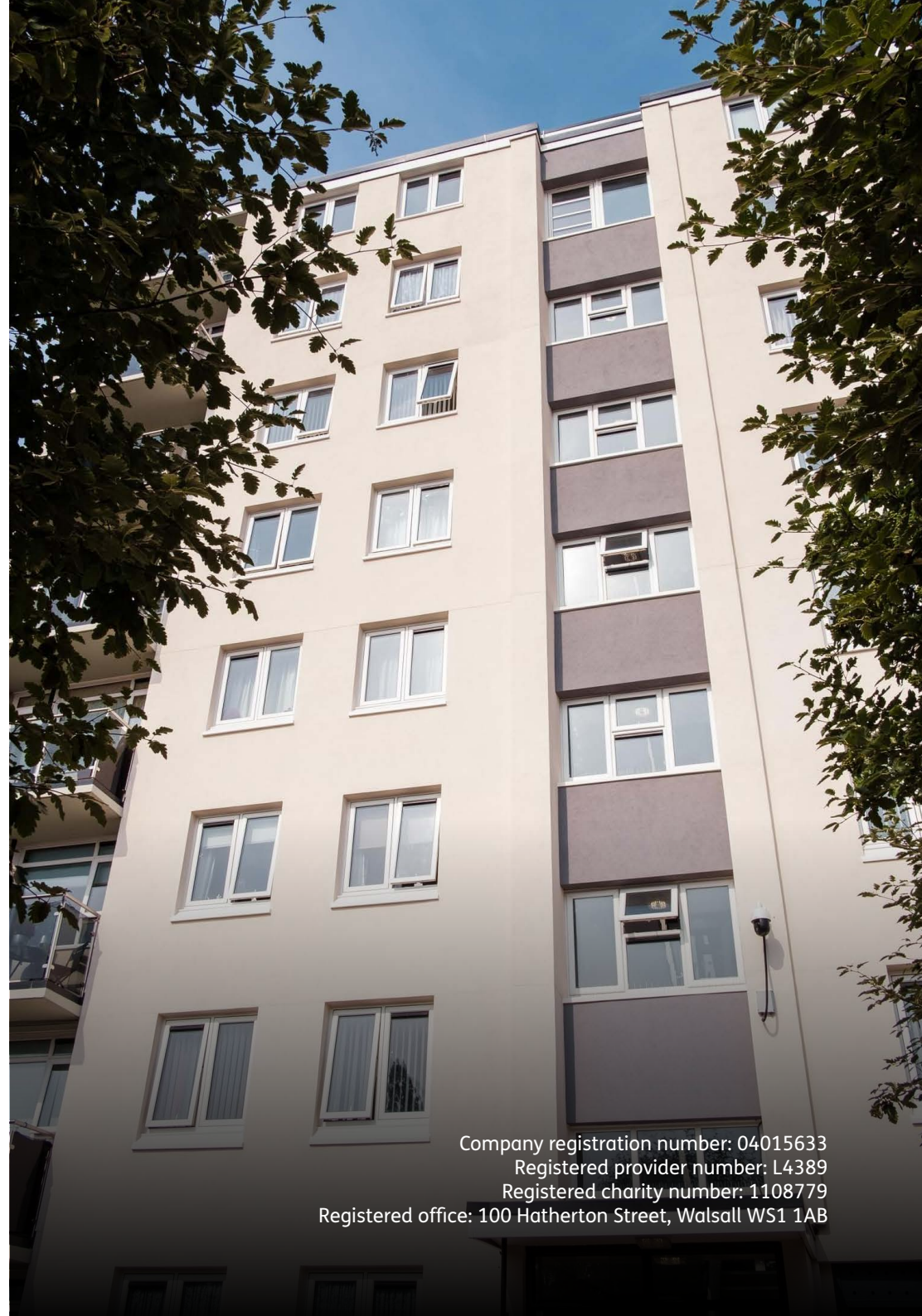


# Asset Management Strategy

2022 - 2027



Company registration number: 04015633

Registered provider number: L4389

Registered charity number: 1108779

Registered office: 100 Hatherton Street, Walsall WS1 1AB

# Asset Management Strategy 2022- 2027

This is the Asset Management Strategy for whg, setting out our plans to 2027. We have taken an approach which seeks to balance ambition and innovation with sustainable and deliverable commitments. Recognising the challenging external environment, we will always ensure that safety comes first when delivering this strategy.

