



# Asset Management

**Housing**  
Executive

## Property Portfolio Management: The Importance of Asset Management

**Paul Isherwood – Director of Asset Management  
Northern Ireland Housing Executive**

**Housing Practitioners' Conference - 5<sup>th</sup> July 2019**





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## The N.I. Housing Executive

- Established in 1971 as NI's comprehensive strategic housing authority
- Inherited 150,000 properties from predecessors
- Stock peaked at c.200,000 in late 1970s
- 118,000 dwellings sold to sitting tenants
- 79,000 new homes built
- New build programme transferred to Housing Associations in late 1990s
- Current stock = circa 86,500
- Annual maintenance & investment programme of £185m







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## Asset Management Strategy

- Ensures that the land and buildings asset base of an organisation is optimally structured in the best corporate interest of the organisation
- Seeks to align the asset base with the organisation's corporate goals and objectives
- Sits alongside other high level strategies – People, IT, Procurement, Accommodation etc.
- Provides strategic direction for operational activities





# Asset Management

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## Asset Management Strategy

- Stock Condition Survey provides information on the condition of the stock and what type & cost of investment is required to achieve and maintain the required standard of housing
- Asset Performance Evaluation provide information on whether investment represents value for money in terms of assets future financial and social sustainability:
  - Identifies drivers of performance
  - Challenges the need to invest in all stock
  - Key to effective asset management by enabling critical decisions of where and in what to invest







# Asset Management

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## The building blocks

- Asset Register (Appropriate IT System)
- Asset Data
  - type, condition, costs, value, need
- Investment Standard
- Compliance/H&S/landlord obligations, emerging policy/direction, other things we would like to do?
- Investment decisions methodology
- Age, condition, sustainability, asset performance
- Timescale
- Funding





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## Out-workings of the Strategy

- Investment Plan
- Option Appraisals programme
  - Regeneration
  - Conversion
  - Demolition
  - Sale
  - Transfer
- Acquisition programme
- New build programme







# Asset Management

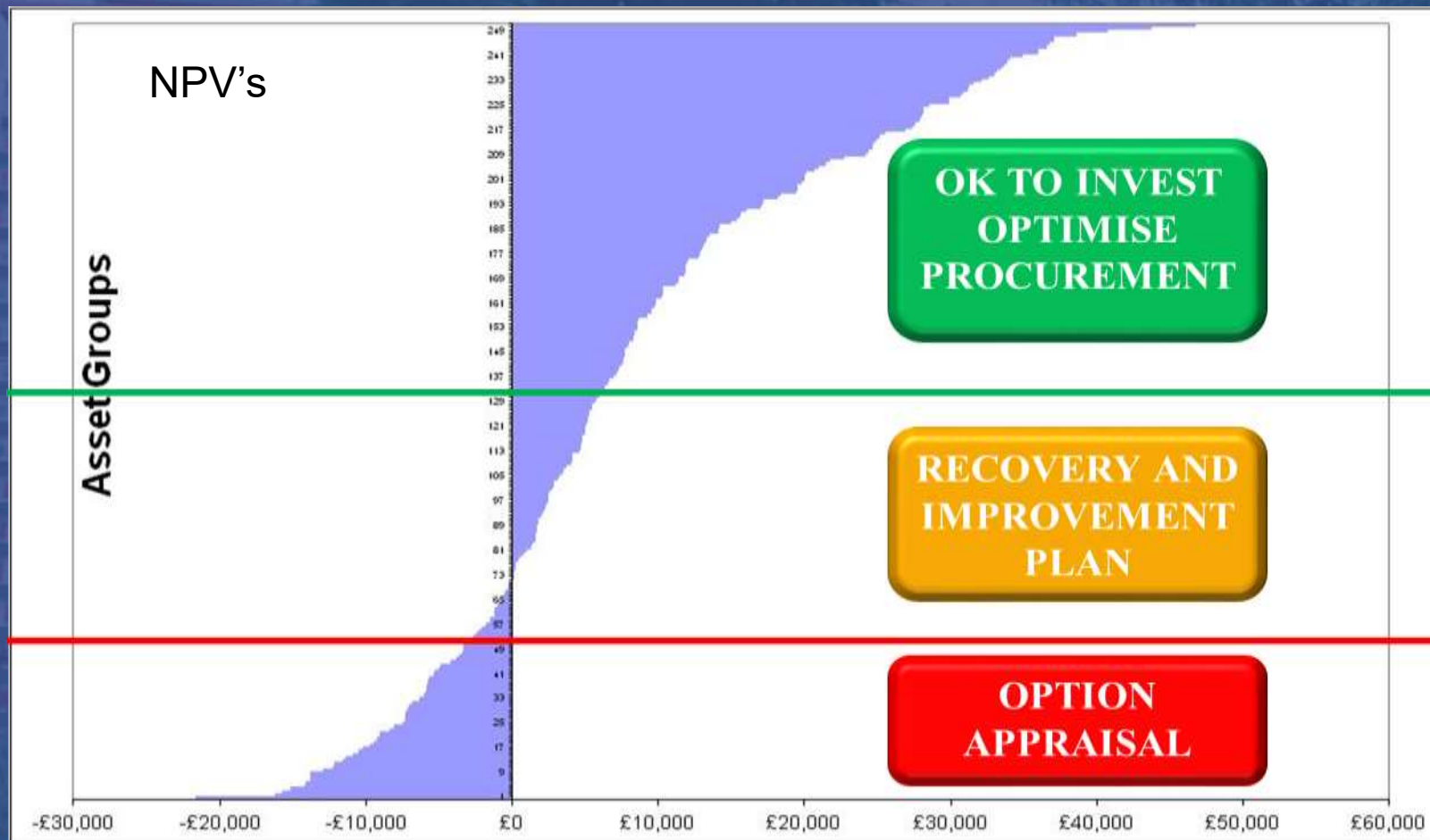
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## Asset Performance Evaluation

