



C R A I G D A L E
HOUSING ASSOCIATION LTD
Craigdale: The Home of Good Housing

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Asset Management Strategy 2020 to 2023

[To align with current 3-year
Business Plan 2020/2023]

AS WITH ALL OF THE ASSOCIATIONS POLICIES, THIS GUIDE IN FULL AND IN PART IS AVAILABLE IN SUMMARY, ON TAPE, IN BRAILLE AND IN TRANSLATION INTO MOST OTHER LANGUAGES – PLEASE ASK A MEMBER OF STAFF IF YOU WOULD LIKE A VERSION IN A DIFFERENT FORMAT

Date of Policy Review:	24.02.20
Date of Board Approval:	24.02.20
Date of Next Review:	2021

Definition:

Asset Management is the process by which we ensure that the assets that we need to operate our business are managed effectively and provide value for money. Asset Management covers a range of activities that are in place to protect these assets.

Our assets consist of:

- Housing stock we own to support our main business i.e. provision of quality, affordable accommodation for people in housing need
- Any land that we may acquire and 'bank' for future development
- Our office accommodation
- Skilled staff - the people resource that is in place to ensure that our physical assets are effectively managed and that the required services are offered to customers
- Voluntary Board members who govern the organisation, take strategic decisions to influence the direction and ethos of the Association
- Other assets that support the above such as IT systems, stock information, equipment, and
- Financial strength that underpins the organisation to ensure that we achieve our Strategic Objectives.

We rely on all of the above to deliver our Strategic Objectives. We have an Asset Management Strategy (AMS) that links into our Strategic & Operational Delivery Plans to ensure implementation of our AMS. In summary, we want to ensure that we 'make the most of what we have got'.

Our AMS focuses primarily our **stock assets**, as the management of our other assets is covered elsewhere in our other strategic documents.

Our Asset Management Strategy is to manage the asset base in such a way that it supports the wider organisational Strategic Objectives and contributes to the long-term sustainability of the organisation.

Purpose of our Asset Management Strategy & Delivery Plans:

We manage our physical assets which consist of tenants' homes, common parts of buildings that we own in conjunction with owner occupiers and our office. The purpose of our AMS is to set out the framework for our approach to managing our assets in order that we achieve the Strategy's aims and objectives, both now and in the future.

To ensure we achieve this we have developed practical Delivery Plans, which include timescales, targets and named people (staff and service providers) who will take ownership for ensuring the targets are met. The Delivery Plans (Strategic and Operational) are appended to our organisational Business Plan, with performance being reported monthly to the Board. The Delivery Plans are 'live' documents and will be reviewed by the Board and staff annually as part of the annual review of the Business Plan.

In order to ensure that the housing stock meets our business needs, the AMS either contains or relates to the following elements:

- A short to medium-term stock investment programme
- A planned maintenance programme, based on achieving economies of scale by replacing components before they fail

- The replacement of components within groupings to ensure effective use of resources
- A cyclical maintenance programme, which includes external painter work and environmental improvements
- A responsive maintenance service to efficiently deal with unplanned failures
- Response targets and quality standards
- Procedures relating to Health & Safety and property maintenance
- An efficient and effective void repairs process to ensure that essential upgrades or previously missed investment is carried out with the minimum of delay to protect Association revenue, and
- Comply with legislation and regulation.

Aims and Objectives:

Through our AMS, we contribute to the delivery of our Strategic Objectives and we are committed to ensuring the following:

- Customer satisfaction
- Quality standards
- Sustainability, and
- Financial viability, affordability and value for money.