Customers are at the heart of our strategy. We will target our investment and service development to make a real, meaningful and positive impact on the lives of our customers. We will do this by contributing to communities and place, providing good quality homes and accessible services which allow people to thrive.

In developing this strategy we have consulted with customers, our Board and colleagues.

## The changing nature of our housing stock

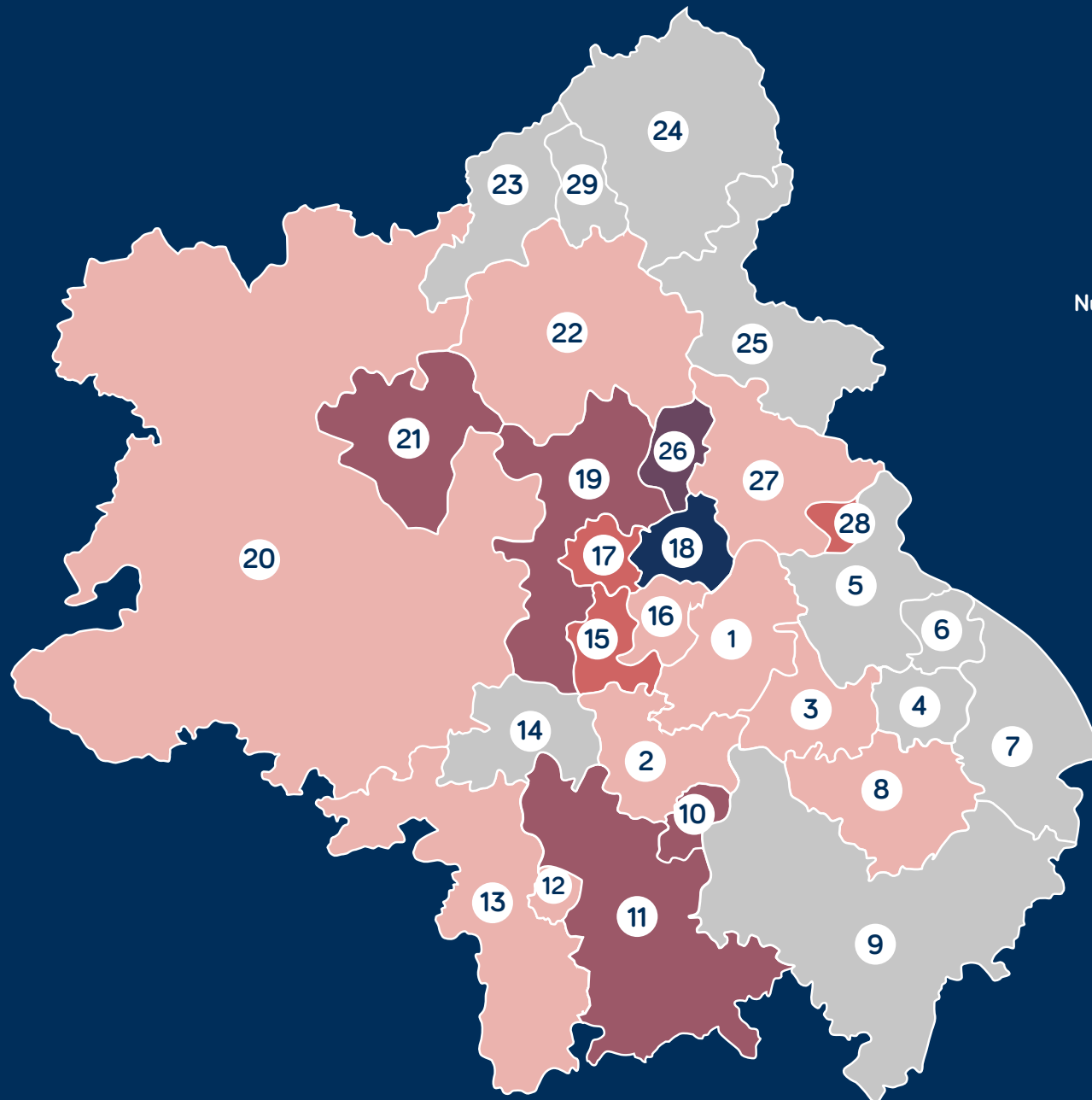
Our stock portfolio has grown over recent years, through acquisition and development, by nearly 4,000 homes across the West Midlands, with almost 2,000 of those outside of Walsall. There are further plans to develop 500 homes a year.