- Financial
  - 30 year NPV of projected costs and income (i.e. repairs/investment/management vs rents/service charges)
- Non-Financial
  - Weighting & Scoring of indicators reflecting our objectives
  - Better homes: housing demand, Fuel Poverty, house sales
  - Quality services: under occupation, arrears, turnover, resident satisfaction
  - Vibrant Communities: satisfaction, community engagement, ASB, deprivation, access to services
- Creates a matrix which provides a directional tool for decisions about future action

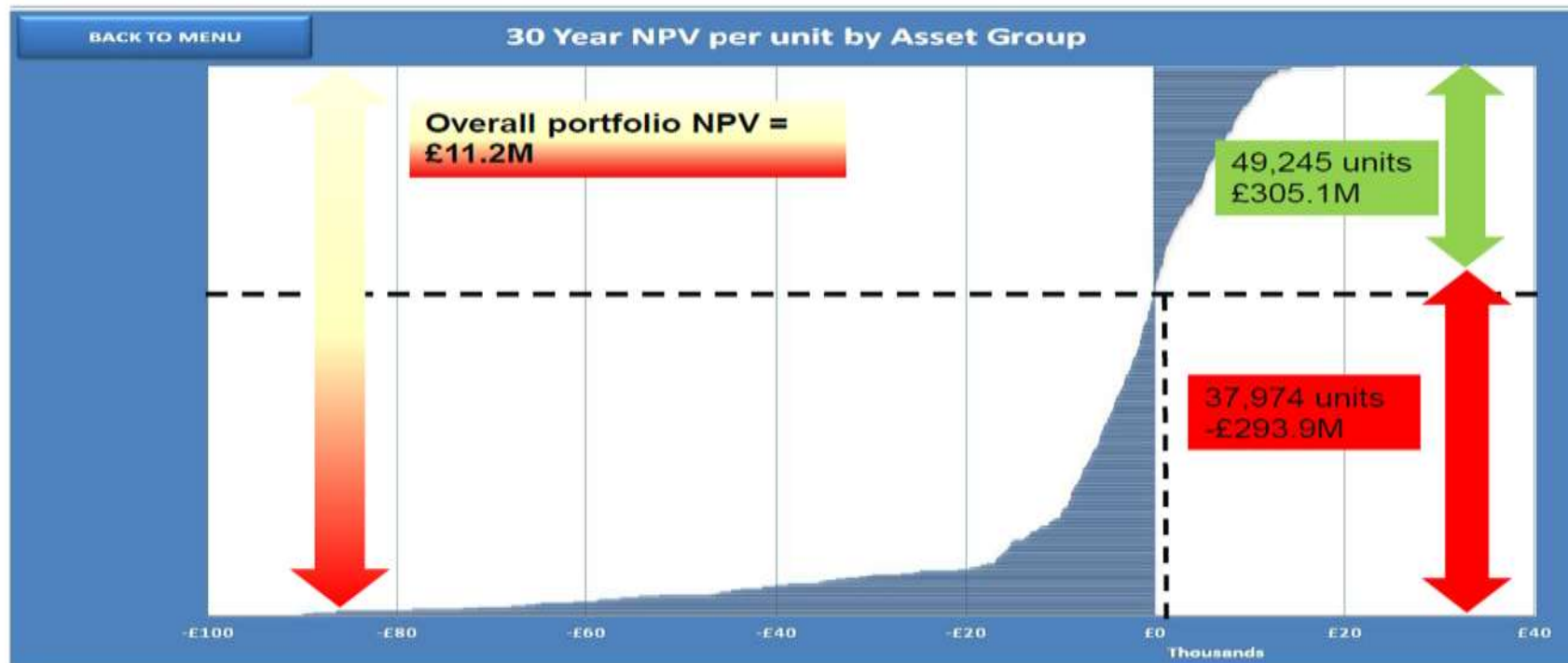


# Asset Management





## NPV Range - Overall

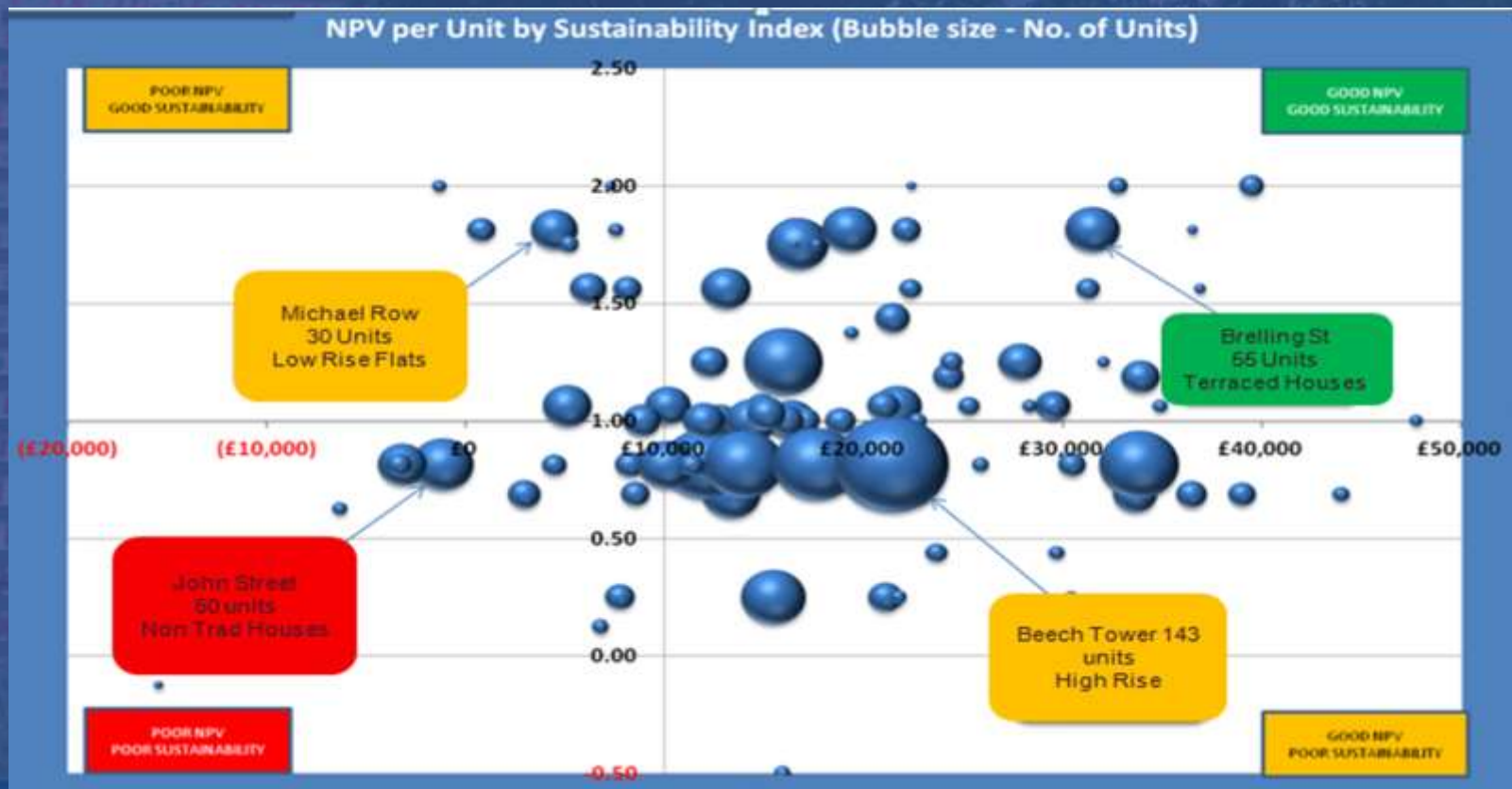


Source: Savills APE May 2015

15



## Asset Performance Matrix







# Stock Condition Survey

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- Frequency on Five Year Cycle (Externally Validated)
- Can Use in House or Contracted Resource
- Can be Based on % of Archetypes
- Data Collected from Predefined Survey Strategy on Key Elemental Components
- Must Have Provision For Storage & Updating of Data





