Asset Management Strategy 2017-2021
Foreword

It is with great enthusiasm we introduce this Strategy. It is a critical strategy to ensure the delivery of Coastline’s Corporate Plan 2017-21.

Our mission and vision ‘Great Homes, Great Services and Great People’ supports our goal to provide homes for those in need, improve the neighbourhoods that people live in and provide services that improve the quality of customers lives.

Property assets are the essential foundation for the continued existence of Coastline. Far more than simply “bricks and mortar” they play a key role in shaping the social, environmental and economic wellbeing of the local community, influencing the quality of life for local people.

We recognise that there will be an ongoing need for an Asset Management Strategy. Effective asset management will ensure that our homes continue to provide a high quality, suitable and sustainable contribution to neighbourhoods.

Our operating environment has seen unprecedented changes in recent years. Welfare reform is tightening our customers’ budgets, and funding cuts to essential support and care services are straining the delivery of services to the more vulnerable customers in our communities.

This is unlikely to change, irrespective of the government of the day, so working effectively with our customers, helping them to be economically active and to contribute towards vibrant and sustainable communities, or just enabling them to live their lives independently, will be crucial in the years to come as funding cuts and rent reduction continue to take effect, coupled with benefit caps and the roll out across Cornwall of Universal Credit.

We are starting from a strong basis though. Our performance across the business is excellent and we are financially strong, generating healthy surpluses to reinvest in the delivery of new homes and to maintain and improve our existing homes and communities. The previous Asset Management Strategy 2015–2020 was revised early to align with the new Corporate Plan but in this short time we achieved a number of great successes. For example:

- Affordable Warmth Strategy in place, improving energy efficiency of our homes and enabling a new corporate target of a maximum £600 per home for heating costs
- Average heating costs reduced to just £503.71 across all homes
- SAP (2012) increase from 69.55 to 69.93
- Over 216 Air and 12 Ground Source Heat Pumps installed, providing a more affordable heating solution for customers
- £170,000 ECO (Energy Companies Obligation) funding received
- Green Deal funding of £17,000
- Central Heating Fund grant of £442,000 to install central heating in 118 homes and Ground Source Heat Pumps in 12 more
- Fuel Poverty Network Extension Scheme vouchers - £101,000 funding received
- RHI (Renewable Heat Incentive) - £157,000 funding has been received to date
- Achieved CORGI Quality Accreditation for gas safety management
- Improved parking provision
- SMARTLINE project developed in partnership with the University of Exeter and others, enabling monitoring of homes with a focus on improved health
- New Development Strategy in place with 479 new build homes; with 112 of these being Shared Ownership
- £640,000 saved by collaborative procurement
- Best Renewable Energy Scheme at the 2016 Green Energy Awards

A principal focus driving this strategy is stability and sustainability. This strategy sets a clear direction to achieve our aspirations and meet our customers dreams. We will deliver excellent services to suit our customers needs, some of which will be commercially driven. Including long term investment and disposals.

We want customers to be proud to belong to the Coastline family; to be proud of where they live and to help neighbours and others around them to make their community; our communities, great places to live, work, rest and play.

Derek Law MBE
Chairman of Coastline Housing Group

Louise Beard
Director of Housing, Assets & Communities
Coastline Housing Limited's Asset Management Strategy 2017-2021 is a critical business tool for us to align our property assets with business need. Directly linked to the Corporate Plan 2017-2021 and supported by the 30 year Business Plan it highlights the strategic golden thread through these Plans leading to delivery outcomes. While we are a housing charity we are also a property business and it is therefore critical for us to understand the performance of our assets.

Much has changed in recent years and this new Asset Management Strategy reflects these challenges including customer affordability issues arising from welfare reforms, demographic changes, increasing customer expectations and the need to create a more sustainable asset base against a background of rising energy prices and costs.

Coastline Housing first implemented an Asset Management Strategy in April 2002 and this 2017-2021 Asset Management Strategy links directly to the 2017-2021 Corporate Plan objectives, building upon the successful delivery of the previous Corporate Plan targets. It is no longer about simply looking at building components and bringing all homes up to standard - it’s now about making viability decisions on which homes will be sensible to retain and invest in.

