



Asset Management Strategy

2021 - 2026

Version Control

Version	Revision Date	Author: Job Title	Change Description
1.0	Sept '21	Group Director of Property	New Strategy
1.1	Dec '23	Policy & Compliance Manager	Revised stock numbers due to Northamptonshire LA changes.
1.2	August 24	Head of Asset Investment and Building Compliance	<p>Updates on damp and mould at 5.3 - 5.8</p> <p>Updates on Strategic Asset Performance Model and risk management approach 13.1 – 13.3</p> <p>Updates on roles and responsibilities within Property Services / Asset and Compliance Team 8.3 – 8.4</p> <p>Updates on managing risk at 11.4 - 11.5</p>

CONTENTS

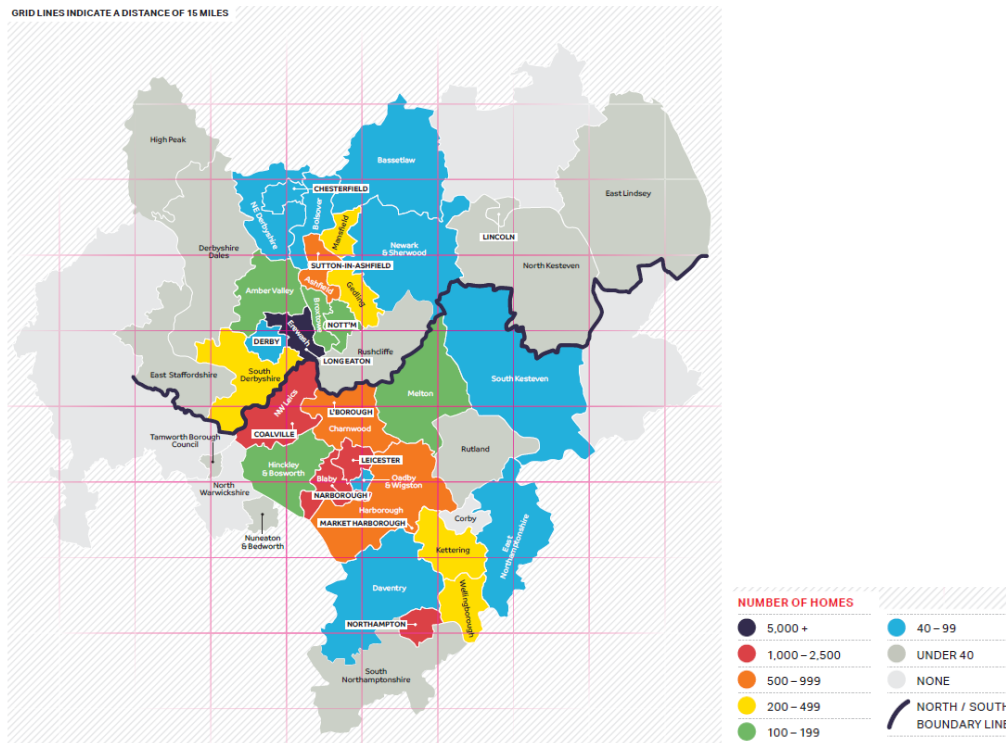
	PAGE
1 INTRODUCTION	4
2 MARKET CONTEXT	7
3 GEOGRAPHICAL ASSET BASE	8
4 ASSET PROFILE	9
5 LEGISLATIVE DRIVERS FOR CHANGE	10
6 PREVIOUS ASSET MANAGEMENT STRATEGY	13
7 ASSET MANAGEMENT STRATEGY	13
8 ASSET MANAGEMENT COMPONENTS AND TOOLS	16
9 ASSET MANAGEMENT PRIORITIES	19
10 CUSTOMER INVOLVEMENT	23
11 MANAGING RISK	24
12 FUNDING THE STRATEGY	25
12 STRATEGIC ASSET PERFORMANCE MODEL	27
APPENDIX 1 – LA Distribution of Stock	32
APPENDIX 2 – Property Typography	34
APPENDIX 3 – Five-Year Action Plan	35

1 INTRODUCTION

- 1.1 emh group is a social housing and care provider operating across the East Midlands and surrounding areas.
- 1.2 Originally established in 1946, the group is proud of its 75-year-old track record in providing good quality homes and care and support services for those who need them.
- 1.3 The group proudly describes itself as “profit for purpose” signifying its commitment to applying a commercial mindset which uses its income to deliver services shaped around the legitimate expectations of customers and to meet wider social objectives.
- 1.4 emh's success has been achieved through a sustained period of responsible growth accelerated through two Large Scale Voluntary Transfer (LSVT) acquisitions and effective partnership working with strategically important local authorities. Today, the group has an annual turnover exceeding £110m, owns and manages circa 20,000 homes and related assets, all located within an operational footprint of 6,500 square miles.
- 1.5 Playing a meaningful part in place-shaping and reducing homelessness remains an absolute commitment of the group which it demonstrates through an ambitious development programme delivering circa 600 new homes each year.
- 1.6 The map below shows our geographical operating area, with local authorities shaded by density:

emh group's property portfolio of 20,000 homes is located across 45 local authorities.

Its real value is in providing a range of good quality affordable homes and care and support services in neighbourhoods and communities where people want to live.



1.7 Managing residents’ homes efficiently and effectively is a priority for emh and is key to achieving the group’s stated vision of ***‘being the best housing and care business in the country, leading the market as service provider and employer’***. Aligning our assets and services with this vision and our mission of ***‘providing housing and care to improve opportunities for people’*** is fundamental to the success of this journey.

1.8 This document sets out how we will:

- Accelerate our progress towards our aspiration of providing a new generation of ***long life, low energy and low maintenance homes***, in locations where people ***want to live*** and where ***digital connectivity comes as standard***.
- Align our assets with our customers which enables them to have a voice on all matters to enhance their experience.
- Manage risk of asset failure.
- Predict and respond to legislative and regulatory changes that impact on how we manage our built assets.
- Play our part in reducing the carbon footprint of our property portfolio.
- Ensure that our properties are maintained to a high standard.
- Ensure that our customers are safe (and feel safe) in their homes.
- Set out our priorities for actively managing our assets over the next five years and longer term.