To deliver our ASM we will:

- Produce an asset profile of our housing stock and ensure it is in good condition; is in the right location; is designed to fit modern purpose and is sustainable
- Carry out regular stock reviews where it is felt to be in our best interests e.g. properties may be re-modelled or assets may be disposed of;
- Carry out annual house inspections for housing management purposes, but also to identify any areas of concern relating to maintenance
- State the value of our stock and carry out a stock valuation every 5 years
- Review the findings of our most recent stock condition survey against the current and future repairs and maintenance requirements, including the requirement to continually meet the Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard in Social Housing (ESSH)
- Set out our approach to asset investment and maintain our properties, including adaptations in a cost effective way that delivers on our Value for Money objectives
- Minimise the amount of ad-hoc major works and routine maintenance through a planned maintenance approach
- Consult with our tenants and residents on asset investment; keep tenants and residents updated on forthcoming programmes of works (planned and cyclical) and incorporate tenant choice wherever possible as part of any replacement programmes
- Maintain our properties in a good, lettable standard at all times
- To evaluate the Association's housing stock on a regular basis against existing housing needs and demand information, ensuring that it meets (current and forecast) local housing need as well as lettings, development and disposal considerations
- To clarify our understanding of customer needs and detail how we ensure we keep abreast of changing needs of current and potential customers and deliver homes and services accordingly
- Maintain updated life cycle costing programmes for all our properties
- To provide an integrated understanding of our 30-year financial plans for the organisation and how asset management impacts upon this

- To set out the risks acknowledged in relation to asset management and identify actions that we will take to mitigate against the effects of these risks
- Ensure cost benefit analysis in respect of identified and planned works
- Ensure compliance with all relevant legislation and regulations and to maintain our properties in accordance with the landlord responsibilities set out in the tenancy agreement
- Produce Delivery Plans detailing how we will challenge ourselves to continually improve and remain effective and efficient in supporting our AMS
- Report regularly to the Board on planned and cyclical works programmes; reactive maintenance, including - progress, spend, costs and other relevant issues
- Where other owners' properties are part of a mixed tenure project, we will look to optimise recovery of owners' costs which are attributable, as part of any works we undertake, and
- Explore options for increasing our housing stock.

We take a whole organisation approach to asset management and recognise that the management and maintenance of our housing stock does not just require a good AMS, it also requires that tenants and other owners look after their properties.

Sustainable neighbourhoods also require to be safe and secure and that the environment in general has to be an attractive and desirable place to live. To support its asset management we also adopt best practice in housing management which covers the following main areas:

- Tenancy management, to ensure tenants are living in their homes in accordance with their tenancy agreements
- Lettings to support the establishment of balanced communities, and
- Estate management to ensure that open spaces and common areas are respected, maintained and safe.

Customer Profiling & Stakeholders:

We recognise that there are a number of key customers and stakeholders, who will have an influence on our AMS. These include:

- Tenants, residents, service users, local stakeholders and the wider community
- Our Board of Management, Director and staff team
- Funders and lenders
- The Scottish Housing Regulator and other regulators
- The Scottish Government
- Glasgow City Council, and
- Partners, such as the Health & Social Care Partnership, contractors, others Registered Social Landlords (RSLs), agencies and community groups

Our AMS also takes into account other partners' key strategic publications such as:

- Local Housing Strategy
- Housing Needs Assessments
- Strategic Housing Investment Plans
- Strategy Development & Funding Plans
- Developments in local markets
- Demographics, and
- Community Regeneration Plans.

Compliance with Regulatory Standards & Legislation:

The Scottish Government's Scottish Social Housing Charter sets out the standards and outcomes that an RSLs should achieve in the delivery of services to tenants and others.

There are 6 outcomes under the Charter that are especially relevant to our AMS, these are:

- Outcome 2 Communication
- Outcome 4: Quality of Housing
- Outcome 5: Repairs, Maintenance and Improvements
- Outcome 6: Estate Management, etc.
- Outcome 11: Tenancy Sustainment, and
- Outcome 13: Value for Money.

In terms of the SHRs Standards of Governance & Financial Management for RSLs, our AMS complies with the following Standards:

- Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users
- Standard 2: The RSL is open and accountable for what it does etc.
- Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay
- Standard 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose, and
- Standard 7: The RSL ensures that any organisation changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

This AMS was developed taking into account the SHR's recommended practice document "Strategic Asset Management" (August 2012).

