

We enable people to live well
in their home & community.



Asset management strategy 2022-2025



A circular inset image of two men standing in front of a house. The man on the right is holding a set of keys, suggesting a handover or completion of a project.





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Introduction

Irwell Valley Homes (IVH) provide over 7,500 affordable homes across Greater Manchester, providing essential services to over 16,000 customers. In 2017, IVH launched a comprehensive and sustained plan to improve building safety, investing over £4million to date in remediation alongside increasing its planned investment programme by over £40m over the life of the Financial Plan, and a 20% increase over the three-year period to 2022.

The previous Asset Management Strategy (2020 – 2023) focused on six key themes;

- Data Management
- Investment Approach
- Asset Grading
- Environmental Sustainability
- Health and Safety/Compliance
- Adaptations

Good progress has been made across all areas, and it is now timely to review and refocus our objectives and activities for the coming years, in an evolving policy and economic environment.

Irwell Valley Homes' Mission is;

'People live well in their homes and communities'.



We will achieve this by:

- Providing safe and good quality homes and services
- Making a difference in the communities we serve
- Providing more affordable homes
- Supporting colleagues to enjoy work, learn and grow.

The Asset Management Strategy is a pillar within the organisations Financial Plan, and works hand in hand with following:

- Customer Strategy
- Communities Strategy
- Development Strategy



- Digital Strategy
- Equality and Diversity Strategy
- Value for Money Strategy
- Sustainability Strategy
- People Strategy

Strategies and implementation plans are cross-referenced to ensure compatibility and read across, and monitored and reviewed by the Leadership Team, reporting quarterly to Board.

National and Regional Policy Context and the Road to Zero Carbon

IVH is committed to improving its customer satisfaction, the safety and wellbeing of customers in their homes and delivering a Net Zero Carbon (NZC) future for its stock and customers. There are significant legislative and regulatory drivers in place to guide this, and full account is taken of existing and emerging legislation in setting our strategies and targets, including:

- The Building Safety Bill
- The Social Housing White Paper including a new Consumer Standard and the impending 'Decent Homes 2'
- The National Heating and Buildings Strategy
- The Levelling Up White Paper.

The external environment in 2022 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.

Scrutiny and expectation on landlords has increased due to safety issues in buildings identified since the Grenfell fire in 2017, and have been further intensified by the damp and disrepair issues in the sector, currently being given high media and political coverage as standards have fallen well below expected in some areas. The sector has been criticised for failing to listen and engage proactively with customers when voicing their concerns.

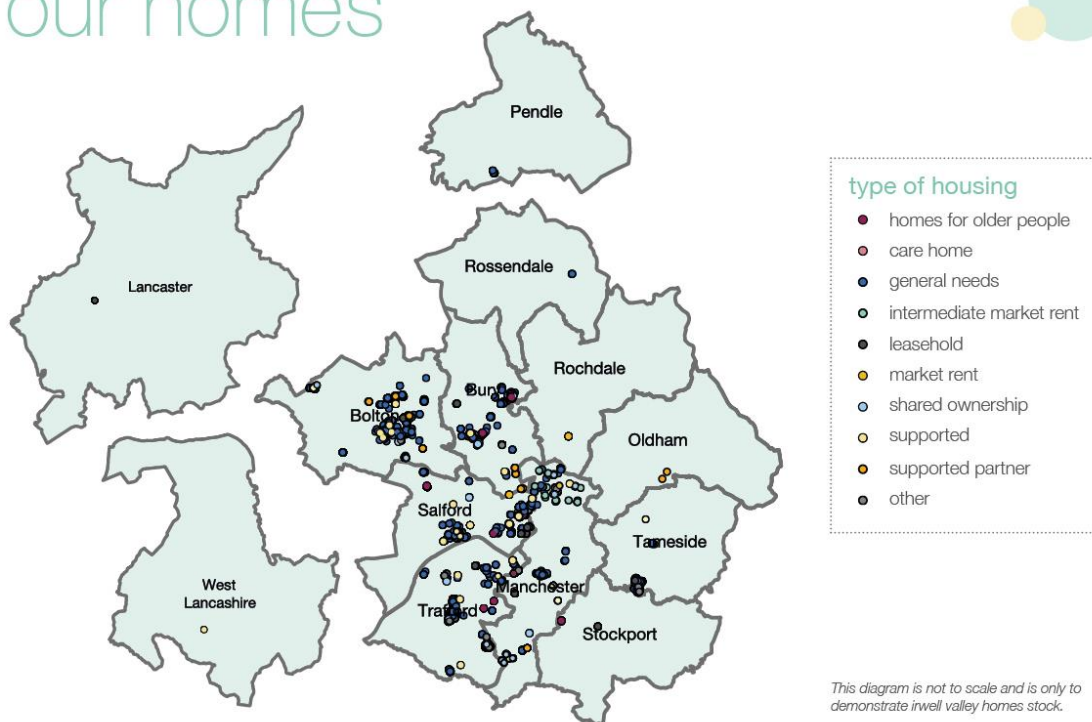
Within our Greater Manchester Combined Authority (GMCA) operating area, IVH are an active member of operational and strategic workstreams through the Greater Manchester Housing Provider (GMHP) groups, working closely to support the GMCA's Housing Strategy, the key aims of which relating to this strategy are:

- Tackling homelessness and rough sleeping
- Making a positive difference to the lives of private tenants
- Developing Healthy Homes Services to support vulnerable households
- Improving access to social housing for those who need it
- Identifying pathways to volume domestic retrofit and reducing fuel poverty
- New models of housing delivery
- Investing in truly affordable housing
- Increasing choices in the housing market for Greater Manchester households.

Our Assets

IVH has a mixed portfolio of stock, ranging from pre-1919 terraced stock, to just completed new build houses and apartments, including high rise blocks, supported schemes, and large estates transferred to us from local authorities. Our stock is spread across 12 local authority areas mainly in Greater Manchester, comprising of the breakdown shown below. Our appraisals to date have led to us retaining our ownership of outer-lying stock, however, over the course of the strategy we will continue to review specific assets, considering potential rationalisation, where appropriate and linking closely with other key strategies, specifically our Customer and Communities strategies.

our homes



LOCAL AUTHORITY	Total (%)
Bolton	17.1
Bury	14.4
Lancaster	1.3
Manchester	6.5
Pendle	0.4
Rochdale	0.3
Rossendale	0.1
Salford	17.7
Stockport	0.8
Tameside	13.0
Trafford	28.3
West Lancs	0.1



Asset Management 2022-2025

The Asset Management Strategy (AMS) is a key contributor towards our corporate objectives and Financial Plan. The core aims of the Strategy are focused on:

- Investing in the quality, safety and sustainability of our homes, to ensure customers' needs and expectations are met.
- Ensuring we make best use of our assets and resources to achieve the best outcomes for customers and the business.

Within these core aims we will organise our activities around the following themes:

1. Understanding our properties – data, archetypes, viability, older and supported schemes option appraisal and review, to inform, refine and implement our investment decisions.
2. Building Safety Programme – ensuring 100% statutory compliance and continuing our best practice approach in all areas of building and customer safety.
3. Towards Net Zero Carbon (NZC) – EPC C, fuel efficiency, fabric first, trialling and monitoring new technology for effectiveness and affordability, attracting external funding.
4. An IVH homes standard and investment approach – incorporating the new Consumer Standard, Development and Growth Strategy, ensuring we engage and listen to customers effectively, and that homes are adapted to customers' needs, where possible and practical.
5. Investing in technology – developing technological advances in property management and customer contact and, ensuring our homes become digitally connected as standard.
6. Becoming more efficient in the use of our resources, to ensure that we achieve best value in investment and repairs - challenging and reviewing all procurement options, working with trusted partners, and defining and monitoring our social value ask of contractors.

Over the first 5 years of our Corporate Plan, the Asset Management Strategy will support:

- £36.3 million investment in our planned capital programme, with the aim of reducing day-to-day repairs as the quality of our homes increase.
- £8.7 million capital investment in Carbon Zero, to support the move to low carbon homes where possible. We will trial new technology to improve the energy rating of homes and researching archetype development including Fabric First assessments.
- £7.7 million on revenue compliance works to ensure we achieve all statutory and best practice compliance targets on all our properties and development of a compliance road map for high-risk buildings to deliver building safety works. This includes £1.1m for the completion of phase one fire remedial works on Bridge Square Apartments.
- £1.2 million on other planned revenue programmes, including painting.