1.9 In summary, the strategy aims to build on the successes of our previous asset management strategies and to set out our approach to asset management

moving forward. It also aims to make the link between corporate ambition and delivery on the ground and does this by identifying the set of key actions within the detailed plan we will need to deliver over the next five years.

2 MARKET CONTEXT

- 2.1 Asset management in the affordable housing sector has been going through a significant transformation in recent years. This is described as the sector moving from ‘doing maintenance’ to becoming strategic managers of assets.
- 2.2 The Decent Homes Standard was for many years the key sector driver, using stock condition data to drive timely programmes of elemental replacements, whilst providing repair services.
- 2.3 Decent Homes dealt with historic underinvestment issues and maintaining that standard has been important for residents. But now there are wider considerations:
 - An asset management strategy must consider investment in the ‘place’ as well as the home.
 - Building and customer safety is key, with new emerging legislation and best practice.
 - Achieving a zero-carbon housing stock by 2050 is now a key target – but very much a new one for the sector.
- 2.4 So Registered Providers must ensure their asset management strategies and underlying investment plans accommodate all these new demands, to give residents safe, warm and well-maintained homes in nice places to live in over the medium to long term.
- 2.5 This means that financial planning must make adequate provision for all known and expected investment needs. But we must also be prepared not to invest in inadequate assets, where design, neighbourhood quality, construction type or energy efficiency will not be addressed by capital investment.
- 2.6 We need to be clear about our core assets, and provide for investing in and improving these, but for any less well performing stock we must be prepared to be more visionary, to secure best overall returns on our investment.
- 2.7 This may involve remodelling, change of use or more significant regeneration. We must understand our financial capacity to create the very best housing assets from our existing homes as well as through regeneration and new development.

3 GEOGRAPHICAL ASSET BASE

- 3.1 emh currently operates across 50 local authority areas predominantly in the East Midlands and plans to continue to view this as its core operating area although consideration will be given to growth in adjoining areas where there is a strong business case to do so.
- 3.2 Set out at Appendix 1 is a table showing the 50 local authorities within which emh owns and manages over 20,066 homes at present and where we also have a secured development pipeline. In summary:
- Overall committed growth of 15%
 - We own less than 10 homes in 15 LA areas; 99.7% of stock is in 35 LA areas and 99% in 30 LA areas.
 - 92% of all homes currently owned and managed are located in the 25 LAs, where emh is currently developing.
 - 76% of our homes are located in only 8 LA areas (Ashfield, Blaby, Charnwood, Erewash, Harborough, Leicester, West/North Northamptonshire, North West Leicestershire)
 - 51% of our current development pipeline is in these same 8 LA areas.
 - The development pipeline shows considerable proportional growth in other LAs.
- 3.3 Appendix 1 also shows our development pipeline in relation to existing assets. In the main, our most dense asset holdings follow a North South path either side of the M1 motorway, which is largely replicated by our development pipeline.
- 3.4 We will continue to look for opportunities in the more peripheral areas but we will also consider options for stock acquisitions and swaps with other landlords, where we can increase our presence and reduce overall operating geography.

4 ASSET PROFILE

- 4.1 The emh housing portfolio is well maintained, having benefitted from significant previous investment. The average age of the rented stock is 58 years, and this is expected to fall to 56 years by 2025 because of our development programme which aims to deliver 3,000 new homes over the corresponding period.
- 4.2 The key aspects of the property typography are provided at Appendix 2.
- 4.3 As well as acquiring good quality stock through successive development and responsible growth strategies, emh successfully absorbed two Large-Scale Voluntary Transfer (LSVT) organisations based in Derbyshire and Leicestershire, both of which were originally established and predicated on having a fully funded stock investment plan. As a result, our stock benefits from low levels of non-decency and below average demand driven repairs.
- 4.4 The portfolio generally benefits from high demand in most areas although for a variety of design issues and changing service user expectation there are signs that a small proportion of the group's portfolio of emh owned hostel accommodation containing shared facilities and some of our older persons schemes are beginning to suffer from a softening of demand.
- 4.5 A small proportion of our stock acquired through the LSVT acquisition programme are of non-traditional construction which have benefitted from investment and remain popular with customers. emh does not own any stock that meets the definition of a High-Risk Residential Building (HRRB) which is defined as a building where the floor surface of the top storey is 18m or more above ground floor level or where the building contains more than 6 storeys. emh does however prudently consider some of its care and support and older persons stock to be a higher risk by virtue of their complexity, use and tenure and consequently proactively undertakes enhanced levels of building safety related inspection and maintenance.
- 4.6 Miscellaneous assets are principally garages, areas of estate based green space and commercial properties which are often let as retail units and service the residents in the local neighbourhoods.

'the five-year strategy sets out our priorities and is the group's framework for making decisions about investment, disinvestment and divestment'

5 LEGISLATIVE DRIVERS FOR CHANGE

- 5.1 Unlike our previous strategies, this new Asset Management Strategy has had to be cognizant of an unprecedented amount of legislative and regulatory change that, when implemented, will have a material impact on the resource we deploy on managing the asset base. Emh recognize the need for the legislative and regulatory change, likewise we remain committed to ensuring our residents safety remains paramount and at the forefront of our values and commitment to provide safe, good quality affordable homes.
- 5.2 The direction of travel from the Building Safety Bill, Fire Safety Act, the Social Housing White Paper, including 'Decent Homes Plus and decarbonization targets will all have a lasting impact on how we demonstrate compliance with more exacting building, building safety, consumer and environmental standards.
- 5.3 We have detailed our responsibilities as a landlord within our damp and mould policy as we aim to comply with current, relevant legislation. We are dedicated to tackling issues with damp and mould across all of our stock and we continue to drive an increase in the energy efficiency standards of our homes with increased investment.
- 5.4 Our damp and mould policy outlines how we will:
- comply with legal and regulatory requirements
 - offer advice and assistance to residents, including information on thermal comfort and preventing condensation, damp and mould
 - ensure staff have adequate training and knowledge on levels of damp, mould and condensation awareness
 - have relevant and useful performance information reporting to enable us to review damp and mould related repairs and target proactive remedial work and targeted interventions such as information campaigns and website content
 - ensure that any components we install as part of our repairs and maintenance service are cost effective, sustainable and meet affordability objectives, whilst responding to the requirements for decarbonisation
 - implement processes designed to:
 - ensure a suitable and sufficient response to initial reports of damp, mould or condensation
 - identify the cause of damp occurring in homes where this is our responsibility

- order remedial works where required
- provide advice or other assistance to residents, where there is condensation present in their home
- increase awareness for residents through a range of communications and information on how to manage/prevent condensation in their home

<https://www.emh.co.uk/media/5598/damp-and-mould-policy-v12-sept-23.pdf>

5.5 Our aim is to provide and maintain healthy, safe and warm homes for our residents. We aim to proactively manage all issues related to damp and mould through the completion of responsive repairs, planned works and the suitable provision of advice and information to our residents. Our approach to damp and mould is detailed on our website with a downloadable information booklet for residents:

<https://www.emh.co.uk/housing/for-customers/maintenance/damp-and-mould/>

5.6 As part of our commitment and approach to tackling the damp and mould issues within our properties, a dedicated team was established whose staff have access to the use of suitably qualified, specialist contractors.

