

# Asset Management Strategy 2021-2023 and beyond



Living Longer, Living Better



Outstanding Homes



To Be Market Making in Independent Living



To #LoveWhereYouLive

## Our Key Facts:



7,052 residents living with us



1,688 General Let homes



781 Leasehold homes



2,446 Independent Living homes



A £6.4m fire door programme (excluding monies already spent)



A £13.5m 10-year Integrated Asset Management Contract



A £42m 10-year Asset Investment plan



£35m Carbon Neutral Plan



2018-2023 Stock condition data informing the Business Plan



Compliance C365 coordinates 8,000 compliance certificates annually



£8.1m total investment in our Studio apartments

## Our Corporate Priorities:

2021/2022

- ✓ All homes comply with the latest safety and development standards
- ✓ All homes have a SMART and green investment plan

2022/2023

- ✓ We have delivered our first green retrofit scheme
- ✓ Our Homes are award winning

2023/2024

- ✓ We achieve our plan and aims for SMART green existing homes

Beyond

- ✓ Be demand led, increasing satisfaction through studio modernisation
- ✓ Provide homes with a mix of tenures that are SMART and responsive to the climate emergency, helping people #lovewhere they live



Outstanding  
Homes

## Key Elements of Our Strategy

1

Improve customer satisfaction through strong contract management

2

Use renewable heating in our homes

3

Having strong neighbourhood plans for our general let properties

4

Keeping our residents safe and secure

5

Increase VFM through procurement and partnership working

6

Use Astraline's digital technology

7

Improving our data for improved decisions

8

Revitalising our Independent Living Schemes

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HOUSING

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# Measures:

Measures	2021	2022	2023	Beyond
100% compliance on Health and Safety measures	100%	100%	100%	We continue our zero tolerance approach and always are compliant
100% customer satisfaction on the investment programme	100%	100%	100%	We continue to have excellent satisfaction results
We transform the number of studio apartments to deliver new one bed apartments	25	25	25	By 2036 we will have delivered the full studio conversion plan
We deliver the Investment Programme for residents	100%	100%	100%	Our investment decisions remain strong and a robust plan is continually delivered
We achieve full assurance on internal audit across asset management	FULL	FULL	FULL	Have real strength in data management that is exemplary across the sector
We gain annual accreditation across H&S	Yes	Yes	Yes	Keep up to date with changes, be flexible and growing knowledge base in the team
We achieve 95% CSAT on our repairs contract	95%	95%	95%	Always looking to enhance the satisfaction in procured contracts
We achieve 99% CSAT on our Estate Management Contracts	85%	95%	99%	This is a growing KPI as we re – procure contracts in the next 18 months
EPC rating of the stock minimum C rated	80%	85%	90%	Where able to and feasible, properties will be a minimum of EPC rating C by 2030.
Number of homes with one form of renewable technology	50	200	500	This is a growing KPI as we re – procure contracts in the next 18 months
Data interrogation tools such as GIS mapping drives our programmes and services	No	Yes	Yes	Introduce GIS mapping tools to residents as part of the future customer offer.

Themes	Measures of Success	VFM/Efficiencies Anticipated
We grow the IAMC to deliver more services	<ul style="list-style-type: none"> <li>• Incorporate the Estate Management Service</li> <li>• Deliver increased planned works</li> <li>• Repairs contract achieves KPIs</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in service charges for residents as the model progresses.</li> <li>• Expected increase in customer satisfaction.</li> </ul>
All homes have a smart and green investment plan	<ul style="list-style-type: none"> <li>• Plan developed and communicated to residents</li> <li>• Programme commenced</li> </ul>	<ul style="list-style-type: none"> <li>• It is anticipated that there will be savings through the repairs contract as we have a detailed understanding of our plans resulting in more planned maintenance activity and reducing the need for reactive maintenance.</li> </ul>
We know the energy performance of the stock and have a long term climate action plan in place	<ul style="list-style-type: none"> <li>• Understand the energy performance of the stock and a plan is in place for carbon neutral</li> <li>• Commenced delivery of the plan</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities exist to generate funding for the installation and ongoing running of efficient heating systems.</li> <li>• Residents shall expect to see a saving as older more inefficient systems are replaced through future planned maintenance programmes.</li> </ul>
All our homes are safe and secure	<ul style="list-style-type: none"> <li>• 100% compliance for servicing requirements</li> <li>• We have implemented any requirements from future legislative changes through Building Safety changes</li> </ul>	<ul style="list-style-type: none"> <li>• All M&amp;E contracts are undergoing a re-procurement exercise to ensure savings on the existing contract. None cashable savings associated with added value services are also included within the new contracts.</li> <li>• It is likely this will include increasing compliance checks and an element of this will be automated including remote compliance checks and digital recording of inspections and documentation using technology such as QR codes. VfM savings associated with remote compliance checks will be a non-cashable saving against an order raised for a physical inspection.</li> </ul>
Active Asset Management Regime	<ul style="list-style-type: none"> <li>• We know our stock and implement active measures to manage them (disposals/acquisitions)</li> <li>• We've developed a JJH standard for our stock</li> </ul>	<ul style="list-style-type: none"> <li>• VfM efficiencies will be identified through managing stock more effectively – ensuring that any investment decision we make is the right decision before works are committed.</li> </ul>



# Market Trends & External Analysis

## Challenges

## Action



### Building Safety Bill



The Bill will place emphasis on all those responsible for the safety of high risk buildings and their occupants to ensure that they keep residents safe at all times, and that for any mistakes they are held accountable and will be made to put them right. A new Building Safety Regulator will be formed as part of the Bill, and will be given powers to enforce the rules and take action against those that break them.

