



# ASSET MANAGEMENT STRATEGY

2024-2027



# ASSET MANAGEMENT STRATEGY

## SECTION A – BACKGROUND AND CONTEXT

### 1.0 Introduction and Aims

- 1.1 CGA's homes represent one of our major assets and effective management, maintenance and investment is crucial for us to ensure their long-term sustainability and ensure there is adequate provision of appropriate, high quality, affordable homes for people within our geographical operating areas.
- 1.2 This Asset Management Strategy builds on the previous versions approved in 2014, 2017 and 2019.
- 1.3 Having brought all homes up to the Decent Homes standard by 2010/11 following the stock transfer in 2005, our more recent Asset Management strategies shifted from simply looking at component replacement and bringing all homes up to the Gateway Homes Standard; considering instead long term viability decisions on how and where we targeted our resources in order to secure the best return on our investment and maximise asset performance in response to financial pressures arising from the 4 year rent cut.
- 1.4 The financial pressures have continued over the last 5 years, with COVID and rising inflation along with significant recent legislative and regulatory changes.
- 1.5 The aim of this Strategy is therefore to continue to build on the success of our previous strategies and set out our approach to meeting the new and emerging challenges which the sector faces which are set out in detail below.
- 1.6 It aims to ensure that our homes are maintained to a high standard, meet all legislative requirements, and provide tenants with a safe, warm, affordable home

as well as ensuring our investment decisions are based on high quality data, enabling us to deliver efficient and effective services which demonstrate value for money to our tenants and meet our business objectives.

- 1.7 The strategy aims to establish a link between CGA's ambition and delivery on the ground, facilitating an improved sense of place and community, identifying a key set of actions which will inform development of a detailed action plan, which CGA will deliver over the next three years.
- 1.8 This strategy will act as a framework within which CGA make strategic decisions on investment, disinvestment and divestment in its stock. It has been drawn up to underpin and inform CGA's 30-year Business Plan and complement a suite of other underpinning CGA strategies.
- 1.9 The Strategy applies to all CGA assets including all social rented, affordable rented, leasehold and shared ownership homes as well as our offices, commercial units and green spaces.

## **2.0 FACTORS INFLUENCING THE STRATEGY**

### **Strategic Context**

- 2.1 CGA's Vision is 'working together to provide homes and communities our tenants can be proud of with services they value and trust'.
- 2.2 Our new Corporate Plan covering the period 2024 – 2030 was developed by listening to the views of tenants through a range of methods, and focuses on seven key priorities and outcomes:
  - We will provide great customer service.
  - We will provide safe, well-maintained Homes.
  - We will provide more affordable homes.

- We will make a difference in our communities.
- We will be a great place to work.
- We will manage our business to the highest standards.
- We will create a sustainable future.

2.3 Our Board are clear that managing our valuable housing and related assets efficiently and effectively is a priority for CGA and wholly consistent with the vision and priorities set out in the Corporate Plan.

### **External Environment**

2.4 Asset management in the affordable housing sector has been going through a significant transformation in recent years. This is described as our sector moving from 'doing maintenance' to becoming strategic managers of assets.

2.5 The Decent Homes Standard was for many years a key sector driver, using stock condition data to drive timely programmes of elemental replacements, whilst providing repair services. Established as a 'trigger point for action' it was often viewed as the actual aspirational standard.

2.6 Decent Homes dealt with historic underinvestment issues and maintaining that standard has been important for our CGA tenants. However, there are now a number of wider considerations which have emerged and are continuing to emerge which will have a material impact on CGA's ability to effectively manage and resource:

- Government proposals to implement a Decent Homes Plus standard that extends existing standards into the environment within which properties are located.
- Building and customer safety is key with new emerging best practice and legislation, including Awaab's Law, Building Safety, Fire Safety and the new RSH Safety and Quality Consumer Standard.

- Decarbonisation, EPC level C and achieving a zero-carbon housing stock by 2050 are all now key targets.

2.7 To respond to the above challenges it is imperative that our asset management strategy and underlying regeneration and investment plans are mindful and seek to accommodate these new demands, so as to continue to give tenants good quality, safe, energy efficient and well-maintained homes in attractive places to live.

### **Changing Customer Profile and Expectations**

2.8 An ageing population, cuts in public expenditure on health and social care and an increase in the number of people unable to afford to get onto the housing ladder, resulting in increased homelessness has put greater pressure on the social housing sector to fill the gap.

2.9 This, along with increasing customer expectations, means we need to be alive to the challenge of keeping CGA's assets, and services delivered, relevant by ensuring they align with the needs and expectations of new and existing tenants.

### **Climate Change**

2.10 In June 2019, the UK became a first major economy to legislate to achieve net zero emissions by 2050 and recent research indicates over 90% of a typical housing provider's operational carbon emissions come from existing homes.

2.11 Interim targets have been set including a requirement for all fuel poor homes to achieve an Energy Performance Certificate (EPC) standard of band C by 2030. In common with all other housing providers, 2050 and 2030 targets represent major challenges to CGA and will require significant upskilling and financial resources over the short, medium and long term.

- 2.12 Over the life of our previous strategy we increased the number of homes that we own which meet the EPC Band C standard from 71.45 to 80.86%, however our data shows that we still have 1,294 homes which will require further investment in order to achieve an EPC C rating by 2030. Currently, 98.4% of CGA's homes failing to meet an EPC C are rated as category D.

### **Technology**

- 2.13 As technology continues to develop at pace, it is important that we continue to exploit technological advances in property management and ensure our homes can be adapted to accommodate new technology and are digitally connected.

### **Economic Factors**

- 2.14 The ongoing financial uncertainty means CGA's financial planning must make adequate provision for all known and expected investment needs and we must also be prepared not to invest in inadequate assets, where design, quality, construction type or energy efficiency will not be addressed by capital investment.
- 2.15 Throughout the lifecycle of this strategy CGA will become much clearer about our core assets and will aim to develop clear plans for investing and improving our assets. However, for any less well performing stock we must be prepared to be more visionary to secure best overall returns on our investment.
- 2.16 This may involve remodelling, demolition, change of use or more significant regeneration. CGA will continue to use our financial capacity to create the very best housing assets from our existing homes as well as through regeneration and new development.