5.7 EMH has also rolled out its damp and mould training programme for all customer facing staff as part of its new policy and procedures. The training provided by EMH is mandatory and will encompass newly recruited staff and refresher training for existing staff to ensure continuity.

5.8 In line with the Housing Ombudsman’s report on damp and mould in 2021, EMH has looked to adopt a proactive rather than reactive approach which considers all of the key recommendations from the report. The ten recommendations detailed within the report were as follows:

1	Landlords should adopt a zero-tolerance approach to damp and mould interventions. Landlords should review their current strategy and consider whether their approach will achieve this.
2	Landlords should consider whether they require an overall framework, or policy, to address damp and mould which would cover each area where the landlord may be required to act. This would include any proactive interventions, its approach to diagnosis, actions it considers appropriate in different circumstances, effective

	communication and aftercare.
3	Landlords should review the accessibility and use of their systems for reporting repairs and making complaints to ‘find their silence’.
4	Landlords should identify opportunities for extending the scope of their diagnosis within buildings, for example by examining neighbouring properties, to ensure the response early on is as effective as possible.
5	Landlords should implement a data driven, risk-based approach with respect to damp and mould. This will reduce over reliance on residents to report issues, help landlords identify hidden issues and support landlords to anticipate and prioritise interventions before a complaint or disrepair claim is made.
6	Where properties are identified for future disposal or are within an area marked for regeneration, landlords should proactively satisfy themselves that residents do not receive a poorer standard of service or lower living conditions, that steps are taken to avoid homes degrading to an unacceptable condition and that they regularly engage and communicate with these residents.
7	Landlords should avoid taking actions that solely place the onus on the resident. They should evaluate what mitigations they can put in place to support residents in cases where structural interventions are not appropriate and satisfy themselves they are taking all reasonable steps.
8	Together with residents, landlords should review the information, materials and support provided to residents to ensure that these strike the right tone and are effective in helping residents to avoid damp and mould in their properties.
9	Landlords should be more transparent with residents involved in mutual exchanges and make the most of every opportunity to identify and address damp and mould, including visits and void periods.
10	Landlords should ensure their strategy for delivering net zero carbon homes considers and plans for how they can identify and respond to potential unintended consequences around damp and mould.

6 PREVIOUS ASSET MANAGEMENT STRATEGY

- 6.1 The previous Asset Management Strategy (2015 -2020) was written at a time of great political and financial pressure for the sector characterised by a government-imposed rent cut and the sector's response to the Grenfell Tower fire. Against this backdrop emh successfully executed its asset management strategy. In doing so we increased the financial resource we direct at building safety and invested over £100m on the property portfolio over the five-year strategy period.
- 6.2 Faced by the challenges of the time, and by design, the strategy focussed on efficiency, effectiveness and economy and it is a mark of the success of that strategy that we are now able to turn our focus to further enhancing the quality and safety of our offer to existing and new customers.
- 6.3 To address these challenges, we have already significantly strengthened the asset management capability in the business and this includes appointing a new Director of Property and strengthening the governance and reporting systems we use to provide building safety assurance (the golden thread).

7 ASSET MANAGEMENT STRATEGY

- 7.1 As stated above, this asset management strategy is designed to build on the success of the previous strategy and continue to act as the framework within which emh makes strategic decisions on investment, disinvestment and divestment. It has been drawn up to underpin and inform the organisation's corporate strategy and business plan and complement the suite of other underpinning strategies including the recently refreshed and closely aligned Development Strategy.
- 7.2 As a plan for action, this strategy purposely takes into account changes in our operating environment and sets out the priorities for the next five years that are applicable to the specification, physical care and improvement of our property related assets.
- 7.3 Our strategy is to:
- Optimise the asset base.
 - Plan for the suite of asset management related legislative and regulatory changes expected to occur during the life of the strategy.
 - Ensure our approach to data collection, management and use allows for

decisions, programmes and interventions to be timely and based on good quality asset intelligence.

- Establish a new aspirational quality and safety-based standard for our property portfolio.
- Tackle, by way of investment, disinvestment, or divestment, those properties and neighbourhoods that are found to fall short of the emh standard or exhibit other forms of obsolescence.
- Ensure the asset base is safe and in good condition through the deployment of effective maintenance regimes.
- Respond to customers changing priorities and provide choice in those areas that are important to customers.
- Publicise the arrangements we have in place for ensuring customers' homes are safe and well maintained.
- Care for the external environment as well as for individual homes.
- Balance expenditure on response, cyclical and capital works and look to achieve the optimum balance between reactive, cyclical and planned expenditure.
- Explore the use of technological advances in Smart Home and Telehealth and start the process of making our customers' homes digitally connected as standard in line with customer requirements.
- Increase the volume of repairs and maintenance work undertaken by our inhouse maintenance operation where it is commensurate with the capacity and capability of the team and where we can demonstrably deliver high levels of customer service and value for money.
- Continue the investment into improving energy efficiency and eradicating fuel poverty by ensuring all emh homes achieve an SAP rating of C (or better) by 2030.
- Commence the process of evaluating the best route to achieving net zero carbon emissions by 2050 whilst simultaneously ensuring any solution is cost effective for customers and emh.
- Anticipate and take action to avoid parts of the stock declining in desirability, value, and attractiveness.
- Ensure our work informs and complements our development and regeneration ambitions and facilitates the balancing of capacity in order to supply new homes and managing existing properties and neighbourhoods.
- Deliver investment programmes and other asset management related interventions in a cost-effective manner and in accordance with sound procurement principles.