# Asset Register

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KeyStone Workbench v17.3.4041 Help Log Out

Asset Searcher (JOM) Asset Information - [33072] 299 Alberbridge Road Belfast Co. Down. BTS 4PY

**General** | Classifications | Stock Condition | Planned & Completed Works | Contract Works | HQS | HGRS | Asbestos | Alternate Contact | Equipment | Tenants | Archive | Energy | Additional Info | Attachments | Job Manager | Risk Management

**General Asset Information**

UPRN	33072
NLPG UPRN	000195019214
Management Group	6350
Type Description	House
Parent Asset	
House Name	
Block / Street	
Address	299 Alberbridge Road
	Belfast
	Co. Down
Postcode	BTS 4PY
OS Location	
X Coordinate	336013.000000
Y Coordinate	374089.000000
Central Register UPRN	

**Stock Condition Survey Details**

Status	Surveyed
Extrapolate	<input checked="" type="checkbox"/>
Last Surveyor	Sudhan Nagil
Last Survey Date	08/04/2019
Next Survey Date	<=08/04/2020

**Ownership Status**

Owner	Property in Stock
Last Changed	<=08/04/2020
Owner Percentage	0

**Housing Management**

Market Value	0
Annual Rent	0
Annual Overheads	0
Property Reference	16574

**Base Classification: Ward Code**

BELLSBRIDGE

Schedule Job Navigate Save Close

Report: HGRS-1287 : Database: KeyStone\_1286 User: RSDO\johnd...







# Asset Register

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KeyStone Workbench v17.1.6[4]

Help Log Out

Asset Searcher (KAM) Asset Information - [33072] 299 Albertbridge Road Belfast Co. Down BT5 4PY

General Classifications Stock Condition Planned & Completed Works Contract Works HQS HHRS Asbestos Alternate Contact Equipment Tenant Access Energy Additional Info Attachments Job Manager Risk Management

Current Configuration

Filter: All Assessment Types ☒ Element View

Item +	Installed	Qty	Year Due
Balcony			
Bathrooms			
Boundaries / Ext. Cladding			
Comments			
Comminals			
Doors			
ECM			
Electrics			
External Stores			
Garage			
Heating & Hot Water			
Kitchens			
Lifts			
Plumbing			
Roofs			
Safety & Security			
Walls			
Windows			

Report Expand

Attribute Repair Comment

Server: R01E34-LIST Database: KeyStone\_LIVE User: H000\adrian\_4

Close





# Asset Register

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Keystone Workbench v17.1.0241

Asset Searcher (KAM) | Asset Information - [33372] 299 Albertbridge Road Belfast Co. Down BT5 4PY

General | Classifications | Stock Condition | Planned & Completed Works | Contract Works | HQS | RHRS | Asbestos | Alternate Contact | Equipment | Tenant | Archive | Energy | Additional Info | Attachments | Job Manager | Risk Management

Current Configuration

Filter: All Assessment Types | ☒ Diamond View

Item	Installed	Qty	Year Due
Heating & Hot Water			
Frost Stat			
Frost Stat Not Present	12/03/2019		
Heat Emitters			
Radiators	17/01/2017		
Renew Radiators		7	2047
Heat Source (Main)			
Boiler - Non-Comb (Gas)	17/01/2017		
Renew Boiler - Non-Comb (Gas)		1	2032
Heat Source (Secondary)			
Electric Fire	17/01/2017		
Renew Electric Fire		1	2032
Heating Extent			
<= 2 Rooms Heated	12/03/2019		
Programmer			
Programmer Present	17/01/2017		
Renew Programmer		1	2042
Solar Hot Water Panels			
Solar Hot Water Not Present	12/03/2019		
Thermostat			
Renew Thermostat		1	2042
Thermostat Present	17/01/2017		
TRVs			
Renew TRVs		6	2037
TRVs Present	17/01/2017		
Kitchens			
Lifts			
Plumbing			
Toilets			

