



HRA Asset Management Strategy 2021-2026



Table of Contents

1 Introduction	3
2 Demand and resident priorities	9
3 Our homes	14
4 Investment standards	20
5 Performance of our stock	26
6 Investment planning	30
7 Reviewing and monitoring	34
Action Plan	39

1. Introduction



1.1. Background

Since the introduction of self-financing, local authorities have been able to set long term plans for the strategic management of their assets in a way that has not been possible before. We recognise the importance of sound asset management principles and applying these to our approach to investment. The first year of this strategy is set to see the investment framework for social housing transformed; new legislation governing fire safety and building safety bringing increased responsibilities in managing high rise blocks, a review of the longstanding Decent Homes Standard and increased energy standards. This document is designed to be a robust, evidenced based asset management strategy to lead our business decisions in this changing environment. It is based on work that has been done to improve understanding of performance of our properties, and it seeks to drive forward work to deliver value for money for the council and its current and future residents. It is supported by a live action plan that we will use to direct and monitor activity (Appendix 1).

1.2 Scope

This strategy sets out Bristol City Council's approach to management of assets within its Housing Revenue Account (HRA). It includes our social rented housing assets as well as garages and commercial premises. It is a high level strategy for asset management, with implementation supported by operational plans and policies.

1.3 Purpose

The asset management strategy will contribute to the delivery of our business plan. It structures our ability to deliver three core components of asset management:

- **Investment in the long term sustainability of assets:** how we will keep properties at our agreed investment standard for the life of the business plan
- **Active asset management:** the practice of taking decisions about ongoing ownership and investment in individual properties based on understanding of their performance on a social, economic and environmental basis
- **Support for wider corporate objectives:** consideration of where and how the management of our assets contributes to the delivery of the council's wider aims, including supporting people's health and wellbeing and improving environmental performance.

1.4 National and local context

1.4.1. National context

National priorities for housing are primarily focused on new supply and around safety of existing buildings. 'Fixing Our Broken Housing Market', the 2017 white paper, and the new 'The Charter For Social Housing Residents: Social Housing White Paper' articulate the main areas of national housing policy focus. The social housing white paper sets out proposals to revise the Decent Homes Standard (DHS) which, along with a forthcoming review of the Housing Health and Safety Rating System (HH&SRS), is expected to place a greater focus on external and communal areas. It also places a greater emphasis on regulation and on the voice of residents in housing service delivery.

The focus on data and safety has arguably never been higher. In March 2020 the Fire Safety Bill clarified the responsibilities of landlords to manage and reduce the risk of fire. The July 2020 draft Building Safety Bill sets out proposals for new building standards and regulations that will apply to new and existing homes. The bill focuses landlords' attention on checking the accuracy of data held on assets and ensuring health and safety risks are properly managed. It also proposes new requirements for building safety management and for greater involvement of residents.

The Regulator of Social Housing has recently reminded Local Authority Housing Providers that their Home Standard must be met. A number of 'serious detriment' interventions by the regulator, and the Sector Risk Survey published for the benefit of all registered providers, have also underlined the importance of good quality data to enable all social landlords to prove compliance.

The Homes (Fitness for Human Habitation) Act 2018 is designed to ensure that all rented accommodation is fit for human habitation and to strengthen residents' means of redress against landlords. We anticipate it will lead to an increase in disrepair claims and are exploring plans to strengthen our response.

The Equality Act 2010 has brought together over 100 separate anti-discrimination measures including race, gender, disability, religious belief, sexual orientation, age and equal pay. The act requires us to have regard to reducing socio-economic inequalities when we make strategic decisions. A full equalities impact assessment has been completed. This will be continuously reviewed to ensure that our asset management decisions minimise any possible negative impact on diverse groups.

Energy efficiency and readiness for changing environmental technologies have also become more prevalent. The Climate Change Act 2008 (2050 Target Amendment Order 2019) was adopted in June 2019, and makes a statutory obligation of the net-zero emissions target recommended by the Committee on Climate Change.

All of this comes at the end of four years of rent reductions imposed by central government which have reduced resources available in landlords' business plans to address investment in both existing and new homes. In response to this, along with Welfare Benefit Reform impact, we reviewed our investment priorities in 2016. This resulted in us identifying and retaining only priority services, and reducing non-essential works (including not introducing a proposed new Bristol Homes Standard).

1.4.2. Local context:

Bristol is a city under significant housing pressure, as detailed in section 2. Market prices, local incomes and a growing population combine so that need for social housing is high. The council and the Mayor have a strong commitment to being proactive in addressing the city's housing challenges.

We lose around 150 homes per year through Right to Buy (the forecast is for this to decrease to 50 per year in the next 10 years). This changes the profile of our homes over time and our approach to asset management must take account of that. Our new build and regeneration programmes aim to maximise the number of properties within our ownership.

We have reviewed the financial capacity in our HRA. This will help with investment planning and scoping our asset management options as we implement this strategy.

In 2020 we have faced restrictions to how we deliver asset management due to the Coronavirus. As a result we will inevitably face an under delivery in 2020 and some short term changes in the focus of our programmes. However our asset management principles remain the same and are reflected in this strategy.

1.5. Corporate objectives

The council's Corporate Strategy 2018-23 articulates the themes and principles that will underpin all of the council's activities, which naturally impact on management of the council's housing stock.

The themes are:

- Empowering and Caring
- Fair and Inclusive
- Well Connected
- Wellbeing

The principles are:

- We develop people and places to improve outcomes, empower communities and reduce the need for council services
- Maximise opportunities to work with partners and other stakeholders locally, nationally and globally
- Plan inclusively with everyone in mind, but with a particular focus on our children and their future
- Focus on planned long-term outcomes not short-term fixes, prioritising early intervention and prevention

- Contribute to safer communities, including zero-tolerance to abuse or crime based on gender, disability, race, age, religion or sexuality
- Build city resilience, improving our ability to cope with environmental, economic or social “shocks and stresses”
- Use our assets wisely, generating a social and/or financial return. Raise money in a fair but business like way.

The strategy also sets out actions which are relevant to housing, including:

- Delivery of new homes
- Working to tackle fuel poverty
- Reducing Bristol’s CO2 emissions
- Developing balanced and inclusive communities
- Improving access to the internet.
- Responding to the ecological emergency

The “One City Climate Strategy” sets out Bristol’s vision to be a climate neutral and climate resilient city by 2030.

This strategy incorporates ways in which the approach taken to asset management of housing and other assets within the HRA can contribute to the delivery of these corporate objectives.

1.6. Asset management principles and objectives

The primary aim of Bristol City Council’s approach to asset management of its HRA stock is to enable the council to provide good quality affordable housing that meets the needs of as many residents as possible over the longer term. In support of this aim we have adopted the following overarching priorities:

- Invest in our homes so they are well maintained and safe
- Contribute to the delivery of the 2030 carbon neutral city
- Provide homes and services that meet future demographic and social needs, and the needs of diverse communities
- Support the council’s growth ambitions
- Ensure we derive good value for money from our housing and non-residential stock
- Ensure our asset management strategy is affordable within the business plan.

1.7. Planning requirements and tools

We make use of a range of information and resources to plan, deliver and be accountable for our asset management activities. The way we approach these has a bearing on our effectiveness and efficiency, in terms of both money and customer experience. We will ensure that they are fit for purpose and well used.

- **Stock condition data** – held on our Keystone Asset Management system.
- **Data and governance to support compliance**
- **Active asset management** – We have invested in Savills Housing Asset Performance Evaluation (SHAPE), a tool that enables us to explore and report on this performance at a granular level.
- **Land database** – We hold a database of HRA land and sites which is used to review land use and development potential, as well as consideration of other uses for the community.
- **Skills and expertise** – The Asset Management Team in Housing and Landlord Services is responsible for setting policies and standards relating to repair and maintenance, statutory reporting, the storage and management of asset related data, and also leading on projects to ensure our homes reach the standards set and we make the best use of our assets. We also engage external specialist expertise to assist in the development and delivery of projects.

These are the central tools we require to understand our assets, make informed decisions about their management, and deliver this strategy.

1.8. Standards and regulations

As a social landlord we are subject to a suite of statutory and regulatory requirements relating to the safety and quality of our properties and how we manage them.

We have written policies that cover compliance, and these set out the specific obligations and how we will meet them. We have set out our current compliance position and actions in section 3.

