

Paula Palmer

Hello and welcome back to Stonewater's On the Air podcast. This is the first of our end of season, double bill, talking about investment.

Today, we're going to be talking about what it really means to invest in our homes and communities. Stonewater is investing £90 million this year to ensure our homes are warm, safe, and affordable. But what does that really look like? From new kitchens, heating systems, sustainability, and smart tech, we're going to be exploring how this investment is making a difference and measuring that impact through the voices of our residents.

So, I'm delighted to be joined by Nick Harris, who's our Chief Executive here at Stonewater, Catherine Evans, our Director of Homes Operations, and Mark Astbury, who is a Partner at Ridge, a built environment consultancy. Thanks everyone for being here.

Nick Harris

Thank you for inviting us.

Paula Palmer

So, Catherine, please do introduce yourself. Tell us a bit more about how Stonewater ensures that that £90 million investment delivers maximum value across such a large and diverse portfolio, please?

Catherine Evans

Thanks so much, Paula. So, yes, I'm Catherine Evans, Director of Homes Operations for Stonewater. I have the luxury of working alongside two fantastic colleagues, our Director of Compliance, Sarah Stevenson-Jones, and Robert Panou, our Director of Asset Strategy.

So, across our three portfolios and all of the wonderful colleagues that we have around our teams, we're responsible for ensuring that all of our Stonewater homes remain safe, secure, warm, and affordable for our customers. You've mentioned our £90 million budget, there or thereabouts. Sounds massive, doesn't it? That's a big number. But when you contextualise that in the fact that we are responsible for 40,000 homes, near enough 90,000 customers. Whilst large numbers, we have a significant responsibility to make ensure that that money is used wisely to ensure that all of our customers' homes remain in a condition that we need to maintain from a legislative and regulatory perspective but also produce communities and environments that our customers want to be within.

So, from my perspective, my job is to oversee delivery and leadership of operational delivery across our asset management services. And I work very closely with Rob, who I've just mentioned, who leads on the asset strategy delivery.

So, assets strategy derives the strategy for delivery, and my Ops teams deliver those. So, 90 million, it's a big number. But the reality is when you start to deliver that over the course of all the services that we're responsible for, from decent homes through to compliance, ensuring that gas safety, asbestos safety, etc. and just day-to-day repairs are delivered is quite a significant activity for Stonewater. So, we work very closely together. And the most important thing is that we need to ensure that we've got healthy and sustainable relationships with all our contractors. Stonewater can't deliver these services in isolation. We work with a number of external contractors, as well as our newer the introduction of a small-scale direct labour workforce to ensure that everything that we must deliver, we do.

Paula Palmer

Lovely. Thanks, Catherine. We were joking earlier, weren't we? About how 90 million in your own pocket gets you a lot of fast cars and nice handbags, but it's spread a bit more thinly over 40,000 homes.

Catherine Evans

I always come back to the fact, and people will be bored of hearing me say this, but I think a big number sounds big if it was in your bank account, it would be. I'm far more pedantic about the way it's spent. I'm the one with the miser's purse as it stands at the moment.

Paula Palmer

Fabulous. Nick, welcome to On the Air. Can you add to what Catherine's mentioned, perhaps talking about how it's aligned with long term value and our customers' priorities?

Nick Harris

First of all, I might like a fast car, but I don't think I'd want a handbag.

So, I've got slightly different priorities. So, it does sound like a huge sum of money, and of course, it is a huge sum of money. And Catherine is very right to say that spending it wisely is really important. And the way we work to make sure we spend it wisely, first of all, we try and listen to customers; what they want, what's their expectation, but also, more importantly, what their aspiration is. So, we listen to customers and try and shape the programme around what people want, what their aspiration is for their home and for their future. You overlay, though, as Catherine said a moment ago, the regulatory and legislative requirements and that actually takes a big chunk of money already just to

keep within the law. So huge sums of money is spent to make sure everything is within legislation or health and safety. So, we speak to our customers, we get their feedback, and then we go and look to see how can we make that work.

But as the owners of the property and the long term stewards of people's homes, it's important for us that we look at the overall portfolio that we have. So one of the things that we've been looking at in recent years, as you'll probably know, we've been successful in getting quite a lot of decarbonization money from the government.

Thinking about customer feedback, we've had feedback over the years from customers that they don't like economy seven heating, or what I would call the old night storage heaters. So, we have prioritised where we can the replacement of those very inefficient and expensive night storage heaters to more efficient, far more effective air source heat pumps, or in occasions, ground source heat pumps. So that's a good example of where we've listened to what customers have said and prioritised that expenditure. So we've got a duty and a responsibility as long term stewards to make sure that we invest wisely and give our homes that extra length of longevity so that in the next 10, 20, 30 years, when they become available for rent, that they're still popular, that they still meet people's expectations and aspirations. So, £90 million is a huge sum of money but as Catherine's already said, it doesn't actually go very far when you look at those things that we're grappling with.

