



Asset Management Strategy

Introduction

Yoker Housing Association Ltd ('the Association') understands the importance of adopting an effective asset management strategy to ensure the safeguarding of our assets. There is an explicit link between our business plan and our asset management strategy which is specifically aligned to key business objectives five and six of the Association's business plan as follows.

- To invest in existing housing stock to ensure that Yoker HA Ltd continues to provide good quality housing
- To contribute to the supply of quality affordable and sustainable homes where financially viable

In implementing this strategy, the Association will ensure **equality of opportunity** across the full range of activities involved. We will not discriminate on the grounds of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The Scottish Social Housing Charter

The Scottish Housing Regulator (SHR) is the regulatory body for social and local authority housing services in Scotland. The SHR monitors, assesses and reports annually on landlords' performance against the Scottish Social Housing Charter ("the Charter").

The Charter sets out the standards and outcomes that RSL's should achieve. This includes updates on progress with meeting the Scottish Quality Housing Standard (SHQS) and Energy Efficiency Standard for Social Housing (ESSH). All landlords must submit an Annual Return on the Charter (ARC) to the SHR. These reports are made accessible to everyone through the SHR's website. The reports give an indication of landlord performance against peer groups as well as the national average.

There are definite outcomes under the Charter that are especially relevant to our asset management strategy, these are:

Outcome 1: Equalities

Every tenant and other customer have their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services

Outcome 4: Quality of Housing

Social landlords manage their business so that tenants' homes, as a minimum meet the SHQS when they are allocated; are always clean, tidy and in a good state of repair and meet the ESSH.

Outcome 5: Repairs, Maintenance and Improvements

Social landlords manage their business so that tenants' homes are well maintained, with repairs and improvements carried out when required and tenants are given reasonable choices about when work is done.

Outcome 6: Estate Management

Social landlords, working in partnership with other agencies help to ensure as far as reasonably possible that tenants and other customers live in well-maintained neighbourhoods where they feel safe.

Outcome 11: Tenancy Sustainment

Social landlords ensure that tenants get the information they need on how to obtain support to remain in their homes and ensure suitable support is available, including services provided directly by the landlord and other organisations.

Outcome 13: Value for Money

Social landlords manage all aspects of their business so that tenants, owners and other customers receive services that provide improving value for the rent and other charges they pay.



Asset Management Strategy

Overview

The Association's asset management strategy is to manage our assets in such a way that they support the wider organisational objectives and contribute to the long-term sustainability of the organisation. The main objectives of the Association's asset management strategy are to:

- continue to meet the SHQS;
- continue to meet the EESSH;
- deliver a quality repairs and maintenance service;
- achieve tenant satisfaction;
- achieve tenancy sustainment;
- continue to adhere to legal and regulatory requirements;
- identifying risks and actions to mitigate the effect of these risks;
- encourage attractive neighbourhoods; and
- produce an action plan detailing our future of asset management.

Effective asset management aims to understand and manage the risks that may affect our assets in their ability to meet and service financial objectives. Housing stock is the Association's primary physical asset, generating most of its income from rents. We also provide a factoring service for owner occupiers and commercial owners which generates a small portion of our overall income. The main part of the Association's expenditure is consumed in the management of its housing stock, carrying out maintenance and in further investment or re-investment.

In order to be effective in its delivery, asset management also requires tenants and others to work together to look after their properties. Sustainable neighbourhoods require to be safe and secure and the overall environment must be an attractive and desirable place to live in.

The level of control that the Association holds varies from close to close depending on the proportion of properties we own within each close. Properties where the Association holds a majority are easier to manage in relation to voting through repair, renewal or maintenance works. Despite having a majority in certain closes, the Association still only proceeds where possible with the agreement of other owners before carrying out communal works as this is considered best practice. Best practice is to adhere to the terms set out in the Deed of Conditions for each tenement where works to the common parts are required. This generally involves calling a meeting of all owners to vote on which works will proceed.

Closes where the Association is in minority ownership can present problems when it comes to upkeep and repairs as other owners may refuse to co-operate making the upkeep of communal areas difficult.

Housing Stock

At the 31st of March 2019, the Association owned 639 self-contained housing units. The stock profile consisted of 89 red sandstone tenements, 8 new build tenements, 50 terraced or semi-detached houses, 19 cottage flats and 3 four-in-a-block properties. 8 of these properties were acquired through the Scottish Government's Mortgage-To-Rent scheme.

Stock varies in size from 2 apartments to 5 apartments. A breakdown of our stock by house type, age and size is provided in the tables below:

| House type | No. |
|----------------------|-----|
| Tenement Flats | 534 |
| Tenement Maisonettes | 13 |
| Other flats | 37 |
| Houses | 52 |
| Four-in-a-block | 3 |

| Age | No. |
|-----------|-----|
| Pre 1919 | 502 |
| 1919-1944 | 3 |
| 1945-1964 | 1 |
| 1965-1982 | 0 |
| 1983-2002 | 50 |
| Post 2002 | 83 |

| Size | No. |
|-------|-----|
| 2 Apt | 269 |
| 3 Apt | 235 |
| 4 Apt | 114 |
| 5 Apt | 21 |



Asset Management Strategy

Housing Stock (Continued)

The Association works hard to ensure that core stock is well looked after. Looking after core stock covers both the physical property itself as well as the area in which it exists. Although properties are an asset to the organisation, it is important to understand that they are also tenant's homes. It is therefore essential to take the view of a responsible landlord when making decisions about these assets.

The Association holds information on all its properties including its factored properties. These records are kept up-to-date at all times by ensuring the recording of relevant information is incorporated into the processes of each department of the organisation (e.g. estate management visits, void inspections, SHQS inspections).

Stock Condition / Property Database

The Association provides quality homes for our tenants and this is reflected in our performance in the ARC when benchmarked against our peer group. The results from our latest satisfaction survey show that 84% of our tenants were satisfied with the standard of their home and 88% satisfied with the quality of their home.

