

Asset Management Strategy

2024-2034



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1. Executive Summary

This strategy sets out plans for the management and development of Caredig's assets between 2024 and 2034. It details our methodology for linking work to our vision, strategic objectives, and other related strategies. We will review the strategy on a 3-year cycle to check its relevance and progress along with our ability to deliver it. We will retain flexibility to be able to react to legislative changes, tenant and community needs, capacity, and funding opportunities.

We have developed the strategy to create the Caredig Standard with reference to Welsh Government's policies, priorities, and standards along with those of the authorities that we operate in including Carmarthenshire, Ceredigion, Neath Port Talbot, Pembrokeshire, and Swansea.

Today our tenants face real affordability challenges and our plans to improve assets in line with WHQS 2 (Welsh Housing Quality Standard) will focus on delivering sustainable de-carbonisation improvements that make homes cheaper to run and healthier environments to live in. As financial challenges will restrict the pace and flow of the improvement work, Caredig will look and lobby for additional funding from Welsh Government and other external agencies wherever possible to sustain and improve timescales.

Caredig works within the Welsh Government Rent Standard to charge rents and service charges on our homes. These are both affordable and generate sufficient income to provide homes where people feel safe and secure. We will continue to work with the sector to lobby Welsh Government to provide a clearer link between affordable rent and affordable warmth.



Fire safety remains a priority for Caredig, particularly in our Extra Care, Independent Living accommodation and higher rise blocks of flats. We are reacting to demands in and around these buildings that reflect building defects as well as improvements required to meet legislative and quality standard changes against a background of rising costs. Nationally, sector wide demand for this area of service delivery is increasing at the same time, which means that specialist consultants, services, and labour are in short supply, driving up cost and slowing pace. Caredig has reflected this in carefully considered and prioritised programmes of delivery in this area.

Over the medium and longer term, housing demand is likely to change due to demographics, and Caredig will reflect this in its development of new homes and the repurposing of existing assets. More affordable homes are needed in different parts of the regions in which where Caredig operates, and we are well placed to grow and meet some of that demand for the communities we serve.

The financial climate plays an important role for both tenants and Caredig with post pandemic inflation having a lasting effect on the cost of delivering all work due to the price of labour and materials. This has been further affected by the current cost-of-living crisis which impacts on both tenants and the operation of Caredig's services.



Kirsten Achtelstetter
Chair of the Board

Kirsten Achtelstetter



Marcia Sinfield
Chief Executive

Marcia Sinfield



2. Introduction



Assets are the buildings Caredig owns, leases, and manages. These are tenants' homes (rented and shared ownership), as well as offices, other buildings and spaces. Tenants' homes are the core of Caredig's business.

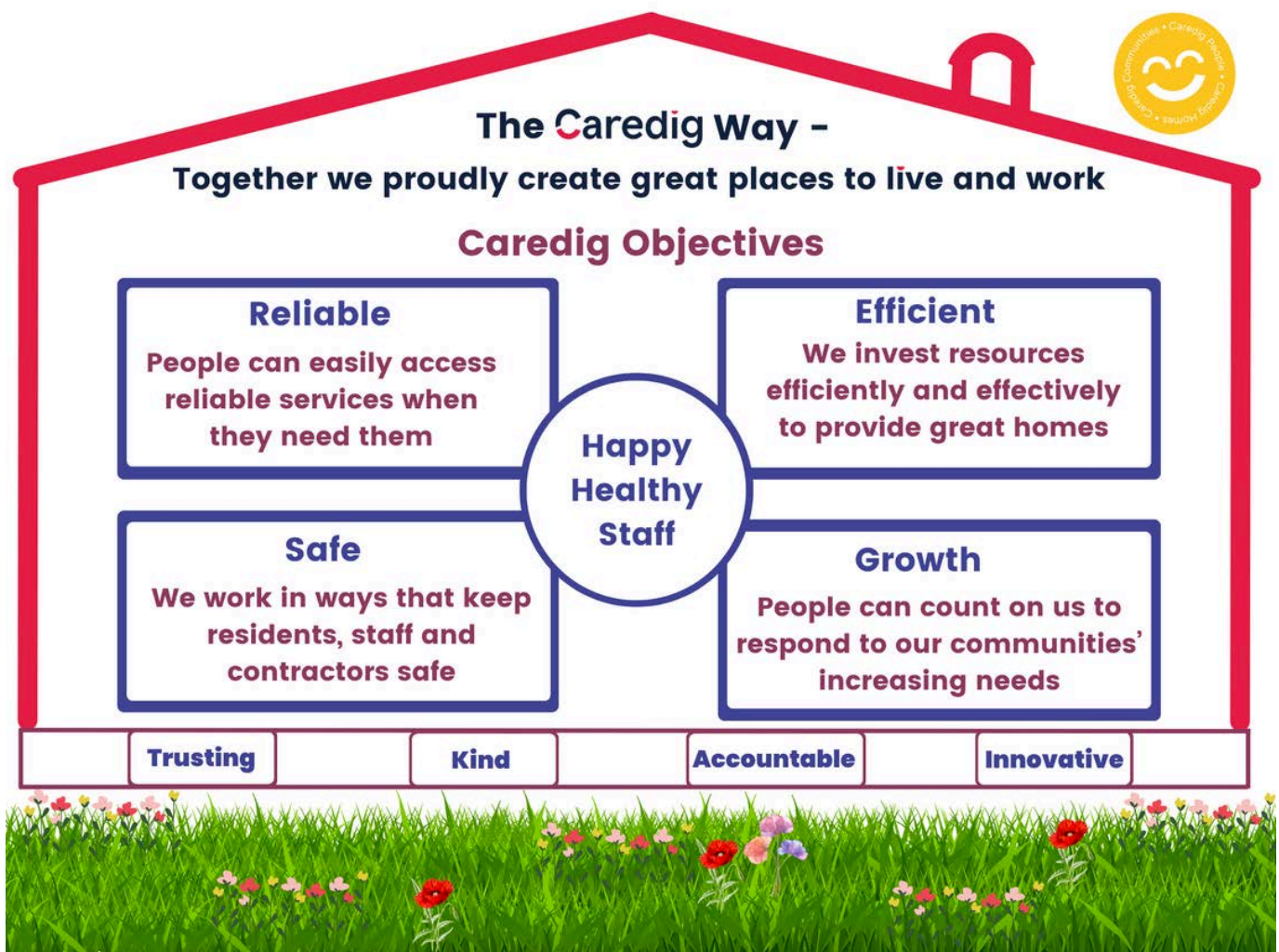
The purpose of the Asset Management Strategy is to outline how Caredig intends to meet its obligations to manage and maintain the homes we provide for our tenants and for which Caredig is responsible.