Paula Palmer

Thanks, Nick. That's a great answer. Mark, let's have you tell us some more about you, about Ridge, and how your consultancy perhaps supports landlords like Stonewater to make good investment decisions.

Mark Astbury

Thank you, Paula. And first of all, thank you very much to Stonewater for inviting me to join today's session. It's really useful to hear firsthand what providers like Stonewater are doing and also do some comparison with other clients that we work with. In terms of me, I'm a Chartered Building Surveyor by background. I'm also a Chartered member of CIH, Chartered Institute of Housing. Why did I do that? Because I wanted to know more about affordable housing needs and drivers than just the bricks and sticks of properties and homes. I think that's quite an important thing to focus on in terms of this discussion. It's much more, as Nick and Catherine have already said, it's more than just the walls and what's underneath the roof. So that's really important. As far as Ridge is concerned, I've been at Ridge for 22 years. I head up the affordable housing specialist team. Ridge itself is a built environment consultant. So again, we've moved away from just being property construction, looking more widely at the built environment, and basically helping our clients to create places that are great places to work, live, and

learn. So that's what we're about. We're a multidisciplinary practice, which means we provide a number of services across that sector.

And in terms of how we support landlords like Stonewater with their investment decisions, I think we've already touched on the challenges within the sector in terms of all the different things that we're looking at doing, things; things like condensation, damp and mould, Awaab's law that comes in October, fire safety, compliance, reinvestment, etc. There's an awful lot of challenges to meet. I think our support obviously comes in terms of the priority of those around health and safety, landlord's obligations, etc. Before we start even looking at things like component renewals. I think it's really important that we understand basically what assets or homes need in terms of investment. That comes from a foundation of good quality and up to date stock condition survey data. That sounds quite dry, quite boring, but that is the principle foundation. If we don't know what the properties need and indeed what residents, drivers and needs are, how can we programme properly and prioritise investment? So yes, 90 million is a lot but if you do the simple math and divide that by 40,000, that gives you roughly how much per annum? So, it doesn't come to a great deal. So, we've got to spend it really carefully.

I think historically, certainly when the decent home standard first came in, going back nearly 20 years now, there was a bit of a, let's just renew lots of components. And we didn't really think about the holistic approach to it and whether it actually made sense and was that actually improving the residents' homes. There was also a number of different ways of achieving decency as a minimum standard, which we'll talk about later. I think that focus, which is coming to obviously sharper focus now with consumer standards off the back of the Social Housing Regulations Act, which came into force in April of last year. So, there's a number of drivers around the consumer standards in terms of safety, data, tenant engagement, home standard, etc. So, our role is really to help guide through all those different parameters and to see how investment is focused to achieve all those different competing requirements that asset managers have to juggle and deliver for customers.

Paula Palmer

Important role added to the mix of what we've already spoken about. And data keeps coming up-time after time in this podcast on how important it is to have good, accurate data. Catherine, how do you strike the balance between listening to customers, the data, making investment decisions that are necessary for our sustainable homes that are safe, warm, and in a good state of repair?

Catherine Evans

It's a very good question. It's one that we, not struggle with, but we work with on a daily basis; so, to come back to Mark's point, which is completely right around decency,

compliance, etc. It's wonderful to be part of an organisation where actually our decency and our compliance levels are there or thereabouts in terms of always achieving above 99 %. So that's a wonderful thing for our teams and obviously for our customers as well to ensure they're safe.

Within Stonewater, we have our customer promise, which we're completely committed to. So “we're proud to make things personal. If it matters to our customers, it matters to us”; that is the internal mantra that we ask all of our colleagues to consider when they're making decisions. And obviously, every customer ask or request is always considered through that lens. However, the reality is, as we've just discussed in terms of budgetary restraints and the ability to manage expectations and delivery from a legislative and regulatory perspective, sometimes, unfortunately, the answer is no. And that's a reality of life in the same way as I'd love to buy my daughter's 16 chocolate bars a day, but the answer is no. Firstly, I can't afford it, and secondly, it's not good for them. It's about making those education related decisions that are based on our budgetary restraints and what we must deliver to our customers and what we can do if the budgetary envelope allows that.

So, a big part of the work that our team do, and that's not just from Home's [team] perspective, that's across the organisation, Development, Customer Experience colleagues, right through to our Corporate colleagues that support us as enablers. There has to be, unfortunately, times where we do say no. The important thing is that throughout that decision making process, we're completely engaged with our customers. So we work very closely with our Scrutiny Panel with customer representatives on our Challenge and Assurance panels on our Board and those that are committed to supporting their time through our Customer Hub and other channels to ensure that we're making the right decisions that are based on the data that you reference, Paula, customer insight information that we have to make sure that we're making informed decisions that not only align the wants and needs and aspirations of our customers alongside everything that as an organisation we're obliged to deliver, and we continue to work with our customers on that.