Report | Collapse

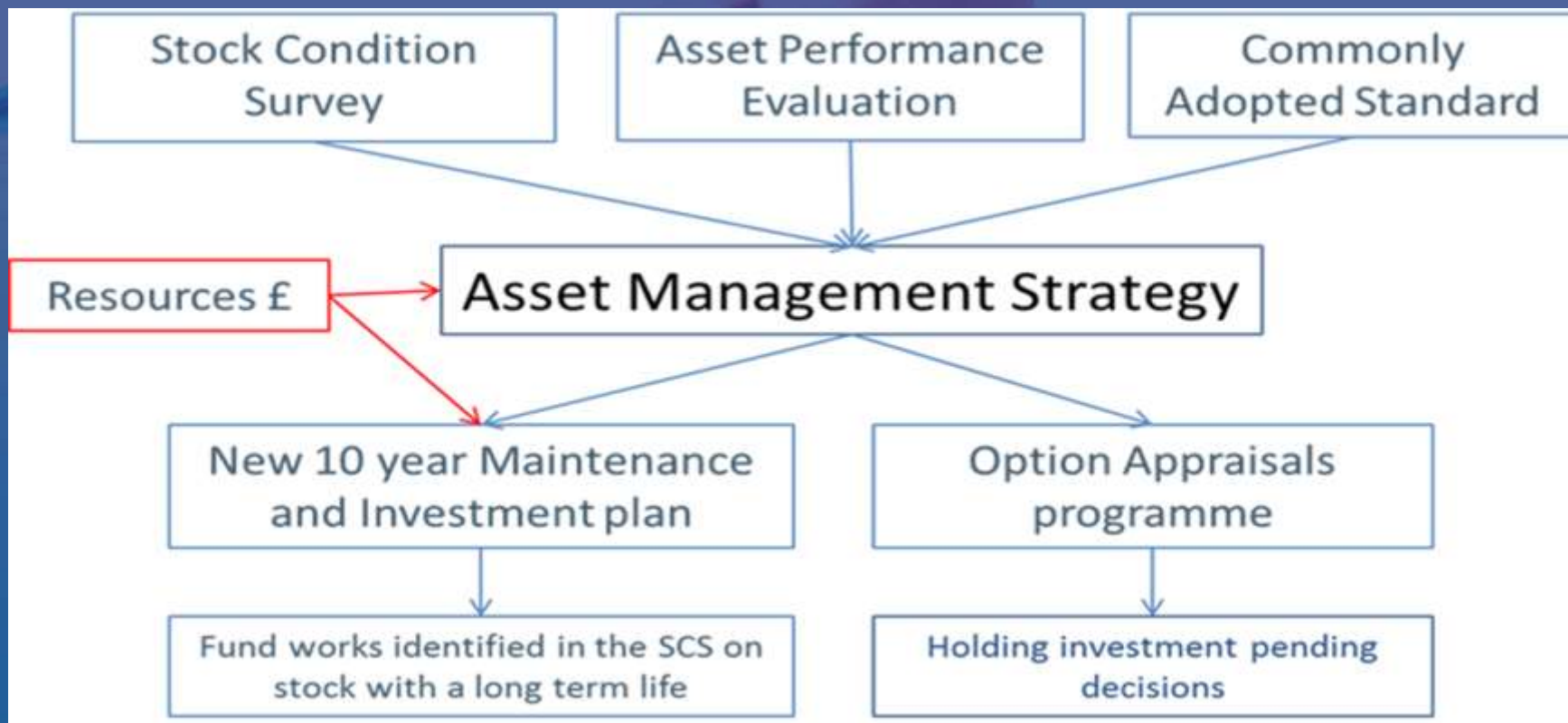
Attribute | Repair | Comment

Server: M0101-0101 | Database: Resilience\_100 | User: M0101/0101





## Implementing an Investment Strategy





# Investment & Sinking Fund **Housing Executive**

## 30 Year Investment Requirements

Summary of All Costs							
Description	Years 1 to 5	Years 6 to 10	Years 11 to 15	Years 16 to 20	Years 21 to 25	Years 26 to 30	Total
Programmed Renewals	£935,347,695	£585,199,868	£727,895,668	£633,706,093	£461,824,173	£354,779,098	£3,698,752,594
Tower Block Structural	£35,390,335	£0	£1,078,405	£0	£1,078,405	£0	£37,547,145
Tower Block M & E	£1,979,000	£3,576,900	£1,563,500	£2,502,800	£2,407,500	£1,536,300	£13,566,000
Related Assets	£12,199,992	£10,807,525	£8,976,716	£8,450,787	£7,396,132	£7,006,079	£54,837,230
Environmental Improvements	£43,729,500	£43,729,500	£43,729,500	£43,729,500	£43,729,500	£43,729,500	£262,377,000
Response/Cyclical/Void	£325,832,461	£325,832,461	£325,832,461	£325,832,461	£325,832,461	£325,832,461	£1,954,994,765
Painting and Repairs	£96,523,500	£65,594,250	£65,594,250	£65,594,250	£65,594,250	£65,594,250	£424,494,750
Asbestos	£15,000,000	£5,000,000	£5,000,000	£5,000,000	£5,000,000	£5,000,000	£40,000,000
Fire Related Work	£10,000,000	£5,000,000	£2,500,000	£2,500,000	£2,500,000	£2,500,000	£25,000,000
Aids and Adaptations	£31,501,258	£31,501,258	£31,501,258	£31,501,258	£31,501,258	£31,501,258	£189,007,548
Grand Total	£1,507,503,741	£1,076,241,762	£1,213,671,757	£1,118,817,148	£946,863,678	£837,478,945	£6,700,577,032
Total per Annum	£301,500,748	£215,248,352	£242,734,351	£223,763,430	£189,372,736	£167,495,789	£223,352,568