The Corporate Plan was developed in collaboration with Customers, colleagues and partners and it sets out clear commitments in terms of maintenance and improvement to Coastline stock. It places customers at the heart of the business and provides further high level direction for the Asset Management Strategy, including key objectives and targets with the following objectives.

- **Put our customers first**
- **Be open, honest and accountable**
- **Strive to be the best**
- **Value each other**

Effective asset management means that our homes will meet the needs and standards for the future so sustainability is a key theme in this new Strategy. This is not just about environmental sustainability but also ensuring that we have the right mix of homes which will be more affordable to customers.

Increasingly, improving data will drive intelligence-based asset management giving a greater understanding of the needs of our customers and their homes. This will ensure that Coastline Housing can better target effective partnerships and investment in new homes as well as our existing housing assets.

The underlying objective of the Asset Management Strategy is to provide legally compliant homes which meet the needs of the customer and are affordable to Coastline. The Strategy will be integrated into property investment and maintenance services and delivered through four Asset Management Themes led by the Head of Technical Services:-

- **Theme 1 - Legal Compliance**
- **Theme 2 - Whole Life Cost Approach**
- **Theme 3 - Sustainability**
- **Theme 4 – Stock Rationalisation**
2. Strategic Context

Why Asset Management?

Coastline works to a five-year Corporate Plan of stretching and creative targets and aims and this latest update incorporates the new targets set in the Corporate Plan.

The aim of asset management is to ensure our property assets meet corporate objectives and customer expectations. The National Housing Federation define property asset management as:-

“the range of activities undertaken to ensure that the Housing Stock meets the needs and standards for the future.”

The Royal Institution of Chartered Surveyors similarly defines it as:-

“The process which aligns business and property asset strategies, ensuring the optimisation of an organisation’s property assets in a way which best supports its key business goals and objectives.”

As is clear, asset management goes beyond investing in good repair and improvements. Asset management looks a long way ahead and is about reviewing and changing the asset base to end up with the right accommodation in the right location supported by excellent flexible services for our customers. We strive to achieve optimal use of assets and resources by embedding quality and value for money in asset management. This includes the wider consideration of the whole life cost of a home and how future running costs will affect customers.

- Assets aligned with corporate aspirations and customer needs;
- Homes which will be more affordable to customers;
- A more environmentally sustainable asset base;
- The right mix of homes to meet local and demographic needs;
- Lower “whole life” running costs;
- Identified long term capital investment needs;
- Better financial value through grants and other external funding sources;
- Value for money through collaborative procurement and partnerships;
- Clear understanding of maintenance needs;
- Appropriate disposal of assets, enabling investment in new homes and reinvestment in existing homes; and
- Value for money embedded in everything we do and every policy we have.

By setting out the strategic framework for us to invest, it helps to ensure that we can provide excellent housing and support services, invest in our homes and neighbourhoods, grow the organisation sensibly and continuously improve our financial strength.

Coastline Housing first implemented an Asset Management Strategy in April 2002 and has maintained one ever since. Building upon previous successes this new Asset Management Strategy remains an essential business tool for Coastline to align property assets with business need. It is a central document within other strategic documents and activities.

Coastline puts our customers at the heart of everything we do so we must balance our social, environmental and economic responsibilities to deliver a sustainable business at the core.

Following successful achievement of previous Corporate Plan targets, this new Strategy focuses on the 2017 to 2021 Corporate Plan objectives. These will be delivered through the 30 year Business Plan against a backdrop of the changing social, financial and legislative needs of the company.
Our Organisational Values and Aims

Our values underpin everything that we do; from how we work with customers and each other on a day to day basis to how we make long term strategic decisions.

Through this strategy, we will develop new services beyond what is normally expected of housing providers, so that we can help customers realise their aspirations. We will deliver these services in the spirit of our values; ensuring that we are open, honest and accountable.