Understanding our properties

Maintaining accurate and comprehensive stock data underpins the decision making and delivery process of our asset management strategy. This will be the ongoing primary requirement for all strategic and operational decision making.

We have significantly updated our existing stock condition data and block records, and now hold historic and planning data within our housing management QL software. 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, both from a qualitative, and required investment, perspective.

In 2022/3, we will commission a stock condition survey of 100% of our properties, on a rolling 5-year programme, with review in 2027. We will look to target specific archetypes for potential areas of potential concern, relating to any potential damp and disrepair and potential future building enhancements in relation to energy performance. Whilst we continue to collect component data, there is a requirement to refresh and update our asset database to ensure we obtain a holistic view of our property datasets for current and future requirements, both in relation to condition and overall performance as an asset. An additional set of SAP, EPC and carbon measurements will be incorporated into the survey to inform planning and to ensure we are able to secure appropriate funding opportunities as they emerge.

Whilst enhancing and updating our assets data will significantly improve our planned investment activities and road to NZC, we will also undertake longer term viability reviews to ensure our existing stock can continue to meet the needs of customers in a cost-effective way. Net Present Value (NPV) assessments will be enhanced with updated EPC/SAP ratings, and any properties or blocks causing concern will be flagged for furthermore detailed option appraisal. We have prioritised this process with selected poorer performing older persons stock in 2021 and will continue alongside consideration of our general stock.

In addition to individual and block viability considerations, we will also engage with homes and communities' colleagues in prioritised community plans to take a wider view on neighbourhood investment needs, where further investment decisions may improve the estates and neighbourhoods where we operate, for example, communal areas and open spaces.

We will continue to proactively engage and monitor developments in the sector and ensure strong collaboration with the organisations digital strategy and potential move to a new software system.



Building Safety

The safety of our customers is our number one consideration. Over the last 5 years, we have invested over £3 million in improving our overall building compliance, and nearly £4 million in building safety remediation measures following the Grenfell fire and subsequent government advice notes.

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 new Building Safety Bill.

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 as soon as reasonably possible.

The creation of a digital set of records to be maintained throughout the lifetime of High-Risk Residential Buildings (HRRB) was one of more than 50 recommendations set out in the Hackitt Review (2018) to ensure the 'golden thread' of information.

Significant improvements in our data, how it is managed and the digitalisation of compliance activities with the utilisation of our compliance management system (C365) has improved our reporting and oversight of the overall compliance function. Our reporting will continue to be done transparently, to ensure strong governance across these areas of asset compliance.

We will embrace technological advances to engage and share information with our customers in relation to their homes, with functions such as digital asset tagging and information such as historic, current and future servicing and maintenance records as well as general safety advice held in QR codes within dwellings and communal areas. We will ensure an holistic approach to compliance management, in relation to activity in our buildings, integrating compliance workstreams with other building-related matters (such as general estate inspections), activities such as grounds maintenance and communal cleaning and customer feedback, to assess all factors on a building-by-building basis.

The introduction of the Building Safety Manager role will support this approach, as well as embracing technology, as we look to implement enhanced control of activity in all our buildings, closely linking to the Customer Strategy to further embed customer involvement with our building safety related activities.

The Hackitt Review places a requirement on the duty holder to present a safety case at regular intervals (five years is suggested), to a new body called; 'The Building Safety Regulator', made up of representatives from The Health and Safety Executive, Local Authority Building Standards and Fire and Rescue authorities. The safety case will be used to demonstrate to the regulator how safety risks are being managed on a building-by-building basis.



The safety case file is specific to an individual high-rise residential building, which is maintained and updated throughout its lifetime, pulling together records from several different sources including 'the digital record' and 'the fire and emergency file'. We will consider the use of Building Information Modelling (BIM) to link digital records for our buildings, adding information to the record during the lifecycle of the asset.

