

# Asset Investment Policy

<b>Linked strategies</b>	Live Safe
<b>Version</b>	1.0
<b>Date approved by</b> (State by whom and when)	Board January 2023
<b>Policy level</b>	1
<b>Agreed by Union</b> (If applicable)	Not applicable
<b>Date effective</b> (Subject to staff consultation)	January 2023
<b>Date of next review</b>	January 2026
<b>Policy Owner</b>	Head of Property Investment, Sales and Lettings



## **1 Policy Statement**

1.1 Greatwell Homes is committed to making our homes and neighbourhoods great places to live and we will achieve this by ensuring that our property portfolio meets the needs of and the standards our customers expect now and into the future. This policy supports the delivery of:

- Live Safe – providing homes where customers feel safe,
- Live Proud – shaping places that people are proud of,
- Live Green – making homes more energy efficient.

1.2 Providing a home, in good condition, which is well maintained is one of the key requirements of being a compliant and effective social landlord. We are committed to providing homes that are safe, meet Decent Homes standards as well as being environmentally friendly and energy efficient.

1.3 The following legislation and regulations relate to asset management; however, it is not an exhaustive list:

- Consumer Standards, specifically the Home Standard
- Decent Homes Standard 2006
- The Housing Act 2004, which introduced the Housing Health and Safety Rating System (HHSRS)
- Construction (Design and Management) Regulations 2015 (CDM Regulations)
- Building Regulations 2010
- Landlord and Tenant Act 1985
- Regulatory Reform Fire Safety Order 2005
- Fire Safety Act 2021
- Building Safety Act 2022

## **2 Scope**

2.1 This policy sets out how we will establish a framework that will inform future capital investment decisions in terms of maintaining our housing stock. This covers all property assets owned by Greatwell Homes.

2.2 This policy will facilitate the preparation of a 30-year investment plan based upon component lifecycles that will inform the long-term investment needs. In addition, it will lead to a detailed five-year plan from the stock condition data which will provide the basis on which immediate investment needs will be assessed including compliance with Decent Homes Standards (DHS), as well as legal and regulatory requirements, specifically the Homes Standard.



2.3 This policy outlines our approach to the management of a comprehensive asset management database and undertaking regular surveys of properties to ensure the information is kept up to date to enable effective decisions around investment to be made. This includes a review of alternative options to investment in our stock, including disinvestment where performance of the stock would achieve a negative Net Present Value (NPV) despite capital works being completed.

### **3 Definitions**

#### **3.1 Decent Homes Standard**

Sets the standard for social homes by adhering to the following four criteria: reasonable state of repair, reasonably modern facilities and services, degree of thermal comfort and meeting the statutory minimum standard for housing. Decent Homes component lifecycles are predictions based on age and condition. Any component cannot fail this criterion based on age alone.

#### **3.2 Home Standard**

One of the four consumer standards for social housing that must be complied with. The Homes Standard sets out requirements for providing quality accommodation and a cost-effective repairs and maintenance service.

### **4 Policy Principles**

4.1 Through this policy, we will demonstrate compliance through:

- Maintain or exceed the Decent Homes Standard across the stock, including the renewal of all key building components as needed.
- Prioritise health and safety standards - fire safety improvements, specifically smoke detectors and CO2 detectors.
- Replace all key building components at the end of their economic lifecycle and based on condition,
- Undertake targeted energy efficiency works where the EPC rating of those properties is D or below.
- Renewal of heating systems on a regular basis to ensure the efficient and reliable heating of all homes.
- Undertake an electrical test of the fixed wiring in every home at least every five years, to determine any electrical component replacements needed.
- Undertake annual gas safety checks.
- Ensure the effective management of asbestos in our properties.
- Minimise damp and mould within the home by providing ventilation particularly in moisture-prone areas like bathrooms and kitchens and through increasing the insulation, under the roofing programme.



Delivery of planned investment programmes is also subject to being fully funded within the 30-year Business Plan and the ongoing review undertaken as part of the annual budget setting and business planning process.