As a result of this growth our stock base is changing, both in its construction and repairing requirements but also in the range of locations.

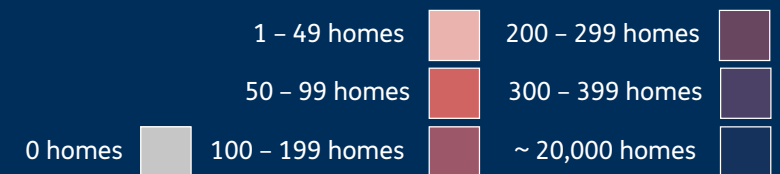
Our approach to the management of a growing asset base has to evolve too, this includes partnering with other contractors, regularly reviewing our material supplies and trade skills and the most efficient approach to the delivery of services across a broadening geographical base.



# whg across the West Midlands



Birmingham	61 homes	1	Dudley	55 homes	15
Bromsgrove	12 homes	2	Sandwell	11 homes	16
Solihull	47 homes	3	Wolverhampton	97 homes	17
Coventry	0 homes	4	Walsall	19,956 homes	18
North Warwickshire	0 homes	5	South Staffordshire	154 homes	19
Nuneaton and Bedworth	0 homes	6	Shropshire	1 home	20
Rugby	0 homes	7	Telford and Wrekin	113 homes	21
Warwick	34 homes	8	Stafford	48 homes	22
Stratford-upon-Avon	0 homes	9	Newcastle-under-Lyme	0 homes	23
Redditch	102 homes	10	Staffordshire Moorlands	0 homes	24
Wychavon	179 homes	11	East Staffordshire	0 homes	25
Worcester	46 homes	12	Cannock Chase	227 homes	26
Malvern Hills	13 homes	13	Lichfield	40 homes	27
Wyre Forest	0 homes	14	Tamworth	57 homes	28
			Stoke-on-Trent	0 homes	29



Data correct as of 23 June 2020\*

## Homes by bedroom

Rooms	Assets
Bedsit	84
One	4254
Two	8081
Three	8485
Four	386
Five	18
Six	2
<b>Grand Total</b>	<b>21310</b>

## Homes by property type

Property Type	Assets
Bedsit	84
Bungalow	1770
House	11936
Low Rise Flat	6435
Maisonette	217
Multi-Storey Flat	868
<b>Grand Total</b>	<b>21310</b>

## Stock profile by age

Period	Assets
Pre-War	4601
1945-1965	7766
1966-1985	5019
1986-2005	7
Post 2005	3917
<b>Grand Total</b>	<b>21310</b>

## By tenure - social, affordable, market, shared ownership

Tenure	Assets
Affordable Rents General Needs	2216
Affordable Rents Supported Housing	190
General Needs	17993
Housing First Supported Housing	32
Intermediate Rent	46
Market Rents	101
Rent To Buy	18
Rent To Buy Shared Ownership	2
Shared Ownership	644
Supported Housing	26
Young Persons Supported Housing	38
Young Persons Supported Housing – Children's Services	4
<b>Grand Total</b>	<b>21310</b>

## Garages


Type	Assets
Garage	2586
Garage Plot	1060
Parking Bay	120
<b>Grand Total</b>	<b>3766</b>

## EPC rating

SAP EPC Rating	%
% at SAP A rate	0.29%
% at SAP B rate	23.31%
% at SAP C rate	36.15%
% at SAP D rate	33.46%
% at SAP E rate	5.91%
% at SAP F rate	0.76%
% at SAP G rate	0.13%

Data correct as of November 2022





“We believe passionately that everyone has the right to a safe and secure, affordable home and that this is the foundation for a successful life.”