7.4 DELIVERING OUR ASSET MANAGEMENT STRATEGY

7.4.1 At the heart of the strategy is a time bound and prioritised action plan (Appendix 3) that we will execute over the next five years. Years one to three are principally directed at enhancing the quality of stock condition information we have in order to produce a fully formed stock investment plan.

7.5 WE WILL DELIVER THE STRATEGY BY EMBEDDING THE ‘GOLDEN THREAD’ THAT ENSURES WE ARE:

1. **FOCUSSING ON CUSTOMER SERVICE**

Designing, building, and maintaining our assets to deliver a level of service that meets the expectations of our customers.

2. **LINKING STRATEGIC PLANNING AND SERVICE DELIVERY**

Effectively communicating the link between corporate objectives and investment priorities, plans and programmes.

3. **APPLYING THE RIGHT INTERVENTION AT THE RIGHT TIME**

Identifying timely programmes of work to maintain asset condition and performance.

4. **USING OUR ASSET KNOWLEDGE TO MANAGE RISK**

By collecting asset data and other knowledge we will be better placed to make balanced and informed intervention decisions. This will be enhanced further by the ICT and digital transformation programme which is creating data warehouses for presentation through “real time” interactive Power BI dashboards.

5. **MAKING BETTER WHOLE LIFE DECISIONS**

By considering how assets will be used and maintained before they are built, we will be better placed to influence costs in use.

6. **MEASURING THE IMPACT OF THE ACTIONS WE TAKE**

By listening to customers and reviewing the decisions we make over the life of the strategy we will be able to continuously improve and hone our approach to managing our assets.

7.6 LONG TERM INVESTMENT PLAN

7.6.1 This document is a strategy that sets out emh’s aspirations and approach to strategic asset management. We will continue to deliver excellent services and to invest in our homes – but prioritised on those where we are confident that the investment is justifiable and sustainable. Asset Management Components and Tools.

8 ASSET MANAGEMENT COMPONENTS AND TOOLS

8.1 emh has at its disposal a range of tools to assist in the process of responding to our drivers for change.

8.2 These include:

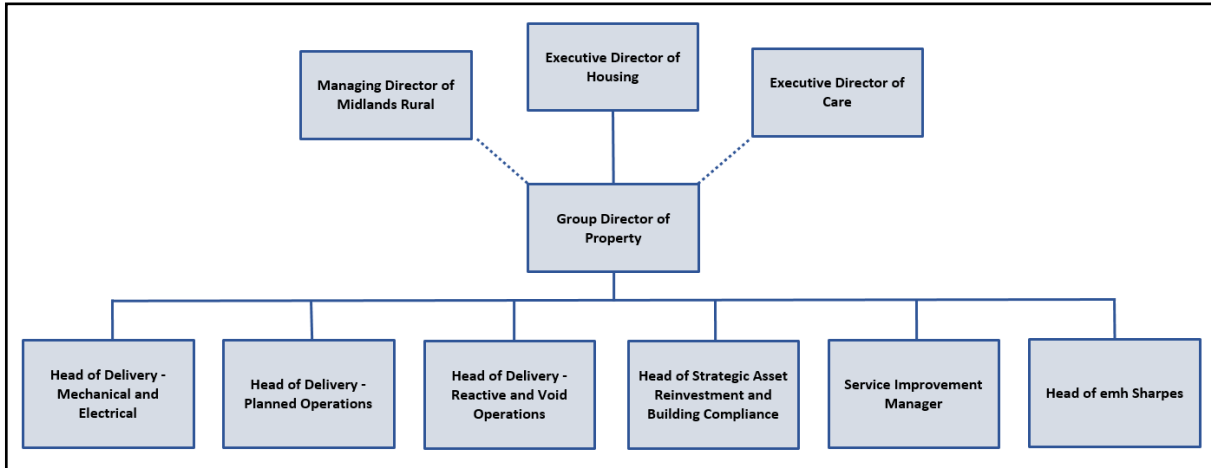
- An emerging whole life cycle approach to asset management that commences at the property design and refurbishment stage.
- A strategic asset performance model which allows us to make informed decisions on the future use of and investment in assets by examining in detail their past performance over a number of years, utilising a range of financial and non-financial metrics.
- Stock condition data, which is regularly updated and collected using statistically reliable and verifiable stock survey techniques.
- The expertise of its teams to plan and deliver projects effectively.
- A business plan to support programmes of work including:
 - Regeneration of dwellings and estates including refurbishment and remodelling of accommodation to ensure that it remains attractive and meets modern requirements and customer expectations.
 - A planned maintenance programme, achieving economies by replacing components just before they would otherwise require responsive repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for demand driven maintenance.
 - Regularised maintenance programmes with a primary focus of keeping residents safe in their homes.
 - Cyclical maintenance to prevent deterioration in the physical condition of the stock.
 - A responsive maintenance service to address unforeseen episodic repairs and to prevent unplanned deterioration in its condition.
 - An efficient and effective voids repair service, helping to protect the organisation’s revenue and minimise the number of rejected offers on the grounds of poor condition.
 - A carbon reduction programme.
 - Demolition or other forms of divestment of selected property, to remove obsolete provision or to permit replacement with dwellings that respond more effectively to changing requirements and represent

‘the five-year strategy sets out our priorities and is the group’s framework for making decisions about investment, disinvestment and divestment’