#### 4.2 Individual houses and flats

For planning and investment purposes the life cycles for key building components will be based on the following average life expectancy, which is based on the DHS criteria. This is a proactive approach as it anticipates failure and allows us to give guidelines to our customers when they can expect components to be renewed.

All component renewals to be assessed for condition via Stock Condition Surveys which are to be completed in each property at least every five years and then added to planned works programmes accordingly.

In line with our contractual requirements to our funders, external validation of stock condition data to support the stock valuation to be completed every three years.

Component	Requirement	Average life expectancy
Kitchens (DHS 20 years)*	Modern fitted kitchen units with space for appliances, food preparation, safe flooring, tiling and extractor fan	25 years
Bathrooms (DHS 30 years)	Modern bathroom with toilet, basin bath/shower enclosure, tiling, extractor fan and electric/mixer shower	30 years
	Secondary toilet	60 years
Electrical Systems (DHS 30 years)	Modern wiring including adequate supply of sockets	50 years (5-year testing)
	Consumer unit	30 years
Central Heating (DHS 15 years)	Full controllable energy efficient heat source. Currently mainly gas fired boilers but likely to be electric heating in the future.	15 years
	Radiators or other heat emitter	30 years
Roofs/Chimneys (DHS 50 years)	Safe and watertight including adequate insulation within loft space	80 years
Roofline and flat roofs	Fascia, soffits, guttering and down pipes	30 years
	Flat roof to properties and extensions	30 years



External Doors (DHS 40 years)	Secure and modern composite type front entrance doors to 'secure by design' standard	25 years
	30-minute fire rated flat entrance door (Internal)	40 years
	Back doors	25 years
	Patio doors	25 years
Windows (DHS 30 years for flats, 40 years for houses)	High quality PVCu glazed windows with secure locking handles	25 years
	High quality extruded aluminium double glazed windows with secure locking handles	40 years

\* Note – the dates provided within the Decent Homes Standard for building components are provided as guidance only and it is for individual landlords to set and agree lifecycles for their housing stock.

Asset investment programmes will take account of the need to ensure high standards of energy efficiency in all homes. All homes to be fitted with energy efficient heating systems, draught proofing, adequate roof, floor and cavity wall insulation, if appropriate.

Other components to be reviewed on the following lifecycles:

Component	Requirement	Average life expectancy
Walls (DHS 80 years)	Including repointing of walls	100 years
Garden/Boundary including retaining walls	Walls	60 years
	Mixed rear fencing	30 years

The following renewals are no longer undertaken through a planned programme:

- Front fencing,
- Front or rear garden paving, where replacement is required unless identified as a Category 1 or 2 hazard under HHSRS.
- Garden sheds
- Outside WCs

A rolling cyclical external decorations programme to improve the look of our estates will be undertaken on a seven yearly cycle along with internal decorations for communal areas of blocks of flats.



A programme of roofline replacements will be undertaken in line with the table above with the aim of replacing timber fascia's and soffits with UPVC to reduce maintenance costs as well as upgrading the existing guttering and down pipes.

### 4.3 Outhouses

Maintaining outhouses is not part of the Decent Homes Standard, however we will assess and make decisions around investment based on the following criteria, as the alternative option would be demolition which is not a viable solution/cost effective alternative.

Component	Average life expectancy
Roofs	30 years
Wall	100 years
Windows and doors	40 years

### 4.4 Blocks and communal areas

For improvements to blocks and communal areas the following lifecycles apply:

Component	Requirement	Average life expectancy
Heating system (DHS 15 years) (DHS 30 years)	Heat source  Central heating distribution system	15 years  30 years
Block front/rear entrance door		30 years
Door entry system		30 years
CCTV		10 years
Lifts	Modern and meet requirements of DDA	25 years
Aerial upgrades		20 years
Flooring	Compliance with DDA – to tie in with cyclical decorations	21 years
Kitchens	Modern fitted kitchen units with space for appliances, food preparation, safe flooring, tiling and extractor fan	30 years
Bathrooms	Modern bathroom with shower, tiling, extractor fan and electric shower	30 years
Communal lounges	Modern furniture, carpets and dementia friendly design	15 years
Electrical	Modern wiring including adequate supply of sockets	50 years