## Stock Profile

2.17 As a stock transfer from Preston City Council, the majority (97%) of our housing stock remains in the Preston local authority area although recent development and acquisition activity means that we now own homes in 6 local authority areas as can be seen in the map below.

2.18 Within each of these regions there are distinct and settled communities, with a diverse range of homes in each area, varying by size, tenure and age.



2.19 The table below illustrates CGA's rented housing stock volume and tenure within each of our operating areas as at 31 October 2024.

| Local Authority | General Needs | Market Rent | Staff Accommodation | Shared Ownership | Supported Housing and Housing for Older People | Total        |
|-----------------|---------------|-------------|---------------------|------------------|------------------------------------------------|--------------|
| Preston         | 6109          | 3           |                     | 72               | 686                                            | 6870         |
| Blackpool       | 71            |             | 3                   |                  | 6                                              | 80           |
| South Ribble    | 50            |             |                     | 26               |                                                | 76           |
| Fylde           | 22            |             |                     | 17               | 6                                              | 45           |
| Chorley         | 6             |             |                     |                  |                                                | 6            |
| West Lancashire | 6             |             |                     |                  |                                                | 6            |
| <b>Total</b>    | <b>6,264</b>  | <b>3</b>    | <b>3</b>            | <b>115</b>       | <b>698</b>                                     | <b>7,083</b> |

2.20 In addition, CGA own a further 478 assets including leasehold properties and other non-housing properties. As at 31 October 2024, CGA's total stock profile is as follows:

community  
gateway

| ASSET TYPE                           | NO.          | NOTES                                       |
|--------------------------------------|--------------|---------------------------------------------|
| GENERAL NEEDS RENTED ACCOMMODATION   | 6,264        | *95 scheduled for demolition                |
| SHELTERED HOUSING                    | 431          | *32 scheduled for re-model                  |
| EXTRA CARE                           | 121          |                                             |
| HOUSING FOR OLDER PEOPLE (NEW MODEL) | 52           |                                             |
| SUPPORTED HOUSING                    | 94           |                                             |
| SHARED OWNERSHIP                     | 115          |                                             |
| STAFF ACCOMMODATION                  | 3            |                                             |
| MARKET RENT                          | 3            |                                             |
| <b>Sub-total</b>                     | <b>7,083</b> |                                             |
| LEASEHOLDERS                         | 293          | *80 scheduled for demolition                |
| CHURCH                               | 1            |                                             |
| GARAGES                              | 151          |                                             |
| LIBRARY                              | 1            |                                             |
| OFFICES                              | 3            | *+2 leased with compliance responsibilities |
| SHELTERED COMMUNITY CENTRES          | 10           |                                             |
| SHOPS                                | 19           |                                             |
| <b>Sub-total</b>                     | <b>478</b>   |                                             |
| <b>TOTAL</b>                         | <b>7,561</b> |                                             |

2.21 The total number of rented and shared ownership homes in CGA's ownership are shown within the table below:

|                         | NUMBER OF BEDROOMS |              |              |              |             |             |             |             |
|-------------------------|--------------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| TYPE                    | 0                  | 1            | 2            | 3            | 4           | 5           | 7           | TOTAL       |
| BEDSIT                  | 39                 |              |              |              |             |             |             | <b>39</b>   |
| BUNGALOW                |                    | 449          | 69           | 2            |             |             |             | <b>520</b>  |
| FLAT                    |                    | 1976         | 484          | 3            |             |             |             | <b>2463</b> |
| HOUSE                   |                    |              | 1286         | 2613         | 91          | 2           | 1           | <b>3993</b> |
| MAISONETTE              |                    |              | 60           | 8            |             |             |             | <b>68</b>   |
| <b>TOTAL</b>            | <b>39</b>          | <b>2425</b>  | <b>1899</b>  | <b>2626</b>  | <b>91</b>   | <b>2</b>    | <b>1</b>    | <b>7083</b> |
|                         |                    |              |              |              |             |             |             |             |
| <b>% of Total Stock</b> | <b>0.57</b>        | <b>34.24</b> | <b>26.81</b> | <b>37.07</b> | <b>1.28</b> | <b>0.02</b> | <b>0.01</b> | <b>100</b>  |

2.22 The majority of stock is comprised of houses (42.2%) and flats (34.77%) with a relatively small proportion of bedsits (0.5%) and maisonettes (0.96%). These properties have always been more problematic through low demand and increased management costs, and previous asset management and development strategies have successfully reduced these numbers through redevelopment, divestment and regeneration programmes.

2.23 Our proportion of bungalows is also low (7.4%) when compared to other comparable social housing providers and again, we have sought to increase these numbers, where it has been financially viable for us to do so, through our recent development programme.

- 2.24 Our homes generally benefit from high demand in most geographical areas, and demand has increased significantly for our traditionally lower demand properties such as one bedroom flats which make up 27.9% of our rented portfolio due to the significant increase in homelessness applications. Where before Covid and the increase in private rents, waiting time for such properties was usually less than a month, even the highest band applicants are now waiting in excess of 12 months for such homes.
- 2.25 Despite the work done during the previous corporate plan to reimagine our older person offer, which has successfully delivered 2 new extra care schemes containing 121 homes and our first new model of older persons accommodation of 52 homes, along with the decommissioning of 62 outdated sheltered housing properties at Maudland House and Alexandra House, demand for the upper floor flats in existing sheltered schemes without lifts continues to cause concern with low demand. In total, there are 92 such upper floor flats which we struggle to let to people who meet the required criteria in relation to age and support needs.

### **Stock Condition and Investment Requirements**

- 2.26 CGA has invested heavily in bringing our homes up to, and maintaining them at, the Gateway Homes Standard which was developed in conjunction with our tenants.
- 2.26 We completed our major improvement programme in 2011 and are 100% compliant against the Decent Homes Standard.
- 2.28 We have a range of tools in place to ensure we understand the condition of our stock and the level of investment that is needed to ensure our homes continue to be well maintained and meet all regulatory standards over the life of our business plan and beyond.