The following legislation is relevant to our AMS:

- The Housing Scotland Act 2001 & 2010 & 2014
- Scottish Secure Tenancy and Short Scottish Secure Tenancy
- Data Protection Act 2018
- Human Rights Act 1998
- SHQS
- EEESH, and
- Gas safety.

Business Planning:

The business plan sets out the direction of the organisation in the short to medium term and the resources, including staffing and finance, needed to meet its Strategic Objectives.

The AMS is a vital part of delivering the Business Plan and should be designed to both reflect and help deliver the Association's Strategic Objectives and business strategy.

The AMS needs to be closely linked with the Business Plan and its associated Delivery Plans (see previous section on Delivery Plans), Financial Plan and Risk Management Strategy. These planning tools interact in a complex way and any changes in one could have a significant impact on the other.

We have identified 4 key Strategic Objectives within our Business Plan, with **Strategic Objective 2: Deliver Good Quality Homes**, linking directly to our AMS.

To help the Association meet Strategic Objective 2, our AMS and associated Delivery Plan will be tasked to deliver on the following.

1. Outcomes:

- Our homes deliver customer satisfaction
- Our homes meet customers' aspirations
- Our homes meet current and future housing needs, and
- Our homes meet agreed quality standards.

2. Key projects:

- Adopt a more strategic approach to asset management
- Review our procurement options
- Identify opportunities for future development
- Ensure value for money.
- Annual review of our AMS and delivering on it
- Maintaining a comprehensive and accurate property database
- Continuing to invest in our properties to meet quality standards, and
- Reviewing contractor performance

3. Performance measures:

- 100% of our homes continue to meet EESSH & SHQS by the regulatory deadlines
- 100% of our homes meet all safety requirements on time
- Improved customers satisfaction levels year on year, and
- Improved contractor performance year on year.

Other Strategic Planning:

Our short to medium term cyclical and planned maintenance programmes are recognised in our Five-Year Financial Plans. A copy of our 5 Year Planned and Cyclical Maintenance Programme is attached as Appendix 1.

Our ongoing planned maintenance and improvement programmes are included as part of our 30-year business and financial plans.

Component accounting recognises planned maintenance replacements and this process is also reflected in our financial plans.

Our ASM is a key part of delivering our overall Business Plan. It is essential that asset management links with our overall vision and strategy.

Continuous improvement is an approach applied as part of our service delivery objectives. Performance is monitored and regularly reported to our Board and our customers.

The reporting process allows us to control costs and identify any trends which require intervention or can impact on the planning process. Based on the above strategic planning approach we can ensure our maintenance plans are reflected in our annual budgets, our medium-term plans and our long term financial projections.

Risk Management:

Strategic risks, associated with asset management are assessed as part of our business planning process and risk registers are reviewed in accordance with our risk management policy, to ensure we have a good understanding of actual and potential risks which could impact on our AMS.

Our housing stock is relatively new in comparison to some other landlords. It has been built to high standards and is well maintained, therefore when identifying and assessing asset management risks, we take a proportionate approach, which reflects the age, type and condition of our assets.

Notwithstanding the above, there will be unforeseeable and unavoidable events which could occur due to external factors. Examples of risks which could fall into this category might include financial factors relating to maintenance cost inflation, health and safety incidents, environmental and climate change conditions such as flash floods and other economic and political conditions which result in an unexpected risk.

To minimise the impact of such risks we apply management monitoring processes, which includes:

- Maintaining a risk register and associated Risk Management Action Plan (MAP), putting actions in place to mitigate risks
- An assessment of likelihood and impact, using a red-amber-green system, and
- A regular review of the Risk MAP at the Audit & Assurance Committee.

Performance Review:

Our asset performance review takes into account the following:

- Housing, Estate Management, Environmental and Neighbourhood Performance
- Financial Performance
- Contractor performance
- Key Operational Targets
- Key Performance Indicators
- Customer Feedback and Surveys
- Value for money assessments, and
- Peer comparisons.

Monitoring the above will allow the organisation to make informed decisions on management and future investment.