It's never nice to say no, never nice. But sometimes, unfortunately, we have to. But we just need to be transparent around why that is the answer and to provide oversight and visibility of the fact we've heard you, we've listened to you. This is the plan moving forward, but that we need to be realistic about what's achievable at any given period. That does create, unfortunately, sometimes attention between the tenant satisfaction measures, which are largely perception-based, and the transactional data of how a single repair, for example, was received by a customer at that point in time. But we work very, very closely with our data colleagues, our IT colleagues, our contractors, who obviously are predominantly delivering some of these services for us, and our

customers, overarchingly, to make sure that any bit of insight we receive is actively utilised to inform the direction of travel of our services moving forward.

Paula Palmer

Okay. Thanks, Catherine. That's a great answer. Nick: Customer perception doesn't always actually reflect actual performance, does it? So how is Stonewater using customer experiences, like your recent visit to Kennedy Drive to better understand and respond to customer concerns.

Nick Harris

Thank you, Paula. We get a raft of information and data at Stonewater. So, some of it is data that we collect ourselves, so repair requests and people's demography and vulnerabilities, etc and we have to use that and utilise that as best we can. But we also get complaints and compliments, and we also get feedback from other stakeholders. So recently, Catherine and I actually spent the afternoon, Friday afternoon, up in Swindon with the local MP and a group of residents and when the meeting started, there was a lot of dissatisfaction. I was thinking to myself, okay, this is going to be a challenging afternoon, but a lot of the dissatisfaction wasn't with Stonewater. It was a whole combination of things. It's with the dustbin collection for the local council. It's actually the litter picking from the local council, but also antisocial behaviour and criminal behaviour that the police are working with. So, as the afternoon progressed, and we picked through these issues, it became a lot clearer on what the real challenges were. And purely from a Stonewater point of view, Catherine talked about a moment ago about personal choice and when you're doing capital works or component replacement works to people's homes, so their kitchens or bathrooms or windows, people can say yes or no and that's quite easy. So, people can own that.

But on a scheme like Kennedy where there's a lot of homes, there's a lot of communal repairs, a lot of communal services, which people have very different views on. People will say, I want this, and another person will say, I don't actually want that. And it becomes really interesting in that situation where people then hear a challenge from their neighbours about why they don't want something. And it's actually very helpful, actually, in those situations, because then people can hear the counterarguments to why we might not want to do something. So going out meeting residents like that is really helpful because it gives the opportunity to hear opinions, but also to hear conflicting opinions, and then trying to navigate what is a reasonable solution. So as in a really small example, as a result of Kennedy Drive, people were saying, "we want some door entries" on their flats. And Catherine and I agreed to go away and get some prices. And those of you that work in social housing will know the door entries is an improvement which needs to be paid for by people through their service charges.

And one of these blocks of flats, I saw in the letter that went back to the residents recently, is £20,000. And we could do it, but do people want to pay their share of £20,000 on their service charge? And that really does focus people's minds because all the time they think they need to do this, it's easy. When we go back and say, we can do this, and this is the cost, we quite often have a different response. And it's really important to be open and transparent and say to people, yes, we can do that, but this is the cost. And then people would then take a view on whether they actually want to meet that cost. So that's quite actually a salutary experience for residents and for us. But it actually helps give people ownership of the solutions. And some of the solutions, like the door entries, I did say to people, door entries isn't the silver bullet because they break down, people don't use them, people jam the doors open, etc, etc. So maybe there's a more simple solution to your problem of actually a bit more neighbourhood community spirit about challenging people that are in the hallways that shouldn't be there, etc.

So, it's really important for us to actually listen to feedback, interrogate that feedback, and then take a view what is the right answer for that community. If it's people's homes, it's easier because other than statutory reasons why we have to do something, if somebody doesn't want to have a new kitchen or a new bathroom, then we generally would say, Okay, we'll come back later when perhaps the house is vacant. That is not a good way for us to deliver our programme because it's more expensive to go back, but we are very flexible, and we do go back. But it's the communal repairs, communal services, which is more of a challenge. And interestingly, my conclusion at the end of that day was this was more about communal services than individual services. And I have to say, having walked around the estate, it looked very good.

Now, I go out probably once a week, once every two weeks, and I don't tell people where I'm going, I just drive and walk around. I'm always amazed how open people are to tell you. They don't even ask who I am sometimes. I always have my card, but they will give you feedback about their repair service, their grounds maintenance, their building, cleaning, etc and I have to say that 95 % of the time I go out and I'm pretty impressed with how things are looking. And when things aren't well, I come back and I phone up people and say, we need to go out and have a look at because it's not working right.

Paula Palmer

I love the thought of you being our mystery shopper, Nick. That's a great visual.

Nick Harris

It's all of our jobs. If we know there's some Stonewater homes to drive by and have a look. And over the years, my children would say to me when they were young, "Why are we here, dad?" I was like, "Oh, I'm just having to look at something".

Paula Palmer

Yeah, I used to drive around and go, Oh, that's a Stonewater home. That's a Stonewater home. Yeah. Great.