Reflecting on the specific demands for each type of home and the regional conditions in which they are located, our aim is to ensure that the homes we provide for our tenants are safe, dry, free from mould and damp, compliant and efficient in terms of energy consumption.

Where necessary and required, we plan to improve homes effectively through timely planned refurbishment and repairs, to deliver value for money for tenants, to adhere to legislation, and appropriate standards including WHQS (Welsh Housing Quality Standard). We also respond to the need for affordable warmth and full de-carbonisation of our homes to meet net-zero targets.

Most of Caredig's income comes from rent, with external funding from grant support and loans against the value of our assets. The majority of this is spent on maintenance (planned and reactive), management, investment in improvements and development or purchase of new homes.

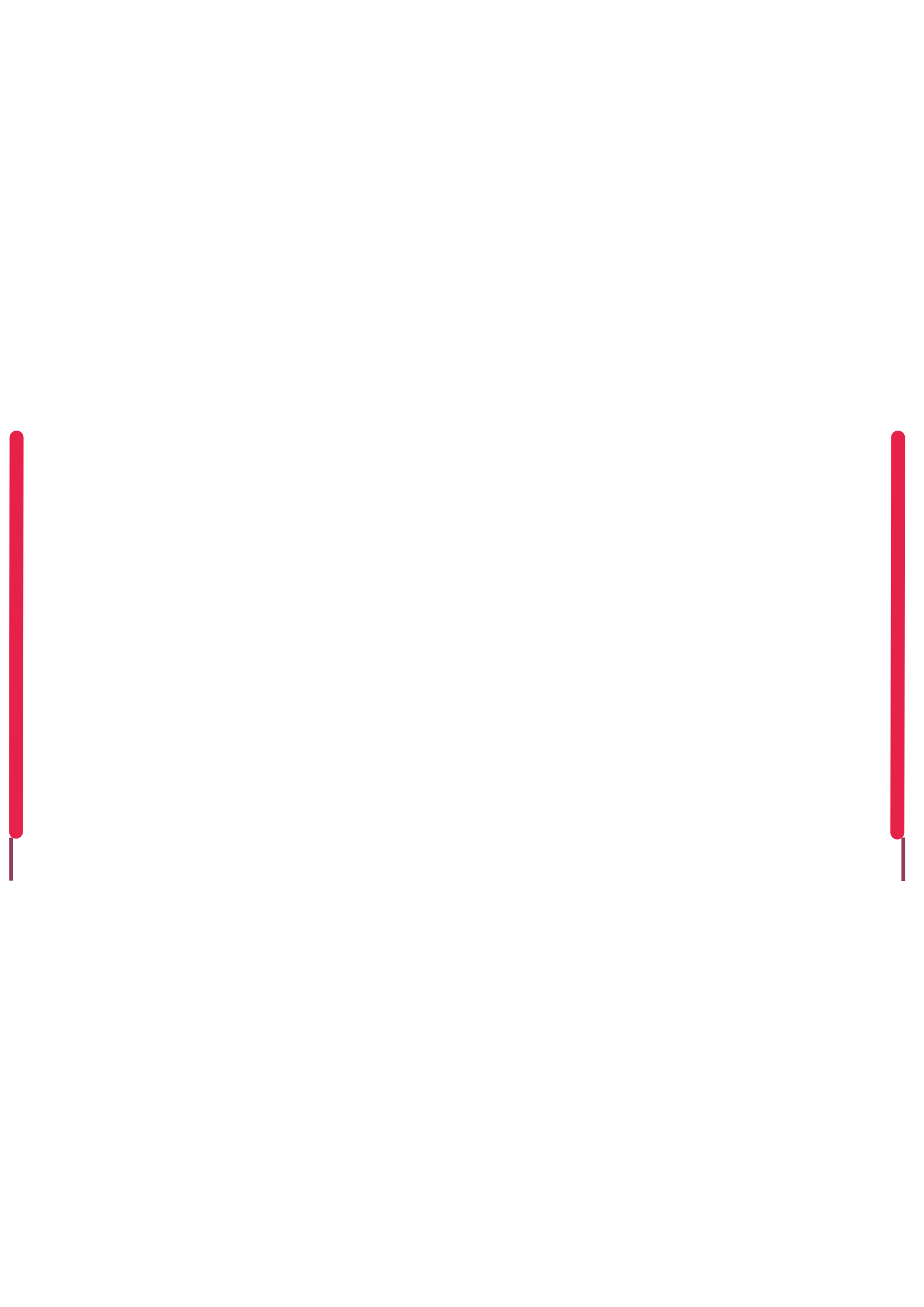
This Asset Management Strategy is founded on Caredig's overarching vision '**Together we proudly create great places to live and work**', supported by our 3 pillars of People, Homes and Communities and informed by our four Caredig Objectives (OS) and four values, as shown in the infographic below:



Through working together and consulting with tenants and residents about the management of homes we deliver maintenance programmes on, that keep tenants' homes safe and in good order as well as programmes of planned works to improve them.

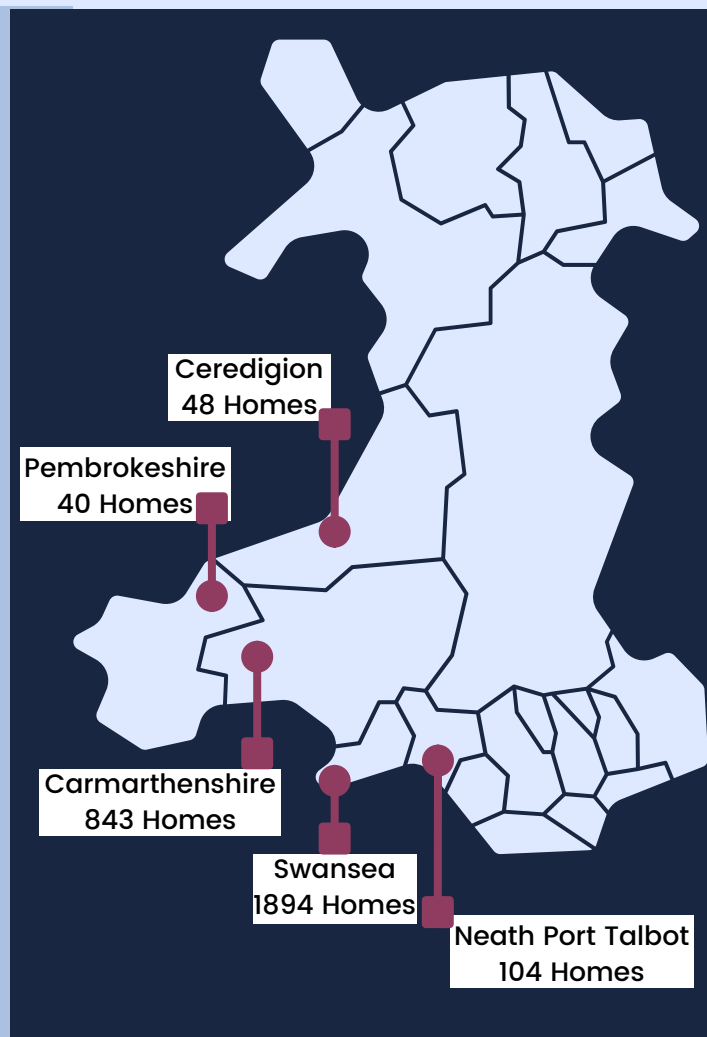
Caredig's focus is on securing value for money in its planning and delivery of operations by:

- Consulting with tenants so that the right work is done at the right time,
- Specifying and procuring the right services for maintenance, cyclical work, and planned projects,
- Doing the job once through quality assurance controls,
- Reviewing materials specified considering their whole life cost.