Stock condition surveys are carried out by the Association on a continuous basis as they become void and remedial work is carried out where necessary to ensure compliance to standards set for RSL's. These surveys provide a good indication of our properties over a wide range of elements and information is used to keep records of these assets up-to-date.

Each property has two dedicated files containing data relevant to that specific property, one of which is solely to measure its compliance with SHQS. Developing our property records this way allows the Association to implement our asset management strategy in such a way that it allows us to:

- forecast planned / cyclical maintenance for business planning purposes
- identify properties that are meeting SHQS / EESSH
- prioritise stock that is performing poorly / investigate potential investment routes

Holding up-to-date information on assets allows the Association to plan for the lifespan of the components in our properties such as bathrooms, kitchens, central heating and door entry systems. It also helps when deciding budgets as to how many properties need to have these components replaced and the expected date thereof. Budgets can then be projected for the following year as well as on a longer timescale to accommodate the Association's business plan.

Once the physical asset information is known, the rental income can be calculated based on this up-to-date component information. Rent is calculated based on the size of apartment and the amenities it contains within it. Once established, rental income streams can then be projected on five years and on a thirty years basis in line with the Association's long-term planning model.

Our housing stock is maintained on a day to day basis through our general repairs service where tenants report routine repairs for their properties as and when they are required. There is a planned maintenance programme for the major components such as kitchens, bathrooms, central heating and door entry systems.

Part of the financial planning process for maintenance involves the creation of a budget. This budget accounts for all aspects of maintenance from monthly routine repair budget to cyclical programme budget for longer term planning. This helps to manage the quality of our properties and keep them up to standard as well as giving an idea of what to expect in terms of future work.

Investment

The Association has a thirty years investment profile in place as part of its business plan. This provides details of component breakdown and life cycle replacement of building elements.

In considering changing standards and expectations, we have amended our bathroom replacement standards by providing over bath showers to future proof for tenants getting older and struggling with bathing. This was in response to a trend that became apparent in recent years where the Association had received an increase in queries regarding over bath shower facilities.



Asset Management Strategy

Risk

Effective strategic planning of assets consists of assessing and continually reviewing asset related risks. The management of these risks should not prevent an organisation from decision-making but rather it should be incorporated into the decision-making process.

As an RSL, key risks with our assets is ensuring their compliance with regulatory and legal standards as set out by the Scottish Government. Changes to legislation and expected standards also present a risk to the Association in terms of its expenditure - for example, compliance with the EESSH or SHQS if the current standards were to change.

A key risk to the Association lies in the fact that most of our housing stock consists of pre-1919 red sandstone tenements. These properties can present challenges in maintenance due to their age, condition and the presence of private owners.

The Association mitigates this risk through the provision of a factoring service for owner-occupiers and commercial owners in the local area. However, other owners represent a key risk and major challenge for planned maintenance programmes to communal areas. Often the roles and responsibilities of landlords offering a factoring service are misunderstood by owners. The Property Factors (Scotland) Act 2011 Written Statement of Services and individual property title deeds are used to clarify responsibilities. Except in exceptional circumstances, repair, maintenance and renewal costs are apportioned in accordance with the title deeds of each property.

Where disputes cannot be resolved, we must consider all options available to us and whether it is best to continue carrying out further investment or not. Items such as close painting for example would not be as essential as vital remedial work which if left unattended might lead to damage to the fabric of the building.

Empty Homes

The Association recognises that empty homes can impact negatively on the organisation. It reduces rental income and can affect the appearance and reputation of neighbourhoods if empty for a considerable amount of time.

The Association gives high priority to void turn-around and re-let times in recognition of the fact that having empty houses can be detrimental to the community and impacts our overall income as no rent is received for properties while vacant. We ensure that when a termination notice is provided, a pre-termination inspection is carried out so that we are aware of any major works that need to be carried out can be arranged prior to keys being received. For properties where a pre-termination inspection has not been carried out the Association arranges an inspection at its earliest convenience once keys have been received to the property.

Business Planning

Our business plan sets out the direction of the Association in the short to medium term as well as the resources, staffing and finance needed to meet this.

There are three elements to the Association's business planning process.

Firstly, there is the short-term planning stage. This stage consists of definite planning for the current year as well as the year ahead. For this stage the Association's budget is reviewed and consists of a breakdown of expenditure for various components of our assets. This is the most defined stage of the planning process as it is for the immediate future.

Secondly, is the medium-term planning stage. This stage consists of well-defined planning for the foreseeable future. This considers spending for a longer term of up to five years. Planning at this stage is open to change and can be affected by the first planning stage should there be any knock-on effects as a result of unforeseen circumstances. An example of this is the change in fire regulations where we have had to make changes to our planned maintenance programme to prioritise landlord requirements in relation to smoke alarm and heat sensors. The five-year plan is derived from the Association's business plan but with more detail including annual planning cycles. This planning cycle considers the external environment and any changes that are anticipated and likely to have a significant impact in the coming years will be incorporated into the plan. For example, the introduction of Universal Credit may mean RSLs may no longer receive as much direct housing payments and this must be planned for to minimise the risk to the organisation.

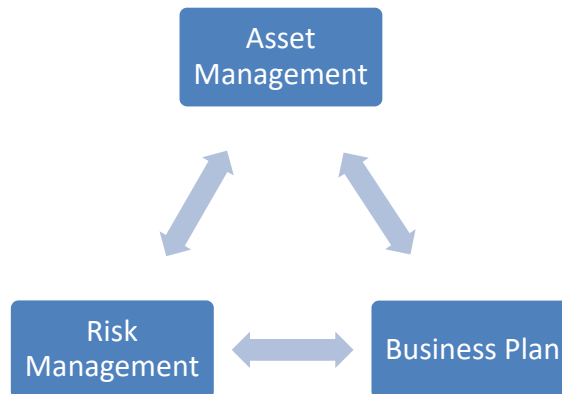
The final and most important planning stage of the process in terms of strategic direction of the organisation is the long-term planning stage. This is the least of the defined stages of the planning process as it is on a longer scale of up to thirty years. This considers what the Association is looking to achieve on a bigger scale and will be in line with business strategy. Although it is the loosest of the three stages of the planning process and subject to significant change, it is still crucial as it leads the way for the overall strategic direction of the Association.