# whg Asset Management Strategy

## A home maintenance service fit for the future

The efficient repair and maintenance of properties is a key requirement for any successful housing organisation. The development of a repairs and maintenance service plan is designed to deliver an excellent repairs and maintenance service for customers and leaseholders that sees performance in the 'top quartile' when looking at sector wide benchmarking data. It also ensures customers live in well maintained, warm and safe homes that contribute to sustainable communities.

The effective and efficient maintenance of our homes is fundamental to providing an excellent service to our customers. Our customers expect a service that is responsive, that is easy to access for all and which provides great satisfaction with the end result.

We are committed to achieving net zero carbon. This is embedded in our approach to home maintenance, including the selection of materials and products, transport and waste management.

This strategy outlines our approach to our customers' most valued service ensuring we deliver high quality void homes ready to let and a repairs service that meets the needs of our customers; delivering high quality, productivity and reliability. We will endeavour to 'To do the right repair, first time at the right quality and cost' and within a reasonable time frame. The delivery of the strategy will be supported by the best use of technology and our ambitious Digital Strategy.

## Mixed economy

We are committed to ensuring we have a modern, efficient and effective workforce to deliver the majority of services. However, we recognise that at times we need to increase capacity to meet peaks in demand and provide additional resource and resilience to the service. The most efficient way to do this is through the provision of contractors. When using contractors, we will seek to ensure they meet the levels of customer service delivered by our own in-house team and that they are aligned to the whg values.

## An authentic approach to investment

As a place based organisation we recognise our role both as an anchor institution, creating stability and continuity in the communities we serve, and as a steward of our places. We are a key stakeholder in the long term investment and sustainability of our communities. We will seek to invest in ways that make a positive impact on the lived experience of our customers, in ways that protect our environment for the future.



## Effective communication

Keeping our customers up to date with information that they want and need to know, in a timely and effective way, is vital to deliver excellent services. We are committed to continually improving our communication with customers and will make use of technology to ensure there is regular contact and up to date information available to customers, delivered to them in ways that best suit them.

## Customer voice

We want to have a co-operative and shared approach to working with customers to ensure there is appropriate scrutiny of our investment choices and services.

We will use the principles of co-design to ensure demonstrable customer influence in our work. We will be transparent in our reporting of performance, actively commissioning and learning from customer insight and trend analysis, as well as customer journey mapping. We will seek to take account of the diverse needs of our customers when designing services and do so by ensuring full and effective engagement with customer groups.

Where we have different responsibilities, for example with our leaseholder customers, we will communicate promptly and effectively. We will do this using a range of media and methods to ensure customers are informed of the services that are available to them and the standards we seek to achieve when delivering our work.

## Compliance and regulation

Maintaining accurate and comprehensive stock data is what underpins informed decision making which is at the heart of the delivery of our Asset Management Strategy. We need to know that our significant investment is being directed in the right way, to the right homes and in the right timeframe.

Over the last four years we have completed a detailed project with Savills to review and further update the quality of our data. This level of sophistication gives us excellent assurance of our data to a granular level of detail. We have a professional and consistent approach to stock surveys; we have physically visited and surveyed 70% of stock and our programme of works is cast from this in-depth knowledge.

We survey 20% of our homes each year to ensure our stock data is fully reliable and up to date. We have installed the Savills Asset Performance Evaluation Tool (APE) allowing us to analyse current data, predict asset replacement demand and spend, and scenario test investment programmes.

A key priority is that we design programmes to ensure we consistently achieve 100% compliance with regulatory standards and legislation. During 2023 we will be moving to the Social Housing Asset Evaluation Tool. This will give us even more information about the social economic influencing factors alongside our stock data, providing a fuller view of the needs and challenges of our neighbourhoods and allowing us to better design solutions for our communities.



## Building safety

Keeping our customers safe is our absolute priority. Our drive for this is our moral obligation as a landlord, our values and our commitment to protecting our customers. Alongside this there is the external drivers of the Hackett Review, the new Fire Safety Act 2021 and the Building Safety Act 2021 as well as the expectations of the Regulator of Social Housing and the Housing Ombudsman that this must be a priority.