Bristol City Council is also subject to the Regulator of Social Housing's Consumer Standards, some of which relate to asset management. These cover home, tenancy, neighbourhood and community and resident involvement and empowerment.

2. Demand and resident priorities



2.1. Housing market in Bristol

Bristol has an active housing market, where demand for properties of all tenures is higher than supply. Both house prices and private rent increases outstrip inflation, with private rents significantly higher than Local Housing Allowance (LHA). Consequently, there are high levels of need for affordable housing for rent and low cost home ownership. There is a political desire for integrated communities, and so the council wishes to maintain and expand provision of affordable homes in less affordable neighbourhoods. Our council rents are lower than many other local providers and other comparable local authorities. We are keen to continue to ensure the affordability of our housing stock – both in terms of rent levels and the cost of occupation.

2.2. Housing need

There is insufficient supply of social housing in Bristol to meet need. As the major provider of social housing in the city, the council has assessed patterns of demand for social housing across the city. Particular gaps in social housing provision are for:

- General needs one bed roomed accommodation
- 4+ bedroom properties
- Accessible and adapted homes
- Homes to encourage downsizing

Council housing stock is inevitably geographically concentrated, which leaves some areas of the city with insufficient provision to enable people to secure affordable housing in their areas of preference. In addition to this, high densities of three bed houses in certain areas mean that the available property supply does not meet the nature of demand expressed. Although there is a strong need for accommodation suitable to older people, we experience a lack of demand for some age-restricted housing schemes.

We need to undertake a full review of our homes to understand more about the type of properties that are needed in each area, to inform our approach to decisions relating to our existing stock and new build. We also need to understand the current and future needs of diverse groups and to assess the impact of current policies and approaches on these groups to inform our approach to managing our assets.

2.2.1. Demographic change

The population of Bristol (currently estimated at 463,400) is expected to grow by 15%¹ by 2043. Although Bristol's population is young compared to other cities of similar size, the city still anticipates an ageing population. 24% of our tenants are aged over 65. Indications are that new sheltered and extra care homes are needed in Bristol, but that the majority of need is for owner occupation² and the supply of rented sheltered housing should fall slightly². In terms of the council's sheltered housing stock and current experience of demand, this suggests remodelling, decommissioning and re-provision of some of our housing for older people. We need to review city wide provision for older people and work with our partners to improve our sheltered housing offer.

The population of Bristol has become increasingly diverse. There are now at least 45 religions, at least 187 countries of birth represented and at least 91 main languages spoken by people living in Bristol.

¹ Source, State of Bristol Key Facts 2020: <https://www.bristol.gov.uk/statistics-census-information>

² Source: The Population of Bristol, April 2020, Bristol City Council and Equalities Profile June 2020

These changes have mainly been concentrated in the inner city and inner east areas of the city. The Black, Asian and Minority Ethnic (BAME) population make up 16% of the total population in Bristol, and 19.5% of all our tenants. The age profile of the BAME population is much younger than the age profile of the Bristol population as a whole. The largest increase in religion in Bristol since 2001 is Islam, with Muslims currently making up 5% of the population, and 8.5% of council tenants.

We have data on the ethnicity of 93.49% of tenants; 75.2% are White British, and the next largest ethnic groups are 4.4% White-Other and 4.3% African Somalis. The incidence of illness and disability affecting people's housing requirements is projected to grow in Bristol over the next 20 years across all tenures. Currently 29% of our tenants have a known disability, with 11% reporting mobility problems.

Understanding the size and characteristics of the population, and how it changes is important to inform how we plan our services and our asset management approach. This includes understanding localised implications for delivery of services, promotion of cohesion, integration and equality of opportunities with regard to access to housing and services and increasing the number of new homes to meet diverse needs.

2.2.2. Making best use of assets to meet housing need

The Wider Bristol Housing Market Area Strategic Housing Market Assessment (SHMA) carried out in January 2019 recommends provision of around 16,000 new affordable homes in Bristol between 2016 and 2036, with 70% having one or two bedrooms. Around 2,000 of the total should be shared ownership with the remainder at an affordable rent. It also recommends provision of 760 rented extra care homes in the same period.

The council has committed to make a direct contribution to meeting the city's need for new affordable homes. In addition to direct delivery of both social rented and shared ownership homes, we also meet housing need by:

- Movement of land between the General Fund and HRA to facilitate development
- Remodelling, extending and converting existing properties
- Considering changes to the use of homes, e.g. use as specialist accommodation
- Considering rehousing options before making major adaptation decisions

Further work has been commissioned by the West of England Combined Authority (WECA) to produce a Local Housing Needs Assessment (LHNA). The LHNA will update the SHMA figures in response to more up-to-date data and changes to the government's standard method for assessing local housing needs.

We are committed to better understanding the needs of our current and future tenants, and using the SHAPE tool to consider the impact of remodelling and changes of use to inform our plans to make the best use of our assets. We are also committed to ensuring we make sound decisions on investing in our current homes to allow our Business Plan capacity to deliver new build homes and Estate Regeneration schemes. Finally, appropriate use of our HRA land and other assets support our corporate growth ambitions.

2.2.3. Specialist accommodation

There are a range of needs for specialist accommodation from accessible homes to temporary housing to meet specific circumstances. We currently have 6,697 homes which are adapted to meet the needs of disabled tenants and 95 homes for use as emergency or temporary accommodation.

The SHMA states that around 10% of people with a long term disability who live in affordable housing need to move to a different property to meet their needs, and that about 8% need adaptations to their home. We currently have 115 people with a disability in council properties waiting for major adaptations. We spend over £2m a year on adapting our properties. Our Making Best Use of Stock (MBUS) policy sets out our commitment to managing our homes creatively to meet the needs of current and future tenants. It sets out our approach to adaptations, and making best use of adaptations with a dedicated MBUS team.

Bristol has a high rate of homelessness. Bristol City Council has an obligation to address this under the Housing Act 1996 and the Homelessness Reduction Act 2017. As a landlord, we provide temporary accommodation through the use of acquired properties with high void or repair costs, and have two specialist schemes for homeless households. Our action is to develop a greater understanding of need which will inform the level and type of provision of temporary accommodation that is needed going forward, and also how we can support the city's need for move-on accommodation.

We work with colleagues across the council to consider future needs and how these can be met within the HRA.

2.2.4. Resident priorities

Our 2019 resident satisfaction survey showed an overall customer satisfaction index of 69.3%. Carrying out checks, repairs and maintenance of homes was identified as the most important improvement people would like to see, closely followed by better maintenance (including bins, building/communal area refurbishments and gardens). Priorities for improvement identified through the survey were around being more visible with a strong local presence, ease of making contact, listening to views and acting upon them, dealing with anti-social behaviour and improving the appearance of our homes and estates.

This survey was carried out as part of phase one of our Moving Forwards Together (MFT) programme. This is a major transformation programme involving all housing staff, where we work with residents to co-design our approach to services.

Many of our residents need help to maintain gardens and decorations due to increasing vulnerability. Our housing includes assisted programmes for gardening and decorations. We will review these programmes to ensure they are easy to access by all residents in need. Our soft investment budget provides funds designed to enhance residents' experience of living in our neighbourhoods. We want to engage with residents on a local basis to improve the look and feel of external and communal areas for residents, including the gardens, ecology, food growing, sustainability and play areas. We will review how this budget is targeted and the level of funding required, and we will involve residents in the development of our Bristol Homes, Block and Estates Standards.

3. Our homes



3.1. Portfolio summary

This strategy covers all HRA assets, including residential and commercial. The HRA owns and manages just under 27,000 tenanted homes, along with 1,700 occupied by leaseholders. Social rented homes make up the majority of our properties and providing these for letting will remain our core business. Overall it is expected that the number of rented homes will reduce as a result of Right to Buy to around 24,000 over 30 years. We will be looking to replace some of the homes lost through our new build programme.

The council also owns 53 commercial units (mainly shops) which are centrally managed, and 63 non-residential commercial and community assets which are used for a variety of uses and managed within the HRA. We also own 1,600 garages and other related assets such as laundries, scooter stores, community rooms and offices.