2.29 These include:

- We have traditionally aimed to undertake physical stock condition surveys to 100% of our stock through our in-house surveying team
- Our stock condition data is held in our asset management database, Kesytone, which uses our agreed component lifecycles as covered in more detail below. All information is based on survey data
- We undertake independent validation of all stock condition data collected to ensure it remains statistically reliable and conforms with verifiable stock survey techniques
- We have introduced an asset grading system which is supported by our extensive stock condition data and is regularly updated through ongoing surveys undertaken by GPC's HomeCare Team.

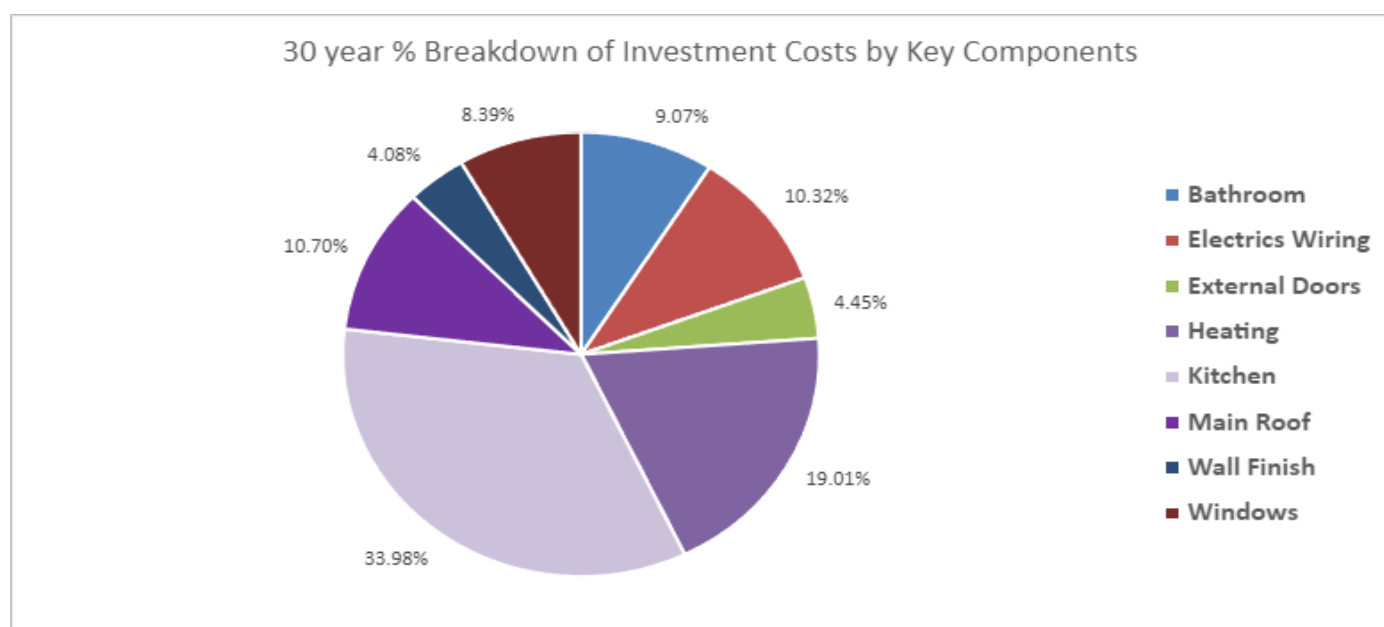
2.30 We have a further range of tools which assist us to ensure we are delivering our investment requirements including:

- Maintenance planning, building safety and repairs scheduling systems
- Cyclical maintenance to prevent deterioration in the physical condition of CGA's stock
- Regular maintenance programmes with a primary focus keeping tenants safe in their homes
- A planned maintenance programme achieving economies by replacing components just before they would otherwise require response repairs, therefore reducing future requirements for demand driven maintenance
- An established in-house responsive maintenance service to address unforeseen episodic repairs and to prevent unplanned deterioration in property condition
- An comprehensive empty homes standard with stretching targets to improve performance to protect CGA's revenue whilst minimising the number of rejected offers on the grounds of poor property condition.

2.31 The projected planned investment requirement based on current stock condition data is predicated on an expectation that components within CGA Homes have a limited lifespan, this being:

- Boilers -15 years.
- Kitchens - 20 years.
- Bathrooms - 30 years.
- Heating Distribution Systems - 30 years.
- Windows - 40 years.
- Roofing – 70 years.

2.32 The extent of CGA's major component replacements over the course of our 30-year Business Plan is set out below:



2.33 CGA will invest £282.72m including VAT over the next 30 years on investment works. This is only one element however of the investment that CGA makes into its homes. Over the next 30 years, CGA will invest a total of £548.08m as shown in the table below.

| YEAR         | RESPONSIVE REPAIRS (inc VOIDS, GAS SERVICING & ELECTRICS) | MAJOR & CYCLICAL REPAIRS | INVESTMENT WORKS |
|--------------|-----------------------------------------------------------|--------------------------|------------------|
| 1 – 5        | 41,233                                                    | 4,579                    | 33,691           |
| 6 – 10       | 39,330                                                    | 4,579                    | 46,749           |
| 11 – 15      | 39,330                                                    | 4,579                    | 53,351           |
| 16 – 20      | 39,330                                                    | 4,579                    | 35,440           |
| 21 – 25      | 39,330                                                    | 4,579                    | 50,896           |
| 26 – 30      | 39,330                                                    | 4,579                    | 62,597           |
| <b>TOTAL</b> | <b>£237.88m</b>                                           | <b>£27.48m</b>           | <b>£282.72m</b>  |

Note: costs are at current prices and include VAT

2.34 The previous investment that CGA has made into the stock, aligned with the relative simplicity of our stock means that our homes are generally regarded as being in a satisfactory condition (a view supported in our recent stock condition validation report by JLL) and our investment costs are at the lower end of the norm for the sector.