Asset Management Strategy

Business Planning (Continued)

An asset management strategy is a process that monitors and maintains assets of a value to an organisation. It is closely linked with the business plan, financial plan and risk management strategy. It is central to the core business objectives and integral to the Association's business resilience.



The Association is committed to:

- using our assets to enhance financial viability
- investing in our assets to meet current and future customer needs
- ensuring our homes and neighbourhoods are well-maintained and cared for
- using our assets to support growth and diversity

Asset Management is the process by which we ensure that assets that we need to operate our business are managed effectively and provide value for money. This covers a range of actions that have been put in place by the Association to protect these assets to ensure the successful delivery of the vision of the organisation to provide quality housing for its tenants. The success of the organisation involves the management of the changing needs and expectations of its tenants whilst maintaining the best use of its resources to ensure the organisation's long-term viability.

Performance reporting is an important part of ensuring the asset management strategy is working successfully as well as meeting corporate objectives. The Association measures performance and demonstrates this through quarterly key performance indicator reporting. Performance is also recorded in the ARC, SHQS and ESSH Returns which are submitted to the SHR each year.

The strategic approach that the Association takes to asset management is to continually review value for money and how it can be improved. The cheaper alternative is not always the best option as the best way to create value for money is to have a balance between cost and quality.

Benchmarking against other landlords in our peer group is a useful tool when used alongside other measures to give an assessment of the value for money. The Association uses benchmarking in a range of areas such as rent setting, providing its repairs service and contractor selection.

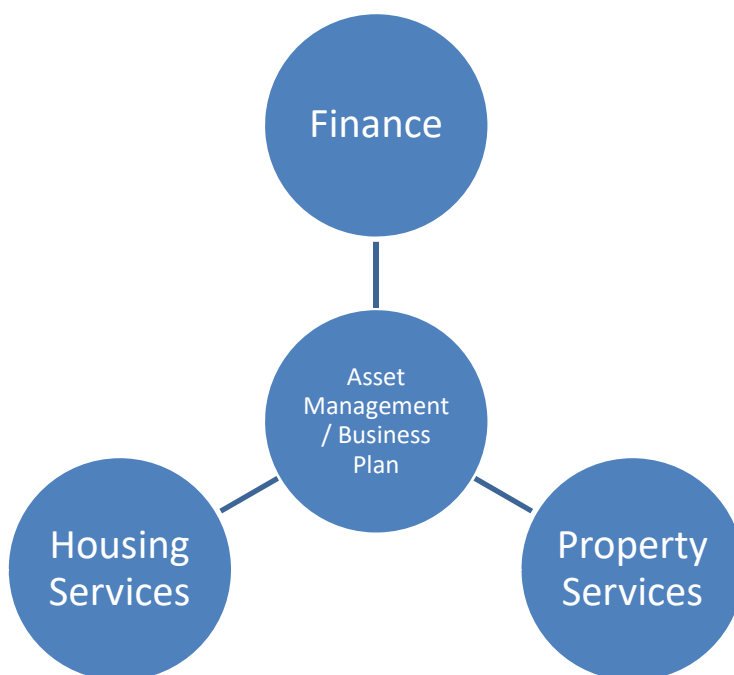
Value for money is also brought about by the drive to reduce the number of day-to-day reactive maintenance costs through efficient planned and cyclical investment programmes. Once key areas of repair are identified, arrangements are made for contract management so that it is included in a cyclical maintenance programme resulting in the need for fewer reactive repairs in the long term.



Asset Management Strategy

Whole Organisation Approach

In order to be effective in its delivery, a holistic approach to asset management is taken by the Association by encouraging all departments (Property Services, Housing Management, and Finance) to work together towards corporate objectives. An appreciation of the role of different departments towards asset management goals allows for better management of the Association's stock. The Management Committee is however ultimately responsible for the decisions regarding the delivery of asset management as they govern for the Association's best interests and overall success.



An example of working together can be demonstrated from the management of void properties. This is one of the most important procedures and is carried out regularly as properties become empty. The property must have repairs carried out to a reasonable standard in order for housing management to let the property to incoming tenants. A successful let can be measured by housing management staff by taking note of the length a tenancy runs. This indicates the quality of tenancy sustainment which is one of the performance measures the Association must report on each year. Any issues identified or recurring patterns can be discussed with property services staff to implement future void management.

Good housing management can benefit the Association by saving money on investment. An example of this practice is shown when re-letting properties at our Blawarthill Street tenements. This is an area which is shown to be the least sought after due to its historical reputation for anti-social behaviour. The Association adopted joint initiatives and special lettings initiatives in the past to make changes to the demographics and reputation of the street. The demographics of the tenants in these closes have changed over the course of the last few years and as a result the area is more desirable for families whereas tenants were previously reluctant to accept offers of accommodation. This change in demographics has brought about a reduction in both the number of complaints of anti-social behaviour and the number of refusals to offers of accommodation by applicants.



Asset Management Strategy

Whole Organisation Approach (Continued)

There are many policies and procedures underpinning our asset management strategy. This reinforces the view that good asset management is incorporated in all aspects of the Association. These policies include:

- Planned Maintenance Policy
- Maintenance Policy
- Minimum Lettable Standards Policy
- Repair Response Times & Categories Policy
- Void Management Policy
- Reactive Repairs Policy
- Rechargeable Repairs Policy
- Annual Gas Safety Policy
- Alterations & Improvements Policy
- Procurement Policy
- Lettings Policy
- Particular Needs Policy
- Anti-social & Neighbour Nuisance Policy
- Estate Management Policy

Regular policy reviews provide the perfect opportunity for the Management Committee and Staff of the Association to work together collaboratively towards achieving the Association's strategic objectives. This creates a rounded perspective to problems as well as helping to achieve the best out of the Association's assets as they are in tune with the community's needs. Acquisitions are another area where a holistic approach is necessary to decide whether it is viable for the Association to purchase new properties and the effect it will have on the organisation.