3. Assets Summary

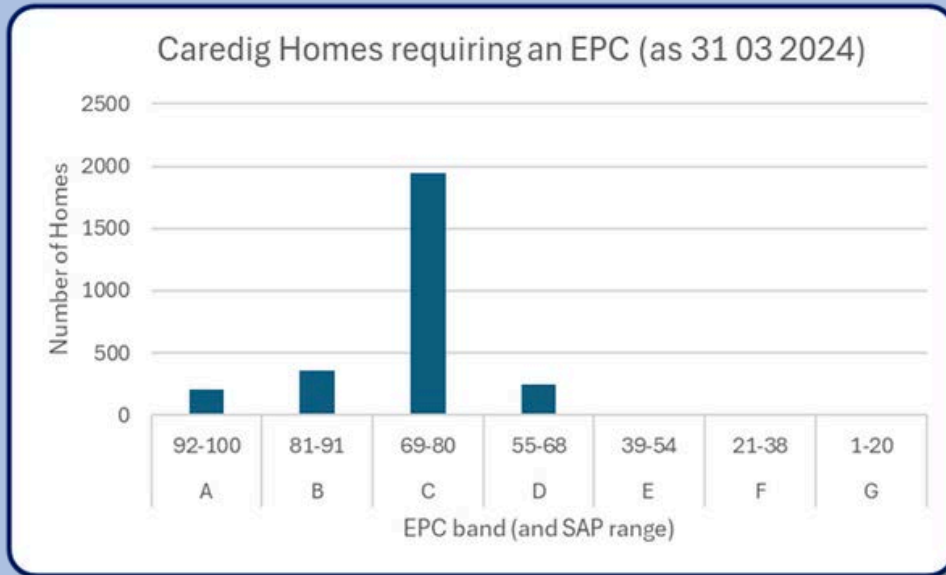
Our Development Strategy sets out that we will build, acquire and maintain affordable homes where people feel safe and secure. Over time and in accordance with this Asset Management Strategy, we will improve the sustainability and affordability of our older assets. We currently (31/03/2024) manage 2,929 homes located across five local authority areas. These are a combination of general needs, supported housing and extra care schemes, along with a few intermediate rented and shared ownership homes. We are planning to build new homes to support our ambitions to be a housing partner of choice in our areas of operation.




Caredig continues to check and improve the data it holds against its assets through a programme of stock condition surveys. We are committed to surveying 20% of our assets each year so that the data is refreshed every 5 years. This stock condition data is then used to prioritise and plan the delivery of our work to the assets supporting a 'just in time' approach to repair and refurbishment. ('Just in time' is a principle based on refurbishment/replacement on or just before failure of an item to minimise wastage by replacing things too early or creating frustration by replacing them too late.)

We do not have large estates which means that the assets that we look after are spread out and often interspersed amongst other privately owned and rented (social or otherwise) housing in wider communities. This 'pepper-potting' of our assets means that we have additional consultation considerations when we plan and deliver works.

Most of the homes Caredig owns and manages require an EPC (Energy Performance Certificate): Welsh Government requires, where possible, that we improve the EPC rating of our homes to achieve SAP 75 (mid-point) EPC C by 2029 (SAP is a points based range across the EPC rating). We plan to meet this requirement subject to available funds and physical constraints, monitoring progress and reporting outcomes annually to Welsh Government.



The table below shows the mix of homes that we currently provide.

Type of Home		Number of Home
Bedsit		15
Apartments		1,503
Houses and Bungalows		1,255
Shared ownership (Caredig do not maintain)		121

Whilst we refer to our assets and use them as a business portfolio for investment, we recognise that they are our tenants' homes and that we have a responsibility to keep in mind the impact of what we do or don't do on the lives of our tenants and their families.

4. Key Strategic Objectives

Our tenants' homes will be well maintained, sustainable, and affordable where tenants will feel safe and secure. The homes are and will be compliant with current and future legal requirements including:

- Having an in date EICR (Electrical Condition Inspection Report),
- Having an in date Gas Safety check,
- Having (where required) communal safety checks in place including:
 - Gas safety checks,
 - Electrical safety checks,
 - Fire Risk Assessments,
 - Lift safety checks,
 - Legionella safety checks.

We manage the way we achieve this through meeting key objectives:

Safe

- We prioritise creating safe and healthy homes as one of the foundations of managing our assets,
- We adhere to legislation and standards to ensure assets are safe, monitored and reported on through a suite of KPIs* (Key Performance Indicators) and validated through audit. *Table below.

Secure

- We prioritise creating secure homes and communities and monitor performance through surveys, both transactional and STAR (Survey of tenants and residents).

Management of data

- We prioritise efficient and effective service delivery, collecting and managing appropriate data to support asset management that we consult tenants on,
- We use artificial intelligence and business intelligence to support predictive and planned investment across budget years,
- We undertake 20% SCS (stock condition surveys) each year to ensure the data we hold on our assets is correct and use this data to feed into work plans,
- We consult communities and create an action and delivery plan to set out the work that Caredig intends to do over a five-year period. This is detailed for the current and 2nd financial years and indicative for the remaining 3 years.