2.35 We do however still have some difficult issues that need to be addressed, including:

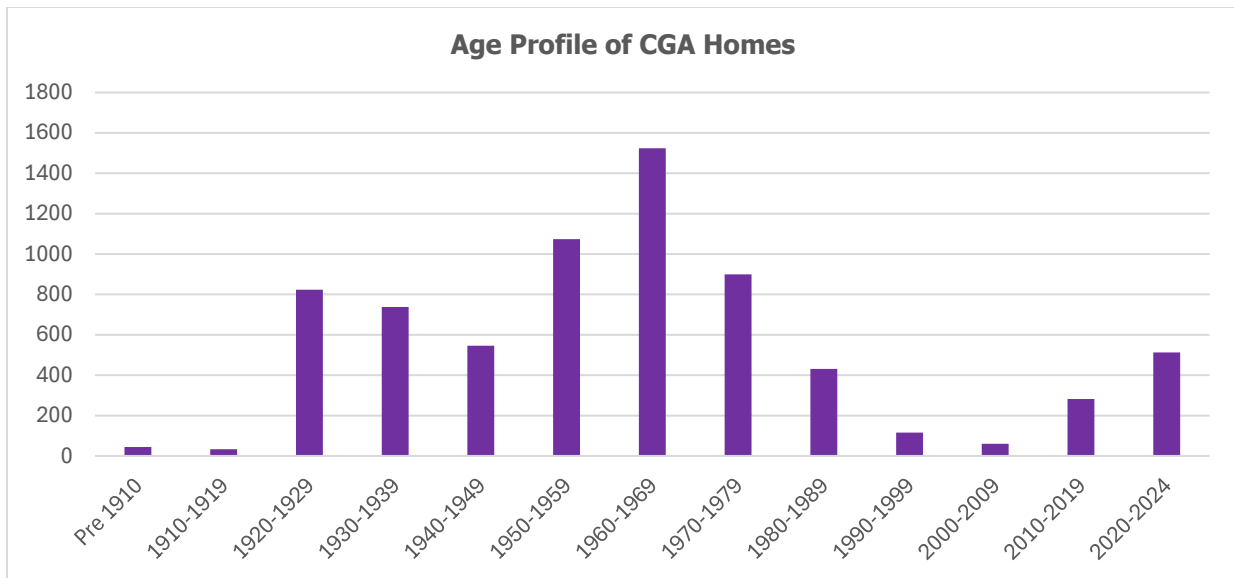
- We have a number of ageing assets and it is important that we continue to invest wisely in order to maintain performance and safety of this ageing asset base
- Due to the nature and timing of our previous stock improvement programmes, we have a spike in component replacements in the coming years which will need to be managed carefully to ensure that homes remain compliant with the decent homes programme whilst ensuring works can physically be carried out and funded within business plan parameters
- We have seen a 13% year on year increase in the number of reported responsive repairs which has put pressure on our responsive budgets and

impacted our ability to meet our responsive repair targets which has resulted in increased complaints and declining satisfaction

- We have 95 rented homes and 3 leaseholder properties that are awaiting demolition as part of our wider community regeneration strategies, along with a further 80 leasehold properties which we aim to demolish upon purchase at Ribble Heights and an empty Sheltered Scheme which is awaiting redevelopment
- As previously set out, demand in more than 90 upper floor sheltered flats is low, impacting the potential viability of 6 schemes comprising of over 180 homes
- There are circa 133 properties situated within CGA's Tree's Estate of an archetype which has seen a number of reports of damp course failure
- 1,294 homes within CGA's housing stock do not currently meet the minimum EPC C standard and we are aware of 9 properties which cannot achieve the required standard.

### **Asset Profiling and Grading**

- 2.36 The chart below illustrates an age profile of CGA's housing stock which clearly shows 49.37% of stock ranges between 1950 to 1979 with further peak of 22.04% constructed between 1920 to 1939.



2.37 CGA have adopted an asset grading system which is a performance-based asset management model to enable CGA to effectively grade and track improvements in operational performance of our stock.

2.38 Asset grading is achieved by sub-dividing our stock into three asset classes, A, B and C as detailed below. In order to arrive at our asset grading a number of factors have been considered, such as: Net Present Value (NPV), EPC rating and potential levels of future investment required over and above costs known costs factored into the NPV calculation.

2.39 This builds upon the our previous asset classification model which focussed solely on NPV value.

2.39 The chart below shows the numbers of CGAs homes which fall into each asset class.

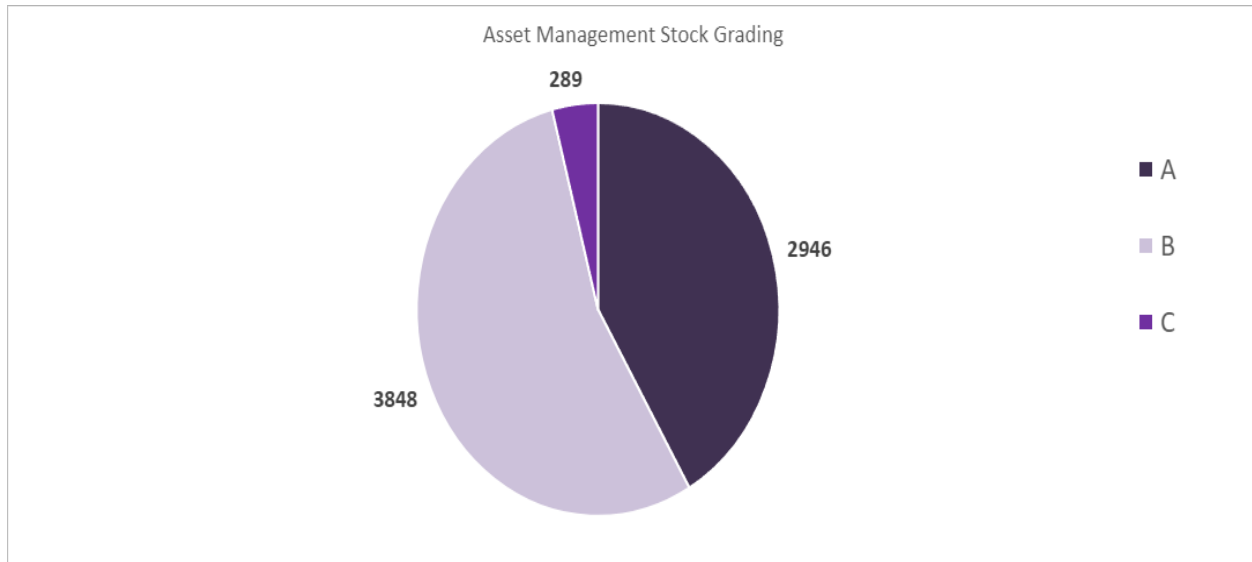


Chart Key:

| Asset Class | CGA Strategy                                |
|-------------|---------------------------------------------|
| A           | Long term sustainable assets                |
| B           | Sustainable assets to be kept under review  |
| C           | Stock requiring a clear investment strategy |

#### Asset Class A – Long Term Sustainable Assets:

2.40 Class A assets require on-going rolling programmes of elemental renewal, general repairs, cyclical maintenance and investment to maintain to current CGA standards.