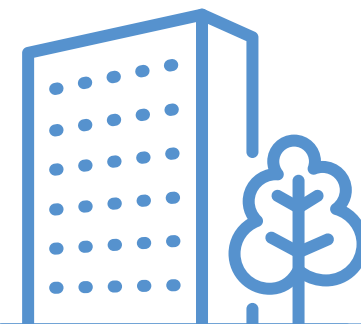
We have a strong culture of safety across our organisation, which also features in our Corporate Plan. This will continue to be a fundamental focus of our work, ensuring that all statutory, policy and regulatory requirements are complied with. The duty holder for building safety, known as the Principal Accountable Person, will be the Director of Energy and Programme Management.

We are implementing the principles of the 'golden thread of data', regularly validating our information and ensuring we have adequate first, second, and third lines of assurance. We will hold full whole life records of our assets, ensuring we capture quality data to demonstrate building safety. Our data will be regularly checked independently by external experts to provide additional assurance.

We hold a building safety case for each of our high rise buildings (those over 18m) which will be used to demonstrate to the Building Safety Regulator how safety and risks are being managed on a building by building basis. The safety case is specific to each high rise building and will be updated throughout its lifetime. It pulls together records from several different sources including the digital record and the fire safety file. Customers who live in our high rise homes will be kept informed, have access to information and regularly engage in discussion groups and other forums in relation to their homes.

We will continue to create a 'digital twin' using our Deeo modelling. This is a sector leading software and analysis tool that creates a full digital record for our multi-occupied buildings, adding information to the record during the lifecycle of the asset. It will be the role of the duty officer, along with the Building Safety Managers, to ensure that data held on our flatted accommodation is comprehensive and up to date. Maintaining strong relationships with key partners, including local fire services, will remain a key priority in developing this area of our work.

We will provide transparent reporting on our asset compliance to ensure strong governance on all asset compliance areas. We will continue with our annual Board and committee tours of inspection, encouraging members to engage first hand and see the impact of investment and safety measures in our homes and meet with customers to receive direct feedback on their lived experience of a whg home.





## Sustainability and net zero carbon

At whg sustainability means reducing the impact we have on the planet and each other, in a way that is just, equitable, robust, transparent and accountable. It is much wider than the protection of the environment – it is about building communities that will flourish and endure.

We want to be a positive influence – on our customers, our local communities, our colleagues, our partners, our suppliers and our industry peers. We want to leverage that influence more broadly and help to transform the UK social housing sector and support the transition to a sustainable society.

Like all other businesses, whg has a role to play in this transition. While there will obviously be challenges associated with decarbonisation, done correctly the re-evaluation of our business processes presents an opportunity to make efficiency gains and to achieve better outcomes for our customers and our housing stock.

The benefits of this investment will not only reduce our contribution to greenhouse gas emissions but help customers reduce their energy use.

We have already carried out detailed work to understand the impact our homes have on the environment. We know that 62% of our current carbon emissions, which equates to approximately 58,000 tCO<sub>2</sub>e, are generated from our homes and so is a significant area to focus our work. Taking a ‘fabric first’ approach to move all our homes to within band D EPC by 2025 and band C EPC by 2030 is a priority. During this period we will be trialling new technologies and commissioning pilot projects with customers. This will allow us to test out the benefits of alternative methods of heating and hot water provision, energy generation and storage.

We are mindful of the potential impact of any new technologies on affordability and fuel poverty so will ensure that investment provides

customers with improved energy efficiency, affordability and thermal comfort. New technologies and systems also have to be easy to operate, and so keeping customers involved and informed at all stages will be important.

During the life of the strategy we will begin the gradual migration to new reliable, sustainable and greener vehicle propulsion technologies for our fleet. This will require changes in the way we operate and infrastructure investment along with new vehicles to ensure robust and consistent provision of services.

In order to deliver a sustainable future we will also be working with partners, ensuring that procurement processes promote sustainably sourced materials, local labour and where appropriate that the provenance of materials is tested to support our goal.

We value authenticity and taking actions that are right for our business and customers, so being transparent with our stakeholders on our sustainability performance is crucial. This will be done through the Ritterwald Reporting Framework providing annual benchmarking against environment, social and governance (ESG) metrics. Results will be published and progress measured.