While council homes in Bristol are inevitably concentrated in certain areas of the city, homes are located in every ward in the city. The spread of council homes in Bristol is illustrated in Figure 1:

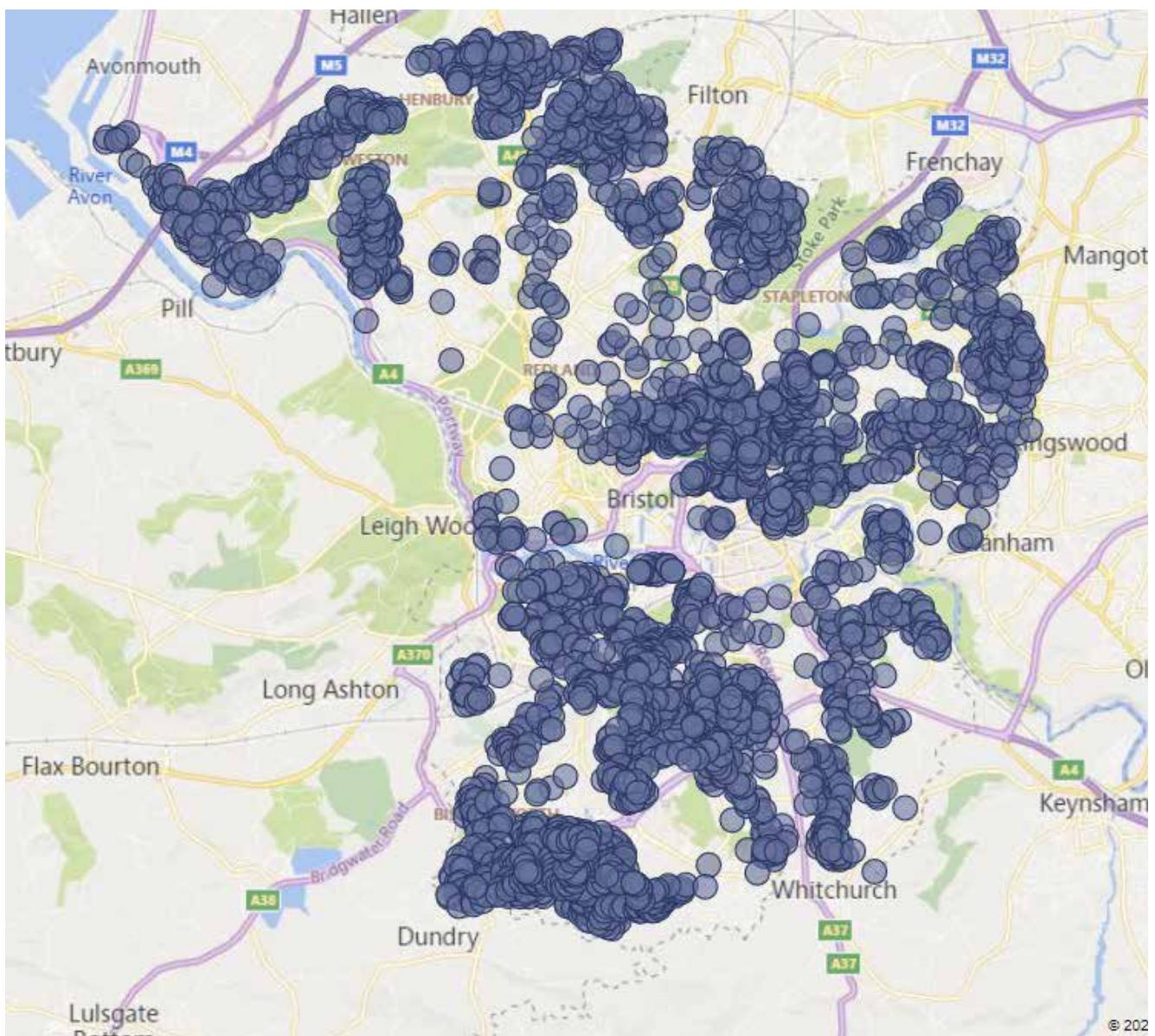


Figure 1: Location of social rented homes

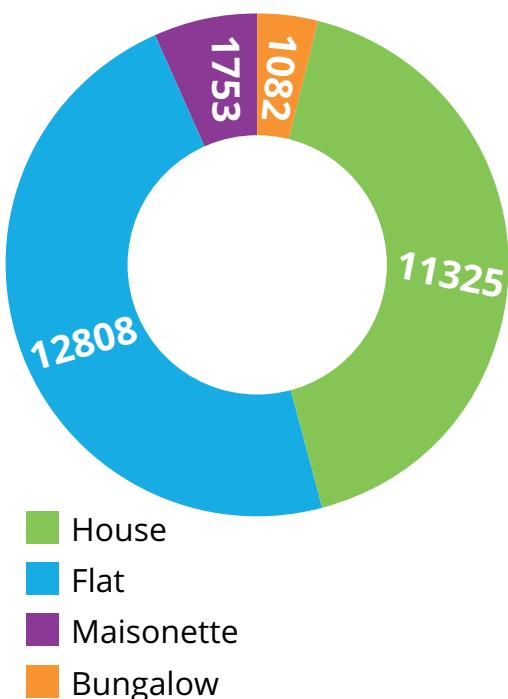


Figure 2: Type of homes

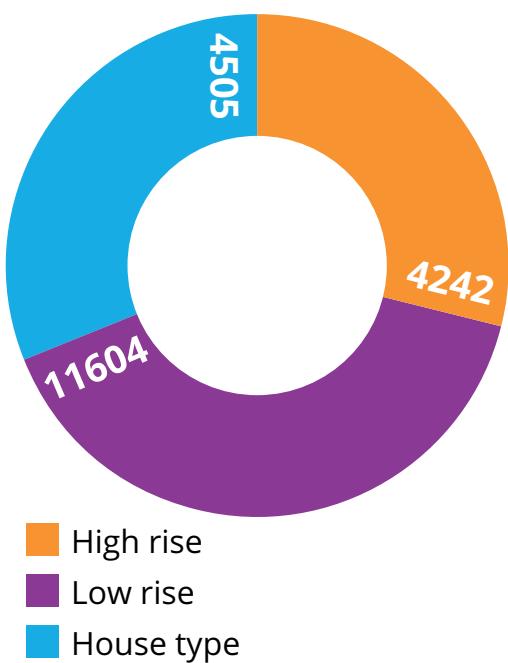


Figure 3: Flats by block type

Blocks

- **62 High Rise** (6+ storeys)
- **477 Low Rise** (2–5 storeys)
- **2666 house-type blocks**

3.2. Size and type

3.2.1. Type

The mix of property types affects the management and investment requirements of our stock. It also affects how well it aligns with local need and demand.

See Figure 2: Type of homes

3.2.2. Flats and blocks

See Figure 3: Flats by block type

3.2.3. Most of our blocks

Our blocks were built between the late 1950s and early 1970s, using various non-traditional construction methods. The construction forms include Easiform (Cast-in-situ concrete), No Fines, PRC and large panel system (LPS). There are also blocks that were built in the 1920s and 30s, usually of traditional brick construction.

41 of the 62 high rise blocks have been overclad. We have invested heavily in improvements to fire safety, but are conscious of the need for higher standards arising from national reviews of building safety. Since 2012, we have made significant investment in fire safety in our blocks and this approach sits within a policy framework which means we are confident that our blocks are safe. The blocks have heavy repair liabilities due to their