Maximising component life and minimising the need for repairs

- We use management data from all sources including Stock Condition Surveys to create planned projects to deliver work just in time, to drive down cost, and improve value for money,
- Through tenant surveys we ensure that we explore tenants' viewpoints to shape the workplans and understand the best way for us to implement delivery,
- We consult with tenants and create a robust repairs and maintenance service level agreement setting out tenant and landlord responsibilities so that we spend the money we have where appropriate. Reactive repairs are managed through the Repairs Policies and Procedures,
- We use Options Appraisals to review assets that are considered non-viable for Caredig to continue to maintain and improve. We will consider them for improvement subject to additional grant availability, or redevelopment programmes, or disposal.

Maximising performance of the asset and minimising customer energy use

- We consult with tenants, considering assets holistically in line with WHQS and our Sustainability Strategy when developing plans of work to de-carbonise homes and make them cheaper to run,
- We review whole home costs across the portfolio,
- Where possible we support the principle of Lifetime homes to the LifeTime Homes Standard though consulting with tenants on design and minor adaptations so that people/families can remain in their home for as long as possible whilst we meet any changing needs,
- We consult with tenants as we plan to improve our assets in line with WHQS allowing for 'acceptable fails' where the standard cannot be met,
- We aim to incorporate de-carbonisation works where appropriate as part of component replacement plans to create homes that are easier and cheaper to keep warm and healthy.



Balancing the quality of the components with maximising value for money

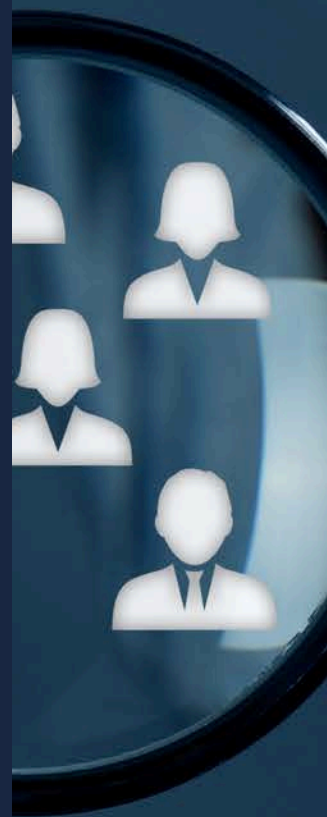
- We review the materials and products that we use to ensure that consideration is given to minimising the number of repair interventions required during a product's life balanced against the cost of the material.

Income and funding

- We maximise the use of income from tenants by controlling our overheads and driving value for money through procurement, collaboration, and performance measures that minimise costs,
- We review the best mechanisms to deliver works through internal and external workforce teams,
- We seek out grant and other funding opportunities to support and maximise our income and help us deliver work sooner that we would otherwise do.

KPIs (Key Performance Indicators) and OIs (Operational Indicators) are used to measure the work carried out in the delivery plans and are set out in the table below. These cover the operations of the Asset and Property teams in 5 functional areas:

- Reactive works,
- Cyclical operations (Compliance),
- Planned works,
- Void refurbishment,
- Decarbonisation.



KPI	Target
Fire Risk assessments completed	100%
Fire actions outstanding	0
Fire actions overdue	0
Legionella checks completed	100%
Loler checks completed	100%
Gas & combustible fuel) safety check & service	100%
Electrical testing completed (homes)	100%
Electrical testing completed (communal)	100%
Asbestos management surveys completed (communal)	100%
Asbestos refurbishment & demolition surveys completed by project	100%
Asbestos management surveys completed (home)	100%
WHQS compliance	100%
WHQS 2024 compliance (subsets)	100%
Damp & Mould - number of inspections raised against concerns	100%
Damp & Mould - time from report to inspection	7 days
Damp & Mould - time from inspection to job issued	3 days
Damp & Mould - time from job report to completion	30 days
Damp & Mould - 12 week follow up visit completed	100%
EICR certificate issued to contract holder(s) <14 days (home)	100%
EICR certificate issued to ALL contract holder(s) in block <14 days (communal)	100%
Smoke alarm(s) installed on each level, hard wired, and interlinked	100%
CO alarm(s) installed in each room where combustible fuel is used	100%
Confirmation of works home - issued to contract holder(s) <14 days	100%
Confirmation of works communal - issued to ALL contract holder(s) in block <14 days	100%
Stock condition survey (SCS) completed within last 5 years	100%
Planned works - value of component lifecycle out of date (backlog)	0



This strategy considers the pillars below when establishing both maintenance programmes that keep tenants' homes safe and in good order, and programmes of planned works.