The Sustainability Strategy supports the creation of homes and communities fit for the future, while building a sustainability legacy for whg. This is also reflected in our commitment to put sustainable considerations into our financial decision making.



## Skills and resources

We know that there are real challenges in the future for skilled labour and in meeting the needs of emerging skilled jobs, particularly around the green economy. We will continue to invest in apprenticeships and trainees to support our pipeline of talent.

We are working with Walsall College to promote the development of skills to meet the needs of the emerging green economy, providing learning and training opportunities. We will promote this work with our partners to encourage employment opportunities for our customers.

We will continue to work towards a more diverse and inclusive workforce, focussing on women in construction and working with partners to understand and address the barriers to all groups accessing jobs in our workforce.

Over time the work we do and the skills required will change and evolve. We will continue to invest in our colleagues to ensure they have the right skills and knowledge to meet the future needs of our Asset Management Strategy.

## Disrepair and fit for human habitation

Across the housing sector we have seen a growing trend in disrepair claims. At whg we have seen this workload increase two-fold over the last three years. Whilst we have invested over a billion pounds in our homes since 2003, some of our older and pre-war homes require ongoing additional investment to address inherent design and structural issues.

Where we find issues or where customers have reported concerns in relation to condition of homes, we will have a fast, proactive and comprehensive service to support the customer. We will ensure remedial action is delivered in a timely manner, working with the customer to ensure they are engaged as a key partner in understanding and resolving

any problems. We will never make assumptions about the condition of customers' homes and will always discuss required works in a respectful and sensitive way.

The Homes (Fit for Human Habitation) Act 2018 amends the Landlord and Tenant Act 1985 to make it an implicit covenant that the home must be fit for human habitation at the start and throughout the lifetime of the tenancy. We will ensure that we use our analysis tools and both data and customer feedback to identify any potential homes that may develop issues and target these homes for early investment.

Where we identify homes that have significant exposure to degeneration and require uneconomic investment, we will consider whether retaining the asset in ownership and management is appropriate or whether regeneration or disposal should be considered. Decisions about the future of properties not deemed to be appropriate for investment will be subject to consultation with Housing Management and ultimately decided by the Capital Development Appraisal Panel.

The strategy recognises that even with significant investment our housing stock cannot continue forever. The criteria used to assess whether a property should be considered for investment or regeneration will include the net present value of the home for the life of the business plan, the housing demand for that property type by location, consideration of the embedded carbon already invested in the property and the impact of any decision about that property on the local neighbourhood.



Where a property is identified for regeneration, we will establish a plan for ensuring we maintain the home in good repair while plans are put into place and regeneration works are enacted. We will establish a communications plan for customers to keep them informed and engaged throughout the project.

When making decisions about disposals we will avoid wherever possible the sale of homes in low value areas that are likely to end up as poor quality private rental. We know this has a detrimental effect on our neighbourhoods and ultimately does not solve the problem of poor quality housing in communities.

## Digitalisation, IT and innovation

We recognise that the challenges being presented over the next seven years will require different thinking, new technology and new ways of working. Our approach to new technology is to be an early follower / adopter. We will explore a number of projects to test out their scalability, impact on customers and contribution to efficiency and delivery of other corporate objectives including reducing our carbon footprint. We will also monitor closely pilots carried out by others in the sector to help us decide whether they are suitable for our needs and ensure that shared learning is done across our networks and in sector forums.

We will continue to roll out our digital twin platform, working with the developer and key partners to ensure it continues to add to the safety of our customers, improve our knowledge of our asset and assist in future management and investment decision making.

Introducing predictive maintenance will be a driver for future plans and we will explore the use of sensor technology and the 'internet of things' to enhance the customer experience of repairs by predicting breakdowns and scheduling repairs with the customer ahead of service breakdown.

We will move to a contractor designed IT system for the delivery of our repairs and investment programme, ensuring we have access to real time performance information, dynamic scheduling and team member productivity. This will maximise our ability to effectively manage the service and improve efficiency and effectiveness.

We will trial new alternative heat and power technologies, piloting and prototyping to deliver a measured response to the need to move away from traditional forms of energy. We will extend our provision of photovoltaic arrays to contribute to our self-generated energy provision, sleeving energy to where it will make the greatest contribution to reducing our demand on traditional energy suppliers.