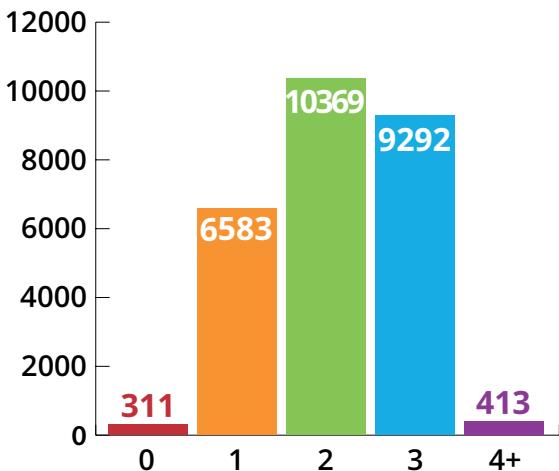


Figure 4: Size of homes

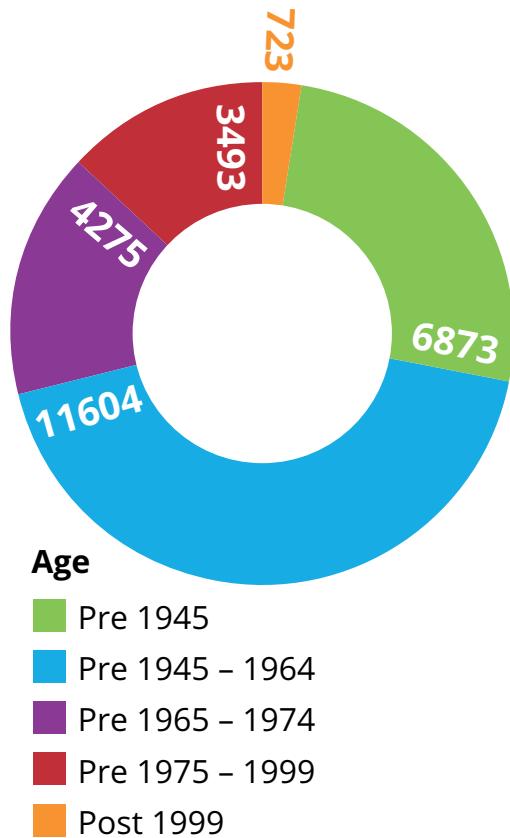


Figure 5: Age of homes

construction and significant levels of communal services, and in many cases the costs outweigh income receivable (refer to Section 4).

The majority of the low rise blocks have cavity wall insulation (314) and a further 100 have external wall insulation. All have Fire Risk Assessments in place, and we have a live programme to deliver fire stopping works and replacement fire doors across these blocks. We also own 2666 house-type blocks – built with a range of non-traditional construction methods.

3.2.4. Size of homes

The majority of our rented homes are two and three bedroom as illustrated. See Figure 4.

3.2.5. Age of homes

This includes 1,200 Victorian street properties (known in Bristol as acquired homes) which are expensive to maintain and require significant investment to deliver the city's zero carbon targets. See Figure 5.

3.3. Sheltered housing

We have 3,700 specialist or age restricted homes. The majority of these are age restricted to either 40 or 50 plus. We have 870 specialist supported housing places for older people across 28 schemes. The performance of these schemes is mixed. We want to ensure our housing offer to older people meets changing needs and aspirations. We plan to review our poorly performing schemes, alongside an overall review of Bristol's offer for housing for older people.

3.4. Leasehold properties

The council manages 1,700 leasehold properties. The council remains responsible for repairs to shared facilities such as lifts, lighting, shared heating and hot-water systems, the roof and structure of the building, as well as internal and external communal areas. The cost of these works is recharged to leaseholders under the council's policy. We will review our approach to service charges and recharging for major works and take action to maximise recovery of costs while improving the resident experience.

3.5. Other assets

3.5.1. Garages

We have approximately 1600 garages located across the city. Our current annual income received from garage rent is about £290,000 per year. We have reviewed our approach to garage management and reviewed letting rates and their condition. A pilot is underway and progress has been made to repair empty garages, increase garage letting rates, assess demand and consider the long term investment needs of garages. We have an approach to appraise options for garages and sites – including repair and relet, use of the site for new homes as well as utilising the garages or site for community benefits. We aim to align rents with premium rents in high demand areas. Further – we are considering how to use these assets to meet other objectives and we are considering how our garage sites will contribute to achieving Bristol's zero carbon targets. This will include exploring the feasibility of installing electric vehicle charging points within garage sites.

3.5.2. Commercial property

The HRA owns 53 shops which are currently managed centrally. Some of these have social rented units above them, others have a living space attached which is leased out with the commercial unit. The shops generate income to the HRA of around £250,000 per year. As client, we will develop our retail strategy with a proactive approach going forwards, which will consider a comprehensive options appraisal of the commercial portfolio with the aims of:

- Maximising demand and income while retaining commercially viable shops that make a positive contribution to the estate environment
- Exploring options for change of use including conversion to social rented homes
- An agreed standard for both the commercial unit and connected homes which clearly informs our investment approach to these assets, and identifies responsibilities for repair, improvements and compliance.

In addition to our shops, we also have a range of other buildings and rooms used for commercial use. In total the HRA receives around £114,000 per year of other commercial income. These assets operate as cafes, churches, community rooms, offices, day nurseries, surgeries, workshops, one pub, special schools, storage and sports and training facilities. They operate under a variety of management arrangements, some let to other city council departments and other with third parties. We will review all current leases, commercial opportunities and management arrangements.

3.5.3. Community assets

Within our estates we have a range of community assets including community rooms, scooter stores, laundries and guest rooms. The usage of all these assets has been comprehensively mapped. Their usage is monitored by housing officers and caretakers. Where assets are rarely or never used, consideration for conversion to alternative use is explored. We want to provide community assets which are well used and in good condition and contribute to the attractiveness of local amenities. Where demand is low, and/or where we are unable to continue with provision due to financial viability of the blocks in which they are located, we will explore alternative uses with a priority consideration being conversion for use as new homes. Where there is a clear and expressed need for a community facility – we will invest appropriately to ensure it meets residents' needs.

4. Investment and standards



4.1. Data

4.1.1. Stock condition data

It is essential that the council has a clear view as to the level of investment required to the stock, and the reliability of the information that underpins our investment and business plans. Keystone holds some level of stock condition data for all of our homes, and this data comes from a variety of sources, including:

Survey data – Our House Condition Inspectors (HCIs) complete surveys on our homes. We currently hold survey data for over 87% of our homes, with 77% containing full data and around 64% surveyed in the last five years. We aim to increase HCI capacity to inspect all homes at least once every five years.

Completed works – On completion of planned works, relet works, responsive repairs and adaptations, our stock condition data is automatically updated to include date of install and expected replacement dates based on agreed life cycles.

Further improvements are needed to improve the integrity of our stock condition data, including:

- External validation of our stock condition surveys
- Ensuring we capture complex information for example communal Mechanical and Electrical (M&E) works
- Undertaking a risk based, sample approach to structural appraisals of our low and high rise blocks.

This data is used to inform our 30 year investment plan. The profile of investment is illustrated below and indicates a significant peak of investment required within the first five years.

4.1.2. Energy data

An up to date Energy Performance Certificate (EPC) is provided when a property is relet, or prior to a Right to Buy sale. The EPC data as well as the certificate is retrieved to supplement our energy data. We are also able to calculate carbon emissions, and can model scenarios for reducing carbon.

4.1.3. Compliance data

To support compliance with health and safety requirements relating to gas safety, fire safety, legionella, electrical testing, asbestos and lifts we ensure that we hold accurate and up to date records of the relevant components in our homes, including records on servicing and maintenance, and risk assessment requirements. We are reviewing our approach to the management of this information, and need to explore alternative system solutions.

4.2. Investment standards

4.2.1. Decent Homes

The Decent Homes Standard has been the minimum standard for social housing since its introduction in 2004 – and targets investment at the replacement of key building elements to ensure the home is warm, weathertight and has reasonably modern facilities. The Housing Health and Safety Rating System is a key element of the standard, and guides investment to addressing hazards.

As at August 2020, 94.25 % of our homes meet the Decent Homes Standard, and we plan works to address non-decent properties each year. We are undertaking a comprehensive review of the way in which we report non decency, including how our Keystone system can help us to understand non decency triggers and how we plan

works. We will review the emerging changes to Decent Homes, and will ensure our systems can monitor own homes' performance against this standard, as well as appraising options for meeting the target.

4.2.2. Bristol Homes Standard

We recognise the need to build on the Decent Homes Standard and develop our own Bristol Homes Standard. This work will be completed alongside our Moving Forward Together programme which aims to transform our services to meet resident priorities. It will also involve a review of the emerging Decent Homes Standard 2 to ensure that our own local standards meet all statutory minimums.

Bristol Block Standard

Standards for council housing are changing and there is a renewed focus on blocks of flats, and in particular the communal areas of those blocks. As part of the Bristol Homes Standard we will develop a standard specifically for our blocks, with the aim of bringing together the Fire Safety and Building Safety Requirements, as well as residents' priorities. It will outline the standards residents who live in blocks can expect in terms of security, access and safety as well as supporting the services of the new Building Safety Manager.

Bristol Estate Standard

Further work as part of the Bristol Homes Standard we will develop a Bristol Estate Standard, highlighting the standards of security, maintenance and investment that our residents can expect beyond the boundary of their individual home and block – including the look and feel of the estates, play areas, gardens, etc.