For existing buildings, the Hackitt Review recognises there can often be little, or no building information held and expects the duty holder to undertake an information gathering exercise, including potential further intrusive surveys, to collate comprehensive records where there are queries.

We will develop our Building Safety Cases and continue to review our associated processes and procedures to ensure a robust approach to safety management, involving our Customers in key decision making around our policies and procedures, as discussed in more detail within section eight.



Towards Net Zero Carbon

We will introduce a phased approach to decarbonising our assets, planning for the transition across our business.

A culture of zero carbon thinking and acting will need to be embedded throughout all our operations, and customers supported where necessary.

The opportunity to scale up and invest meaningfully, and its potential impact on the GM economy is significant.

By 2025, we will no longer install gas boilers and by 2030 all our properties will meet a C-rating on an EPC, where practical and possible.

We will try, where possible, to meet the GM Mayoral target of zero carbon homes by 2038, this is dependent on funding measures and other policy and technological developments. By 2050 our homes and business will be decarbonised.

In existing homes, the first stage will be utilising the revised stock condition, EPC/SAP assessment, and archetype, to feed into a new IVH standard (see section 4.4). We will use specialist software to use our data to model various investment scenarios up to 2030, and 2038.

We will embark on several pilot project and trials and will seek Social Housing Decarbonisation Funds from the Wave 2 round of funding in 2022.



Energy Performance of Our Assets (Archetype and Age Split)

*Table includes dwelling where IVH have a maintenance responsibility as of January 2022. Figures are subject to change due to acquisitions/disposals.

Archetype/Build Year	B	C	D	E	F	G	Grand Total
Bungalow Total	14	158	159	16			347
Post-2000	7	25	12				44
Pre-2000	7	133	147	16			303
Detached Total		14	16				30
Pre-2000		14	16				30
End Terrace Total	7	367	485	66	7		932
Post-2000	5	6					11
Pre 2000	2	361	485	66	7		921
Flat Total	248	1579	1063	169	35	6	3,100
Post 2000	95	143	83	5			326
Pre 2000	153	1436	980	164	35	6	2,774
Maisonette Total	1		6				7
Pre 2000	1		6				7
Mid Terrace Total	10	687	1187	140	4	1	2,029
Post 2000	7	1	2				10
Pre 2000	3	686	1185	140	4	1	2,019
Semi Detached Total	8	289	185	26	2		510
Post 2000	8	6					14
Pre 2000		283	185	26	2		496
Terrace & Passage Total		47	36	4	1		88
Pre 2000		47	36	4	1		88
Grand Total	288	3,141	3,137	421	49	7	7,043



A new IVH standard

Our current assets are diverse and exhibit a range of standards and performance. Utilising the knowledge and drawing together the workstreams from our data gathering and stock understanding, viability assessments, customer engagement, and NZC planning, we will develop a new IVH standard by 2024, and review our planned investment profiling, specification, and procurement accordingly.

The standard will take regards of the RSH new Consumer Standard, meet the new Decent Homes 2 standard, and will aim to improve our customer satisfaction rating over the course of this strategy. We will work with our customers to determine where we will go from and aim to get to in our Customer Satisfaction journey with specific milestones that we will report on.

Our commercial assets (non-residential) consist of retail units, some of which are on the ground floor of buildings with residential accommodation above and blocks of garages which are predominantly located on or near the neighbourhoods we operate in.

Garages - we will assess performance, demand and overall value to the community they are situated in, against potential alternative options for the units themselves and the land they are situated on.

Despite changes in the retail environment, demand for our retail units remains strong. However, we will also assess the performance of our retail assets, considering the value to our organisation and neighbourhoods they serve.

Investing in technology

Changes in technology are likely to be accelerate over the duration of the strategy and it is important that we make informed decisions on its use, both to make sure our homes are suitably connected and maintained, and to inform development of new operating models and the potential for the Internet of Things (IoT).

We will endeavour to take all opportunities to ensure our homes have the sufficient Broadband/smart connections, to ensure residents are not disadvantaged in terms of connectivity and cost.

Embracing new technological advances will allow us to investigate and trial the potential for predictive property maintenance management technology (for example remotely linked energy performance technology) and the roll out of smart metering to customers. This will assist us in monitoring asset performance more cost effectively.