We anticipate during the life of this strategy that further integration with our supply chain will be possible through the development of digital ledgers of transactions such as blockchain, allowing us more transparency and immediacy of information and providing assurance of provenance.





## Investment decisions

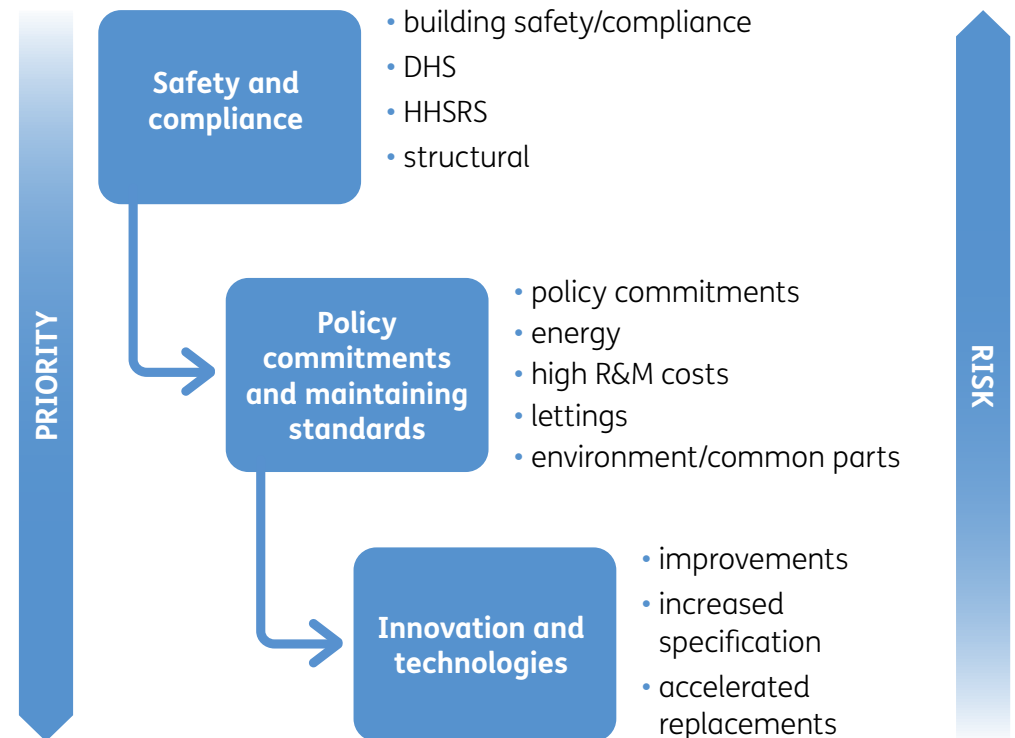
Over the next 30 years we have committed to spending £1.233 billion on asset investment, with £289.7 million being committed during the life of this strategy to 2030. The average age of our stock is 55 years with 65% of stock older than 50 years. The competing demands of ongoing investment in decent homes, ensuring compliance in key regulated services, our commitment to move towards net zero carbon and competing pressures on our finances are significant challenges. The cost of materials and labour are continually on the increase along with competition from other providers and private sector companies, whilst pressures to our income stream mean it is more important than ever that we have a clear framework for allocating resources.

### Our investment decisions will be prioritised as follows:

- the safety of our customers and achieving compliance with all legislation
- policy commitments ensuring we provide high quality homes and services to customers and that our homes are fit for the future
- developing new and innovative solutions to improve the customer experience and exploit new technologies.

We believe that by having a clear set of priorities we will be able to react dynamically to a fast-changing external environment whilst protecting our customers, meeting our statutory requirements and ensuring our stock is fit for the future. This dynamic approach will also allow us to capitalise on grant and funding opportunities as they arise. This is going to be an essential part of achieving net zero carbon by 2050.

## Strategic investment planning



## Risk management

Given the size, scale and impact of our Asset Management Strategy we are acutely aware of the importance of understanding and managing risk in its design and delivery. We have identified the key risks in order to ensure they are considered and mitigated.