Regulatory judgements and notices are the Homes and Communities Agency’s (HCA) official view of a housing provider. In July 2017 following an In Depth Assessment, Coastline Housing received the highest possible rating of G1 for Governance and V1 for Viability, demonstrating the whole business has both strong leadership and sound financial foundations.

Delivery of the Asset Management Strategy

The delivery of this Strategy is informed through the Stock Condition Survey and is supported by the 30 year Business Plan containing an expenditure of £248.7m (at 2017 prices). Long term projections for maintenance and investment costs have been made based on component life forecasts in the Stock Condition Survey to ensure that they are affordable and can be fully funded from agreed budgets.

During the 2015-16 and 2016-17 financial years, every £1 that we spent managing and maintaining homes and running the business was spent as follows:

<table>
<thead>
<tr>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvements to homes</td>
<td>£0.29</td>
</tr>
<tr>
<td>Improvements in communal areas</td>
<td>£0.29</td>
</tr>
<tr>
<td>Routine and planned maintenance</td>
<td>£0.40</td>
</tr>
<tr>
<td>Maintaining and investing in communal areas</td>
<td>£0.10</td>
</tr>
<tr>
<td>Employing staff to manage homes and run the business</td>
<td>£0.21</td>
</tr>
<tr>
<td>Employing staff to manage homes and run the business</td>
<td>£0.09</td>
</tr>
</tbody>
</table>

Proper investment in stock being retained in the longer term is key to continued high performance.

The 2017 HCA Sector Risk Profile states that “effective planning and delivery of responsive and planned major repairs are also important for continued compliance with the economic standards. A lack of investment in the existing stock can store up long-term problems and incur greater costs in the long term by increasing the need for responsive repairs, or by making properties more difficult to let. The regulator seeks assurance through IDAs that a registered providers approach to asset management is well integrated into their overall strategies and based on a good and up to date understanding of stock.”

The Business Plan is both flexible and comprehensive, enabling us to balance planned maintenance and investment with new grants and external funding streams; a 10 year planned investment programme will support this new Asset Management Strategy to specifically define the key components and major investment planned for each home.

Reviewing the strategy

This strategy will be reviewed in line with the production of the Corporate Plan. The work packages in each section will be reviewed annually and outcomes reported to the Board and to customers through the Great Homes Team, the Annual Report, CoastLines and through our social media feeds.
3. Context for Demand

National Context
The economic recession and Government austerity measures have had far reaching and in some cases, devastating effects on community services. Customers and Registered Providers have felt the squeeze with the introduction of the bedroom tax, benefit cap and rent cuts being just three examples.

Coastline is a charity with a strong social and moral purpose. We know that we are not able to fill the gaps left by the withdrawal of partners providing important services across our communities. However, it is important that we modify and modernise our service delivery, to reduce the impact of austerity.

The Local Challenge
Cornwall as a whole is not deprived but there are communities with consistently high levels of deprivation, and the number of deprived areas in the 2015 Census increased compared to the statistics reported in 2010.

The Indices of Multiple Deprivation (IMD) 2015 data show that:

☐ Cornwall has 17 neighbourhoods among the most deprived (worst 10%) in England
☐ 5% of neighbourhoods in Cornwall are among the most deprived in England
☐ Pengegon in Camborne is the second most deprived area in Cornwall
☐ There is not one single factor for the increase in the number of deprived areas, but analysis indicates that worsening indicators for health and crime, in some deprived neighbourhoods, has had an impact on the rankings
☐ Cornwall has a higher than national average level of carers
☐ Health in the most deprived neighbourhoods has seen a significant deterioration
☐ ‘Mood and anxiety disorders’ are significantly worse than for other areas
☐ High ‘out of work’ benefit claimant rates
☐ Increased crime

This Strategy sits alongside the Coastline Homes and Communities Strategy which seeks to rise to this Local Challenge.

Demand
Coastline operates its own housing register and works with Cornwall Homechoice to offer homes to potential customers. The changing demographic profile of Cornwall along with Welfare reform and the Local Housing Allowance cap in recent years has led to a demand for smaller homes both now and in future.