Mark: so how is data and technology changing the way you and your clients gather data and use it.

Mark Astbury

Thank you, Paula. As I mentioned earlier, I joined Ridge 22 years ago. Back in those days, stock surveys, collection of data, etc. was a pen, a clipboard, and some survey forms, and we would then manually input that data, double entry, etc. So, the changes have been phenomenal over the years. Obviously, we're using a lot more in the ways of things like tablets, iPads, etc, which obviously is not new, but progress. So, we've moved away from the pens and paper and the individual cameras, etc, but certainly I've noticed over probably the last two or three years, maybe a bit longer than that, the technology that's being utilised now is quite remarkable. Most recently in terms of Ridge, we've now started using automated drone technology. So not just single building inspections with a pilot stood at the bottom, flying a drone up and down a building or across a number of buildings. But these drones are on pre-planned flights and we'll do image capturing. It's a bit like, if I can say, it's a bit like Google on steroids in terms of the quality of what it can do now, the ability to create three-dimensional models of properties, digital twins, by which we can save information back to systems like GIS.

The technology is quite ground-breaking, and that technology can also be used for things like thermal imaging, so thermographic imaging, seeing where heat loss is going from properties, seeing how solar panels are performing, identifying defects, so can pick up from thermographics and other clever tech. If there's roof leaks or there's cracks in buildings, etc. So, the technology is quite impressive. It can also be used to monitor the building of new problems or alterations, etc. That in combination with other things such as artificial intelligence, Obviously, artificial intelligence, a great deal of noise around that. It's not the be all and end all and the answer, but it is a massively powerful tool in terms of what we do in terms of data analysis. You're never going to remove, in my view, the human touch and the translation and understanding of data. But it's there as... because in terms of housing, obviously, one of our biggest challenges is just the volume. You take 40,000 homes that Stonewater own, you look at all the social housing, affordable housing across the country - it's millions -so having good data and capturing that through these automated technology is quite key. As well as that, there's also the ability, and next time Nick goes out, we should give him some tech to go and do a couple of surveys while he's doing his walk around.

But also, the ability to internally survey, not necessarily by a surveyor. There's a variety of apps, camcorders, etc, which can record information internally within a property. That

might be obviously one of our challenges as stock condition surveyors is getting access to properties. We have various issues around vulnerable residents, people who are at work during the day, school runs, etc. Just providing that extra element of flexibility in terms of both making appointments through Apps and what have you, or using technology for that, but also, in some cases, using technology to actually capture images within a property that we can then review and interpret to create the investment requirements. So that could be the Gas engineer doing the annual gas check. It could be electrical engineer. It could be someone from housing management. It could be someone doing a damp and mould inspection, etc. So, trying to make sure that when touch points happen, when people go into residents' homes, Obviously, we don't want to be going in six, seven, eight times a year or what have you. So, if we can use the technology to minimise that thing, that would be great. So almost self-serving type ability to survey.

In addition, there's obviously a lot of technology around things like security, energy usage, predicting maintenance requirements, etc. There's a great deal of tech, and I know Stonewater obviously invested in some of that as well in terms of using that to get feedback from the property, but also how the residents using it or if there are any issues around, particularly elderly, vulnerable residents. If the motion detectors people aren't moving around, does that start flagging alarms and people checking in that people are okay? That tech has moved on phenomenally in the time I've been working in the sector. It's also helping us with some of our challenges around resourcing. The property and construction industry historically tends to go through cycles in terms of when people want to come into it. They see the construction industry in a recession, it doesn't really appeal to people to come in. And it's also, I think, encouraging people to come into the housing sector as well as an exciting career. Confess, I didn't come into housing as a direct route, and that's what I wanted to do. But I think the the shortages with surveyors we can help plug with some of the tech.

But also the tech also provides the youngsters with something that's actually a bit more interesting to them, what they like to use as part of their working life. So, there's real opportunities there and just giving that degree of self-service if residents want to do that because of their own circumstances. So probably very high level. But yes, tech-wise, substantial changes and lots of more exciting stuff to come, I think.

Paula Palmer

That's brilliant. Those levels of technology are just astounding, aren't they? They're really fascinating. So, as you implied there, Stonewater has started using some of this smart technology and I'm going to ask Nick to tell us a bit more about where we are on our journey and the impact it's having, please.

[00:28:51.920] - Nick Harris

Thank you, Paula. That was really interesting, Mark, to hear your viewpoint. I feel that the technology road is -we're on the outside lane of the motorway. The speed of change is going very fast and one of the challenges that we have at Stonewater is, and is a sector-wide challenge, is that our repair service is still pretty much a reactive service. So, people phone up and then we react. The real prize for us will be to make it a proactive service, where we go and do a repair before it goes wrong. Can you imagine the impact that would have on satisfaction if we were able to go out and say, we need to do this repair because we think this is going to happen. So how are we working at Stonewater to move towards getting a proactive service?