2.41 There may be one off investment requirements in addition to elemental investment where service needs of tenants' change however overall, these assets are considered long term sustainable assets providing appropriate levels of investment, sound housing management and maintenance principles continue to be applied.

- 2.42 CGA's better performing assets which incorporates all of CGA's newly built homes consists of 2,946 properties which represent 41.6% of rented stock. Estimated capital and cyclical expenditure over 30 years for stock in Asset Class A is £1,110 per unit per annum on average (PUPA).

#### **Asset Class B – Sustainable Assets to be Kept Under Review:**

- 2.43 Class B assets will require additional capital investment or intervention in the medium term. A targeted approach through HomeCare's stock condition surveying (SCS) activities will support a robust review of data relating to these assets to determine the exact level of investment required. The outcomes of these surveys will inform CGA's plan for future capital investment in these homes.
- 2.44 There are currently 3,848 properties in Asset Class B which equates 54.3% of CGA's rented stock. The average 30-year projection for capital and cyclical expenditure for Asset Class B is currently £1,223 PUPA based on known requirements however the targeted survey programme will determine the accuracy of this data and identify if there are any additional spend requirements.

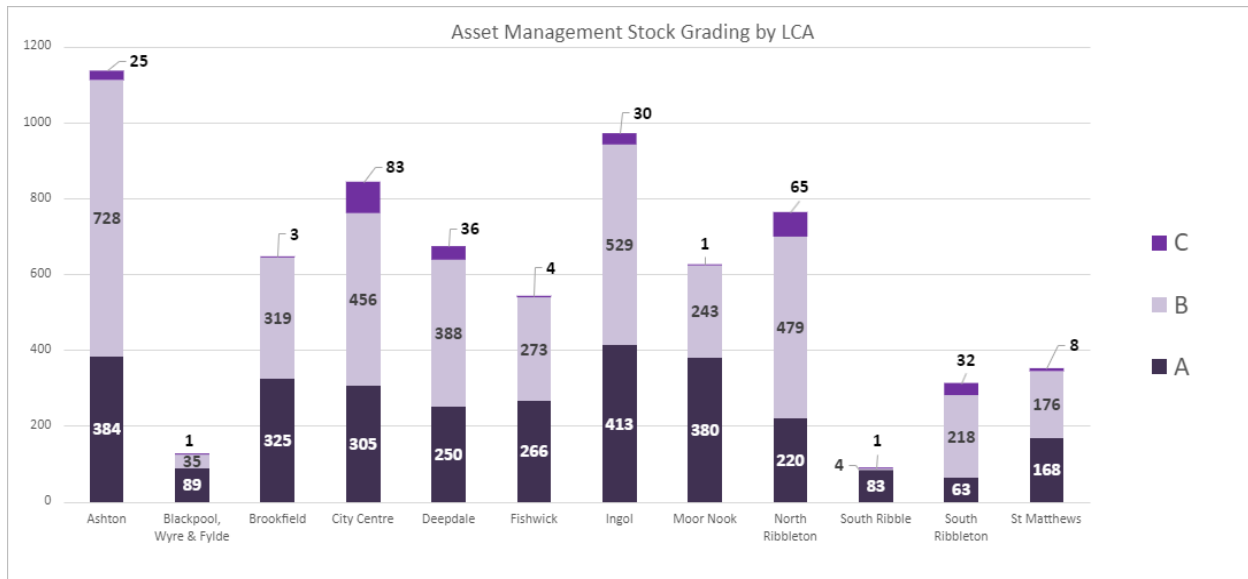
#### **Asset Class C – Stock Requiring a Clear investment Strategy:**

- 2.45 Class C assets may require additional capital investment or intervention in the medium term over and above repetitive elemental investment. Again, a targeted approach to HomeCare's stock condition surveying (SCS) activities will allow a comprehensive review of data relating to these relatively low number of properties and where necessary more robust Options Appraisals will be developed.

2.46 There are currently 298 properties in Asset Class C which equates 4.2% of CGA's rented stock. However, at the point of producing CGA's revised strategy 95 of these homes are earmarked for demolition. Therefore, CGA's average 30-year projection for capital and cyclical expenditure for Asset Class C is £1,280 PUPA based on the remaining 203 properties.

2.47 Whilst CGA's class C assets are broadly comparable with category A&B in terms of PUPA, the outcomes of the targeted stock condition surveys supported by more detailed options appraisals is likely to increase the level of required investment or result in a need for disinvestment strategies.

2.48 The chart below illustrates CGA's asset grading by LCA which will support a targeted approach to both future stock investment and condition surveys to ensure CGA's homes remain desirable and decent.



2.49 Based on the previous chart its evident that 95.9% of CGA's rented housing stock is sustainable longer term, whilst a further 4.1% of schemes are sustainable but may require some additional investment or intervention in the medium term and should be kept under review. Therefore, subject to sensible levels of ongoing regular investment CGA's forecast for planned investment will be achievable and in line with sector benchmarks.

## **SECTION B – OUR ASSET MANAGEMENT STRATEGY**

### **1.0 AIMS AND OBJECTIVES**

1.1 The aims of CGA's Asset Management Strategy are to:

- Maintain CGA's housing stock to a high standard, providing all tenants with a warm, safe, well-maintained home; and
- To meet all legislative requirements; and
- To ensure efficient and effective investment in our housing stock to meet the needs of tenants, leaseholders and residents of Preston and beyond; and
- Ensure our investment decisions are based on high quality data, enabling us to deliver efficient and effective services which demonstrate value for money to our tenants and meet our business objectives.