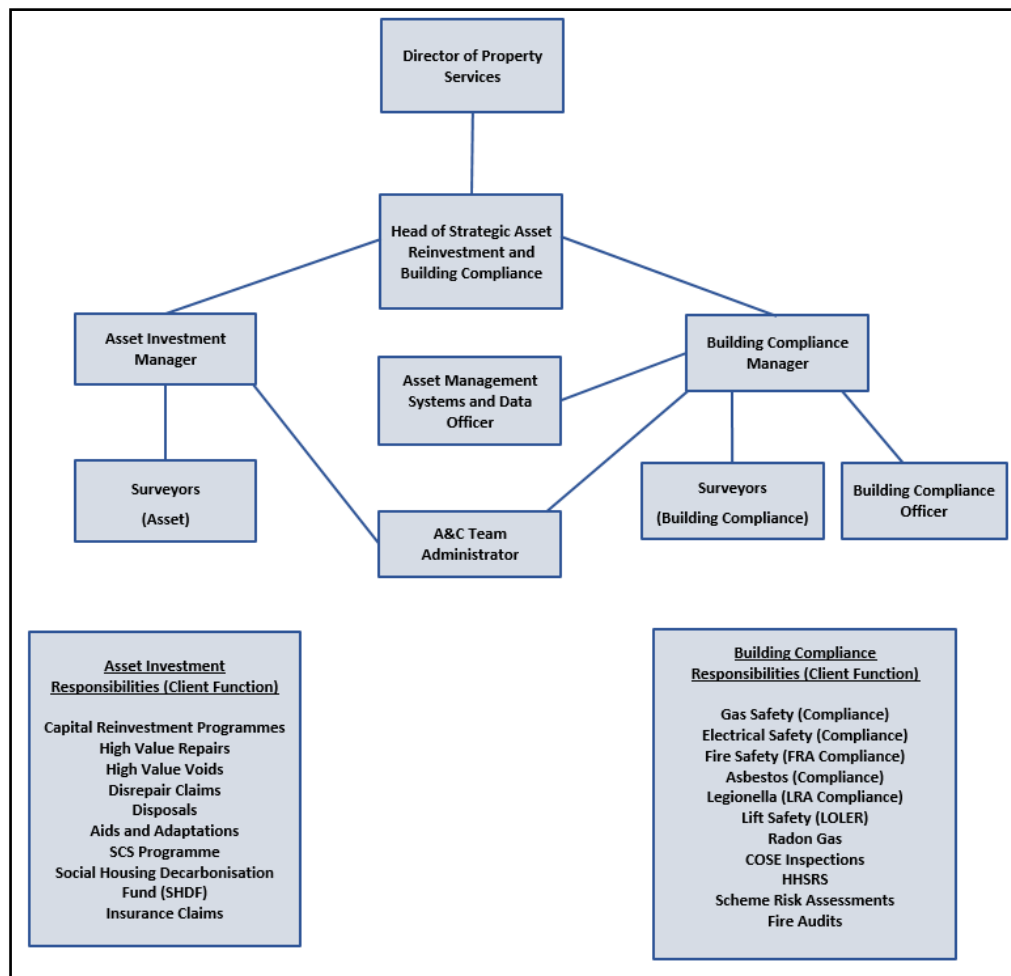
a sounder economic and social investment.

8.3 To demonstrate how emh will deliver on its aims and objectives laid out in the Asset Management Strategy through its Property Services structure, please see below it's structure chart and the roles and responsibilities detailed within it:

High Level Structure Chart:



Asset and Building Compliance Team Structure Chart:



- 8.4 Colleagues within the Property Services structure are provided with training and development opportunities to enable them to meet the team and departmental aims and objectives. Staff training requirements are reviewed on a team-by-team basis within the Property Services department, with assistance from the organisation's Learning and Development Team. Job roles within each team are given specific job families to which core training and qualifications are allocated. Mandatory training for staff is regularly monitored and reviewed to ensure compliance.

9 ASSET MANAGEMENT PRIORITIES

- 9.1 emh has identified 8 key asset management priorities which will need to be addressed during the life of the strategy. The most significant of these challenges are summarised below and expanded further within the appended 5-year action plan.
- 9.2 USING ASSET INFORMATION TO MAKE BETTER DECISIONS
- 9.2.1 We will develop a new framework for profiling stock condition information, utilising whole-life costing and assessing investment or disinvestment options.
- 9.2.2 We will therefore create a comprehensive emh asset grading model, utilising data from across the business which will assess the qualitative and financial strengths and weaknesses of our stock, in the context of our operating market.
- 9.2.3 Through this process we will identify low-performing stock, where we will need to consider more investment or other actions, beyond progressive planned maintenance.
- 9.2.4 For the less well performing assets we will undertake full option appraisals, at scheme or neighbourhood level, as appropriate, to consider future investment requirements or other actions. The stock grading model outcomes will help us to understand the issues – solutions may be a change to the management approach, more investment, change of use, remodelling, regeneration or redevelopment.
- 9.2.5 Older persons accommodation is less than 10% of our new development as per the development strategy so therefore this is not a significant business growth area.

Our Drivers for Change

Ageing Assets

Maintaining the performance and safety of an ageing asset base

More Exacting Customer Expectations

Keeping our assets relevant by ensuring they are aligned with the reasonable expectations of new and existing customers.

Technology

Exploiting technological advances in property management and ensuring our homes come digitally connected as standard.

Climate Change

Responding to climate change by decarbonising our homes and providing homes and services in a sustainable way

Financial Constraints

Becoming more efficient in the way we manage finite financial resources and seeking opportunities for inward investment.

Legislative and Regulatory Change

The Social Housing White Paper and further changes to building safety and standards will all require us to adapt accordingly.

9.2.6 Whilst the majority of our schemes are to a very high standard there are schemes that are experiencing a softening of demand. An externally commissioned review of our older persons portfolio has been undertaken and has identified a range of property design and obsolescence issues that need to be prioritised.

9.3 DEVELOPING A NEW EMH VISION AND STANDARD FOR ALL ASSET GROUPS AND NEIGHBOURHOODS.

The emh portfolio currently exhibits a range of standards that have been applied from time to time and from place to place. During the life of this strategy, we will work with customers and other stakeholders to develop the new unified aspirational standards which meet the changing regulatory standards to meet our customer's needs.

9.4 FUTURE PROOFING OUR CARE AND SUPPORT AND OLDER PERSONS ACCOMMODATION

9.4.1 The Group's property portfolio assigned to Care and Support and Older Persons accounts for circa 25.5% of the stock inventory, meeting the housing needs for some of the most vulnerable in society.

9.4.2 Over the life of this strategy emh will develop a comprehensive vision for older persons and temporary hostel accommodation and is to be underpinned by a new set of standards and a prioritised and fully costed plan for ensuring this much needed form of accommodation is sustainable over the long term.

9.5 DEVELOPING OUR APPROACH TO NEIGHBOURHOOD REGENERATION

9.5.1 In addition to investment in individual homes, emh intends to pre-empt any changes to the Decent Homes Standard, which is expected to see for the first time, environmental considerations to be included. As part of this strategy, emh will take a wider view of investment requirements in estates and neighbourhoods.