Relet Standard

The council repairs and improves homes to a high standard at the void stage, to ensure we let good quality homes and also to avoid disruption to the incoming tenant at a later stage. We will undertake a review of our relet standard, appraising the costs and benefits of differing standards including reviewing new tenant satisfaction, relet times, impact on planned programmes and overall HRA Business Plan implications.

4.2.3. Building safety

We have carried out independent assessments of 27 blocks with older cladding where we had limited original records of materials used. None have ACM cladding or were subject to the government's ACM cladding testing programme. We plan to continue these assessments across our remaining blocks which have newer cladding. Where appropriate, works to undertake repairs or

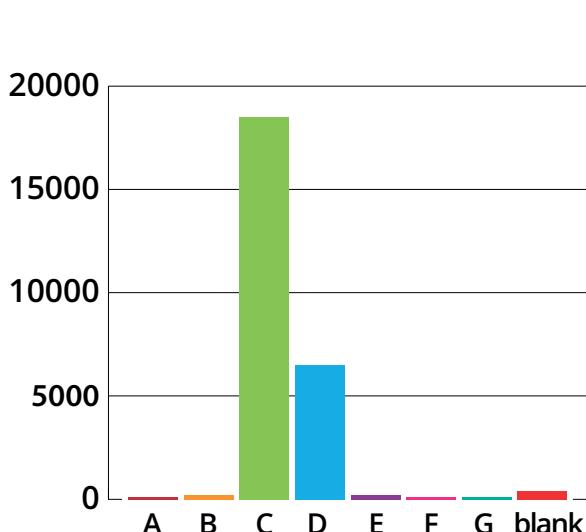
improvements to bring the blocks up to current standard are included in our plans.

We are carefully monitoring the government's consultation on building safety following the Hackitt report and draft Building Safety Bill. We regularly check and compare our response with other landlords. A newly created role of Building Safety Manager will establish an assurance framework to ensure compliance with the new regulations. We are working to establish clear processes and procedures, with contracts in place to ensure safety inspections, cyclical maintenance and repair and investment requirements are fully delivered in accordance with the new safety regimes, regulation and best practice.

4.2.4. Energy performance and climate strategy

The One City Climate Strategy sets out the vision for Bristol to be a climate neutral and climate resilient city by 2030. Our housing stock can contribute to this vision. This means a focus on retrofitting our housing to improve energy performance whilst also cutting carbon. Our target is to have no properties below EPC C by 2030 and reduce carbon emissions to net zero by the same date. A particular focus is needed on those in fuel poverty to ensure no one has to live in a cold home, and that our efforts to reduce carbon do not result in homes which are more expensive to heat. A tailored approach will be needed to reflect the different design, heritage and construction of our homes.

Currently energy performance of our homes shows an average Standard Assessment Procedure (SAP) rating of our stock is 70. The range of EPC performance for our properties is illustrated below:



EPC

We currently have 7,000 properties with the EPC below C. Our homes which fall into the group of EPC D and below are largely

- Flats in blocks where the block has no wall insulation and/ or poor heating
- Houses and bungalows with no wall insulation – a significant proportion is Easiforms type non-traditional build with no wall insulation.
- Victorian street properties – particularly hard to improve.

Figure 6: Energy performance of rented homes

Net zero carbon targets

We have worked with the Centre for Sustainable Energy to review our existing homes, build type, previous measures and current performance in terms of SAP and carbon emissions. We have modelled options to improve carbon, with the aim of reducing carbon in our homes to net zero by 2030. The study reviewed appropriate alternative heating solutions to replace our current gas boilers, including citywide district heating, heat pumps and new electric heating. Insulation measures will be required, including additional wall insulation and internal wall insulation where cladding would not be permitted, as well as PV panels and other generators. The study highlights that in some cases carbon reduction measures will have an adverse effect on affordability and therefore SAP rating, and we aim to ensure the shift to lower carbon heating and power options is a fair transition for our residents as we develop a programme of works.

Whilst achieving net zero carbon in our housing stock is a clear target, we need to develop a specific set of measures for each group of homes to ensure we achieve this, and this in turn needs to be developed into an investment plan. In order to meet the challenge of developing a clear net zero plan for all of our homes, we are:

- devising a number of pilot projects to test new approaches and technologies
- working with other experts to share experiences and ideas – for instance colleagues in the city council with expertise in energy and sustainability, West of England Combined Authority, the Centre for Sustainable Energy
- bidding for funding for carbon reduction measures social housing projects.

We are also committed to developing an approach to ensure our assets are resilient to all of the effects of climate change, including flood, over-heating and extreme weather.

4.2.5. Compliance

Alongside our data we have robust policies and procedures that guide how we deliver our compliance obligations. We have a robust approach to compliance in all areas. Our obligations are satisfied by regular inspections, servicing and maintenance regimes that ensure key elements of the home and communal facilities do not pose undue risk. To ensure transparency of our compliance, we regularly submit our performance to Housemark which enables us to Benchmark against our peers. In addition, we have fed through our

performance to the Regulator of Social Housing throughout the COVID-19 pandemic through the Coronavirus Optional Response Survey (CORS).

Fire safety

Since 2012, we have made significant investment in fire safety in our blocks and this approach sits within a policy framework which means we are confident that our blocks are safe. This means that even before the Grenfell disaster we were in a strong position on fire safety with fire risk assessments completed for all low and high rise blocks, as well as compartmentation and replacement fire doors in all high rise. We work closely with Avon Fire & Rescue Service, keeping them updated on our fire safety programmes and working jointly with them on fire safety improvements.

4.3. Connectivity and smart technology

Digital connectivity

Some of our blocks suffer from low internet speeds, and access and choice to our residents is limited. We are working to improve digital inclusion by enabling the installation of ultra-fast fibre networks in our blocks capable of providing high speeds of connectivity and increased choice of broadband packages for residents. This involves working with telecommunication companies to facilitate the installation of their ultra-fast fibre networks in blocks, while following a site specific installation plan to ensure that all aspects of fire safety are met, reduce the risk of asbestos, and deliver a high quality install that has minimal impact to the building and residents. We will also explore how we can use the council's existing BNET infrastructure to assist in the provision of broadband.

Smart technologies

We will review how to best incorporate smart technologies to improve the lives of our residents and better inform us how assets are performing to help inform future investment decisions. Options include self-regulating heating systems, humidity sensors and damp sensors.

Electric vehicle charging points

We are aiming to provide electric vehicle charging points in our car parks in blocks of flats across the city to ensure residents in our blocks have the option of charging an electric vehicle. We are undertaking trial installations to understand the requirements, with a view to wider roll out.

5. Performance of our stock



5.1. Understanding the performance of our stock

As set out in the introduction, we take an active approach to the management of our assets, supported by our understanding of the performance of our homes. The current evaluation was completed in 2019.

5.1.1. Financial performance

From a financial perspective our 2019 evaluation shows a total net present value (NPV) of £326m across 27,038 rented homes, equivalent to an average of £12,059. Performance varies across the portfolio and this presents some challenges for our asset management strategy. 21.75% of the homes (5,881) show a negative NPV over 30 years representing a liability to the business plan of over £114m. A further 18.72% (5,062 homes) show a marginal NPV (defined as between £0 and £10,000) representing a further risk to

the business plan. Nearly 60% of homes show good strong cash flows above £10,000 per unit. It is these properties which support the business plan to allow the council to deliver across all homes.