1.2 The key objectives of our strategy are:

#### **Objective 1 – Keeping our Homes Safe and Well Maintained**

CGA's homes are the organisation's major assets, and the safety of CGA's tenants is of paramount importance to our organisation and as such we have chosen to invest the largest proportion of our income in ensuring our homes are safe and well maintained. Keeping our homes safe and well-maintained does not only ensure our tenant's well-being, but also ensures we protect our assets for the long term.

Historically, CGA have been swift in our response to address sector-wide concerns such as the 'Big 6', Awaab's Law and new Quality and Safety Standards by quickly carrying out enhanced safety programmes and we need to ensure we

continue to take all reasonable steps to ensure the health and safety of tenants in their homes and associated communal areas.

With the introduction of new asset management systems including C365 and Total Mobile, robust inspection and maintenance regimes will be enhanced, as will reporting mechanisms that provide oversight and assurance that safety actions are being prioritised and completed to time and quality.

During the life of this strategy it is expected that further substantial legislative and regulatory change will take place and CGA will need to ensure we have suitably skilled and trained expertise within our Asset Management department to respond accordingly.

**To achieve this objective, we will:**

- Maintain 100% of our stock to the Decent Homes Standard.
- Ensure we are compliant with the Safety and Quality Consumer Standard.
- Ensure CGA comply with all of our statutory compliance obligations by managing an effective portfolio of servicing and repair specialist contracts.
- Establish new standardised and consistent quality and safety-based specifications for all components across all homes in our housing portfolio.
- Undertake detailed intrusive property surveys and develop investment plans to address damp related issues on known problematic property types.
- Plan for a suite of asset management related legislative and regulatory changes expected to occur during the life of this strategy.

**Objective 2 - Understanding our asset base:**

If we are to ensure that we are delivering products and services that meet our tenants' needs and are making informed decisions about how and where we invest in our stock to ensure we are providing good quality, well maintained and

safe homes for our tenants, it is imperative that we collect, store and use accurate up to date information.

**To achieve this objective, we will:**

- Enhance our Homecare approach to data collection, management and use of stock condition and Housing Health and Safety Rating System (HHSRS) data and where appropriate, necessary grading information, allowing for decisions, programmes and interventions to be timely and based on good quality asset intelligence.
- Develop an approach to proactive forward planning surveys to ensure maximisation of component lifecycles and improve control regarding capital expenditure.
- Continue our journey to manage and use our data better through the delivery of the organisation's Data Strategy.
- Anticipate and take action to avoid parts of the stock declining in desirability, value, and attractiveness whilst mitigating any associated risks.
- Maintain a prioritised schedule of regeneration initiatives at neighbourhood or scheme level, complementing CGA's broader regeneration activities.

**Objective 3 - Ensuring efficient and effective service delivery:**

Our tenants regularly tell us that their repair service is amongst their highest priorities and one of the highest drivers of overall satisfaction.

We recognise that recent challenges have meant that our performance in some areas is not where we, or more importantly our tenants, want it to be and we understand where improvements need to be made in order to ensure all repairs are delivered within target and to the quality expected.

The development of short, medium and long term planned investment in line with our 30-year business plan will support efficient service delivery, enhance value for money and ensure CGA continue to provide properties our tenants are proud to call a home.

CGA will take full advantage of significant technological based opportunities which will emerge as result of our Total Mobile investment allowing our tenants to become more digitally connected whilst providing access to services in a variety of user-friendly platforms.

**To achieve this objective, we will:**

- Aim to keep the asset base safe and in good condition through delivery of best in class R&M services and deployment of effective and innovative maintenance regimes which matter most to our tenants.
- Use new and improved technology to make best use of our available data to balance CGA's expenditure on responsive, cyclical and capital works.
- Maintain a medium and long term planned investment strategy to support efficient service delivery.
- Maintain a stable and equipped workforce supported by a robust management structure to deliver value for money and tenant focused services.
- Increase CGA's volume of repairs and maintenance work undertaken by GPC where it's commensurate with capability and where CGA can demonstrably deliver high levels of customer service and value for money.
- Implement and embed Total Mobile within GPC to support new ways of working, streamline our current processes and ensure accurate data is being recorded resulting in incremental service improvements in areas of underperformance.

- Ensure our work informs and complements our development and regeneration ambitions and facilitates a balancing of capacity in order to supply new homes and managing existing properties and neighbourhoods.

#### **Objective 4 - Working together with our tenants**

As a member-led organisation, founded on community gateway model principles, we have well established involvement structures in place in which our tenants play an important, active role in the decisions that CGA takes as a business. In doing so, they provide a continued challenge to ensure we operate efficiently to achieve the best outcomes for tenants.

Ensuring we continue to hear the tenant's voice in all areas of our service and actively challenge ourselves to seek out our silence is vital in ensuring we can deliver the other objectives contained within this strategy.

#### **To achieve this we will:**

- Continue to seek opportunities to understand our tenants' changing priorities in order that we can respond and provide further choice in those areas most important to residents.
- Use the full range of our customer insight to continually review the effectiveness of our services and ensure we are meeting tenant's needs.
- Analyse our data through the Making Metrics Meaningful project to ensure that the service is delivering fair and equitable outcomes for all tenants, undertaking further consultation and feedback where this is proven not the be the case.
- Engage a wide demographic of CGA's tenants regarding our work on stock option appraisals.
- Maintain short, medium to long-term programmes of work for all of our assets so tenants know what work to expect when, and leaseholders have clarity over their financial contributions.

- During the life of our strategy CGA will work with tenants and other stakeholders to develop standards and specifications which are appropriate to a wide range of demographics and place tenants at the heart of all we aim to achieve.

### **Objective 5 - Reducing Carbon Footprint of CGA's Asset Portfolio:**

One of our 7 corporate priorities is to 'Create a sustainable future' and reducing the carbon footprint of our homes provides the biggest opportunity, and challenge, for CGA to meet its objective of becoming carbon neutral by 2050.

In line with our corporate plan, it is proposed to focus on our 2030 target before developing a plan for achieving net zero carbon by 2050 by the end of our current corporate plan.

CGA's stock condition information and stock grading modelling provides a basis for our capital programme which will include expenditure to meet the minimum standard of EPC C by 2030.