9.5.2 Developing a model that will facilitate informed decisions on what kind of intervention is required and at what point in a neighbourhood's evolution will be a key building block of the group's approach in this area.

9.6 REDUCING THE CARBON FOOTPRINT OF THE ASSET PORTFOLIO

9.6.1 In June 2019, the UK became the first major economy to legislate to achieve net zero emissions by 2050 and recent research indicates that over 90% of a typical Registered Provider's operational carbon emissions come from existing homes. Interim targets have also been set including the requirement for all fuel poor homes to achieve an Energy Performance Certificate (EPC) standard of band C by 2030.

- 9.6.2 In common with all other registered providers, the 2050 and 2030 targets represent major challenges for emh and will require significant upskilling and financial resources over the short, medium and long term.
- 9.6.3 A recently completed externally commissioned review of our stock, which involved the extrapolation of the energy performance information we have for 65% of our stock, indicates that we will need to improve circa 5,600 homes to hit the interim EPC C rating target by 2030.
- 9.6.4 During the life of this strategy, we will develop a short-, medium- and long-term plan for energy efficiency and initially focus on the delivery of the 2030 requirement. To avoid the risk of expensive re-work after 2030 we will adopt a fabric first approach which means that the emphasis will be placed on improving insulation and reducing heat demand.
- 9.6.5 We will also use the strategy planning period to commence the process of developing our response to the increasing trend of private investors looking to invest in social housing providers which yield social value. Producing information on environmental, social, and governance-related factors in the form of an industry standard ESG Report, provides funders with the information needed to establish whether their investment has a wider social impact rather than just generating returns.
- 9.6.6 We are expecting significant technological and government energy policy changes over the life of this strategy. We will continue to monitor changes and adapt our strategy as required and we will also work with the wider housing sector and the Government to help shape national policy in this area.

9.7 BETTER USE OF TECHNOLOGY

- 9.7.1 To take full advantage of the social value of the asset base, we need to harness significant technological based opportunities that are emerging and that will allow our properties to become digitally connected as standard and accessible to all regardless of age or disability. e-learning for children, telehealth and other forms of Smart Home technology are becoming common place and provide access to services not always available to our client groups.
- 9.7.2 The gradual migration to electrical vehicles will also, over time affect the desirability of some of our stock which we need to plan for now.
- 9.7.3 Technological advances will also allow us to move to a more predictive form of property maintenance and if exploited will allow us to monitor asset performance remotely and more cost effectively.

9.8 BUILDING SAFETY

- 9.8.1 The safety of customers is of paramount importance to emh, and substantial

resources are directed at this aspect of managing the property asset portfolio.

9.8.2 We were swift in our response to address sector-wide concerns following the Grenfell tragedy by quickly carrying out enhanced safety programmes. Robust inspection and maintenance regimes are in place as are reporting mechanisms that provide the oversight and assurance that safety actions are being prioritised and completed to time and quality.

9.8.3 During the life of this strategy, it is expected that further legislative and regulatory tightening will take place and we will need to ensure we have the suitably skilled and trained expertise within our organisation to respond accordingly. We will also be renewing our focus on ensuring the building safety related data and information currently held in EMH and third-party systems is interfaced to the point where we have a single view of a property's history.

9.9 PROCUREMENT

9.9.1 EMH operates a mixed market approach to the delivery of repairs, maintenance and stock investment works. There is an organisational commitment to growing the amount of work undertaken by the inhouse maintenance team where the work is commensurate with the skills and abilities possessed by the workforce and where pursuing this route demonstrably delivers excellent customer service and Value for Money.

9.9.2 During the life of this strategy, we will need to ensure that the team are supported in this aspiration by the establishment of a robust Business Plan that provides the long-term visibility of future workstreams.

10 CUSTOMER INVOLVEMENT

- 10.1 EMH is committed to involving customers and ensuring they play a meaningful part in shaping services and setting standards. The group’s consumer regulation arrangements have been developed in partnership with customers and provide opportunities for residents to influence service design, standards, and delivery. This strategy will fully exploit these arrangements by ensuring customers are at the heart of the decisions we need to make to ensure the strategy is a lasting success.

11 MANAGING RISK

- 11.1 EMH is acutely aware that evaluation of risk is an essential part of an effective asset management approach. Major decisions taken about the future and utilisation of the asset base in the absence of a risk assessment may have a long-term detrimental effect on the sustainability of communities and financial viability of the association.
- 11.2 The organisation has a systematic approach to managing asset-related risks. This involves the regular review of impact and probability of specific risks materialising and an evaluation of the control arrangements that are in place for managing and minimising current and emerging risks. These are updated in light of changing circumstances.
- 11.3 As part of its 5-yearly cyclical stock condition surveying programme EMH now completes assessments on its stock using the Government’s Housing Health and Safety Rating System (HHSRS). The results from these assessments are used as part of the organisation’s reporting on Decent Homes compliance. Decent Homes compliance and the results of the specific HHSRS assessments are provided to board members on a quarterly basis. The ongoing management of Decent Homes compliance and the HHSRS remedial programme is managed by the Asset and Building Compliance Team.
- 11.4 emh has considered the wider sector, legislative and consumer changes in the latest revision (August 2024). These changes and any further changes from ongoing consultation such as Decent Homes Standard and Awaab’s Law will be considered and included in future reviews of the strategy.
- 11.5 Changes to fire safety have been considered in the August review, emh have no Assets which meet the criteria for High-Risk Residential Building (HRRB), however the emh fire safety policy identifies the approach on a 1 and 2 year Fire Risk Assessment cycle based on tenure types, the policy was approved at the Fire safety Committee of which Derbyshire Fire Authority are a member as emh’s Primary Fire Authority partner.

12 FUNDING THE STRATEGY

12.1 A component level investment review was carried out in 2023 which took actual data from on-site stock condition surveys to forecast the levels of investment required for each over the next 5-30 years. This was validated externally by ARK which were in line with sector benchmarks and lifecycles. The costs informed the 30-year investment plan within the FFR

12.2 To fully establish the investment needed to fund the strategy we will need to:

- Continue with the stock condition survey programme to ensure the 5 year cycle remains compliant which will continue to inform the future investment plan.
- Estimate the cost of dealing with potential obsolescence in the older persons and emh owned hostel accommodation which will be informed by the ASAP model.
- Estimate the cost of implementing any new standards for rented accommodation (For example Awaab's Law)
- Make provision for regeneration schemes that are likely to crystallise over the life of the strategy, which will be informed by the ASAP model.
- Start the process of achieving a better understanding of the investment required to be fully carbon neutral by 2050.