Performance	Tenanted units	% Units	Total NPV	NPV Per Unit
Poor	5,881	21.75%	£144,314,242	£19,438
Marginal	5,062	18.72%	£28,767,272	£5,683
Good	16,095	59.53%	£411,600,504	£25,573
Grand Total	27,038	100.00%	£326,053,534	£12,059

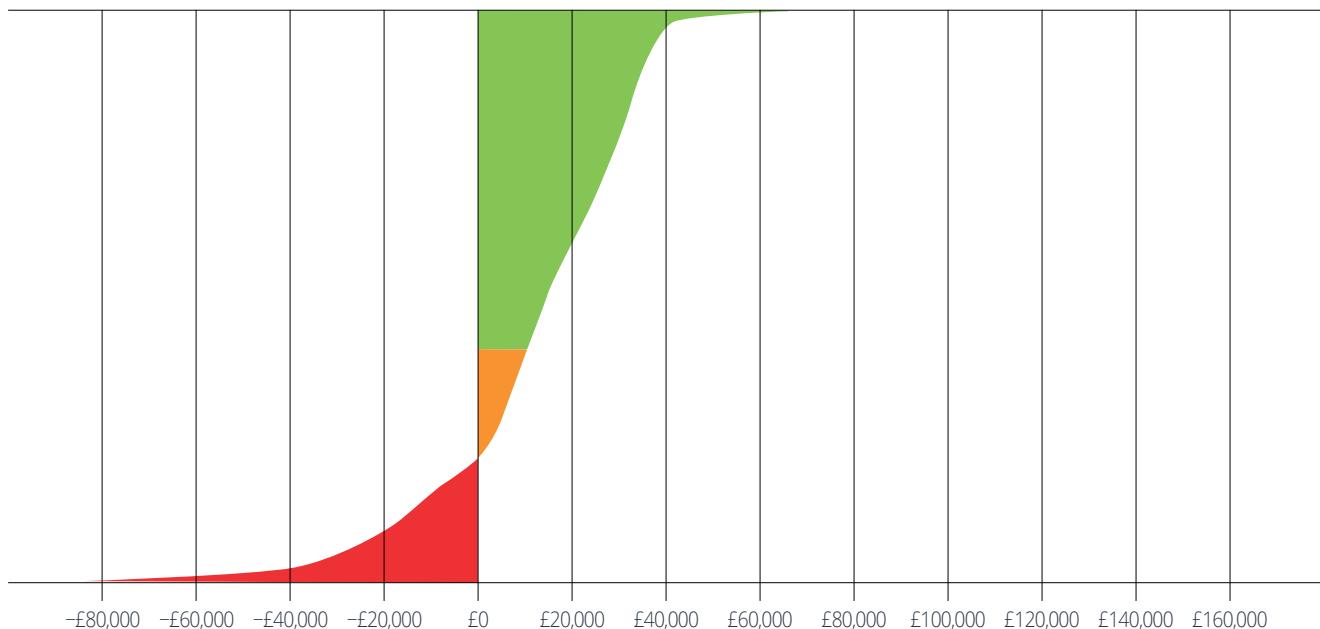


Figure 7- 30 year NPV

We have compared our performance with benchmarks from other social landlords in the South West and with other local authorities across the country. The results show that the NPVs are lower than those of other social landlords, driven primarily by our lower rent levels.

The model also provides a projection of future NPV. In 2019 NPV growth was predicted to increase at a rate of just under 3.5% p.a. Our framework of appraisals to tackle poor performance will aim to improve on this growth rate in order to increase business plan capacity to deliver the council's social housing objectives.

5.1.2. Analysis of social performance

We also looked at the performance of homes against our corporate objectives, looking at measures linked to our themes of Empowering and Caring; Fair and Inclusive; and Wellbeing. This analysis showed a clear difference in our ability to achieve our social objectives in different parts of the city. It enables us to identify areas where social sustainability is weak and to take action through neighbourhood

planning and through asset management to improve the extent to which the council is meeting its social housing objectives across all its homes. Where homes score poorly these represent areas where our asset management and community investment strategies need to target social issues, alongside investment and regeneration of our existing homes.

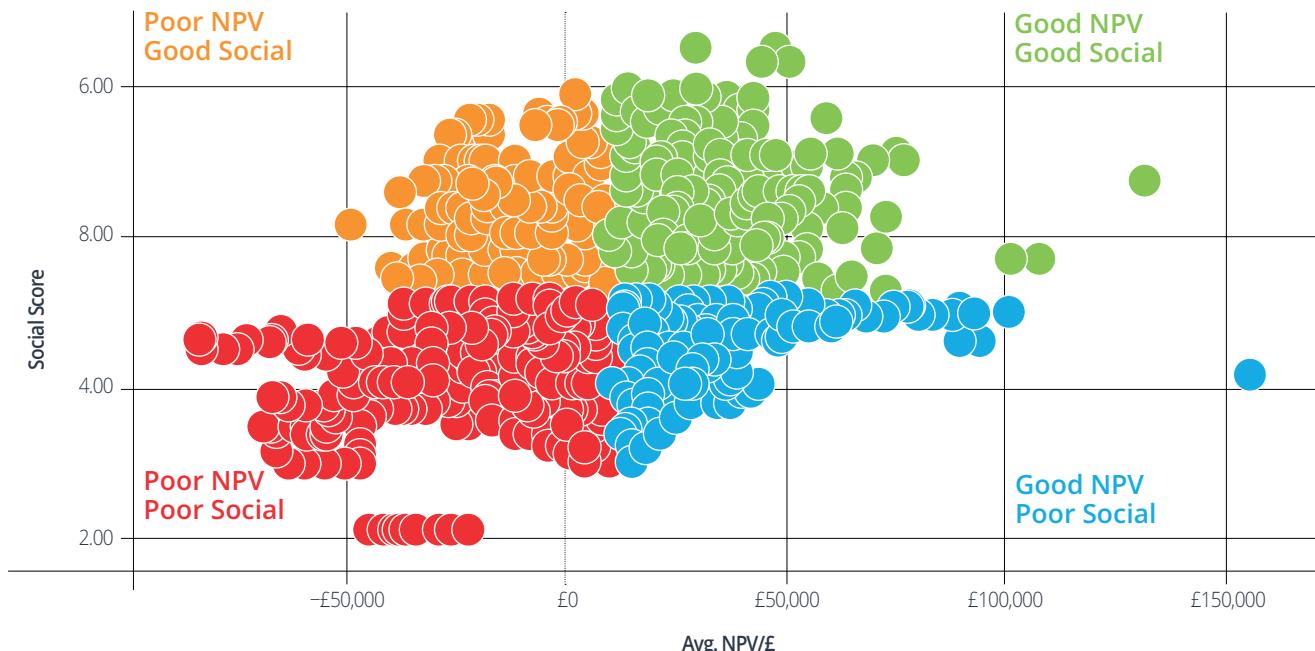


Figure 8 – NPV vs Social

5.2. Using the results to inform strategy

Our aim is to make informed decisions based on the performance of our stock, and to identify suitable options to address stock that is performing poorly. This will mean that over time our average NPV will improve, and NPV growth will be stronger in the future which in turn will increase business plan capacity to deliver our objectives providing quality homes that meet the future needs of the city.

We are developing a framework of both initial assessments and full option appraisals to be carried out by the end of 2022, targeted at properties which perform poorly on a financial basis, and informed by an understanding of social performance and market context. All feasible options for improvement will be explored to deliver our objectives and improve our offer to residents.

- The first stage will be to explore the reasons for the asset's poor NPV, and to consider its performance against the social objectives. We will undertake a high level assessment to identify the available options to improve its NPV while taking into consideration its performance against the social objectives and

aspects such as the location, property type, current occupancy and demand. Options to improve may include a change of use or of investment profile

- The second stage will be an in-depth appraisal of the identified options, including estate regeneration for identified estates or stock types where poor performance is driven by high investment need, lack of alternative options and opportunities to redevelop. This appraisal will consider options to improve NPV and additional development opportunities, to improve the quality of housing and the wider environment.

5.2.1. Ongoing updates

Increased standards and costs

Will need to include costs as they emerge to meet

- Zero Carbon. We need to develop an understanding of the technical solutions available, and their cost. We will seek funding to support delivery and take into account the financial viability of properties.
- Bristol Homes Standards
- Decent Homes 2 & Building Safety. At the same time as reviewing our own investment standard we will respond to any revised government guidance on the decent homes standard, as well as any additional costs from expected increases in consumer regulation and building safety requirements

Scenario modelling

Test options to improve performance of homes in poor category – understand the impact of the changes

5.2.2. Conclusion

We need to better understand why some of our homes perform poorly, and how we can improve the status of these homes. However, we acknowledge that we will always have homes which perform better than others, and that the income from homes categorised as good will cross subsidise others in the portfolio. Use of the SHAPE tool ensures we are making investment decisions with a sound evidence base.