Externals	Paving	50 years
	Car park areas	50 years
	Bins stores	30 years

#### 4.5 Garages and neighbourhoods

Stock condition surveys to be completed on our garage and parking areas every five years. From work identified from the surveys and in line with our Neighbourhood Management Policy, we may make small improvements to these areas. Larger works will be included within a planned programme and could include improved car parking and garages, lighting, fences and walls, improved maintenance and communal facilities. Environmental improvement programmes are not factored into the business plan, so any programme to be developed in consultation with customers is also subject to funding being available.

In line with our Garage Policy, we will continually review viability of our garages sites and make investment decisions accordingly regarding ongoing use, considering factors such as void rates, demand, condition and cost of repairs.

The following lifecycles are to be used in terms of improvements to our garages and estates:

Component		Average life expectancy
Garages	Doors	20 years
	Roof and roofline	30 years
	Walls	100 years
Externals	Paving	50 years
	Car park areas	50 years
	Lamp posts (if not adopted)	30 years
	Private roads (if not adopted)	50 years

#### 4.6 Block communal stock condition surveys will be completed every five years.

EPC assessments will be completed on those properties where we do not hold a valid in-date EPC or where there is no EPC in place. We will seek to increase our EPC data year on year to plan for future energy efficiency programmes through planned works or the void process.

#### 4.7 All stock data will be updated and held on our asset management database, Keystone to help inform future investment decisions.



The parameters around cost assumptions to be reviewed on an annual basis and benchmarked against industry standards and updated accordingly. Component lifecycles are to be evaluated every three years in line with a review of this policy.

## **5 Implications for customers and staff (data protection info sharing and confidentiality)**

5.1 A PIA has been completed and is available on request.

For planned programmes customer information is shared with all contractors at the start of work taking place. This includes names and addresses to allow for effective communication with customers throughout the planning and delivery phases. Data sharing agreements are in place for all relevant contractors.

5.2 Equality Impact Assessment

An EIA has been completed and is available on request. The outcome of the assessment has identified that no major change is needed as no particular groups are positively or adversely affected.

## **6 Performance Management**

6.1 We will make use of the following performance indicators to monitor and report on the effectiveness of the policy. These will be reported to our Board quarterly basis.

- Number of stock condition surveys completed in quarter and overall % of stock with a current SCS (within last 5 years) – target 20% SCS completed annually.
- Number of EPCs undertaken in quarter and overall % of stock with a current EPC by band – target to increase data held by 10% year on year.
- Percentage of planned programme delivered by component

The following to be reported on an annual basis:

- Compliance with the Decent Homes Standard
- Customer satisfaction that home is well maintained

## **7 Responsibility and Decision Making**

7.1 The table below illustrates the structure for responsibility and decision making in relation to this policy.

Person Responsible	Scope
--------------------	-------





Head of Property Investment, Sales and Lettings	<ul style="list-style-type: none"> <li>• Overall responsibility for ensuring that all activities are undertaken, and all performance measurements are met.</li> </ul>
Property Investment Manager	<ul style="list-style-type: none"> <li>• Responsible for the day-to-day application and adherence to this policy.</li> </ul>
Senior Investment Officer, Project Officer, Assistant Project Officer, Asset Management Surveyor, Asset Management Officer	<ul style="list-style-type: none"> <li>• Responsible for ensuring the accurate collection of stock data on a periodic basis.</li> <li>• Ensuring the asset management database Keystone is kept up to date.</li> </ul>

## 8 Review

- 8.1 This Policy will be reviewed every three years or in line with changes in legislation, whichever is the sooner, updates or recommendations for changes will be presented to Board.

Associated Policies	Associated Procedures
Repairs and Maintenance Policy	
Void Management Policy	Void Procedure Manual
Health and Safety Policy	
Garage Policy	Garage Procedure
Neighbourhood Management Policy	
Environmental Policy	