13 STRATEGIC ASSET PERFORMANCE MODEL

- 13.1 emh homes (emh) has a significant portfolio of 16,481 homes of various types, configured across 2,701 schemes and 36 local authorities.
- 13.2 In order to understand the performance of this asset portfolio in more granular detail, ARK Consultants were appointed in 2023 to undertake an Asset Grading exercise using its Ark Strategic Asset Performance (ASAP) model. This exercise allows emh to demonstrate a full understanding of the relative performance of its housing asset base, in line with regulatory expectations.
- 13.3 The ASAP model allows Registered Providers' like emh to make informed decisions on the future use of and investment in assets by examining in detail their past performance over a number of years, utilising a range of financial and non-financial metrics. Over 54 data sets are examined, and all units and schemes are scored according to their relative performance against each other.

Data is then grouped into four key areas:

- People – social factors, customer views and emh staff views.
- Asset – location, sustainability, tenure, asset suitability, repairs, voids.
- Finance – financial and asset performance, NPV, overheads.
- Market – service charges, market and LHA rent comparison.

emh
June 2021



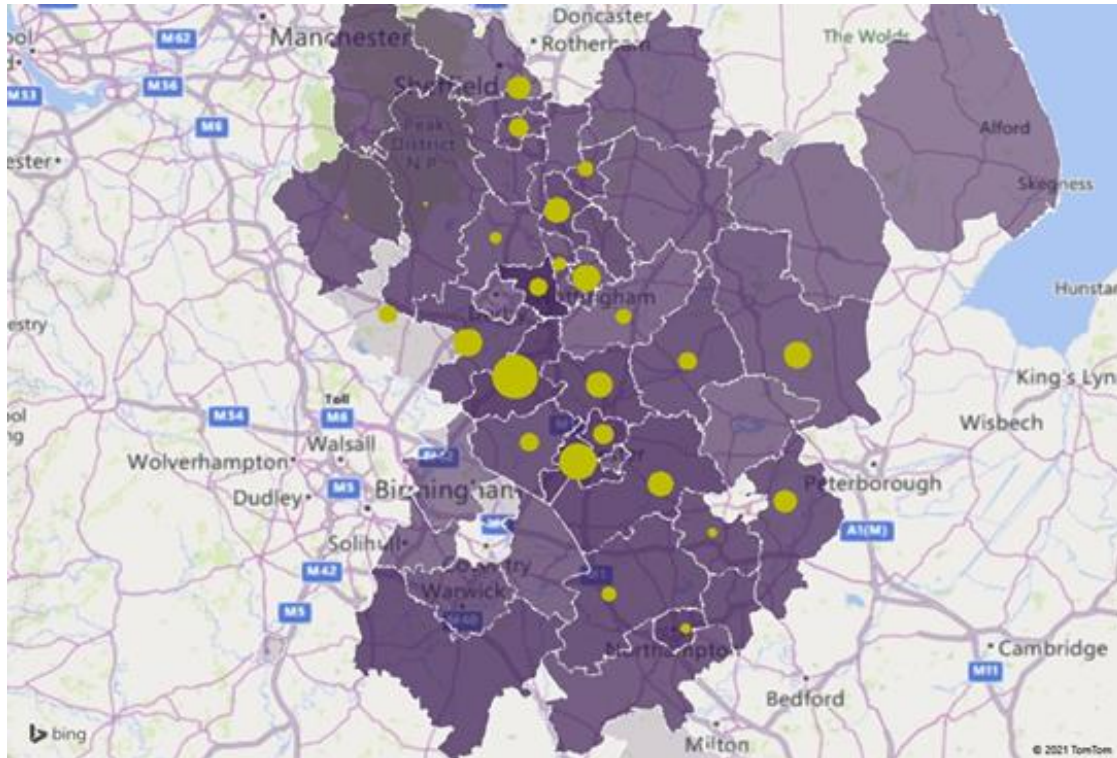
APPENDIX 1 – LA DISTRIBUTION OF STOCK

The table below shows the 24 local authority areas where emh is developing new homes:

Local Authorities in Stock	Residential Stock in Dev. LA *	Dev. Units	New Stock in LA	Increase % Stock in LA
Amber Valley	125	33	158	26.4%
Ashfield	798	149	947	18.7%
Blaby	2835	311	3146	11.0%
Broxtowe	127	42	169	33.1%
Charnwood	953	161	1114	16.9%
Chesterfield	162	89	251	54.9%
Derbyshire Dales	158	5	163	3.2%
East Northamptonshire	239	118	357	49.4%
East Staffordshire	1	78	79	7800.0%
Erewash	5286	74	5360	1.4%
Harborough	769	146	915	19.0%
Hinckley And Bosworth	298	80	378	26.8%
Leicester	1498	93	1591	6.2%
Mansfield	215	56	271	26.0%
Melton	314	78	392	24.8%
North East Derbyshire	239	124	363	51.9%
North Northamptonshire	655	21	676	3.2%
North West Leicestershire	1694	457	2151	27.0%
Nottingham	103	170	273	165.0%
Rushcliffe	71	55	126	77.5%
South Derbyshire	427	185	612	43.3%
South Kesteven	135	167	302	123.7%
Staffordshire Moorlands	93	6	99	6.5%
West Northamptonshire	1961	74	2035	3.8%
Grand Total	19156	2772	21928	14.5%

*Owned with emh group excluding leaseholder stock.

emh also works in a further 22 local authorities managing a total of 1,165 units, with a stock holding ranging from 1 - 462 homes. The distribution of stock (heat map) and scale of the development pipeline (yellow dots) is shown below:



APPENDIX 2 – PROPERTY TYPOGRAPHY

PROPERTY TYPE

Property Type	Number/%
Houses	7,491 (47%)
Bungalows	2,867 (18%)
Flats	4,550 (29%)
Other (includes hostel accommodation)	708 (85%)

CONSTRUCTION AGE

Date of Construction	Number
Pre 1930	351
1930's	503
1940's	754
1950's	1,799
1960's	1,639
1970's	2,583
1980's	1,549
1990's	1,488
2000's	1,148
2010's	1,602
Undetermined	2,200

APPENDIX 3 – FIVE YEAR ACTION PLAN

Highlighted below are the prioritised actions the organisation has set itself for honing the management of its assets and directing its investment in the most cost-effective manner. Although the plan is designed to cover the initial five-year period of the strategy, the completion of most of the activities targeted for years one, two and three are crucially important as they will enable the production of a fully formed stock investment plan.