So, for us, the Internet of Things started in 2023. We were part of the Switcher programme, putting little sensors in people's homes. And we were part of the Oxford City Network over in Oxford, where we had a number of homes having a ground source heat pump put in and it was actually using intelligence information to source their electricity in the most efficient and cost-efficient way possible.

So that was our toe in the water, so to speak. And we've not rested on our laurels since then because we've got this desire to move increasingly fast towards embracing technology. Our end goal is to be delivering a proactive service, not a reactive service. So, what have we been doing to achieve that? Well, we've been working very closely and putting sensors into people's homes. We've done a thousand last year. That would tell us about levels of condensation or moisture. That would tell us about the levels of damp in the people's homes. It would tell us also, are they drying their clothes on the radiators? Have they got the windows closed? Is the house dangerously damp? Do they need to actually, either turn the heating up or open the windows, etc.

All of that work, all that information is coming back to us. How we interrogate that and use that is going to be really important moving forward, because to be proactive, we then need to be able to contact people through their preferred method. So, WhatsApp, text, emails, telephone calls, knock on the door if need be, and say, we believe that we've got this problem in your home.

Can we work together to resolve that so you don't have a damp home, or you don't have a breakdown in your boiler or whatever. So, we're doing that investment now. We're setting up the infrastructure to deal with that. But let's just think also about our new homes. So, we've got a strategy of making to make sure our homes, our new homes, are warm, safe, affordable, but also efficient and sustainable. So, we've had some projects recently with a Wondrwall project, where actually we're using modern technology to set the heating around the homes, to use battery technology so that people are minimising their cost of them to heat their homes. This is new technology, and people like me would probably struggle with it, our younger members of the community go like ducks to

water. But that is the future. That is the aspiration. So actually using that technology to provide a proactive repair service is the silver bullet for us moving forward.

Paula Palmer

So, Catherine, what role does your team play in implementing these technologies that Nick has been talking about? And what are the biggest challenges you're facing on the ground?

Catherine Evans

Well, as Nick has just outlined, we've done a large degree of work in terms of piloting some of this technology and influencing our wider strategic commitments to the Internet of Things, smart homes, development activities. And we obviously work very closely with our IT and data colleagues in terms of progressing those concepts. And as Nick has said, the significant improvement and shift from both strategic and customer-focused perspective is moving away from reactive maintenance to predictive maintenance. That's where we improve customer outputs. It's an easier, more customer-focused service and also from a commercial perspective, far more financially beneficial for us as an organisation to ensure that we can then invest back into our homes and our developments at a larger pace.

I think the challenge is that we are working very closely with our contracting partners on is the skills gap within the wider sector. So with new technology comes a new skill set requirement, and it's really incumbent on us if we are implementing this new technology and these new devices, whether it's air-source heat pumps, ground-source heat pumps, through to Switcher technology that Nick has just outlined. We need to make sure that we have got a supply chain there, whether it's internally delivered or externally delivered, where we can maintain and continue to maintain this new technology over the life cycle of that within our homes.

So, we work very, very closely with our key contractors to ensure that that supply chain is developing and that we are creating an environment where not just young people, but people see this as a trade that they want to access. So, we have that sustainable supply chain and capacity moving forward. I think the other challenge is around customer education, around usage of this technology. So ground and air source heat pumps are a primary example of that, that actually, if used effectively, the benefits to customers is phenomenal but if you revert to a known use of a gas boiler, for example, you're not going to reap the benefits of an air source or ground source heat pump. So, it's how we continually support our customers to maximise the benefit available to them through this new technology.

Paula Palmer

Lovely. Thanks, Catherine. Both you and Mark have talked there about the skills gap. So I think there's a massive opportunity there for a lot of people, isn't it? And exciting careers with that technology. That's great. Catherine mentioned fit for life there, so talking about Homes. Mark, can you tell us how better investment planning can support every stage of a property's life cycle?

Mark Astbury

Yes, Yes. Thank you, Paula. I think our challenge with existing homes is we've got to retrospectively improve them. I think if you look at where certainly the new standards are going for new homes, etc, with the future home standard coming in later this year, which is looking at the better thermal performance elements, reducing heat loss, reducing emissions, better ventilation, etc. I think having an eye on those sorts of things along with higher quality components that last longer. I always remember simple things around the standards that clients, like Stonewater would have its own standard with component renewals, what quality would be put in to ensure that it lasts and it's got more longevity. So simple things like metal runners on kitchen draws, for example. So investing in higher quality stuff so that last longer.

I think also in terms of fit for life, we need the lessons from COVID in terms of how people were obviously having to use their homes in a different way rather than just living there. Flexible working now is very common place, working from home, etc. But a lot of our homes didn't have that space for people to be able to do that. They didn't have the technology to support that. People didn't necessarily have the areas we're reporting during COVID, going for a half hour walk or something like that, or just being outside. Those things are very much coming into the standards of new homes. But some of that we need to be reflecting in the investment decisions we make.