Compliance

The Association has several statutory obligations that must be observed. There is the risk of serious consequences in the event of failing to comply for both tenant and landlords if these are not adhered to. The Association's responsibilities as an RSL are set out in the Housing (Scotland) Act 2001, 2010 and 2014. As a landlord, we are required by law to keep the properties wind, watertight and reasonably fit for human habitation. Our responsibilities and rights are detailed in the Association's Scottish Secure Tenancy Agreement primarily under section five for Repairs, Maintenance, Improvements and Alterations where our repair obligations are noted.

From an asset management point of view the best way to manage this type of risk is to ensure there are robust procedures adopted ensuring cyclical attention is given to statutory elements to manage compliance for all housing stock. The Association routinely reviews its policies and procedures to make sure they are up to date making sure any changes to legislation are included as and when they happen.

From a maintenance point of view, a change in regulation can mean a sudden rise in expenditure. This should be considered when developing a budget for the following year as costs must be set aside especially if there are pending changes to regulations or statutory requirements that could affect our assets.

Scottish Housing Quality Standard (SHQS)

The Scottish Housing Quality Standard (SHQS) was first introduced by the Scottish Government in 2004 and has since been updated in 2012. It set a national standard for the physical quality of rented properties that all local authorities and RSLs must have achieved by 2015.



Asset Management Strategy

Scottish Housing Quality Standard (SHQS) (Continued)

The SHQS is made up of 40 elements and based on several broad quality criteria. The standard is broken down into the following key categories:

- Compliance with the current tolerable standard;
- Must be free from serious disrepair;
- Must be energy efficient;
- Must have modern facilities and services;
- Must be healthy, safe and secure.

The Association began carrying out a full stock condition survey in 2013 with a view to evaluating our current housing stock against the criteria set out in the SHQS. Although stock condition surveys are processed internally on a continuous basis through voids and routine inspections, external verification is sought through the procurement of an external survey of all properties every five years.

At the end of the financial year 2018 / 2019, we reported that out of 639 properties, 637 meet the current standard. The two properties not meeting the standard are in abeyance.

Properties in abeyance can arise when work cannot be done for social reasons relating to tenant / owner-occupier behaviour. For example, where owner-occupiers in a mixed tenement block for common elements of the SHQS such as roofs / hallways etc. are either unwilling or unable to participate in such a scheme of repairs.

Energy Efficiency Standard for Social Housing (EESH)

The Energy Efficiency Standard for Social Housing (EESH) is a mandatory standard for RSLs to be met by 2020. The standard aims to improve the energy efficiency of social housing and reduce energy consumption, fuel poverty and the emission of greenhouse gases.

The EESH is taken from the Energy Performance Certificate (EPC) of a property which is an energy assessment certificate that must be made available when constructing, selling or renting a property. The SAP (Standard Assessment Procedure) ratings are recorded on a scale of 1 to 100 and are used to calculate energy efficiency in terms of running costs.

Meeting EESH will help to achieve the Climate Change (Scotland) Act 2009 which has set a long-term target to reduce emissions of greenhouse gases by 80% of 1990 levels by 2050 with an interim target to reduce emissions by 42% by 2020. This brought about challenging implications in an asset management context given that SHR report suggests that at least 80% of homes today are expected to still exist in 2050.

From 2015, the EESH standard superseded the energy targets and guidance in the SHQS. The minimum SAP ratings required to pass the current EESH 2020 are shown in the table below.

| Assessment criteria | SAP 2009 | | SAP 2012 | |
|------------------------------|----------|----------|----------|----------|
| | Gas | Electric | Gas | Electric |
| Flats | 69 | 65 | 69 | 63 |
| Four-in-a-block | 65 | 65 | 65 | 62 |
| Houses (other than detached) | 69 | 65 | 65 | 62 |
| Detached houses | 60 | 60 | 60 | 57 |



Asset Management Strategy

Energy Efficiency Standard for Social Housing (EESH) (Continued)

The EESH does not prescribe how RSLs are to achieve these minimum energy efficiency ratings but provides a list of what is identified as 'reasonable measures' to consider when bringing a property up to the standard. These measures are:

- condensing boilers;
- loft insulation top-up;
- double of secondary glazing;
- under-floor insulation;
- heating controls;
- solid wall insulation (external, post 1919 construction);
- overall benefit of switching from storage heaters to electric wet;
- overall benefit of switching from storage heaters to gas;
- overall benefit of switching from storage heaters to air source heat pump;
- overall benefit of switching from storage heaters to Quantum storage.
- compact fluorescent lighting;
- storage heaters;
- internal wall insulation;
- waste water heat recovery systems;
- thermostatic radiator valves;
- cavity wall insulation;
- hot water tank and pipe insulation;
- replace secondary heating;
- room-in-the-roof insulation;

The measures represent a balance between cost and benefit in reduction of energy consumption. The cost / benefit of certain measures is also referred to in an EPC and this can be used to decide which route to take when investing for energy efficiency.

In the year to 31 March 2019, the Association invested over £19,000 in bringing seven properties up to the EESH. The work involved significant internal wall insulation in six properties and the upgrading of a boiler in one. As a result, 637 out of the Association's 639 properties are fully compliant and meet the EESH. The remaining two properties not meeting the standard are exempt at present.

The Association has heavily invested in energy efficiency measures in a significant number of our properties. The windows in our properties are all double glazed. We ensure that when boiler replacement or installations are due, high quality energy efficient condensing boilers are used.

During 2011 with the help of the Community Energy Saving Programme (CESP) funding, insulation was increased to 300mm in most loft areas. In the same year, cavity wall insulation was installed to forty-six properties owned by the Association at Sandholm Terrace / Drysdale Street / Blawarthill Street and Sandholm Place.