5. Inter-related strategies

To achieve a holistic approach, minimising conflicting priorities across Caredig, the Asset Management Strategy considers and harmonises with other inter-related strategies:

- The Development Strategy, which sets out the growth of the assets in each operational region to meet the demand by property size and tenure type whilst supporting the financial stability/growth of Caredig to benefit our tenants,
- The Sustainability Strategy, which sets out Caredig's aspirations to drive down our carbon footprint and increase affordability in our assets to benefit our tenants,
- The Tenant Involvement Strategy, which sets out Caredig's engagement with tenants so that we consult and use feedback to deliver the right work, in the right place, at the right time,
- The Treasury Strategy, which sets out our financial framework to ensure we do affordable work and remain viable as a whole and continue to support tenants in the long term.



The Asset Management Strategy itself will ensure policies and procedures are in place to deliver safe and compliant homes, using key performance indicators and information as a management tool. The policies, guidance and acts listed below support and inform the delivery of the Asset Management Plan which sits under the Strategy:

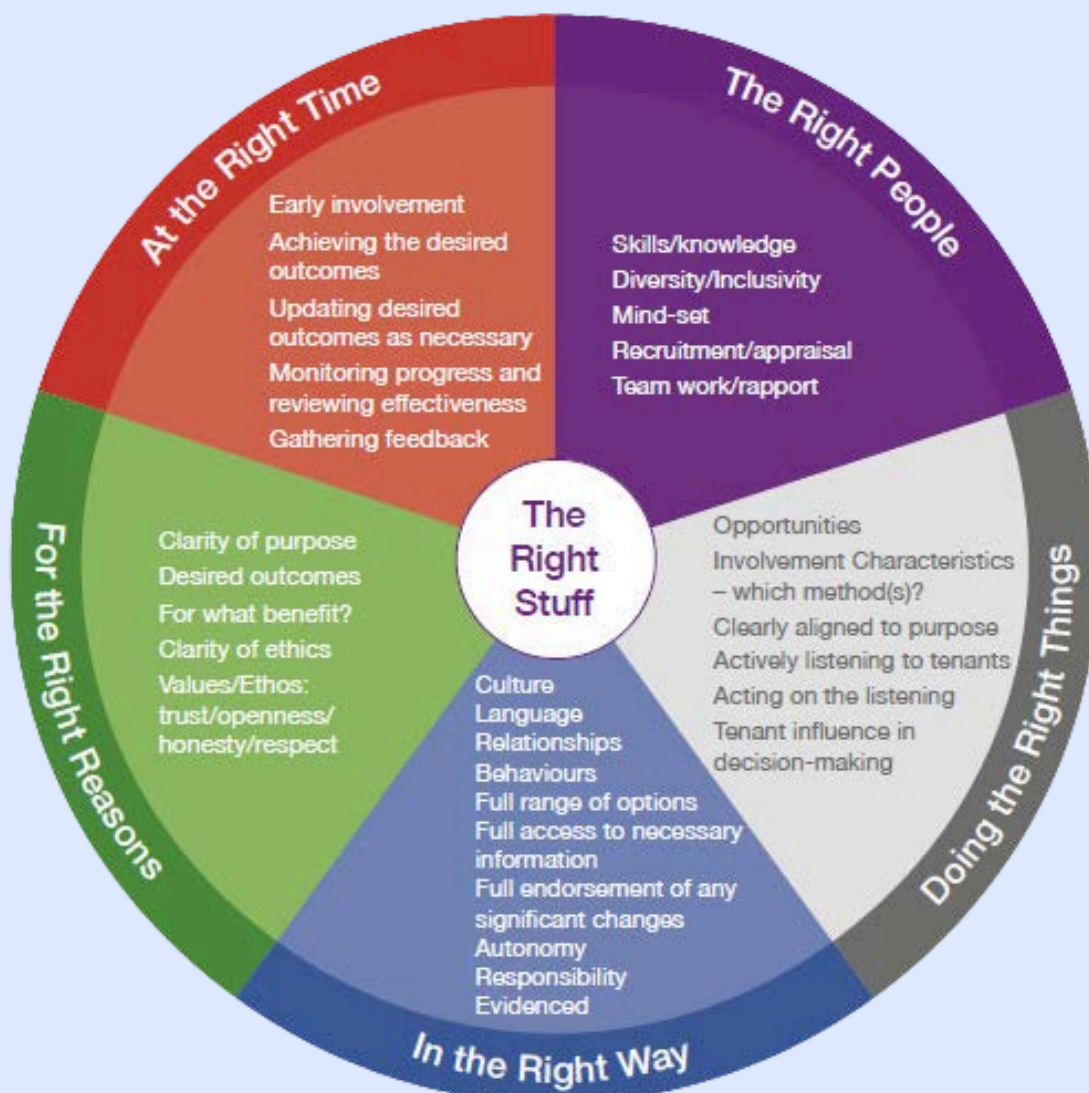
- The Right Stuff – Hearing the Tenant's Voice (Regulatory Board for Wales July 2019)
- Caredig Repairs Policy,
- WHQS,
- Better Homes, Better Wales, Better World,
- Well-being of Future Generations Act,
- Renting Homes (Wales) Act,
- Strategic Risk Assessment,
- Fire Safety Act 2021.