6. Investment planning – bringing it together



6.1. Investment planning process

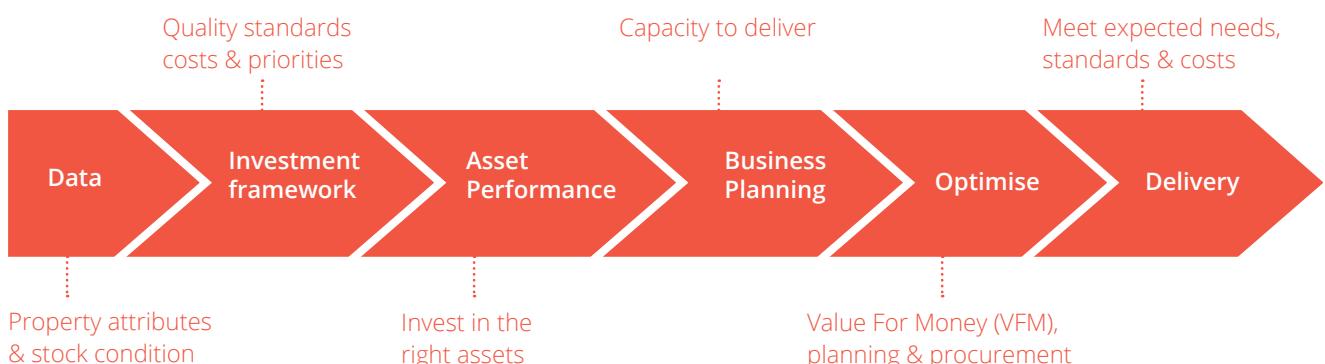


Figure 9: Investment planning process

Our approach to investment planning can be summarised in the diagram above and demonstrates a golden thread from the data that we hold, through to the decision making and business planning for future investment. In reality, the process is not as straightforward. The investment framework for social housing is undergoing a transformation – as outlined the new Decent Homes and Hazard

rating changes are proposed, and we also await the new Fire Safety and Building Safety requirements, and how net zero carbon can be achieved for all our homes is not yet fully understood. We have aspirations to exceed the minimum standards in our homes and estates. Work is ongoing to further our understanding of both the results of the asset performance model and our approach to address poor performing homes. Finally, the HRA Business Plan is under review.

However, we have clarity in our framework for making decisions and how we will respond to emerging changes. Delivering the actions in the Action Plan in Appendix 1 will ensure the framework is in place for considering increased investment in our existing homes and to ensure this is targeted at the homes which have a long term future. The investment we deliver needs to meet our objectives.

6.1.1. Data

We have a robust dataset – with complete and accurate details of our assets and the associated attributes and components. The data we store and manage details not only stock attributes and condition, but also how our assets measure against performance criteria – specifically in relation to compliance and energy standards. The data we collect, store and manage is continually reviewed to ensure it is current and meets our needs.

Our cost data for repair and replacement of key building elements is regularly reviewed to benchmark against industry standards and to ensure value from our in house teams. Analysis of the performance data and cost information forms the foundation of investment planning as well as being key in the asset performance SHAPE tool.

6.1.2. Investment framework

In order to ensure that we invest in our homes so they are well maintained, warm, safe and attractive to residents, and to manage them within available resources, the investment programme will be developed within a framework which considers the following, as well as newly arising priorities –

- Statutory regulations and regulatory works
 - All Health and Safety compliance areas and building safety,
 - Works to address structural issues
- Minimum condition and efficiency standards
 - Decent Homes Standard (and any new guidance on the standard),
 - Delivering EPC C by 2030

- Bristol Homes Standards
 - Including block and estate standards
 - Informed by resident priorities
- Investment in line with Corporate Strategy
 - Supporting growth aspirations
 - Makes best use of assets
- Works to maintain and reduce responsive repair costs
 - Reduce impact on disrepair
 - Internal and external maintenance
- Works to reduce carbon emissions with the aim of net zero

Investment plan

The data on performance and condition of our homes measured against the standards within the investment framework indicates the investment needs of these homes. Once we introduce the cost of the investment and the timeframe, we then have a draft investment plan. We know that we can not meet the needs of all of the investment priorities in all of our homes without

Increasing capacity in the HRA Business Plan (BP)

Reducing investment in stock which does not meet our financial or social objectives

External additional funding

The Investment Plan will change over the coming years in response to the transformation of the investment framework, results from the SHAPE model and agreed solutions for our poor performing homes, as well as increased understanding of BP affordability.

6.1.3. Asset Performance

The Investment Plan in the form of capital investment costs per property are a significant element of the SHAPE performance assessment. Over the next two years, the model will be dynamic as we:

- better understand investment costs to meet the emerging standards and update the model accordingly – the tool allows us to consider the viability of proposed investments
- appraise the options for poor performing homes, and make changes to improve the performance – e.g. change use to temporary accommodation, and the model will be rerun to reflect the new arrangements

The process is iterative, as we make agreed changes but also model scenarios and test proposed changes to investment standards or use of stock.

6.1.4. Business plan affordability

The investment plan is entered into our business plan model, and provides for capital investment in our homes over the next 30 years. This amount is to replace existing building elements as they become due, linked to our stock condition survey information, and some additional provisions for fire safety, compliance, conversions and adaptation works.

We have carried out an analysis of business plan capacity which indicates the potential to deliver increased investment over the course of the plan.

6.1.5. Value for money

One of the principles of our corporate strategy is to use our assets wisely, generating a social and/or financial return. This strategy includes actions that will evidence value for money through

- An approach to asset performance evaluation that enables us to maximise return on assets
- Actions to maximise the number of homes in ownership through regeneration, bringing empty homes back into use, and new build development on our land
- An approach to investment planning which ensures works are delivered efficiently and remain affordable
- Ensure we make best use of our non-housing assets, such as our garage and commercial portfolio making sure we review the current use and alternative options, and maximising income

We plan to review our approach to inspections and quality control. We also want to ensure that our outturn costs match our budgets. Our in house delivery team carries out the majority of our responsive and void repairs and some of our planned programmes. We need to understand how our internal costs benchmark against external costs of other providers.

6.1.6. Delivery

Repairs and maintenance is delivered in line with our Strategy for Commissioning and Procurement through to Delivery. We are continually seeking to ensure we have skilled internal expertise and capacity, as well as access to appropriate consultants and contractors to deliver our capital programme and ensure value for money.

7. Review and monitoring



7.1. Performance monitoring

Accountability for the strategy is with the Director of Homes and Landlord Services. Operationally, responsibility is with the Asset Strategy Manager to ensure agreed programmes are in place and delivered effectively.

Investment plans and the results from options appraisals leading to alternative proposals for assets will be reported to Housing Services Leadership Team (HSLT). Reports will include financial and quality outcomes against plans. We will measure our success through monitoring progress on delivering the agreed actions, and through a range of Key Performance Indicators (KPIs) which include:

- Overall growth in NPV across our HRA homes
- Option appraisal within agreed timescale for all properties which meet the triggers established
- To meet targets set out in our agreed strategy to reduce our carbon emissions to net zero by 2030, seeking funding to support this with alternative options explored where this is not feasible

- To achieve the agreed milestones in the overall plan to meet EPC C for all our stock by 2030
- Maintaining decent homes standard, including adopting any new guidance issued
- Adherence to planned works budget and timescales
- Compliance with all health and safety, regulatory and statutory standards

7.2. Governance

The accountability for key aspects of this strategy is set out below.

Tasks	Asset Strategy Manager	HSLT/Cabinet Member
Drafting, maintaining and updating the Asset Management Strategy (AMS)	Prepares draft AMS for portfolio holder decision, Maintains AMS Provides annual update of AMS Provides full periodic reviews of AMS.	Approves draft AMS and has overall responsibility for ownership of AMS. Approves annual updated AMS and periodic reviews.
Implementing stock options appraisals and managing outcomes	Conducts stock options appraisals and makes recommendations to Cabinet Member/ Cabinet. Implements Cabinet Member decisions.	Considers recommendations and takes decisions on implementation. Agrees a level of delegated authority for action based on agreed principles.
Managing progress against delivery of five year investment plans	Reporting and consideration of progress/corrective action via management quarterly to HSLT and Cabinet Member.	Receives and approves reports. Takes/approves corrective action where required. Regular monitoring.
Updating stock condition survey information	Surveys carried out to maintain stock condition data on 100% of properties every five years with regular external validation. Outcomes used to inform the investment plan, and revisions to the Asset Management Strategy and the asset performance evaluation model.	Results reported to HSLT via the annually updated AMS.
Updating asset performance evaluation model	Model will be owned and managed to support decision making and it will be updated every two years.	Model outputs reported to HSLT and Cabinet Member at each update to demonstrate progress in active asset management to improve value.