Achieving best value for our customers and our business

We currently have a blended approach to the delivery of works to our homes with our in-house Homes team, delivering reactive maintenance and gas servicing, and cyclical works as well as all other compliance activities being delivered by external contractors.

Our approach to securing best value longer term contracts for property investment activities, has put us in a good position on our major works programmes, however, we recognise continued pressures on supply chains and therefore remained focused on considering innovative ways of procurement.

During the life of this strategy, we will reduce our spend on responsive repairs and improve customer satisfaction. We will review our standards for both responsive repairs and major works including response times, quality of works, materials, and communication with customers to ensure best value whilst ensuring the standards remains high.

We will enhance our social value outcomes through our major investment channels. We recognise the impact we can have on our communities with this 'added value' and will look to embed and improve our approach to this within all contracts.



Financing the Plan

The Financial Plan 2022/23 includes total capital investment in our existing homes of £299 million (excluding future inflation). This includes:

- £230 million over 30 years on our major component programme (equivalent to c. £31k per property), with £36.3 million profiled in the first five years.
- £69 million for carbon zero investment, to work towards Greater Manchester's commitment of achieving carbon zero by 2038/39, with £8.7 million profiled in the first five years. The £69 million has been generated from an assessment by Savills of our existing stock and EPC data and assumes a 50% grant contribution.
- £48 million on planned revenue spend, including £41 million for compliance works and £7 million for other planned programmes such as painting.
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The carbon zero investment has not previously been recognised in the Plan, so this represents a significant change and increase in investment compared to our previous Strategy.

As further understanding of carbon zero requirements develop and as new technologies emerge, the impact on the Financial Plan will be regularly assessed. Based on Savills assumptions on costs and the assumption of grant, IVH could achieve carbon zero by 2038/39.

The table below shows the planned asset management programmes alongside the responsive, void and gas repairs, and shows that the ratio of planned works to total investment in our homes is 62% (£347 million out of the total £560 million included in the Financial Plan).

Investment in existing homes (excluding inflation)

£'000	Capital	Carbon Zero	Planned maintenance (revenue)	Responsive, void & gas (revenue)	Total investment
Years 1-5	36,274	8,750	8,845	34,357	88,226
Years 6-10	32,306	20,500	7,772	35,831	96,409
Years 11-15	36,378	28,600	7,772	36,097	108,847
Years 16-20	40,745	11,440	7,772	35,947	95,904
Years 21-25	41,972	0	7,772	35,947	85,691
Years 26-30	41,972	0	7,772	35,947	85,691
Total	229,647	69,290	47,705	214,126	560,768
Percentage	41%	12%	9%	38%	100%



Delivering the Strategy

We have developed a 5-year Implementation Plan. We will regularly review the progress against the plan, reporting to Board on a quarterly and annual basis. We will review the cross-organisational related activities and targets (for example those related to the Digital and Customer Strategies) as part of the Leadership Team.

We will maintain our 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 implementation plan.

Developing and maintaining the required skills and staffing resource to develop and deliver effective active management is becoming increasingly challenging, as the sector invests increasingly in data and planning to take on the investment requirements of the next ten to twenty years around building safety, NZC and consumer standards. 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 review our pay and terms and conditions as part of our People 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.



Managing the risks and navigating uncertainty

In its Sector Risk Profile report for 2021, the RSH sets out a range of common themes and risks facing the social housing sector. The risks which have a potential financial impact, and how these relate to IVH, are noted below:

- Stock quality (linked to IVH risk 6 data quality, risk 24 H&S compliance, risk 31 asset management, risk 33 responsive repairs and risk 38 environmental/sustainability) – due to the age and profile of our existing homes, many properties require significant catch-up investment. Difficult decisions may need to be made, underpinned by detailed option appraisals that factor in future decarbonisation costs. The challenges of achieving carbon zero are covered in more detail in section two. Given the issues highlighted for some associations across the sector, we also need to ensure an effective system for repairs, maintenance and investment is in place to avoid potential issues arising around disrepair. This needs to be underpinned by robust data on the quality of our stock.
- Supply chain (linked to risk 3 suppliers and contractors and risk 31 asset management) – the asset management programmes have slowed during the pandemic. Brexit pressures around labour and materials supply have been exacerbated by worldwide supply issues, resulting in less competition and capacity in the market and cases of contractor failure. IVH was directly impacted by this in 2021 on two programmes. We monitor the market and individual contractor risk for our biggest contractors closely and have contingency plans in place as part of our Contract Management Policy.
- Delivering against expectations (linked to risk 13 customer satisfaction and risk 22 reputation management) – expectations continue to increase with The Charter for Social Housing Residents. The Regulator notes the importance of clear communication with customers with regards to competing demand for resources and the difficult strategic choices.
- Value for Money (VfM) (linked to risk 34 value for money) – delivering VfM in the context of rising inflation, cost pressures and rising expectations from numerous stakeholders will become more challenging. We face expectations to make our homes carbon zero, to improve building safety standards, to improve customer service and standards, to deliver new homes, to invest in new technology to improve digital access to services, all while demonstrating strong performance metrics for the Regulator and other stakeholders.
- Health & Safety (H&S) (linked to risk 6 data quality, risk 23 statutory and regulatory compliance and risk 24 H&S compliance) - ensuring that tenants are safe in their homes is a key strategic objective for IVH. We have spoken about Building Safety in section 4.2, but the wider asset management programme also incorporates all other relevant statutory health and safety obligations, which is underpinned by access to good quality data. These works have been built into the Financial Plan, alongside the general investment programme. As part of financial stress testing, we will model increases in the cost of investment.
- Service delivery and accountability to tenants (linked to risk 13 customer satisfaction) – ensuring we learn from complaints to improve services and to treat everyone with fairness and respect according to their needs and circumstances.



- Poor investment approach (linked to risk 1 voids, risk 13 customer satisfaction and risk 31 asset management) – if we do not deliver or have ineffective targeting of our programmes, it will lead to wasted resources, a reduction in customer satisfaction, potential loss of customers and reputational damage.
- Poor quality assets (stock condition / energy performance) information (linked to risk 38 environmental sustainability, risk 6 data quality, risk 31 asset management and risk 24 health and safety compliance) – this will result in the inability to make informed decisions on investment requirements and priorities



Listening to customers

The Asset Management Strategy will coordinate its approach with the Customer Strategy, however, there are some specific areas where we will tailor our approach in order to inform and develop our future investment, standards, processes and systems we use in order to enhance our offer to our customers.

- Building safety – specific Building Safety Groups will be established, to enhance on the work we have already done with resident engagement on Fire Safety over the course of the previous strategy. We will specifically engage with customers on the level of information and routes to obtaining that information they would prefer to have. We want to ensure comprehensive assurance is given on all building and customer management arrangements is given, so we will work closely with the Customer Groups on this.
- Quality of Home – We will enhance our use of customer feedback through customer satisfaction surveys and complaints to identify customer priorities in relation to the quality and safety of their homes. We will also look to link this into the Development Strategy when considering specifications and design. Specific focus groups will be consulted on this to seek views to co-create our standards and oversee delivery against them.
- Quality of Neighbourhoods – The Asset Management Strategy will work closely alongside our Community Strategy and Plans, in consultation with customers to ensure targeted investment in home and neighbourhood.
- Overall Satisfaction – we will look to develop our satisfaction measures specifically targeting customer feedback on satisfaction with quality and safety of home, assessed through new Tenant Satisfaction Measures which are likely to be implemented in 2023/24.
- Communication of our Plans – we will look to be ambitious in our communications to customers and aim to be in a position to have a 'Plan for Your Home' guide to be able to issue. This will look to give customers information of when we are planning to carry out any major activity on their home, whether it be safety or improvement related. We will look at innovative ways of doing this, linking in with exploring new technological advances in collaboration with the Digital Strategy
- NZC Journey – where we are trialling our approach to achieving NZC, we will seek feedback on any projects from our customers to learn and inform our approach. Whilst we will consult with customers prior to any works commencing, we will also look to set up a 'Carbon Zero Jury' to evaluate any measures, to gather and review any outcomes. We will strive to consider wider implications than just any building work, factoring in energy affordability to our customers.