### Failure to continue to meet regulation and legislation

We design each expenditure year starting with those items that deliver safety and meet legal and regulatory requirements. This ensures that sufficient priority is given to achieving compliance and that there are always enough resources allocated to those essential programmes. Our prioritisation will also incorporate net zero targets as well as compliance with gas, electric, water, fire safety and asbestos.

### Poor quality data and analysis

We have worked in partnership with Savills on developing our surveying function and installed the Asset Performance Evaluation (APE) tool. Savills have sample tested our data for quality and embedded good practice in our project management office. The APE tool allows us to project forward investment spend and also consider net present value (NPV). We are improving this analysis by also rolling out the Social Housing Asset Performance Evaluation Tool which will provide further analysis.

We have a data quality project which will be implemented in 2023 and we continue to engage with our compliance team and internal auditors on regular reviews of data.

We will continue to work on improving the quality of our data and robustness of our systems to ensure we have real-time, complete and accurate records and reporting.

### Colleague resource and skills shortages

We will ensure we have the right level and mix of skills to meet the emerging demands of our Asset Management Strategy. We will engage

with colleagues to ensure they are equipped to identify issues in the home and signpost into a wide range of services.

There is a real shortage of trade skills in the wider construction industry. We will ensure that our employment offer is competitive in the market place to attract and retain colleagues. We will continue to invest in apprenticeships and trainee positions and seek to address barriers to encourage a broader, diverse workforce.

### Health and safety

We will continue to promote a strong health and safety culture, encouraging identification and reporting of all concerns. We will have robust and transparent reporting and a programme of health and safety training appropriate to the role.

### Climate change

As global temperatures increase there are increased risks of adverse weather which may impact on our homes and also on our ability to provide services. We will continue to monitor the impact of extreme weather conditions on our homes and further develop our business continuity plans to ensure we have a robust service offer in poor weather conditions.

### Availability of supplies and materials

More recently we have seen shortages in key materials which have impacted both on the cost of materials and availability. Some of these shortages are as a result of Covid lockdowns and others due to issues of Brexit, worldwide issues of distribution and challenges of the economic climate. We will work closely with our stores provider and contracting partners to ensure we have robust supply chains and sufficient stocks to meet the needs of our services.

## Efficiency and value for money (VFM)

In order to get the most out of our investment it is essential that we deliver an efficient asset management service. There are increasing competing demands for spend on fire safety, carbon reduction and meeting new regulations and changing expectations of customers. We are continually reviewing every area of our operation, rethinking processes digitally with VFM and customer service as our driver.

We have recently procured three contractors into a seven year partnering framework which we believe will bring additional benefits to the work programme. We will work with partners to encourage local employment and the use of local supply chains to support the local economy. The long-term partnerships mean we will benefit from economies of set up and infrastructure investment costs as well as economies of scale and the impact of long-term work programmes.

The regulator's value for money standard requires that we clearly demonstrate our approach to VFM. This includes an excellent understanding of the performance of our assets to inform investment and plan for future placement and regeneration of our homes. We have adopted the Savills Asset Performance Evaluation (APE) tool to allow for sophisticated analysis of our data and will continue to develop our use of this as we roll out the Social Housing APE tool. We continue to deliver a proactive asset management approach to ensure we target investment where it has greatest impact and that we identify early signs of property obsolescence planning solutions to ensure our housing stock effectively meets the needs of our residents.

## Links to other strategies/policies

**Acquisitions and disposal policy**

**Customer Voice Strategy**

**Cyclical and preventative maintenance policy**

**Development Strategy**

**Fire risk assessment policy**

**Gas safety policy**

**Housing Strategy**

**People Strategy**

**Procurement policy**

**Repairs policy**

**Residential property management policy**

**Social value in procurement policy**

**Sustainability Strategy**







“Over the next 30 years we have committed to spending £1.2 billion on our existing homes.”



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whg is the trading name of Walsall Housing Group comprising Walsall Housing Group Limited, company registration number 04015633, registered provider number L4389, registered charity number 1108779 and all its subsidiaries. The company and all its subsidiaries are registered in England and Wales at 100 Hatherton Street, Walsall, West Midlands WS1 1AB