In the year to 31 March 2014, the Association invested around £375,000 on fifteen pre-1919 red sandstone tenement properties at Dumbarton Road / Yoker Ferry Road installing internal and external wall insulation to help decrease the risk of fuel poverty for 108 households. We worked in partnership with Glasgow City Council (GCC) to secure grant funding in the form of Home Energy Efficiency Programmes for Scotland and Area based Schemes (HEEPS / ABS) for owners to help them participate in these works.

Following the success of this project, the Association spent considerable time during 2017 / 2018 in conjunction with GCC's Affordable Warmth team working up a similar scheme for fifteen pre-1919 red sandstone tenements at Burnham Road / Dumbarton Road involving 115 mixed-use commercial, owner occupied and social rented properties.

The planned project included significant investment by the Association of £500,000 to include remedial work and energy efficiency measures. Extensive repairs were planned for the screens on the rear elevation of the tenements and energy efficiency upgrades were proposed including external wall insulation to the rear elevations and gable ends and internal wall insulation to the front of the buildings. Unfortunately, the Association was unable to secure owner occupier and commercial owner agreement to fund the works despite substantial levels of committed grant funding in the form of Scotland's Energy Efficiency Programme (SEEP) and Glasgow City Council Private Sector grant. This shows that despite our best intentions to improve and invest in our assets, in practice complicated ownership structures can limit the scope of investment.

Going forward, the Association will continue where possible to invest in energy efficiency measures in both retro fit and new build projects such as our ongoing passive house development at Blawarthill hospital site.



Asset Management Strategy

Maintenance of Stock – Reactive Maintenance

The Association has the obligation as a responsible landlord to carry out repairs throughout the course of the tenancy to keep the house in a condition that is wind and watertight, habitable and fit for human habitation. Although the Association is responsible for carrying out repairs which are due to fair wear and tear, it is also the tenant's responsibility to report any damage to the house to us as soon as reasonably possible as stated in their Scottish Secure Tenancy Agreement. This encourages repairs to be carried out when required and allows the stock condition to be kept up to standard.

Problems tend to arise with the standard in properties where access is repeatedly not given to carry out a repair or the tenant is failing to engage with the Association. In these circumstances, the Association can initiate abandonment procedures after exercising due diligence enquiries with neighbours as to the tenant's whereabouts. The Association may also force access to properties where necessary to carry out essential maintenance works. If this is the case, a written notice is issued to the tenant twenty-four hours prior notice to the forced entry going ahead.

The reactive repair service works to maintain the housing stock along with the planned and cyclical maintenance programmes. Often life cycles of components can be stretched by good maintenance which results in a reduction in maintenance costs.

Under the Housing (Scotland) Act 2001, Scottish secure tenants and short Scottish secure tenants have the right to have small urgent repairs carried out by their landlord within a given timescale. The Association identifies three repair categories with response times in which repairs must be carried out as follows.

- Emergency repairs: carried out within three hours.
- Urgent repairs: carried out within two full working days.
- Routine repairs: carried out within eight full working days.

The Association has defined the following as emergency repairs.

- Flooding / burst pipe (excluding rain penetration)
- Gas leak
- Tenant has received electric shock
- General electrical fault i.e. no power
- Break-in, locked out
- Broken window; and
- No central heating (elderly / infirm tenants only or where there are children under five years old).
- Any repair which endangers the health and safety of any member of the public (e.g. unsafe chimney etc.)

Right to Repair

Under the Housing (Scotland) Act 2001, Scottish Secure Tenants and Short Scottish Secure Tenants have the right to have small urgent repairs carried out by their landlord within specified timescales. These types of repairs are called qualifying repairs and the scheme applies to tenants of local authorities, housing associations and water / sewage authorities.

The Association aims to have qualifying repairs carried out within the time limits prescribed by the Right to Repair scheme. The timescale a repair is to be completed by refers to working days after date of repair notification or inspection of qualifying repair. The qualifying repairs and completion times are as follows:

| Type of repair | Response time (days) |
|---|----------------------|
| Blocked flue to open fire or boiler | 1 |
| Blocked or leaking foul drains, soil stacks or toilet pans where there is no other toilet in the house. | 1 |
| Blocked sink, bath or drain | 1 |
| Loss of electric power | 1 |
| Partial loss of electric power | 3 |



Asset Management Strategy

Right to Repair (Continued)

| Type of repair | Response time (days) |
|--|----------------------|
| Insecure external window, door or lock | 1 |
| Unsafe access path or step | 1 |
| Significant leaks or flooding from water or heating pipes, tanks, cisterns | 1 |
| Loss or partial loss of gas supply | 1 |
| Loss or partial loss of space or water heating where no alternative heating is available | 1 |
| Toilet not flushing where there is no other toilet in the house | 1 |
| Unsafe power or lighting socket, or electrical fitting | 1 |
| Loss of water supply | 1 |
| Partial loss of water supply | 3 |
| Loose or detached banister or handrail | 3 |
| Unsafe timber flooring or stair treads | 3 |
| Mechanical extractor fan in internal kitchen or bathroom not working | 7 |

Although qualifying repairs come with specified timescales, there are circumstances where the repair will be excluded from the right to repair scheme such as where repair is not the Association's responsibility or where reasonable access is not given by the tenant.

Reactive Repair Delivery

The Association delivers its repair service through a variety of contractors. Most of our day to day repairs are distributed to locally based contractors.

On an annual basis, the Association's Committee approve a list of maintenance contractors who will carry out the day to day repairs service for our properties. In all cases only suitably qualified contractors who have up-to-date public liability insurance, tax certificates and any other required work certificates are considered. Contractors must adhere to the Association's Equal Opportunities Policy or provide their own.

The Association monitors and carries out quality control checking on a proportion of all repairs carried out as well as conducting several tenant satisfaction surveys every month. Contractor performance is reviewed regularly and information gathered is reported to the Committee on a quarterly basis through key performance indicators including repair response times versus targets.