The Regulator will also implement a new set of more stringent rules, including how they are designed, constructed and occupied. The Bill aims to strengthen the resident voice, ensuring that all safety concerns are addressed in a timely manner.



### Fire Safety Act 2021



The Fire Safety Act 2021 will amend the existing Fire Safety Order (FSO) and is likely to create the following key changes:

- Creating a legal requirement on residential building owners to inspect external cladding and fire doors
- Empowering Fire and Rescue Authorities to take enforcement action and hold building owners accountable if they are not compliant
- Acting as a platform to allow MHCLG to easily amend the legislation, enabling recommendations from the Grenfell Inquiry to be introduced
- Allowing MHCLG to easily amend the FSO to include other types of buildings in the future



### Technology Enabled Care



The aim is to create an outstanding Independent Living Digital and Technology Enhance Care (TEC) service that will have a positive impact on the lives of our residents and will attract new applicants ensuring we deliver a #MarketMaking service together with Astraline.

There are a range of external factors that are influencing the direction and time scale of the change and development of the TEC and digital service. The extent of the TEC equipment that is potentially obsolete and the planned introduction of new equipment and services therefore, requires significant co-ordination working with partners and contractors over the next four years.



# Market Trends & External Analysis Continued

## Challenges

## Action

### Carbon Neutral 2050 (Energy White Paper)



On 14 December 2020, the Government released the new Energy White Paper, the overall aims include:

- Build a green, cleaner future
- Create thousands of new green jobs
- Cut bills, protect the fuel poor and create warmer, more comfortable homes.

In terms of building reforms and specific targets, housing providers will need to ensure that as many existing homes as possible meet EPC Band C by 2035. Government published a ten point plan that confirmed that the Green Homes Grant Voucher and Local Authority Delivery schemes will be extended to support homeowners and landlords to cover the cost of upgrading the energy performance of their buildings.

The White Paper confirms that a Fuel Poverty Strategy for England will be published next year. The Energy Company Obligation will be extended from 2022 to 2026 and the Warm Home Discount will be expanded to around three million low income households until at least 2025/26.



### Decent Homes and potentially Decent Homes 2



The Government have confirmed through the Social Housing White Paper that they will review the Decent Homes Standard. The standard sets the minimum quality that homes should meet. The White Paper states that the government aims to complete the first part of the review by autumn 2021.

The government says that responses to the idea of a review in its green paper revealed that many feel the current Decent Homes Standard is not “fully effective” and that there were calls for more investment in areas such as green spaces and crime prevention methods, including CCTV and better lighting.

The White Paper acknowledges the relationship between housing and physical and mental health. The government says it will continue to engage with the latest evidence on the link between housing and health, including COVID-19 transmissions.



### Funding availability



Clearly over the life of the 2021 to 2023 Asset Management Strategy a number of external factors listed throughout will have an impact on the budgets that we have available to invest within the housing stock. Whilst much of this is required through legislation, we also need to consider the amount of investment needed to continue to attract future residents and retain existing. Investment is necessary to make all JJH properties and Independent Living schemes truly outstanding.



# Our Risks and Mitigations



JJH RISK OH 01a Failure to maintain viability of assets due to Inadequate or inaccurate data



JJH RISK OH 01b Sinking funds insufficient to cover costs



JJH RISK OH 01c Failure of Spey House project as a flagship scheme



JJH RISK OH 01d Legal action in relation to Joseph Leigh House



JJH RISK OH 01e Insufficient financial capacity/resource available to deliver the fire door programme/studio strategy/planned maintenance



JJH RISK OS 03a Health & Safety or compliance incident leading to fine/downgrade (cross reference JJH Risk Matrix for mitigating actions)

## What External Assurance Do We Put in Place?



- Asset Management Strategy
- Health & Safety Landlord Plan
- Internal Audit Action Plan (Responsive Repairs)
- Stock Condition Data Mitigation Plan to ensure appropriate planning of investment works
- Internal Audit (Rent Setting & Service Charges) Dec 19 Substantial Assurance
- Annual Leasehold Audit by BDO
- Contractor H&S Accreditation
- Internal Audit (BP Stress Testing) Jul-19 Substantial Assurance
- Fire Door Survey (Arcus)
- Boiler Survey (Sure)
- Fire Risk Assessments (Alcumus)
- Echelon Management of Procurement Process (including Trowers and Hamlins Legal Advice)
- Third Party specialist audits e.g. Blue Flame
- Internal Audit of Business Critical Controls (Jul-20 & Sep-20)
- Contractor H&S Accreditation
- Internal Audit (BP Stress Testing) Jul-19 Substantial Assurance
- ASCP (Association of Safety and Compliance Professionals) Accreditation 2020