KEY ASSET MANAGEMENT STRATEGY ACTIONS

Strategic Action		Description	Outcomes	Year				
				1	2	3	4	5
1.	Stock Condition Surveys	Remove backlog of property/EPC surveys and establish rolling programme targeting 20% of our stock each year.	A continual updating of our Keystone stock database, to improve the quantity and quality of underlying data and subsequent decision making.	x	x	x		
2.	Property and Asset Grading Model	Develop/procure an AGM for all properties and related assets	A detailed understanding of the relative qualitative and commercial performance of properties and related assets.	x	x	x		
3.	Asset Performance Mapping	Combine housing and garage performance into a single map, to identify locations of relative performance, for option appraisals.	A comprehensive understanding of housing and garage asset performance, by location.	x	x	x		
4.	Tackling Obsolescence	Complete review of priorities for investment in: <ul style="list-style-type: none"> • Older Persons Accommodation • Hostel Accommodation 	There will be a costed set of priorities for investment that have been informed through the involvement of customers.	x	x	x		

Strategic Action		Description	Outcomes	Year				
				1	2	3	4	5
		<ul style="list-style-type: none"> Neighbourhood 						
5.	5- and 30- Year Investment Plan	Once stock condition and priorities for action are known, produce costed plan for the asset base.	A single costed plan that sets out short-, medium- and long-term plan for the asset base.			x		
6.	Achieving the 2030 EPC C Target	Once EPC survey backlog is removed, prepare detailed plan for achieving the 2030 target.	A robust and cogent plan is in place and being executed to hit the 2030 target.	x	x			
7.	Achieving the net zero decarbonisation target established for 2050	To start the process of reviewing approaches to ensuring the 2050 target is met.	Will be well placed to make informed decisions about the options available to hit the 2050 target.	x	x	x		
8	Skills and Development (asset management team)	Establish workforce plan and competency framework for the inhouse resource necessary to manage the organisations assets and provide high levels of customer service.	The team will be structured around business needs and reflect the skills required to adapt to legislative, regulatory and technological change	x	x	x	x	x
9	Handling disrepair claims	Review the current approach to managing disrepair claims.	The organisation will be better equipped to pre-empt and manage the upward trend in disrepair claims affecting the sector.	x	x	x		
10	Property Record keeping	Review current approach to capturing and storing property records including those held on third-party portals and systems.	A single view of property history will be available, held chronologically and within a	x	x	x	x	x

Strategic Action		Description	Outcomes	Year				
				1	2	3	4	5
			single emh controlled data repository.					
11.	Visibility and clarity of future work programmes	Extend planning horizon of work programmes and communicate this information to customers and other stakeholders (including the inhouse team).	Customers and colleagues will have a better understanding of the nature and timing of planned works and the inhouse team will be able to plan workforce requirements more effectively.			x	x	
12.	Customer Involvement	Ensure customers are involved in the implementation, monitoring and review of all relevant aspects of this strategy.	The shape and timing of services and priorities will have been shaped around customers and will have a positive impact upon how they rate emh as their landlord.	x	x	x	x	x
13.	Smart Home Technology	Undertake detailed of options available to emh to facilitate digital connectivity in customers' homes.	Digitally excluded customers can avail themselves to services not available without an internet connection in their home.				x	x
14.	ESG Reporting	Ensure data arrangements are sufficiently robust to facilitate ESG reporting.	Environment, social and governance reporting arrangements are in place and used to extend the range of private sector investors emh can gain access to.		x	x		

Strategic Action		Description	Outcomes	Year				
				1	2	3	4	5
15.	Inhouse Maintenance Team - Business Plan	Produce business plan for inhouse team that is aligned with corporate priorities and growth targets.	Inhouse maintenance team has plan that provides it with the visibility of scope and scale of workstream, business growth areas and financial targets.				x	
16.	Stock profile - Local Authorities	Update strategy to reflect changes in local government in Northamptonshire from April 2021. There are now just two unitary councils - North Northamptonshire and West Northamptonshire	Align all emh stock to the correct Local Authority		x			

APPENDIX 4 – DAMP AND MOULD – HOUSING OMBUDSMAN’S TEN KEY TESTS

- **Find your silence**

Who is not using your complaints system and why? Some landlords see high complaints as a bad thing, but high complaints about damp and mould can be a sign that you are open and transparent and people feel they can complain.

- **Proactive communications strategy**

Damp and mould cases are out there, and you need to engage with that. But our call for evidence also highlighted that landlords are often doing quite a lot in this space and their residents have no idea. Do not patronise, do not be obscure and make sure you use everyday terms; the advice needs to be helpful and understandable.

- **Treat residents fairly**

It is not their fault they are in a home unsuitable for living or currently in a property that is marked for regeneration/demolition.

- **Improve record-keeping**

How can you adopt an intelligence-based front foot if you have no data on what you are dealing with? How can you ensure that the left hand knows what the right hand is doing if nothing is recorded? We will soon be releasing a Spotlight report on this issue for you to engage with.

- **Know your residents**

Occupancy factors may include overcrowding and the availability and use of heating and ventilation systems. They also include individual circumstances such as disability, financial hardship and health conditions.

- **Check net zero plans**

Electric heating costs more than gas in most circumstances. If your net zero strategy is pushing people into hardship, you need to make sure you are making mitigations.

- **Know your stock**

Structural factors include property age, design and modifications. For example, certain types of properties, such as converted street properties, buildings of concrete construction or traditional solid-type construction, are more susceptible to damp and mould than others.

- **Dedicated damp and mould strategy**

Create one by looking wider than the individual cases. Use your void periods and mutual exchanges, too.

- **Empower staff**

If they are in a property for something else, help them clock the signs. We encourage landlords to consider the Chartered Institute of Housing's professional standards if they have not already done so.

- **Use the complaints system to learn**

Be robust in using the complaints process until such time as proceedings are filed.