Also, I think obviously the decent home standard, whilst it was called decent homes, was very much a minimal standard. That was the catalyst for investment and the catalyst for getting the affordable housing stock up to a better standard. However, as I said, it was a minimum standard. I think, as we'll talk about a bit later about what may be coming down the line with the revisions to that, that that will start to really focus on some of those more fit for life aspects than probably the old standard did. I think those Having a bit of a future proofing approach, obviously, looking at things like legislation changes, the drive to net zero carbon, getting properties to an energy performance certificate, EPC level C by 2030, etc. Halving the number of non-decent homes across the country by 2030 as well.

I think they're all those initiatives that will help to create homes that will fit for life. But as we said earlier, it's not all about the bricks and sticks and components and kitchens and bathrooms. There's a lot more that needs to be considered around the more social and resident needs rather than necessarily saying, what needs a new kitchen, new

bathroom. So, I think they're all important things to bear in mind in terms of that investment planning.

Paula Palmer

Yeah. Thanks, Mark. Catherine, would you like to come in there and talk about our approach to how our homes are being adapted to reflect changing needs like hybrid working and multi-generational [stumbles over word]?

Catherine Evans

Multi-generational living. Yes. Thank you. I think is where you were going with that. So, within our development, pipeline. We're really committed within Stonewater to looking at what the homes of the future need to look like for our customers. So as Mark just referenced, that accounts for the ability to work from home if that suits our customer base, which as a hybrid organisation, we assume it will.

And within Stonewater, we're relatively unique in the fact that probably about 50 % of our customer base are self-payers. So, we work on the assumption that we have a customer base that does need to support their rental payments, service charge payments, et cetera, via their own employment. So, we need to, obviously, by virtue of that, provide a space where customers can accommodate the new hybrid work that we all live with now. I think the other piece around this is around, and we'll come on to this slightly later, I think, Paula, but around building thriving communities as well and with that comes the need for the children that live within our Stonewater communities to have a safe space to do their homework, to read. So these spaces that we're trying to develop within our new build developments are there to accommodate not only our working customers and those that aspire to gain employment on a longer term basis, but also to ensure that the younger people within our communities have that space to learn, to thrive, and to aspire to achieve what they want to as they grow up as within a Stonewater home.

Coming back to Mark's point around understanding our properties, the thing I'm most proud of that we've achieved over the last couple of years is our damp, mould and condensation strategy. I know we've touched upon it a couple of times now, but that was very much premised on not only looking at our property archetype information, our household composition information, but also looking at the changing use of Stonewater properties over the past five years. Covid brought a completely different use to homes for everybody, not just those in social housing, for everybody. Suddenly, we're all at home. Suddenly, well, many of us had more children, more washing machine runs, the dishwasher was on more, whatever that was. And that changed the use of properties and homes. And we're continuing genuinely looking at our DMC strategy to understand how that influences usage of our properties to make sure that we can support customers, whether that be through advice or through new technology, to make sure

that their homes remain a safe, secure place that is affordable for them, and that if there is a risk, the DMC or additional repairs or whatever that might look like may be occurring in their home, that we're working with them proactively to address that.

As Nick said, we need to be predictive, we need to be proactive and move away from reactive interventions with our customers.

Paula Palmer

Great. Thanks, Katherine. It's really interesting to hear you talk there about how those changes have come about and what we're doing about it.

Nick, can you tell us a bit more about sustainability at Stonewater

Nick Harris

We pride ourselves at Stonewater about being a leader in sustainability, and we see sustainability is one of the core things that we want to achieve. So during the pandemic, we actually sponsored the All Hands to the Pump; it was a bit of research work that was done by a think tank about the use of air source heat pumps. And we've been a leader in the sector about the use of alternative technologies. I'm particularly proud that in 2022, we took the decision that all new homes would be fossil free heating. So, all of our new homes that we've been building since then on a land and build, not necessarily, sadly, Section 106, have all had non-gas boiler or fossil fuel heating. So, I'm proud of that, and I'm proud of how we now look at the business about making us sustainable.

To come back to retrofit, again, I'm really proud of how much money we've got from the government for our decarbonization. In the last round, we got over £20 million of government grant. We take a fabric-first approach, so we don't want to have all bells and whistles technology, because from a thermal efficiency point of view, actually, it is actually quite simple; it's about good quality insulation, good quality windows, and an efficient form of heating. So, Mark talked earlier about using drones to see the thermal efficiency of homes. And quite often, if you see these pictures, you see all the energy leaking through windows, chimneys, walls. If we do the fabric first and we actually wrap those homes around to make sure that we retain that heat, then you're not heating the environment, you're heating your home. So, we're making that investment. That's our first approach - is what can we do to make those homes as thermally efficient as possible? And if they're thermally efficient, then people are spending less of their scarce money on heating. But from an environmental point of view, we're using less energy to heat the home. So that's got to be good from a CO₂ perspective.