Repairs performance for the year ended 31 March 2019 is detailed in the table below.

| Repair category | Target response time | Total no. of repairs | Completed within target |
|-----------------|----------------------|----------------------|-------------------------|
| Emergency | 3 hours | 129 | 97% |
| Urgent | 2 working days | 1157 | 100% |
| Routine | 8 working days | 707 | 100% |



Asset Management Strategy

Planned and Cyclical Maintenance

Planning for future repairs and maintenance is an essential element of our asset management strategy. Delivering an efficient, timely planned maintenance and improvement programme allows for the maintenance, safeguarding and prolonging of the useful life of various components and structures of our housing stock.

The Association follows an elemental replacement methodology which involves the running of a series of planned maintenance and cyclical programmes. The Association's main component elements and their respective life cycles are as follows.

- Kitchen replacement 15 Years
- Bathroom replacement 15 Years
- Central Heating Boiler 15 Years
- Central Heating Radiators 25 Years
- Electrical Infrastructure 25 Years
- Windows 25 Years

Through a programme of investment in planned and cyclical repairs, the Association aims to achieve a position where a greater proportion of repairs and maintenance expenditure is applied to planned and cyclical works and a lesser proportion to reactive, day to day repairs.

Planned maintenance work consists of the replacement of components that need renewal following the end of their anticipated life cycle. Works programmed under planned maintenance may also be classed as improvement works for external / internal insulation, refurbishment or modernisation of stock. In these cases, the works would still be considered planned as they would have been foreseen.

Improvement works may also come as a result of a change in legislation such as the recent change in Fire and Safety Regulations with regards to smoke alarms. To accommodate this, the Association's budget for the next two years includes an allocation to meet the cost of implementing measures to meet the new regulations.

Cyclical maintenance work refers to the regular maintenance and preservation of components. The following list is not exhaustive but provides examples of the type of work which is programmed under cyclical maintenance.

- Annual Gas Safety Inspections
- Gutter Cleaning & Roof Maintenance
- Close Painting
- External Paintwork
- Ground & Garden Maintenance
- Electrical Testing

We have a comprehensive cyclical testing programme in place for components requiring regular testing / maintenance such as gas appliances and electrical systems.

Gas servicing is one of the most important items where failure to maintain can mean considerable risk. The Association has a legal obligation to ensure the safety of our tenants in respect of gas installations and servicing. Each month 10% of the total gas servicing carried out is quality control checked by an independent specialist contractor to certify our systems are being correctly serviced.

There is a strict procedure in place to ensure that there is an annual gas safety certificate for all our properties by making sure each property undergoes a gas safety check within twelve months of the previous recorded check. Should there be a problem in access, this can compromise the health and safety of our tenants and residents around them. Therefore, we insist on reminders of the importance of gas safety being included at tenancy sign-up as well as in newsletters. The Association carries out a four-step process to ensure that we access all our properties. This includes what action to take if there is no access given.



Asset Management Strategy

New Development

It is anticipated that there will be an increase in stock in the next two financial years 2019 / 2020 and 2020 / 2021. In 2019 / 2020 there will be an addition of 4 units resulting from the conversion of an existing building (Blawarthill Hospital Site) as well as 15 units of new build development at the same site in 2021 / 2021.

In 2020 / 2021 there is an additional 5 units of new build properties due to be developed at Drysdale Street / Sandholm Terrace.

During the financial year 2021 / 2022 we are anticipating our stock to increase again by 60 new build units (Yoker Primary School Site).

All new projects require much consideration in terms of planning / site investigation and any potential proposals are approved by the Management Committee before taking them further.

Growth of Assets through New Development

The Association has an active development programme which meets strategic objective number six – “to contribute to the supply of quality affordable and sustainable homes where financially viable”. Our proposed developments at the former Blawarthill Hospital site and the former Yoker Primary School site will provide a housing mix of size, location, type and tenure which meets the demands of our waiting list and which meets the health, educational and special needs of identified clients living in or wishing to return to the community.

Appropriate good quality housing, a balanced housing mix and a good quality environment are the key elements of our development programme. The addition of these homes to our stock base will help to build value for the future benefit of the Association's customer base.

Design and Specification

Our developments will embrace innovation as they will be designed and built to Passive House standard – the gold standard of energy efficient design. By using high performance insulation and making the buildings completely draught free, heat loss is effectively eliminated to create a building with a very low environmental impact. Most of the heating comes from “passive” sources – sunlight, heat emitted from electrical appliances, even body heat. Good quality design, superior windows and doors and high levels of insulation and heat recovery are all key elements to Passive House. Mechanical ventilation and heat recovery systems supply a continuous stream of pre-warmed fresh air, keeping the home healthy and free of humidity and associated mould problems.

Community Benefits

Not only will our development projects embrace sustainability, they will also address community benefits. At least fifteen of the proposed house types will be constructed using modular panels which can be built by unskilled local labour at a local site. The training and recruitment opportunities offered by our development programme will help to improve the economic, social and environmental wellbeing of our area of operation. The Association has recently set up our own contractor employability framework and using this framework to deliver houses will hopefully enable the unemployed beneficiaries recruited to each project to move from welfare to work, providing them with a waged training placement and certified qualifications through which they are able to develop the skills, confidence and work record to progress in the mainstream labour market.

Maintenance

Careful consideration will be given to the medium- and long-term maintenance of new developments. Both at briefing and tender approval stages this area of risk will be fully explored and options considered avoiding any long-term financial burdens.

Capacity

The Association has the appropriate capacity to manage our development programme. We retained our development officer who provided services to maintenance during a period of non-development. We are named on the Link Housing Association framework with access to contractors and consultants and have our own contractor employability framework. We work closely with our colleagues in Glasgow City Council Development and Regeneration Services and in the Scottish Government through its People and Communities Fund to deliver innovative projects.

Funding

It is recognised that in engaging in development activity, the Association must make a financial contribution towards each project, be it new build or refurbishment. The borrowing strategy for each development will be determined in accordance with the Association's Treasury Management Policy.

The Committee will receive reports at key stages of the development process – Project Proposal, Cost Plan and Tender – to ensure that development proposals are viable and that funding requirements can be met.