The number of people on Cornwall Homechoice’s waiting list continues to increase with nearly 19,000 households currently seeking a home. Over 11% of Cornwall’s 260,000 homes have no permanent residents (primarily second home owners), compared with just 4% nationally.

Development
The Development Strategy 2016 – 2021 establishes how new affordable homes will be delivered by the end of 2021, including specialised Older Persons properties and there are also plans to develop a specialised homeless facility.

Building homes is just the start - it is critical that they are sustainable in the widest sense, including future running costs for Coastline and customers. This “whole life cost” approach is central to all Coastline investment so all new homes will, wherever possible, take into account whole life costs to reduce the long term financial impact on our customers.
4. About our Homes

Corporate Assets

The Coastline Housing Group, as at 31st March 2017, had stock in ownership of 4,406 dwellings (compared to 3,978 in 2014) distributed as shown in the table below:-

<table>
<thead>
<tr>
<th>Property Tenure</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social housing rented</td>
<td>4,088</td>
</tr>
<tr>
<td>Shared ownership</td>
<td>214</td>
</tr>
<tr>
<td>Non-social housing</td>
<td>9</td>
</tr>
<tr>
<td>Leasehold properties</td>
<td>95</td>
</tr>
<tr>
<td><strong>Total Housing Stock</strong></td>
<td><strong>4,406</strong></td>
</tr>
</tbody>
</table>

Stock Condition Survey

Accurate stock information and good data systems are key components to the delivery of sound asset management with reliability of information absolutely critical to the operational delivery of improvements. The Civica Universal Housing Management System is the primary asset database supported by Asprey EstatePro database for additional data and reporting functions.

A 100% stock condition survey was undertaken in 1996, prior to transfer, which was updated via the next 22% stock condition survey in 2001, 10% in 2005, 20% in 2009, 10% in 2012 and 20% 2015. Despite all these surveys it has recently become clear that on a per-property basis that there is not 100% stock coverage due to overlaps and uncertain older information. Furthermore, more granular data is now required for asset lifecycle management and effective component replacements. As predicted in the previous Asset Management Strategy, a focussed programme is now required to replace all cloned data with surveyed information so a new approach to stock condition surveys is required which is more in line with the sector approach of a five year rolling programme.

The new Stock Condition Survey must cover more homes to be physically surveyed, to enable financial modelling of short, medium and longer term investment. The 30 year Business Plan incorporates the previous Stock Condition Survey data to ensure that the maintenance requirements can be fully met so a full survey is likely to lead to future anomalies.

Health and Safety (compliance)

The Decent Homes Standard was achieved for all of our homes in 2010 where customers agreed to planned improvements. Following this, we worked with customers to deliver a “Coastline Homes Standard” exceeding the Decent Homes Standard. All have been assessed and confirmed to meet The Housing Health and Safety Rating System (HHSRS) standards with the exception of eight homes, all of which are the result of refused insulation or heating improvements; two of these have been identified for potential disposal and the other six have been regularly approached with a view to improving their homes to meet this standard.

Statutory compliance with Health and Safety related legislation is paramount. Coastline has developed appropriate contracts and programmes to meet the Company’s statutory obligations and best practice. Legal compliance cuts across every area of asset management but the headline areas include:-

- Gas Safety
- Asbestos
- Fire Protection and Fire Risk Assessments
- Legionella
- Lifts and lifting equipment
- Electrical testing

The health and wellbeing of customers is paramount so health and safety now forms part of the standalone Legal Compliance theme in this updated Asset Management Strategy.

Sustainability

Sustainability reaches into all aspects of property maintenance, investment and procurement, providing value for money and promoting wider positive outcomes for Coastline, our customers, the environment and society as a whole.

Building Regulations sets high sustainability standards and the Development Strategy ensures that future opportunities will provide the most economically viable and sustainable new homes that can be achieved within available budgets.

The Affordable Warmth Strategy sets our objectives for energy efficiency and sustainability and this is now reflected in the new Corporate Plan with a customer-focussed target for affordable heating costs.