So, we've set up Green Oak Centre of Excellence, and that's to provide us with a guide of what we can do, but also the sector, because we see what we do is being sector-led. We're a leader in the sector, and if there's more things we can do for sustainability, then the Green Oak Centre of Excellence is there to facilitate that. We've also recently

worked with the Wiltshire Wildlife Trust on Eden Croft, and this is an interesting example of where we've actually provided some land and provided trees. We provided other nature. So that's actually to improve biodiversity. It's also to improve the ability for local residents to have somewhere green and beautiful to go and sit, walk through with their dogs, walk through with their children, and just get out into the countryside because there's lots of research that shows that people are happier if they can see trees and green spaces.

But we're not just relying on that, we're looking to see how we can improve across the piece. Anything we can do to reduce our carbon footprint has got to be good. Got to help global warming. We're providing trees, five trees for every new home we build. We've provided over 40,000 trees in the last few years, off-site, but on-site on all of our new developments, we provide one tree. And we've taken the view that that tree isn't going to be a monoculture flowering cherry tree, we want that flowering cherry tree to produce cherries or apples or pears so that people can actually use that. If they want to go and pick the fruit and make a crumble or whatever in the autumn, they can do. And rather than plant in Berberis as a defensive area, let's plant Gooseberry bushes because Gooseberry is as vicious as Berberis, in my experience. And then you can actually pick the Gooseberries and use them for food. And if you don't want to pick the Gooseberries, then my experience in my garden, the birds will soon have them anyway.

So, you're actually helping the nature by providing a food source. So, our commitment to environmental sustainability is very deep, and it's one of our core values, I would say, at Stonewater.

Paula Palmer

Thanks, Nick. I've loved hearing about all those initiatives. And we've had a couple of lovely retrofit stories on our website recently, so people can go and check those out. In fact, in one, their bills were even being cut in half, so I think they were particularly pleased.

Catherine, when we were researching this episode, you were very passionate about homes being foundations for communities. So how are our investments contributing to well-being and long-term affordability?

Catherine Evans

I am extremely passionate about this, probably more so than I should be, but I genuinely believe, wholeheartedly, that if we can provide good, affordable, safe, secure homes for our customers, it gives them the foundation to achieve their aspirations. Whatever that aspiration might be, that's not for us to determine, but it gives people the foundation to at least consider what they want for them and their families and have a safe place to be able to achieve that. We obviously can't do that in isolation and Stonewater,

realistically, we are a landlord and we can signpost people to additional services. We're not the fourth emergency service.

We are here to provide a home in which people can flourish, ideally. But what we can do is navigate our network of partners to ensure that those opportunities for our customers are increased wherever possible. So Stonewater is really committed to partnership engagement, whether that be through our stakeholders, local authority partners, or through our Homes and Development partners, our contractors and development contractors, all of whom we work very closely with to look at how we can maximise social value for our customer base and for the wider communities in which Stonewater operates.

So by way of example, with our responsive repairs contractors, for example, we work very closely to understand how we can maximise apprenticeship and employment opportunities for Stonewater customers and their children to access different recruitment path or career path opportunities that they might not otherwise get outside of being a Stonewater customer. So, we really work very, very closely with our contractors from that perspective. And this really is about driving aspiration for our customers but also influencing local infrastructure.

We know within social housing, unfortunately, and I won't get into the politics of this, but many of our customers do face disproportionate health inequalities and educational inequalities just via virtue of the fact that they live in social housing and the communities that they live in. The really important thing is that we're bringing together all of our partners, and Stonewater is such a big influential social housing provider within the sector to lead that discussion around the fact that we should be aspiring to create communities where people thrive, don't just survive, and that they can go on to have flourishing futures and build their families' environments that they're proud to live within. So, yes, sorry, I am passionate about this.

I could talk to you about this for the next four hours, but we've all got things to do. So it's very much a partnership approach, and Stonewater can't do it in isolation, but also links back to Nick's point around our position as a thought leader, not only in terms of environmental sustainability, but also how we leverage the support of the large organisations that we work with to make a difference within our communities.

Paula Palmer

Yeah. Again, there are some lovely initiatives, and I see them when they come through on our LinkedIn posts. I was speaking to a colleague yesterday, and she said one of their retrofit partners is about to make a substantial donation to one of their local schools and pop some artwork in. And they just help out in retirement living schemes, don't they? And make donations of food so they can have events throughout the year and stuff.

Catherine Evans

Yes and those are wonderful initiatives but the larger scale things were around access to learning academies, to producing career paths for people that ordinarily might not have the opportunity. And that's where I will see the long term impact of our partnership working, potentially.

Paula Palmer

Like you said, we could go on all day about this, but let's get back to our questions. So, Mark, my next question is for you and what you expect to see around the revised decent home standard and how providers should prepare.