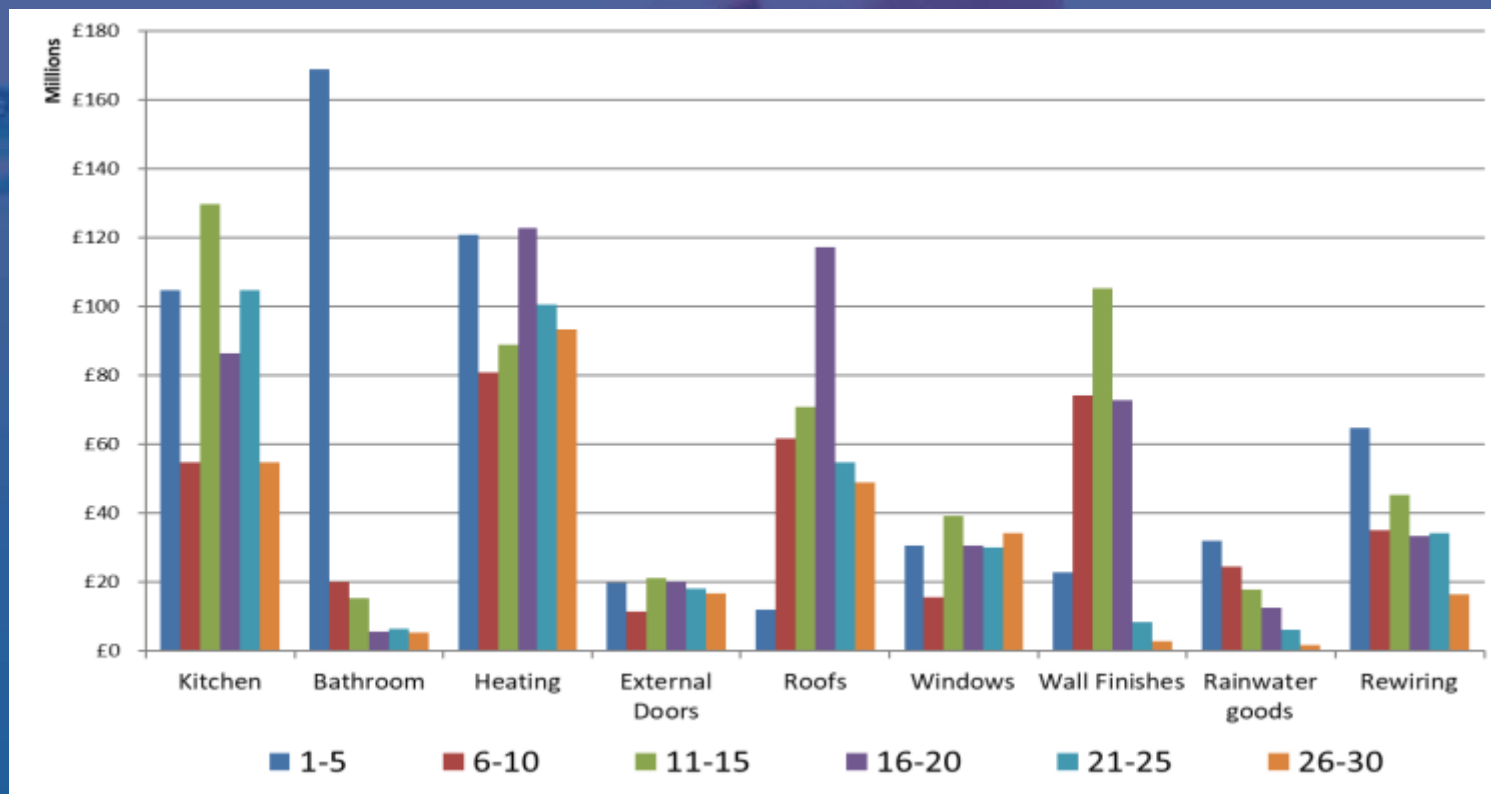






# Investment & Sinking Fund **Housing Executive**

## Investment Requirements By Elements





# Investment & Sinking Fund **Housing** Executive

## Financial Modelling

- Income from Rent, Loans & Other Sources
- Payment of all overheads e.g. debt, salaries, accommodation, development projects etc.
- Investment Monies Available
  - Response
  - Voids
  - Cyclical
  - Planned
- Future Investment Required Based on SCS







# Health & Safety

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## Compliance

- Understand what your Statutory and Regulatory Requirements are
- Appropriate Policies and Procedures in place