In future, customers and homes will be better matched to help them move into the right home and where it is a less viable home we will be supporting customers who wish to move to a healthier and more sustainable home.

Viability, options appraisal and investment in core stock are central to the sustainable achievement of this Strategy. Whilst the main focus is on homes, neighbourhoods, external common areas and garages will be reviewed to ensure that they all contribute towards Coastline objectives.
Property Analysis

Property Data and Performance Analysis

It is important that we have good quality data about the performance of our assets to inform our decision making. On an ongoing basis, we maintain a comprehensive set of Performance Indicators, some of which are nationally benchmarked. By analysing a range of indicators we can understand how our assets are performing in relation to the Asset Management Strategy.

Stock Condition Surveys have been carried out on a representative proportion of the asset base to improve quality and robustness of the data but as predicted in the previous Asset Management Strategy, a more granular and regular approach to stock condition surveys is required which is more in line with the sector approach of a 5 year rolling programme.

Asset Viability and Options Appraisal

Coastline has developed an Asset Viability Model to assess whether a property asset should be retained as core stock or highlighted for potential reinvestment or future disposal. This Model uses a range of factors to develop a weighted viability score and is used prior to any significant investment decision; options appraisals are carried out on all void properties or where investment in excess of £10,000 is considered.

The long term investment options are made considering lifecycles and aligned with component accounting expectations. The 10 year plan for major planned investment published to customers will make it clear that any works will be subject to survey. This ensures that where an element is life expired but safe and functional a rational decision (to include whether the home is to be retained as core stock) is made whether to prolong the life or replace. In value for money terms this is an excellent method of managing budgets and deferring works to avoid unnecessary replacement.

Social Value

In accordance with the Public Services (Social Value) Act 2012, Coastline Housing is committed to promoting enhanced social, environmental and economic values through its procurement of goods and services.

Social value is the term used to describe the positive outcomes created by our day to day activities, including the community cohesion projects we undertake, which provide benefit to customers.

In line with the Value for Money Framework, Coastline will also seek to evaluate the Social Value outcomes of larger projects and use those outcomes to plan new initiatives.
6. Planning for Delivery

The fundamental aim of this strategy is to provide legally compliant homes which meet the needs of the customer and are affordable to Coastline.

Repairs and Maintenance Strategy and Organisation

A new Repairs and Maintenance Strategy has been developed to complement this Strategy. This considers the actual delivery of services including customer expectations, access to services, efficiencies, a right first time approach, flexibility and customer convenience, technology integration, responsibilities, added-value services, design and skills base.

Internal Controls

Coastline Housing has a range of protocols, policies, standards and related controls. These have evolved over time and are reviewed on a regular basis to ensure they remain current. Alongside this there are a range of internal controls and audits as set out in the Compliance Theme.

All senior managers are professionally qualified in their respective field and all other key staff hold a suitable technical qualification. Where appropriate, this is duplicated by another team member to ensure business continuity and resilience.

Risk Management

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks throughout the Group. There is a formal and on-going process of management review which is coordinated through a quarterly reporting framework from management, through the Executive Team to the Audit, Risk and Assurance Committee.

The Company’s significant risk map is presented to the Audit, Risk and Assurance Committee quarterly and the minutes of the meeting are subsequently reviewed by the Board. The full risk map is reviewed annually by both the Audit, Risk and Assurance Committee and the Board. Through the themes and objectives within the Asset Management Strategy a number of business risks identified in the Corporate Risk map have been addressed, particularly those relating to effective planning and resourcing as well as meeting customer expectations.

Procurement

Coastline Housing is a member of the Advantage South West Procurement Consortium. This is a shared service that enables 12 member regional housing associations and councils to work together to achieve better value through the extra power of a larger client with over 90,000 homes.

The advantages of membership include lower prices, improved performance management, benchmarking and access to procurement technology and expertise. During the financial years from April 2014 to March 2017 it has saved Coastline Housing over £642,000 on direct purchasing and a further £221,000 on the avoidance of retail price index increases.