#### **To achieve this objective, we will:**

- Develop a short, medium and long-term plan for energy efficiency which will initially focus on the delivery of the government's EPC 'C' target by 2030.
- Establish CGA's investment requirements for improving energy efficiency and eradicating fuel poverty by ensuring all CGA homes achieve an Energy Performance Certificate rating of EPC 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 tenants and CGA.

- To avoid the risk of expensive re-work after 2030 CGA will continue to adopt a fabric first approach with an emphasis on improving insulation and reducing heat demand, to be funded from within CGA existing 30-year Business Plan and by maximising Warm Homes grant funding.

## **Objective 6 - Enhancing our asset value through targeted, evidence based and value for money investment decisions:**

As the organisation's key assets, it is important that investment in our homes is undertaken wisely to enhance the assets' value and make best use of the finite resources that we have.

CGA operates a mixed market approach to delivery of repairs, maintenance and stock investment works. There is an organisational commitment to growing the amount of work undertaken by our in-house maintenance team (GPC) where work is commensurate with the skills and abilities possessed by our inhouse workforce. However, pursuing this route must demonstrably deliver excellent customer service and value for money.

### **To achieve this objective, we will:**

- Make best use of CGA's asset base by utilising available resources within our capital investment and revenue budgets.
- Tackle, by way of investment, disinvestment, or divestment, those properties and neighbourhoods that are found to fall short of CGA's standard or exhibit other forms of obsolescence.
- Combine reviews of capital investment with those of revenue expenditure and where possible, secure grant funding to optimise investment and regeneration outcomes.

- Increase the proportion of work undertaken by GPC and support GPC to deliver this work through the establishment of a robust plan that provides long-term visibility of future workstreams.
- Undertake detailed options appraisals and viability reviews of one-bedroom upper floor flats.
  - Exploit opportunities to re-purpose surplus land and garage assets.
  - Enhance external environments as well as individual homes linked to CGA's Development & Regeneration Strategy.
  - Continue to seek opportunities for making our tenants' homes more digitally connected.
  - Rigorously test value for money to maximise our return on investment.

### **Objective 7 – Deliver Social Value from our Investment Decisions:**

As a community based landlord, we aim to ensure that our activities make a positive contribution to the neighbourhoods in which we operate.

One of our corporate objectives is 'We will make a difference in our communities' and it is important that we ensure our investment in our non-housing assets environmental spaces assists us to ensure our tenants live in well-kept neighbourhoods in line with our Community Regeneration Strategy.

### **To achieve this, we will:**

- Deliver investment programmes and other asset management related interventions in a cost-effective manner, in accordance with sound procurement principles and with the involvement of our tenants.
- Utilise CGA approved contractors and supply chain to deliver real local employment and training outcomes for our communities.
- CGA will develop a range of solutions and seek external grant funding to support our social value targets.

- In partnership with CGA's wider teams and local partners we will offer energy efficiency advice, guidance and signpost our tenants towards financial support.

## **2. Tenant Involvement:**

- 2.1 This strategy has been informed by using a range of customer insight including consultation undertaken as part of the Big Conversation, feedback received through complaints, compliments and satisfaction surveys, tenant scrutiny exercises, Spotlight sessions and Gateway2You events.
- 2.2 The broad aims and objectives of the strategy have been discussed with our tenant committee; Gateway Central who were supportive of the priorities set out.
- 2.3 CGA are committed to involving a wide demographic of tenants and ensuring they play a meaningful part in shaping services and setting standards. This strategy complements CGA's Community Empowerment Strategy 2024 - 27 and ensures tenants, leaseholders and community groups are placed at the heart of decisions we need to make to ensure our strategy is a lasting success and responds to changing tenant expectations.
- 2.4 Following approval of the strategy it is intended that a menu of opportunities will be provided to tenants to shape the detail of the strategy and the accompanying action plan and ensure we deliver the objectives set out within this document in a way that meets their needs and expectations.
- 2.5 CGA will continue to offer a menu of opportunities for tenants to participate in various consultation and service transformation activities throughout the life of this strategy which include:
  - Gateway Central monitoring of performance against targets and satisfaction

- Targeted tenant scrutiny exercises
- Customer Journey mapping exercises to improve processes
- Bespoke focus groups and online consultation activities
- Gateway2You sessions and Spotlight Sessions

2.6 CGA will also utilise a series of targeted 'you said, we did' communications so tenants know we value and listen to their views and historic perceptions begin to change.

### 3. Managing Risk:

3.1 CGA are 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 our asset base in absence of a risk assessment may have long-term detrimental effects on sustainability of communities and the viability of CGA's Business Plan.

3.2 CGA will continue to demonstrate a systematic approach to managing asset-related risks. This involves regular reviews of impact and probability of specific risks materialising within our operating environment and an evaluation of control arrangements established for managing and minimising current and emerging risks. These risks will be updated throughout the life of our strategy and in light of changing regulatory or legislative circumstances.

3.3 Contained within CGA's corporate risk register are a number of risks and mitigations which have been formally recorded. Those risks are as follows:

**Risk 24** – *As a result of inadequate asset management there is a risk that CGA's properties fail to reach legal requirements which could lead to legal action*

*against the Association, increased costs, regulatory downgrade and reputational damage.*

**Risk 75** – *As a result of the presence of damp, mould and condensation (DMC) in our homes combined with inappropriate management arrangements, there is a risk that tenants living conditions become unacceptable and the structural integrity of the property deteriorates. This may result in a worsening of the tenant's health and wellbeing, their levels of satisfaction with our services alongside greater property repair and investment costs, increased legal action, regulatory downgrade and reputational damage.*

- 3.4 The risks identified above are continually monitored at various levels throughout the organisation via CGA's Risk Review Group and regularly reported to Board and CGA's Audit & Risk Committee to ensure the appropriate level of visibility and scrutiny is applied to mitigate the risks.