- Key Roles and Responsibilities Clearly Identified
- Appropriate Training to Duty Holders
- Ensure Regular Reporting to Board/SMT along with Risk Level
- Relevant Systems in Place to Monitor Performance & Contractors and Audit of Compliance
- Relevant Budgets

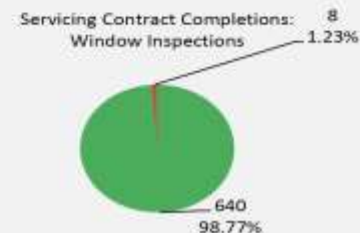
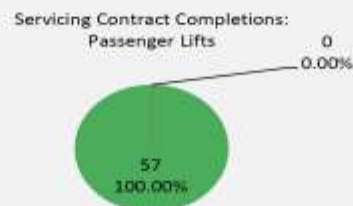
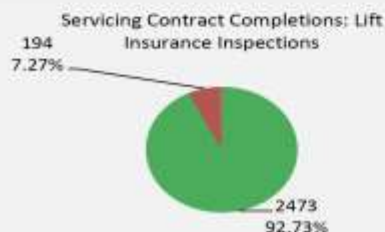
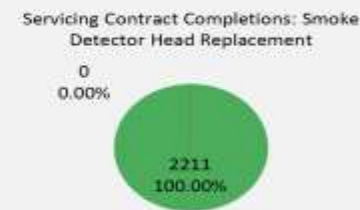
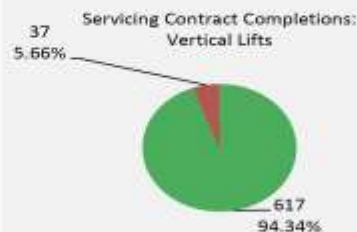
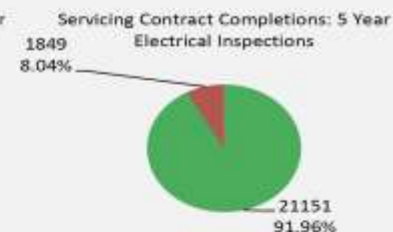


Compliance Report: Summary Graphs 2018/19

## Valid Health & Safety Certificates



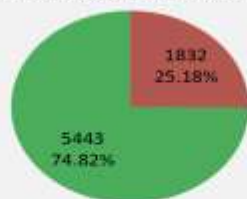
## Statutory Service/ Inspection Contracts Performance