Coastline Services Limited is a wholly owned subsidiary company within the Coastline Housing Limited group and profits are reinvested into Coastline Housing allowing further investment in its services for customers.

7. Asset Management Themes

The underlying objective of the Asset Management Strategy is to provide legally compliant homes which meet the needs of the customer and are affordable to Coastline. To meet this objective, there are four clearly defined Themes led by the Head of Technical Services, with overall property investment and maintenance services integrated for smooth and efficient delivery.

Each Theme will have strategic direction through the development of a Theme Strategy, with a suite of annual ‘work packages’ agreed and delivered through a project management approach. Progress is monitored by the Director of Housing, Assets and Communities, with outcomes reported to Board annually.

Theme 1 - Legal Compliance
Theme 2 - Whole Life Cost Approach
Theme 3 - Sustainability
Theme 4 – Stock Rationalisation
Theme 1 – Legal Compliance

Introduction
Having homes which comply with all relevant safety regulations is a given but we aspire to provide excellent homes which exceed this.

Why is it important to customers?
We want our customers to live in the safest possible conditions, knowing that Coastline will always go the extra mile to achieve the highest levels of safety.

What are we going to do?
We will ensure that all homes are maintained in a safe condition through robust cyclical maintenance regimes managed by qualified technical and professional staff. These standards will be audited on a regular basis and independently verified by technical experts where appropriate. We will install sensors through the Smartline Project to monitor the health of the internal environment.

Our key objectives are:

Compliance
• We ensure that all homes meet regulatory and legal standards of compliance.

In order to achieve this we will:
• Monitor performance to achieve 100% legal compliance
• Carry out regular cyclical tests and maintenance
• Conduct audits to verify robustness or approach
• Seek independent technical verification of compliance such as CORGI and NECEIC

Health and Safety
We will ensure that our homes not only meet, but exceed, sector health and safety standards.

In order to achieve this we will:
• Ensure that all homes meet “Decent Homes” standards and, where possible exceed this with the Coastline Standard
• Carry out regular inspections to ensure that HHSRS standards are met
• Install a smoke detector on every floor of every home and a carbon monoxide detector in every home where there is a fossil fuel appliance
• Conduct water hygiene inspections of all homes on a 10 year rolling programme
• Complete electrical safety inspections on a five year rolling programme
• Carry out Fire Risk Assessments on a cyclical programme
• Monitor home health through sensors in connected homes

Qualified Staff
To achieve exceptionally high standards of health and safety it is essential that we recruit, retain and invest in our staff. All staff will hold a suitable technical qualification in their respective field and where appropriate this will be duplicated by another team member to ensure resilience.

In order to achieve this we will:
• Employ professionally qualified and experienced managers
• Provide ongoing technical qualifications for technical team members to ensure they remain up to date in their respective fields
• Provide continuing professional development and a mandatory training programme to all staff
Theme 2 – Whole Life Cost Approach

Introduction
Investing in the right assets and building components such as high quality heating systems can lead to lower maintenance costs in the long term. We can assess initial cost of the item plus its total maintenance to ensure that it is lower over the whole lifecycle.

Why is it important to customers?
Lower investment and maintenance costs in the long term means that average maintenance costs are cheaper for customers. Savings will free up more of the business plan to invest in improving the stock and provide an opportunity to match grant funding. Furthermore, we can ensure that investment in areas such as wet room adaptations is suitable for everyone, not just for those with a disability by balancing design and functionality.

What are we going to do?
We will consider whole life costs for every new development and all major investments such as roofing, heating, kitchens and bathrooms. By selecting high quality components we will seek longer warranties and aim to “sweat” assets beyond their traditional life expectancy. Savings can be used to match grant funding to ensure that we can achieve even more for less.

Our key objectives are:

Whole Life Costs
We will consider whole life costs in all major investments.

In order to achieve this we will:
• Consider whole life costs in all new developments and all capital investments
• Develop a new Coastline standard for new build homes through a revised suite of Employers Requirements
• Seek to develop our own suite of standard house types

Smart Investment
We will ensure that there is a smart targeted approach to investment which is supported by the business plan and best derives long term value. We will use a viability approach to identify the core stock to be retained so that we will only plan to make major investments in these homes, although it will be important to ensure that all homes remain compliant, safe and functional.