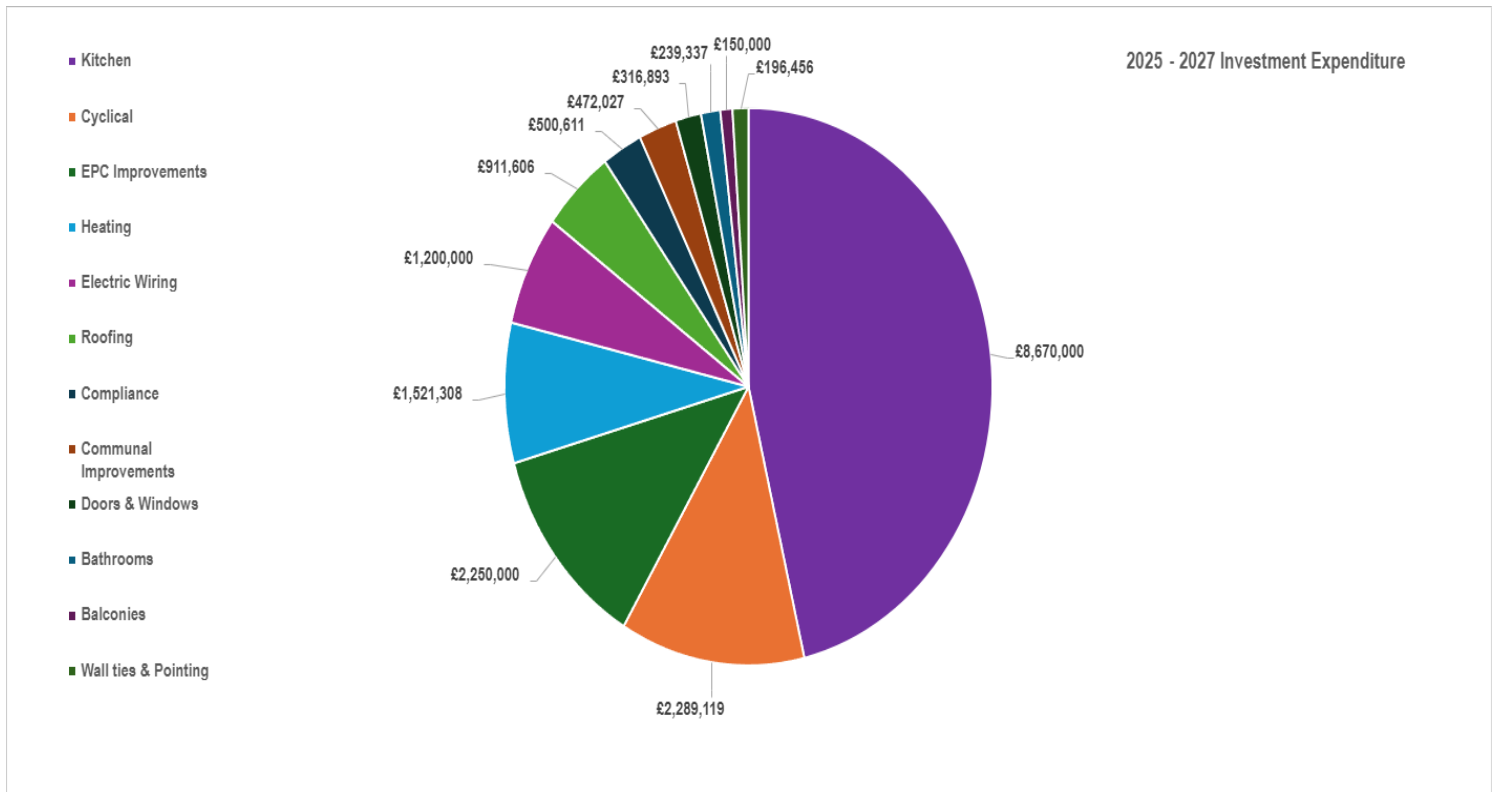
#### **4. Funding CGA's Asset Management Strategy:**

- 4.1 CGA has a healthy 30-year Business Plan which is continually reviewed and stress tested. Our plan continues to provide for necessary maintenance regimes that are required to maintain our stock to a good standard and keep our homes safe.
- 4.2 Prudently, CGA's plan takes account of proposals to tackle 1,294 homes within our housing stock which do not currently meet a minimum EPC C standard by making provision for essential remedial works which will be necessary to achieve our 2030 targets

4.3 Moving forward, and as part of its annual review of sensitivities, our Business Plan will need to be mindful not only of the priorities above, but also possible emerging priorities including:

- Cost of implementing any new standards introduced including proposed Decent Homes Plus Standard.
- Provision for further regeneration schemes which are may crystallise over the life of this strategy.
- The cost of achieving carbon neutrality by 2050.

4.4 CGA's stock condition information and stock grading modelling provide a basis for our capital programme which also includes expenditure on cyclical maintenance and energy efficiency. The core capital programme over the next three years is summarised in the following chart (NB, costs are net of VAT).



## **5 Responsibilities and Review:**

- 5.1 Responsibility for executing many aspects of CGA's strategy will sit with our Asset Management Team as custodians of CGA's asset base. However, extensive support from the wider organisation and key stakeholders both within and beyond CGA is required.
- 5.2 CGA's Leadership Team including the Board, Gateway Central and CMT will continue to receive a range of information in order to provide assurance of the robustness and effectiveness of our asset management related activities through:
- Monthly (CMT) and Quarterly (Board and Gateway Central) performance information; and
  - Quarterly Customer Insight data on feedback received and lessons learned; and
  - Quarterly Health and Safety Compliance reports provided to ELT, Audit and Risk Committee and Board on a quarterly basis; and
  - Comprehensive external assurance programme in place and approved by Audit and Risk Committee to ensure compliance against 'Big 6' property related compliance areas; and
  - External assurance of stock condition data.
- 5.3 The strategy will be formally monitored on a regular basis as part of existing governance arrangements and will benefit from meaningful involvement of tenant scrutiny at key stages in its development and delivery.
- 5.4 Board will received a comprehensive update on progress against the Strategy as part of it's twice yearly Asset Management Update Report.

## APPENDIX A

### VERSION CONTROL

| Version | Date         | Author         | Brief Description of Changes                                         |
|---------|--------------|----------------|----------------------------------------------------------------------|
| V1      | October 2024 | Stephen Garner | New Strategy for 2024 - 2027                                         |
| V1.1    | Sept 2025    | Dave Williams  | Item 2.29 bullet 2 – changed to remove reference to no extrapolation |
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