Mark Astbury

As I mentioned earlier, the decent homes guidance hasn't actually been updated since 2006. So are we having its 20th birthday next year? Hopefully, we will have some changes to it in advance of its birthday. As I said earlier, it has always been a minimal standard. It was to be a catalyst for investment, etc.

I think obviously, given the age of the current guidance, etc, we were talking about technology earlier, etc. it's pretty outdated as far as some of that stuff is concerned. The standard itself, without going into too much detail, is split into four parts. So very briefly, in terms of the Housing Health and Safety Rating System, or HHSRS, as we refer to it, in terms of criterion A, We're obviously expecting that to also incorporate, it does incorporate damp and mould at the moment, has done for several years, but obviously with Awaab's law and the focus rightly on condensation, damp and mould, etc. changes in inclusion of some of that, along with other compliance-related areas, so fire safety, etc. This is all personal view, by the way.

The standard has been through a Sounding Board and a degree of consultation with both resident representatives and also registered providers, etc. It's also been extended as well in terms of providers. It's not just the affordable housing sector now, under the Rent Rights Act as well, it also covers private land laws as well. The standard will be applied as it is and as it will be updated to private rental as well, not just affordable housing. I think we can expect to see also changes around the current standard has references to components that are both old and in poor condition and requirements to have both of those attributes before deeming it needing to be replaced. I think we'll see a movement quite rightly, I think, to condition. If something is in poor condition, but maybe it's not reached its expected life cycle, then it's obviously something that should be flagged as due for renewal. There were a number of different ways that the standard could be used and interpreted, which might not necessarily give you an answer you think is actually sensible in a home. For example, you could put a new bathroom in under modern facilities, but have an old kitchen, and a new bathroom

would probably be a cheaper cost than a new kitchen. There were a few nonsensical types of things, which, going back to that point about it being a minimum standard.

I think we'll see some of the changes to that. Thermal comfort, alignment with EPC standards, although EPC is obviously under review as well (Energy performance certificates) and interpretation of modern facilities. I think we are likely to see more around security, safety, digital technology but also just going back to Catherine's point about communities and external areas, I think also focus on those elements as well, not just the individual home. So just taking those things on board and also tenant engagement as well. So again, along with some of the things that are coming out of the consumer standards and those related things.

I think in short, how do providers prepare? I've always had the view that if you invest in in homes as the needs require, you should almost by default, Decent Homes should take care of its home itself, which is probably easier said than done, particularly if we go back to the competing resources, etc. But if We're picking up on Nick's point around proactive investment, property MOT type things and giving homes passports, those things. If we're doing all that stuff, we should automatically take care of decent homes. So, yeah, I think that continued holistic investment around needs should stand you in pretty good stead for whatever changes come down the line with the decent home standard.

Paula Palmer

Lovely. Thank you. So we have covered a lot today from smart technology and data, sustainability, community impact, and future proofing. But before we go, I've got one last question for you. What is the one thing you think housing should providers to keep front of mind when they're investing in homes? Catherine let's go to you first.

Catherine Evans

So, I passionately believe that the important thing is that we're not just investing in homes - we are investing in an environment that is safe, secure, and affordable, and warm for people to flourish - I think that's the most important thing. And I think gone are the days within any sector, not just social housing, where we compartmentalise property and people. That's just not acceptable. This is around creating homes and environments and communities in which people can achieve what they want to achieve and achieve their aspirations. And I think secondary to that is that we cannot work in isolation. As they say, no man is an island. This is about how we engage with our partners, local authority partners, contracting partners, development partners, etc. to really leverage the value and the scale of influence that we have collectively to address some of those inequalities that, unfortunately, we do still see within social housing.

Paula Palmer

Thank you, Catherine. Mark, let's sandwich you between our Stonewater guests.

Mark Astbury

Okay, thank you. I think that the obvious one for us and the whole purpose of why my team exists, why we do what we do is around the customers, what the customers' needs are, and best serving those in terms of the environments we create. And very much that is the home, but it's the communities and the external areas and everything around that. So I think from a technical perspective, I think it's just appreciating there is that finite resource and please take that step back and think about that before investment occurs, just to make sure we are spending those resources in the best way for the residents.

Paula Palmer

Okay, lovely. And last but not least, Nick.

Nick Harris

I mean, I don't think I can add much more than what Mark and Catherine said. The only thing I would add is let's not forget about being proactive and maximising use of AI, because that is the future. And if we can actually do things more efficiently, we can do more things so that £90 million can go further, and we can do more upgrades and more investments. Anything that allows us to do that has got to be a good thing.

Paula Palmer

Great. That's a lovely way to wrap up. Thanks, Nick.

So, thank you all for joining us today on The Air.

We'll be back again very soon with that second of our double bill that I spoke about earlier, talking about investing in supported housing. We'll be talking about the benefits of highlighting the vital role it plays in providing refuge, rehabilitation, greater quality of life, as well as the broader societal benefits. So please do watch or subscribe, and we'll see you again soon. Thanks to my guests, Catherine, Nick, and Mark, and everyone for listening.