In order to achieve this we will:
• Invest in core stock whilst ensuring non-core stock remains safe and functional
• “sweat” assets to maximise their lifespan
• Publish a 10 year plan of investment for customers
• Invest in assets with the principle of whole life costing

Efficiencies
We will seek efficiency in all areas of property maintenance and investment. Whilst it is often the least expensive solution, the cash bottom line is not the only aspect, particularly when considered in the longer term. Efficiency will be achieved through partnership with peers and contractors; it will be embedded into all procurement and we will seek external funds to support a higher level of investment than projected by the Business Plan. On occasion there will be the need to reprioritise planned investment in order to provide match funds required by grants.

In order to achieve this we will:
• Seek value for money in procurement, balancing quality and cost
• Make use of subsidiary companies to deliver services where this offers the greatest Group efficiency
• Operate collaborative procurement practice to maximise volumes and drive down costs
• Secure grants to drive best investment leverage
• Secure ongoing income streams such as Renewable Heat Incentive to support investment
• Drive efficiencies across property maintenance and investment using whole life costs principles
Theme 3 - Sustainability

Introduction
Having a strong social conscience and aspirations to always deliver ‘excellent customer services’, we want to ensure that our housing stock is sustainable for Coastline and customers. Customers need to achieve more than ‘just getting by’ - we want people to thrive and select Coastline as their landlord of choice.

Why is it important to customers?
If customers are doing well, they are more likely to be happy, healthy, pay their rent, look after their home, and lead a fulfilling life.

What are we going to do?
We will embed sustainability into all aspects of property maintenance, investment and procurement. Sustainable procurement is about planning ahead to manage demand, effective ongoing contract management and dealing with supply chain risks and impacts. It also achieves value for money and promotes wider positive outcomes for Coastline, our customers, the, environment and society as a whole.

We will ensure that customers are better matched – moving into the right homes as opposed to adapting them; where possible we will ensure that adaptations are less specialised and more suited to wider use.

We will deliver on the Affordable Warmth Strategy, ensuring that all core stock meets a minimum heating affordability target, supporting customers who wish to move to a healthier and more sustainable home. We will use technology to monitor the internal environment to ensure a healthier home.

Our key objectives are:

Providing Healthy Homes
We will aim to provide homes which are healthy for customers.
In order to achieve this we will:
• Invest in sustainable improvements such as improved ventilation
• Work with partners to improve in-home monitoring with smart technology

Sustainable Procurement
Our homes will be built, maintained and improved sustainably.
In order to achieve this we will:
• Embed our wider sustainability requirements in Employers Requirements for new build homes
• Include sustainability in all major procurements and contracts
• Ensure proactive and effective contract management

Providing Affordable Homes
We will aim to provide homes which are more affordable to customers.
In order to achieve this we will:
• Ensure no home costs more than £600 a year to heat
• Deliver the aspirations of the Affordable Warmth Strategy
• Seek to reduce service charges in consultation with customers
• Work with customers to facilitate moves from non-core stock to a more sustainable home

Providing Sustainable Homes
We will aim to provide homes which are sustainable to Coastline and Customers.
In order to achieve this we will:
• Match customer accessibility requirements with homes
• Review our adaptations policy to ensure a wider suitability of any alterations
• Invest in core stock
Theme 4 - Stock Rationalisation

Introduction
As a social landlord, Coastline must match its housing stock to the needs of the customer; this means having the right home in the right place at the right time. A considerable proportion of the transferred stock was built shortly after the Second World War so our homes have been improved to meet modern expectations and “Decent Homes” standards. However, some stock is simply not suitable for further improvement due to physical, practical or financial constraints and better value is achieved by targeting investment in core stock.

Why is it important to customers?
Targeted long term investment frees up more money to provide a better standards in core stock which in turn leads to higher standards for customers and communities. It also enables non-core stock to be considered for disposal to support the development of new homes.