# Our Partners

**GMCA**

GREATER  
MANCHESTER  
COMBINED  
AUTHORITY

**ANDY BURNHAM**  
MAYOR OF  
GREATER  
MANCHESTER



GREATER MANCHESTER  
LOW CARBON HUB



**GREATER  
MANCHESTER**  
FIRE AND RESCUE SERVICE



Fire Safety Steering Groups





# Our Personas & Asset Management



## Fred – over 75

Fred has recently downsized, moving into one of our new studio conversions after his wife passed away. It's a big change for Fred, making the decision to leave his family home and move to an independent living scheme. He felt the time was right to make a change and that the surroundings and services available at an independent living scheme would meet his needs. Our new conversions give the opportunity for single people to live in an outstanding property with green and SMART technology.



## Elsie – 85+ (Next of Kin has power of attorney)

The work we are doing around digital warden calls through Astraline could really be of value to Elsie. Elsie lives alone with Dementia and her son and daughter both have power of attorney. All independent living properties have linked smoke detection through to Astraline, this gave Elsie's family comfort, although they check on Elsie daily, she sometimes inadvertently set off the alarm and it gives peace of mind that Astraline are always there to ensure Elsie is safe and secure.



## Alison and Billy – couple in 40s with children

Billy worked up until recently as a full time tradesperson, he recently had an accident and is currently a wheelchair user, recovering at home and is hoping to be back on his feet soon. We have recently worked with the Local Authority to make some temporary adaptations to the home to support Billy's recovery. They are big advocates of living with Johnnie Johnson and are always willing to get involved in engagement activities, especially where the feedback provided helps us improve the services we deliver.



## Brian and Jean – couple aged 55-75

Brian and Jean have lived with JJH for over 6 years and they always say it's the best decision they ever made. Their main aim is to remain independent as they get older and live in a home that adapts with them as their needs change. They recognise that whilst they may be in good health now, that might not always be the case. Their property has just had a new bathroom installed, as standard Invisible Creations adaptations have been installed, this is making a huge difference to being able to keep independent and that added peace of mind that they are living in a home for life.



## Mary – single aged 55-75

Mary has been a Johnnie Johnson resident for over 10 years, recently moving from one of our general let homes into an independent living scheme. Mary suffers from arthritis, which is starting to flare up more and more. When her new kitchen was installed, we made sure an eye level oven and digital stop taps and USB plug sockets were part of the specification. It means that Mary can still enjoy cooking and doesn't have to worry about climbing into kitchen base units, should she ever need to turn off the water. Mary can also charge her iPad and Facetime her children and grandchildren to reduce isolation.



## Johnnie – single over 40 living in general let no children

Johnnie lives in a previous scheme wardens flat, but is moving out soon because the property is too large, as Johnnie came to us as homeless, it was the only property we had available at the time. As its a large 3 bed property, we have made the decision to convert the property into two one bed apartments and Johnnie is looking forward to having a smaller property, it will be easier for him to manage his home. His rent and household bills will be lower and the property will have SMART and green technology and a new fire door. This regeneration will also give another resident the chance to live in one of our Schemes as well as creating additional income for JJH.



# Our Financials - Budgets

## Allowed within the BP



The current Business Plan spend allocated across the investment programme averages £2.89m per year over the next five years 2020-2025, in addition revenue funding associated with planned maintenance works and cyclical servicing averages £2.14m per year over the next five years. This sum of money is built on the existing stock condition data and maintains the stock (at current decent homes standards) assuming like for like replacement. High level spend figures currently allowed within the thirty year Business Plan include:

- £8.1m to complete the studio conversion project over the next 15 years
- £6.4m to deliver the remainder of the fire door programme
- £23.4m to undertake lifecycle replacements of major components linked to stock condition.

## Not currently allowed within the BP



A further £8.4m has been identified to ensure every scheme is truly outstanding (£6.6m included within business plan), this comprises of:

- QR codes and automation of compliance checks
- Mobility scooter provisions to satisfy fire safety bill requirements
- M&E infrastructure costs including a state of the art warden call system
- Fabric first approach to building energy efficiency
- Controllable heating solutions within the communal spaces
- Enhanced communal decoration specification
- Enhanced signage
- Plastering to walls that are currently bare brick
- External rendering
- Environmental improvements including recycling areas

As a separate exercise funding requirements have been modelled for the replacement of existing heating systems for renewable heating systems to achieve national carbon zero targets by 2050. Based on a prudent estimation with a cost per unit of £8,000 to install either an air source heat pump or ground source heat pump a budget of £33.48m is necessary across the stock.