On an annual basis we review and update stock condition data and produce proposed work programmes for our Board's consideration.

All reactive and programmed work is monitored to ensure:

- Work proceeds and is completed within timescales
- Work is completed within budget and potential over spends are addressed quickly and decisively, and
- Tenant satisfaction is monitored to ensure service standards are realized.

Funding, Financial Plans & Value for Money:

The planned and cyclical maintenance programmes will be funded through our rental income, and/or reserves, and/or additional borrowings. Works contained within year 1 of our 5 Year Planned and Cyclical Maintenance Programme (see Appendix 1) are included within our approved Budget for the year.

Improvement works to housing will be funded through budgeted expenditure or through grant income where applicable.

Improvement works to non-housing assets such as environmental works, or works to our office, will be funded by us through budgeted expenditure.

Our corporate business and financial plans fully recognise our asset management proposals and plans. Our 30-year financial plan is appended to our Business Plan. A full life cycle costing exercise was completed early 2018 and the impact of this was fed into our financial models. Our life cycle costings are revised on a regular basis.

Value for money is considered in how we approach our AMS (for further information see our Value for Money Strategy).

Stock Profile:

As at 24th February 2020, our asset base is made up of 369 self-contained houses and 3 shared ownership properties. The stock was acquired through 9 phases of new build development and the refurbishment of existing tenement buildings.

A small number of privately owned properties are factored.

We have no cause for concern stock.

The following table provides more detail on our stock profile.

Table 1: Housing stock for social rent by housing type, age and apartment size:

House Type – Non-Self Contained	Number	Percentage of stock (%)
House	94	25%
Detached	43	12%
Tenement	185	50%
Four in a block	15	4%
Flat/Maisonette	32	9%
Total	369	100%
Age		
Pre 1982	144	39%
Post 1983-2002	121	33%
Post 2002	104	28%
Total	369	100%
Size – Non-Self Contained		
1 apartment	0	
2 apartment	48	13%
3 apartment	201	55%
4 apartment	93	25%
5 apartment +	27	7%
Total	369	100%

Asset Value:

As at the 31 March 2015, our housing stock was valued as:

- Existing use value – social housing: £9,311,000
- Market value – subject to tenancy: £17,650,000

We are about to carry out another stock valuation for lending purposes and will update these figures once the valuation has been completed.

Asset Disposal:

Where it is assessed as being in the best interests of Craigdale, arrangements will be considered for the disposal of assets.

SHQS & EESSH:

SHQS

The SHQS was introduced in February 2004 and is the Scottish Government's principal measure of housing quality in Scotland.

As at 24th February 2020, our stock is 100% compliant with SHQS.

EESSH

The EESSH was launched by the Scottish Government in March 2014. The standard sets minimum energy ratings for social housing stock to achieve by 31 December 2020.

As at the 24th February 2020, our stock is 100% compliant with EESSH.

We can demonstrate our compliance with both SHQS and EESSH through external independent validation of our Annual Return on the Charter.

Housing Demand & Tenant Satisfaction:

Housing Demand

We allocate properties in a way that gives reasonable preference to those with the highest level of housing need; makes best use of the available housing stock and helps to sustain our community.

The association traditionally has a low turnover of housing stock, with no low demand housing. Our properties are in high demand and the number of people on our housing list has remained fairly static over the last few years (see table below). We expect this trend to continue until such times as we acquire or develop additional housing stock.

Having a well maintained, high demand stock base is critical to the success of the Association; our financial planning and AMS.

Table 2: Number of applicants on Craigdale Housing List

Number of applicants on Craigdale's Housing List				Actual Housing Stock (no's)
House type – Non-Self Contained	As at 31.12.19	As at 31.03.19	As at 31.03.18	
2 apartment	177	136	97	48
3 apartment	207	139	110	201
4 apartment	131	79	69	93
5 apartment	61	33	19	22
6 apartment	17	7	1	5
Total	593	394	296	369

(Note: Figures supplied from ARC returns)

Tenant Satisfaction

Not only do we have property assets that are in high demand, we have high tenant satisfaction levels, which we can evidence through independent Satisfaction Surveys that are carried out every 3 years, the results of which are noted in the table below.