7.3. Internal controls

Stock condition surveys – The costs used in the SCS are reviewed regularly, to ensure they are consistent with sector benchmarks and updated on a systematic basis based on actual prices obtained for works completed. Repair spend will be tracked to monitor impact of the investment priorities. Updates to the SCS are captured by the asset management databases as the investment programme is implemented. SCS updates will form part of the annual investment planning verification process.

Investment plans – There is a planned investment programme in place with clear and robust contract management arrangements. There are performance measures in place and there is effective and regular monitoring and management of actual delivery performance against these plans by the asset management team. Repairs and maintenance, including gas servicing, delivery programmes are all in place and there is effective monitoring and management of outcomes.

Procurement – We have effective and efficient procurement plans and processes in place, and the value for money delivered through these is confirmed through benchmarking and external validation exercises.

Responsive repairs – There are detailed contract controls and performance measures in place. Service outcomes and measures are used to inform forward planning of both responsive and planned repairs and our in house delivery team. There are good levels of customer satisfaction with the service and this is routinely tested .

Asset Performance Evaluation – The SHAPE model is owned and managed by the Asset Management Team, with input from the finance and housing systems teams. The model will be regularly updated, informed by new information including; updated stock condition data following delivery of investment plans, responsive repairs spend, changes in management costs, changes in void rates, local option appraisal outcomes, new homes etc.

Asset Management Strategy – The Asset Management Strategy will be updated as a key part of the annual capacity modelling and corporate planning process and outcomes from this exercise will inform the business planning and capacity modelling.

7.4. Regulation

The Regulator of Social Housing has written to local authority landlords to emphasise its expectation that councils will comply with its Home Standards. It has also issued regulatory notices to a number of other local authorities whose failure to comply with requirements relating to asset management has caused or could cause serious detriment to their residents. Whilst we are confident of our compliance position, we intend to undertake a high level assessment of gaps or weaknesses which might lead to regulatory breaches. The approach would ensure greatest focus and depth on areas of highest risk. The review will ensure we are meeting key requirements in particular looking at compliance with the decent homes standard, the cost effectiveness of our repairs and maintenance service and all statutory requirements that provide for the health and safety of our residents.

Key to the above will be the reliability of our stock data, and sub-sets of data including asset, stock condition, compliance and repairs data on which we base our assurance reports. The review would also consider the level of cabinet and management level oversight.

7.5. Risk management

There are risks associated with the ownership and management of large residential property portfolios. These could be a risk to the council's strategic aims and finances and its reputation. They also relate to quality of life for residents. We must have robust strategies in place to manage asset management associated risks. Our April 2020 service risk register sets out our key risks including:

- Gas safety compliance
- Asbestos exposure
- Lack of recruitment and retention of staff to deliver programmes
- Procurement delays and contractors going into administration
- Impact on planned programmes of Covid 19
- Fire safety

We will review our corporate risk register to ensure key asset management related risks are recorded there, and that everyone has a good understanding of responsibility for mitigating actions. This will include ensuring our stock matches the need of current and future residents, data management to ensure compliance, keeping up to date with emerging regulatory requirements, adequate investment to maintain resident satisfaction, efficient planning and

delivery of programmes and incorporating the costs of new requirements e.g. building safety and zero carbon.

Review

The strategy covers a five year period from 2021 – 2026. Investment plans and the Asset Management Strategy will be reviewed annually.



Prepared with support from Savills



Action Plan Appendix 1



Key actions: Demand and meeting need

- ➔ Maximise the number of social homes we provide through a programme of acquisition, new build, conversions, remodelling and regeneration.
- ➔ Review our housing offer for older people, establishing a future standard and a strategy to work with partners to deliver this.
- ➔ A coherent review of BCC housing needs data to cover adaptation shortage, mismatch in home size, and locations. This will inform and form the basis of the future new build strategy, making best use of existing stock such as remodelling, conversions and extensions, and temporary accommodation.
- ➔ Understand the current and future needs of diverse groups and assess the impact of current policies and approaches on these groups.
- ➔ Review our Making Best use of Stock Policy to reflect our understanding of stock sustainability.
- ➔ Review our approach to the supply of supported/specialist housing accommodation.

- ➔ Support the council's growth plans by exploring options for poorly performing stock alongside identified development potential.
- ➔ Review our approach to the appraisal of land sites and link to our mapping software.
- ➔ Review assisted gardening and decorations programmes to ensure ease of access.
- ➔ Review soft investment budgets to ensure these reflect resident priorities with adequate funding.
- ➔ Increase our engagement with residents, including those from diverse groups, through more detailed satisfaction surveys and consultation on policies and procedures.

Key actions: Our homes

- ➔ Review our approach to leasehold service charges and recharging leaseholders for major works.
- ➔ Develop a new Bristol Homes Standard, Bristol Blocks Standard and Bristol Estates Standard in consultation with residents – including investment in play areas, etc.
- ➔ Update the relet standard to maintain safety and quality while improving void turnaround times.
- ➔ Carry out 5,000 housing condition surveys per annum.
- ➔ Expand the scope of surveys to include external and communal areas.
- ➔ Embed and improve our use of current systems to record and maintain up to date property condition records to ensure we can capture information, assess risks, plan and monitor delivery of remedial actions and improve our approach to compliance.
- ➔ Improve our 30 year capital cost forecasts, in particular M&E costs to help better inform investment planning and SHAPE.
- ➔ Carry out an external validation of 5% of surveys completed each year.
- ➔ Complete our review of non-decency reporting and confirm our approach to planned work to maintain low levels of non-decency going forwards.
- ➔ Complete phase 2 of independent assessments of the fire safety of our clad high rise blocks.

- ➔ Carry out structural assessments of all our blocks using a risk based system of prioritisation.
- ➔ Improve our approach to compliance both in respect of policy, procedures and governance across all areas including the introduction of regular third party assurance.
- ➔ Develop our delivery strategy for energy improvements and carbon reduction emissions across our housing stock – ensuring a just transition to net zero carbon and an approach to mitigating all risks from climate change.
- ➔ Work with partners to improve digital connectivity in all our blocks and surrounding properties.
- ➔ Review how to best incorporate smart technologies to improve the lives of our residents and better inform us as to how assets are performing to help inform future investment decisions.
- ➔ Develop a strategic approach to the asset management of our garages, understanding viability, maximising income and exploring options where there is low demand.
- ➔ Consider how our garage sites will contribute to achieving Bristol's zero carbon targets. This will include exploring the feasibility of installing electric vehicle charging points within garage sites.
- ➔ Develop a proactive approach to the management of our shops, maximising income while ensuring a viable provision of important community services, exploring alternative options where there is low demand and introducing a minimum investment standard for shops and connected flats to be retained.
- ➔ Review all current leases, commercial opportunities and management arrangements relating to other commercial assets.
- ➔ Continue to monitor usage of community assets and review communal laundries, and develop an investment plan for community assets to be retained.

Key actions: Performance of our stock

- ➔ Develop systems to enable updating of data and information on an ongoing basis, allowing us to update our performance model at least every two years.
- ➔ Incorporate into our performance assessment the costs to deliver the city's zero carbon targets, and any new requirements on Decent Homes 2 and Building Safety as soon as information is available either in the form of new guidance from government, or as a result of further survey work.
- ➔ Develop our approach towards option appraising our stock with negative and marginal NPVs.
- ➔ Complete a programme of appraisals of poorly performing stock by the end of 2022.
- ➔ Review the social objectives and weighting applied.
- ➔ Review our approach to dealing with high repair cost voids, including acquireds, and ensure we make the best use of the asset and improve the NPV.

Key actions: Investment planning

- ➔ Follow our agreed investment planning methodology, and ensure we review and agree on an annual basis a one year, five year and 30 year investment plan.
- ➔ Monitor changes to the investment framework, and develop Bristol's response.
- ➔ Develop and procure a costed zero carbon investment programme.
- ➔ Review our business plan capacity and explore other funding streams to deliver our investment priorities.
- ➔ Benchmark in-house delivery costs against other providers and carry out a gap analysis of current skills and capacity.

Key actions: Review and monitoring

- ➔ Review compliance against the Regulator of Social Housing consumer standards in respect of asset management.
- ➔ Review and develop our approach to managing asset management related risk.
- ➔ Annual review of strategy.
- ➔ Full update of strategy by 2026.