What are we going to do?
We will identify non-core stock and find the optimum point to consider reinvestment or disposal. We will invest in new homes and core stock and drive asset churn through a property disposal programme to achieve Corporate Plan targets. We will start afresh with a new approach to Stock Condition Surveys and use new technology to inform investment.

A 10 year investment plan will be produced to inform customers of our longer term intentions for their homes. Through the Garage Strategy, garages and land will be considered for further rationalisation including working with partners to consider a more joined up approach for reducing maintenance (and therefore service charge) costs such as disposing of play areas to Parish Councils.

Our key objectives are:

Better Understand our Stock
Whilst Coastline has some of the most comprehensive asset data in the region, as acknowledged in the previous Asset Management Strategy, we can still improve on this. To drive a truly intelligence-based approach to asset management, we will use modern technology to capture property information and commence a comprehensive Stock Condition Survey programme to produce even more granular asset data.

In order to achieve this we will:
- Develop a single comprehensive survey format for stock condition
- Continually check and validate data to improve accuracy
- Use new technology to link with other property databases
- Begin a new 5 year Stock Condition Survey programme for 100% of homes

Invest in New Homes
We will build new homes in line with our Development Strategy to achieve our corporate objectives and meet the future needs of customers.

In order to achieve this we will:
- Build new homes in line with the Development Strategy
- Continue to improve our Employers Requirements for new build homes

Assess Viability
Investment should be targeted to best long term effect. We will continue to refine the Viability Model to identify the optimum point for reinvestment or disposal of non-core stock.

In order to achieve this we will:
- Continue to develop the viability model and options appraisal process
- Use the Asset Viability Model and Options Appraisals to identify core stock
- Drive asset churn to achieve corporate property disposal targets
- Aim to identify the optimum asset life and a point for future disposal

Produce an Investment Plan
Customers will be informed of our longer term intentions for their homes. Core stock will be targeted for long term investment. Non-core stock identified for potential future disposal will be maintained in a compliant, safe and functional condition but customers will be offered the opportunity of a facilitated move to a more affordable and sustainable home.

In order to achieve this we will:
- Produce a 10 year investment plan
- Identify core stock for investment in line with the 10 year plan
- Work with customers to facilitate moves from non-core stock to a more sustainable home

Financing our Plans
We will ensure that the Business Plan is affordable to deliver on the planned development, maintenance and investment plans.

In order to achieve this we will:
- Ensure that the Stock Condition Survey and Business Plan are integrated so that they can inform annual budgets
- Seek value for money in procurement; balancing quality and cost
- Secure grants to drive best investment leverage
- Secure ongoing income streams such as Renewable Heat Incentive to support investment

Refresh our Neighbourhoods
Neighbourhoods are essential both in terms of setting and community cohesion. Whilst many homes have been sold under right to buy provisions reducing the amount of direct control we have on the neighbourhood, Coastline still owns much of the common areas in neighbourhoods and has a strong social conscience. We will seek to improve the overall feel of our neighbourhoods and aim to drive down service charges where possible.

In order to achieve this we will:
- Implement the Garage Strategy to drive rationalisation, investment or disposals
- Carry out a strategic review of all external communal spaces to align with the Homes & Communities Strategy
- Identify opportunities for tenancy boundary revisions to reduce maintenance costs and service charges
- Consider opportunities to work with Partners to dispose of land to reduce maintenance costs and service charges
8. Conclusion

Asset Management in Action

In conclusion, we are a business reliant on property and it is therefore critical for us to understand the performance of our assets. The delivery of this Strategy will be informed through improving Stock Condition Survey data and supported by the 30 year Business Plan in the longer term.

The underlying objective of the Asset Management Strategy is to provide legally compliant homes which meet the needs of the customer and are affordable to Coastline. The Strategy will be integrated into property investment and maintenance services and delivered through four Asset Management Themes led by the Head of Technical Services.

Theme 1 - Legal Compliance
Theme 2 - Whole Life Cost Approach
Theme 3 - Sustainability
Theme 4 – Stock Rationalisation