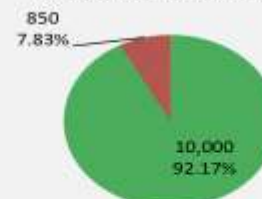


Compliance Report: Summary Graphs 2018/19

Legionella: Risk Assessments Completed

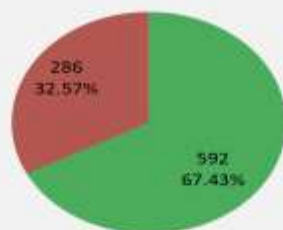


Asbestos Surveys Completed

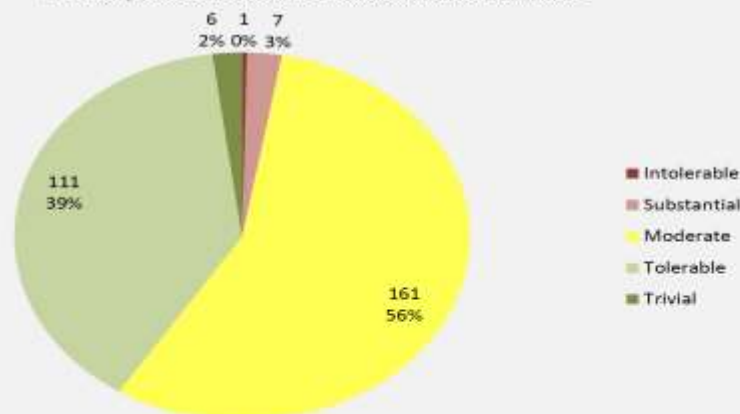


Fire Safety Compliance

Fire Compliance: Risk Assessments in Place



Fire Compliance: Classification of Risk Assessments in Place





# Repairs & Maintenance

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- Repairs & Maintenance Policies & Procedures
- Tenant Engagement/Consultation & Commitments
- Service Standards
  - Response Maintenance
  - Cyclical Maintenance
  - Planned Maintenance
- Annual Investment Plan
- Procurement Strategy
- Contract Monitoring
- Regular Reporting, Budget Management







# Void Management

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- Have a Robust Void Policy & Procedures in Place
- Agree Void Letting Standard
- Have Appropriate Void Repair Categories
- Be Proactive when a Property is Terminated with Notice
- Have Weekly Void Meetings With Contractor
- Prioritise Voids to Reduce Loss of Rental Income
- Monitor Rent Loss and Key to Key Times
- Do as Much Work when the Tenant is in
- Allocate Appropriate Budget and Monitor on Weekly Basis





# Risk Management

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## Asset Risks

- Funding
- Procurement
- Contractors
- Compliance
- Staffing





# Social Heart with a Business Head

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## Final Thoughts

- Importance of understanding the information
- Need to maintain and manage the data
- Regularly review the underlying assumptions (3 years)
- No underestimating the challenges in changing course
- Important to have the right people with the right skills in the right place
- Include the Tenants in your Decision Making
- Don't lose sight of why we're doing this – *Maintaining Our Assets & Building Sustainable communities*

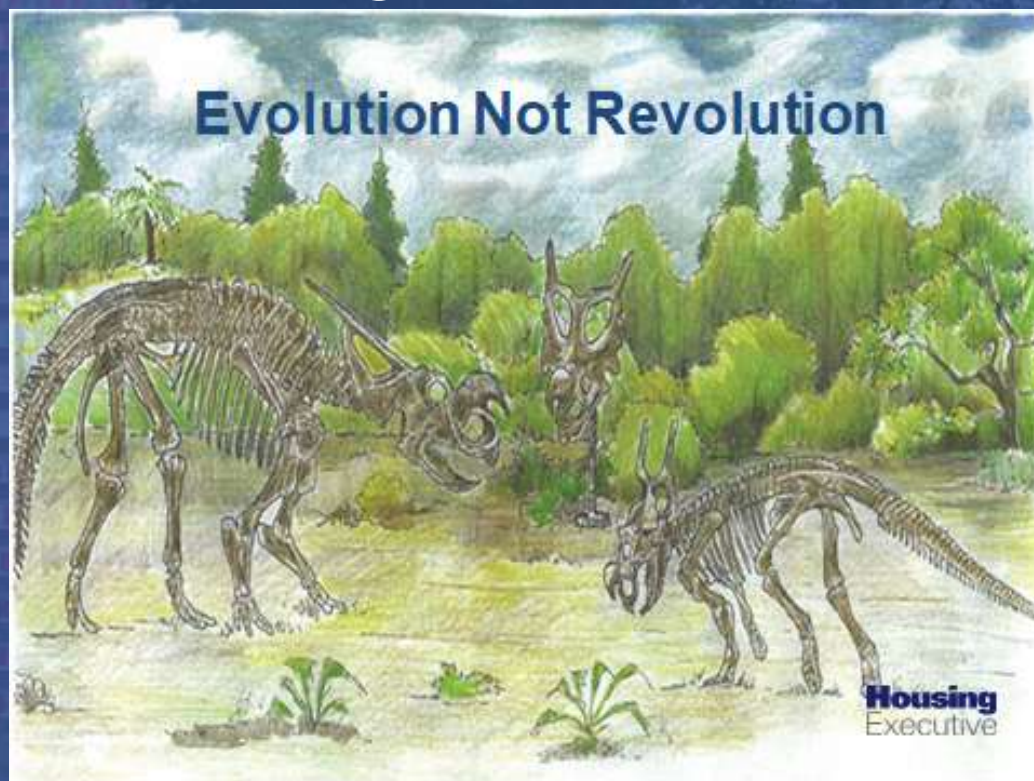




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## Final, Final Thoughts!!!







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# Questions?