Asset Management Strategy

Funding Our Strategy

As the Association is committed to re-investing surplus funds in maintaining and improving existing homes as well as developing new homes for affordable rent, the two main elements of capital investment are capital component replacement within existing housing stock and development of new housing stock.

Capital Investment - Component Replacement

The five-year component replacement and associated cost projections taken from the Association's Business Plan are detailed below. Component replacement for year one is based on the budget approved for this financial year 2019 / 2020 with costs based upon the latest tender prices available for these works.

| Component replacement numbers (life cycle) | 2020 No. | 2021 No. | 2022 No. | 2023 No. | 2024 No. |
|--|-------------|-------------|-------------|-------------|-------------|
| Bathrooms (15 Yrs) | 85 | 30 | 25 | 36 | 89 |
| CH Boilers (15 Yrs) | 21 | 37 | 22 | 51 | 64 |
| CH Radiators (25 Yrs) | 1 | 60 | 61 | 23 | 18 |
| Electrical Infrastructure (25 Yrs) | 1 | 59 | 66 | 26 | 21 |
| Kitchens (15 Yrs) | 52 | 27 | 30 | 40 | 100 |
| Windows (25 Yrs) | 3 | 39 | 53 | 13 | 7 |

| Component replacement costs | 2020 £ | 2021 £ | 2022 £ | 2023 £ | 2024 £ |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|
| Bathrooms | 211,900 | 76,8000 | 67,900 | 102,400 | 253,100 |
| CH Boilers | 46,200 | 83,600 | 52,700 | 127,900 | 160,600 |
| CH Radiators | 900 | 55,500 | 59,900 | 23,600 | 18,500 |
| Electrical Infrastructure | 2,000 | 121,200 | 143,900 | 59,300 | 47,900 |
| Kitchens | 136,200 | 71,900 | 84,900 | 118,400 | 296,000 |
| Windows | 17,800 | 237,000 | 341,900 | 87,800 | 47,300 |
| Total | 415,000 | 646,000 | 751,200 | 519,400 | 823,400 |



Asset Management Strategy

Capital Investment – Development

The Business Plan has scheduled in four new affordable housing development projects to be completed within the next five years. The timetable for delivery of these projects has been agreed with Glasgow City Council's Development and Regeneration Services (DRS) and included within the Association's Strategy & Development Funding Plan (SDFP) submission for 2019.

The investment levels for each of the four schemes have assumed a maximum Association contribution of £50,000 per unit. The total capital investment required to fund these projects will amount to approximately £4,200,000 (net of Housing Association Grant).

| Net cash outflows / Year end | 2020 £000s | 2021 £000s | 2022 £000s | 2023 £000s | 2024 £000s |
|---|---------------|---------------|---------------|---------------|---------------|
| Blawarthill Hospital Refurbishment (4 units) | 200 | - | - | - | - |
| Blawarthill Hospital New Build (15 units) | - | 750 | - | - | - |
| Drysdale St / Sandholm Terr New Build (5 units) | - | 250 | - | - | - |
| Yoker Primary School New Build (60 units) | - | - | 3,000 | - | - |
| Total (84 units) | 200 | 1,000 | 3,000 | - | - |

Planned Maintenance Revenue Plan 2019-2024

Planned maintenance costs charged to revenue are included within the business plan model and are linked to the number of housing units and will therefore increase proportionately with additional units developed over the plan period.

Projected costs for the five-year planned maintenance programme incorporated within the business plan are considered using the latest financial information available and are detailed in the table below.

| Category of expenditure / Year end | 2020 £000s | 2021 £000s | 2022 £000s | 2023 £000s | 2024 £000s |
|--|---------------|---------------|---------------|---------------|---------------|
| Close decoration | 37.0 | - | 56.7 | 59.4 | 59.4 |
| Gas safe checks | 19.6 | 19.9 | 21.1 | 22.1 | 22.1 |
| Back court maintenance | 8.2 | 8.3 | 8.8 | 9.3 | 9.3 |
| Maintenance of AOVs | 2.8 | 2.8 | 3.0 | 3.2 | 3.2 |
| Garden maintenance | 13.8 | 14.0 | 14.9 | 15.6 | 15.6 |
| Attic fans maintenance | 24.0 | 24.4 | 25.9 | 27.1 | 27.1 |
| Gutter cleaning | 5.0 | 29.6 | 31.4 | 32.8 | 32.8 |
| SHQS external surveys | 10.0 | - | - | - | 11.3 |
| Legionella testing | 10.0 | - | - | - | 11.3 |
| Rear screen remedial works | 40.0 | 40.0 | 40.0 | 40.0 | 40.0 |
| Electrical testing, fire and heat alarms | 95.8 | 95.8 | - | - | - |
| Drysdale Street | 80.0 | - | - | - | - |
| Fabric repairs contingency | - | 125.5 | 133.3 | 139.5 | 139.5 |
| Total | 346.2 | 360.3 | 335.1 | 349.0 | 371.6 |



Asset Management Strategy

Planned Maintenance Revenue Plan 2019-2024 (Continued)

Year 1 expenditure (2019 / 2020)

Planned maintenance includes 84 bathroom replacements, 51 kitchen replacements, 2 window replacements and 20 central heating boiler upgrades. Kitchen and bathroom extractor fans will also be replaced as part of their respective replacement programmes.

Also included in this year's expenditure is essential annual cyclical works being annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

Fire and heat alarm upgrades will be carried out to a total of 637 properties following the recent change in fire regulations. This will run over a two-year programme with a view to completion in 2020 / 2021. Extensive structural repairs at our property at 18 Drysdale Street will be carried out this year to reinstate property to a lettable condition following substantial damage from previous tenant. These works include a full bathroom and kitchen replacement.

The final year of a four-year close decoration programme is scheduled for completion this year. Also budgeted for this year is legionella testing in all live attic tanks, rear screen remedial works at 1965 Dumbarton Road and external property surveys validating our stock to the Scottish Quality Housing Standard.

Year 2 expenditure (2020 / 2021)

Included in the expected maintenance expenditure for year two of our plan is essential annual cyclical works being annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

The programme of fire and heat alarm upgrades is scheduled for completion during this year.