6. Hearing our customer's voice

RBW (The Regulatory Board for Wales) requires Housing Associations (us) to 'ensure that tenants are effectively involved in strategic decision making and shaping services in ways appropriate for tenants and their HA.'

Engaging and involving tenants well supports good governance and value for money as well as generating better customer satisfaction through decision-making in priorities and outcomes. Such engagement develops a deeper shared understanding of the frameworks, controls and constraints that also inform those priorities and outcomes.

Tenants have contributed to the Strategy through a focus group. Tenant consultation will be undertaken more widely, project by project and theme by theme, to maximise choice in the delivery of services and works.



7. Building communities

Caredig recognises that we support the development of a range of communities across the assets that we manage, based on and in estates, blocks of flats, and dispersed into wider locations. These communities can also be grouped regionally or by need (for example, supported living).

Engagement through the STAR survey, tenant consultation, tenant representatives, and staff help us identify the needs and wishes of our different communities when planning activities.

Consultation with other housing associations, where appropriate, also adds value to shaping areas and supporting communities.



8. Delivering outcomes and delivery pathways

Delivery Outcomes

As part of the Strategy, Caredig has delivery outcomes that will meet the housing association's fundamental principles. These outcomes are set out below, with the proportion of expenditure needed to deliver them as a percentage of the whole budget. It is vital that we have the finance and other resources to deliver these outcomes and to meet regulatory requirements.

15% Compliance and safety

26% Responsive repairs

28% Lifecycle replacement of key components

31% Upgrading of homes to EPC C (mid-point) by 2029

Caredig also aspires to deliver:



De-carbonisation of all homes to reduce the Caredig family carbon footprint,



Improvements to communal spaces,



Growing and developing communities.

Delivery Pathways enable Caredig to deliver the outcomes through:

- The Asset Management Plan, which sets out the methods of how we manage and maintain homes,
- The Repairs Policy, which sets out the rights and responsibilities of Caredig and tenants in maintaining their homes,
- The Sustainability Strategy, which incorporates the overarching principles of de-carbonisation that will be delivered through this strategy.

9. Risks of not delivering the strategy

We want to meet our strategic objectives to deliver well maintained, safe homes for our tenants to live in and to support our vision 'Together we proudly create great places to live and work'. If we fail to achieve this we could leave our tenants in unsatisfactory to harmful conditions, fail our obligations under various acts and not meet our obligations to our co-regulator the Welsh Government. This would expose our tenants and the future of Caredig to personal risk and organisational failure.

We operate a detailed strategic risk and assurance register to manage and mitigate risk to avoid exposure of tenants and the organisation. This includes a staged approach of:

- Controls as first line of assurance,
- Intervention and oversight as a second line of assurance,
- External checks as a third line of assurance.

We report outcomes to our Board, Committees, Welsh Government, third party organisations and external auditors to assure us of control and to manage these risks.

10. Factors preventing delivery of the strategy

The key factors that could prevent us delivering the strategy include:

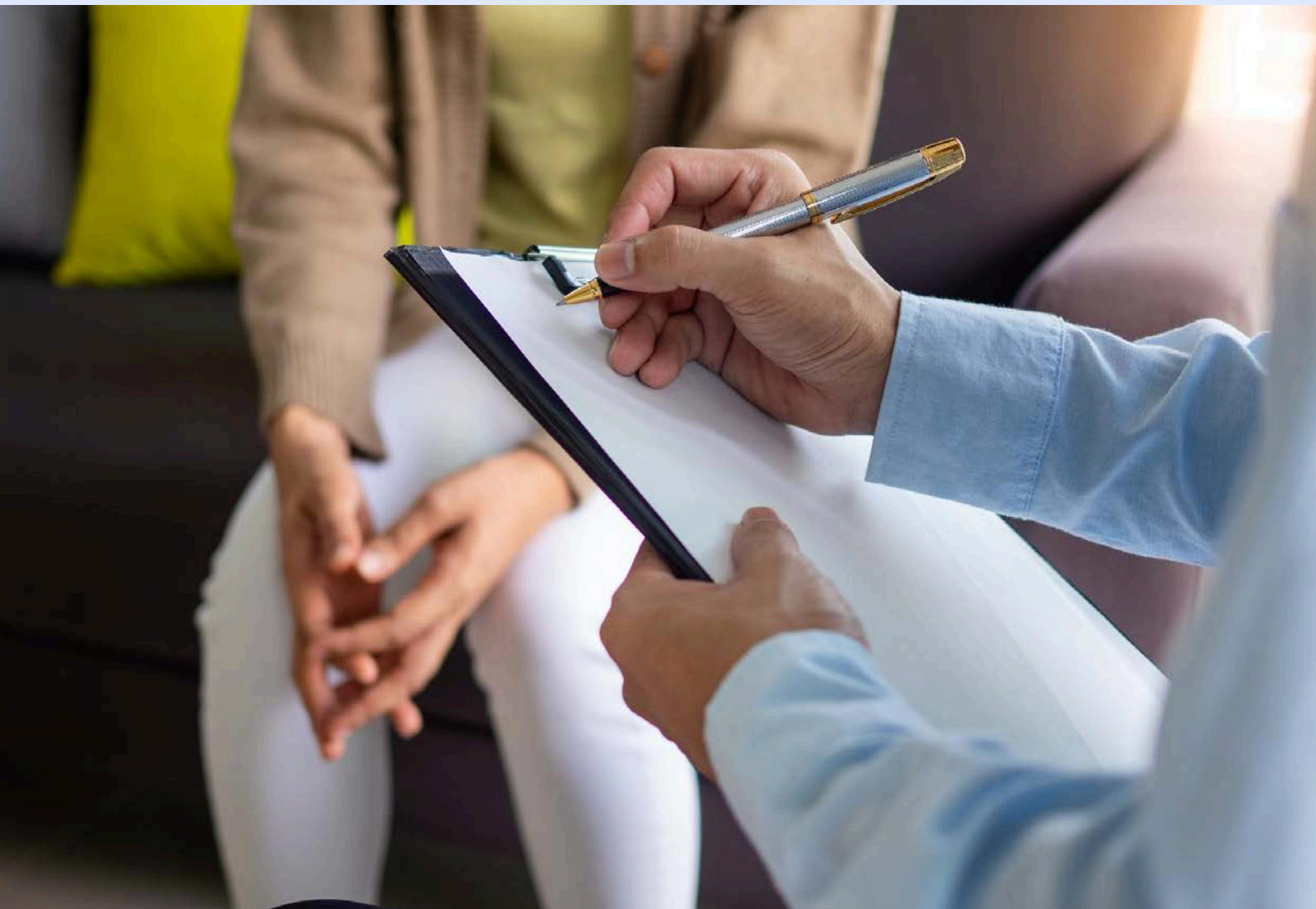
- Lack of sufficient funds to meet the cost of delivery,
- Lack of qualified staff, contractors, specialists to manage delivery,
- Changing requirements through legislation,
- Change of direction through Government policy.



11. Prioritisation within the strategy

When factors put aspects of the strategy at risk, we will prioritise resources and target legislative compliance elements of the strategy first to ensure that we maintain our tenants' homes to be safe.

We will consult with tenants and stakeholders to adapt delivery plans where there are elements of choice to get the best value for money we can and deliver the most we can achieve if adapting to the risk factor impacting on delivery.



12. Conclusion

Making the best-informed decisions in the short, medium, and long term across our asset management activities is critical to ensure that we meet our customers' needs and deliver safe homes.

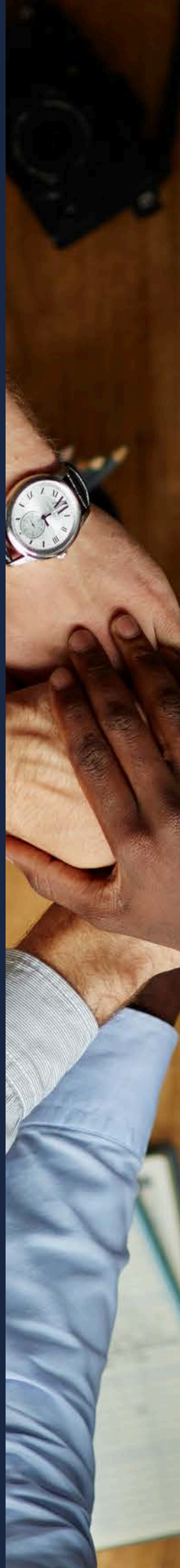
The essential foundation work we deliver is the most important work that we must do to maintain our assets and keep our tenants safe in their homes. Legislative requirements and specifications through WHQS, along with an increasing cost of delivering work following a very turbulent period of socioeconomic change post-Covid, is impacting on our capacity to carry out additional work beyond these foundation functions.

It is important that we work in partnership with external stakeholders and peers to share ideas, collaborate and innovate, to maximise what and how we can deliver, and to share resources and deliver value for money.

As an organisation we need to continue to identify and find ways to reduce overheads and improve service delivery for less. We look for innovation from in-sourcing services to reduce cost and gain control, and use IT systems and AI to support delivery differently from current methods and mechanisms.

The environment that we operate in is subject to change and is constantly evolving. It is therefore appropriate that the strategy is reviewed and updated every two years or following any relevant legislative or strategic change of notable substance. This will keep the plan live and refreshed, enabling Caredig to respond quickly in this ever-changing environment.

In developing this strategy, we have consulted our tenants' group and staff across the business who deliver asset services.



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