Also included in the expenditure for this year is rear screen remedial works which is projected for nine years from 2019 to 2028.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Year 3 expenditure (2021 / 2022)

A new programme of close decoration works is due to commence during this financial year.

Other planned maintenance works budgeted include annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, rear screen remedial works, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Year 4 expenditure (2022 / 2023)

Planned maintenance works for this financial year includes the second year of the close decoration programme, annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, rear screen remedial works, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.

Year 5 expenditure (2023 / 2024)

Planned maintenance works for the financial year 2023 / 2024 include the third year of the close decoration programme, annual gas safety checking, backcourt maintenance, garden maintenance, gutter cleaning / roof maintenance, rear screen remedial works, annual attic fan maintenance for our tenements and a full air vent system check at our new build closes at 1 Yetholm Street and 2312 Dumbarton Road.

Also included in the projected expenditure for this financial year is legionella testing in all live attic tanks and external property surveys validating our stock to the Scottish Quality Housing Standard.

In addition to the above items, a contingency cost is provided for fabric repairs throughout the plan period based upon the last fabric repair tender price for work carried out at Dumbarton Road and Kelso Street.



Asset Management Strategy

Environmental Management

The Association has an active approach to asset management that recognises and responds to stock that could be performing better. Some factors that may alert us to a problem property or stock area are:

- High investment costs
- Low demand stock
- High void turnover
- High repair costs

Good strategic management involves being aware of these issues and being able to consider the options on the best way to move forward. An example of a problem area that has been highlighted over recent times is our tenement area in Blawarthill Street. This appears to be the least sought-after location and the biggest void turnover area. In order to make the area more desirable the Association has invested in graffiti removal and weekly close cleaning. This has made a notable difference in residents' perceptions as well as increasing tenant sustainability.

There will always be areas where closer examination will need to be carried out to maximise asset potential. The key is to be aware of the range of options available to do this. Options appraisal is one method that may be used for tackling asset management problems as it helps to make sense of the wide range of factors that may be encountered as well as range of possible solutions.

The maintenance of the external environment of our properties is imperative to protect the structure and fabric of our buildings. To achieve this, the Association invests in a programme of cyclical maintenance works and services such as:

- Cyclical garden maintenance
- Gutter cleaning and roof maintenance
- Back court de-littering contract
- Close cleaning contract
- Cyclical close painting contract

This programme of works has been put in place to help maintain external and common areas and ensure that they appear well looked after. Regular estate management inspections are also carried out and reports of graffiti are dealt with promptly.

The maintenance of the external environment also helps to create desirable neighbourhoods that residents wish to live and remain in. This is especially important in terms of tenancy sustainment which is another performance indicator reported in the ARC. Tenancy sustainment figures give an indication of problem areas and draw attention to issues that may have otherwise gone undetected.

Tenant Consultation

It is important to consider tenants' views towards their homes, neighbourhood and services provided by the Association. We believe that considering the expectations of our tenants results in better asset management and confirm the suitability of our properties.

An understanding of tenants can be shown by:

- Engaging with tenants
- Monitoring tenancy sustainment
- Encouraging tenant participation
- Monitoring tenancy satisfaction

The Association reports to its Committee on a regular basis. The reports taken to Committee are evaluated, discussed and are open to questioning by the Committee. This helps to understand current tenants and considers their outlook on the day-to-day running of the organisation.



Asset Management Strategy

Tenant Consultation (Continued)

The Association recently carried out major backcourt improvement works in three phases beginning in financial year 2015/2016. Prior to works commencing, consultation evenings were arranged for all residents allowing them to enquire about the plans and to put forward ideas on what elements they would like to be included in the upgrade. Engaging with residents and giving them an input increases tenant satisfaction as they are being involved and their views considered in the implementation of projects that affect them.

In the Association's most recent tenant satisfaction survey, 87% of tenants who responded felt satisfied with the opportunities given to them to participate in the Association's decision-making process.

Engaging with tenants is especially important on matters which affect them. This can be the deciding factor on whether the tenant remains in a property. Tenancy sustainment statistics are recorded and monitored throughout the year and can be used to highlight problem areas that need to be addressed. An example may be if tenants are terminating their tenancies for the same reasons such as overcrowding or not being happy with the area. Common themes and patterns can then be assessed, and a plan put together to reduce further terminations for the same type of reasons.

A Housing Options approach is adopted for all new housing applicants. The information provided during an interview provides useful intelligence on potential tenants and current demand. This can then be used to manage and identify impending problems that may arise in the future with demand and / or change in demographics.

The Association encourages tenant participation through the distribution of literature and questionnaires throughout their tenancies. An annual newsletter is issued to all residents including owners during the festive period. This newsletter gives reminders of important information as well as an update on our progress on key areas that may be of interest to our residents. It also gives information on the Association's performance as a landlord.

In line with ARC requirements, the Association issues all tenants with a satisfaction survey on a three yearly basis considering their views on the Association's obligations as a landlord. Our latest tenant satisfaction survey showed that 94% of tenants felt that the Association was good at keeping them informed about our activities and services.

Furthermore, maintenance feedback questionnaires are issued routinely on a quarterly basis. This information is then processed and used to provide feedback to management. The report is also important in evaluating contractor performance and feedback can be provided to a contractor so that they are kept aware of areas for improvement in the service provided. This is useful for reviewing contractors and identifies any problem areas that need to be resolved. Feedback is also used to drive the organisation forward by responding to resident expectations.

There is also an Annual General Meeting conducted to which all members of the Association are invited. During the meeting, the Association's performance is discussed in relation to the ARC. An update of any projects that have taken place or are due to take place soon is also discussed.

Overall the Association provides a suitable level of service to its residents. This is confirmed by data from our latest satisfaction survey which tells us that a total of 96% of our tenants are satisfied with the overall service provided by the Association.

Strategy Review

This asset management strategy is subject to annual review and will be updated along with the Association's business plan on an annual basis.