Having tenants who are satisfied with the service and properties provided by the Association is vital to our success and long-term future.

Scottish Housing Regulator Indicators				
Craigdale's Satisfaction Survey Results	2013	2016	2019	ARC 2018/19
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by Craigdale Housing Association? (% <i>very/fairly satisfied</i>)	98%	99%	98%	90.12%
How good or poor do you feel Craigdale is at keeping you informed about their services and decisions? (% <i>very/ fairly good</i>)	99%	100%	99%	91.6%
How satisfied or dissatisfied are you with the opportunities given to you to participate in Craigdale's decision making process? (% <i>very/fairly satisfied</i>)	97%	100%	100%	86.48%
Thinking about the LAST time you had repairs carried out, how satisfied or dissatisfied were you with the repairs and maintenance service provided by Craigdale? [Repair carried out in the last 12 months] (% <i>very/ fairly satisfied</i>)	96%	98%	96%	91.66%
Overall, how satisfied or dissatisfied are you with the quality of your home? (% <i>very/ fairly satisfied</i>)	96%	99%	92%	88.12%
Taking into account the accommodation and services your landlord provides, to what extent do you think your rent represents value for money? Is it... (% <i>stating very/ fairly good</i>)	76%	97%	91%	83.21%
Overall, how satisfied or dissatisfied are you with your landlord's management of the neighbourhood you live in? (% <i>very/ fairly satisfied</i>)	99%	99%	98%	87.77%
Taking everything into account, how satisfied or dissatisfied are you with the factoring service provided by Craigdale Housing Association? (% <i>very/ fairly satisfied</i>)	-	-	86%	67.04%

(Note: Figures supplied from ARC returns)

Sustainability:

Sustainability is at the core of all our strategies, policies and procedures and our AMS has been developed to ensure our properties continue to meet the needs and standards required by our tenants / residents and other customers, both now and in the future.

Sustainability encompasses a wide range of factors and covers various activities.

Our AMS recognises sustainability in our approach through:

- Sustaining tenancies, through the provision of affordable, high demand, well designed, maintained and managed homes
- Customer satisfaction
- Maximise the life cycles of our property assets, through well planned maintenance processes and programmes
- Well managed and maintained housing environment
- Property improvements which extend the life of our assets and add value
- Adapting properties to meet tenants' particular needs
- Environmental standards and energy efficiency improvements which make a positive contribution to climate change objectives and address fuel poverty, and
- Partnership working with other relevant stakeholders.

Consultation:

We recognise the importance of tenant participation and the requirement to consult tenants on standards of service for repairs and maintenance. We use a range of methods for seeking tenants' views and feedback on specific issues. These include tenant newsletters and annual reports, tenant satisfaction surveys, annual general meeting, tenants' meetings and publication of information on our website.

Any information we receive from tenants in relation to our maintenance plans and AMS will be taken into account by the Board as part of our overall business planning process.

Equal Opportunities:

We are committed to the principles of equality and diversity, including working towards a Board and staff team that is representative of the communities it serves in respect of Protective Characteristics.

Complaints:

Reference should be made to the association's Complaints Policy.

Review Cycle:

This Strategy, which is for a 3-year period to align with our Business Plan, will be reviewed annually by the Board as part of our business planning process.

Appendix 1: 5 Year Planned & Cyclical Maintenance Programme

5 Year Summary										
Planned Works		2020		2021		2022		2023		2024
Row Labels	Phase	Phase	Phase		Phase		Phase		Phase	
Bathroom							3-5	£91,300	4	£55,650
Separate WC							3	£2,250		
Bathroom Extract Fan							3-5	£5,160	4	£3,600
Bin Store	1-2	£90,330								
Central Heating System Distribution					2	£117,000	1	£99,000		
Central Heating System Source	8	£31,500	9	£52,500	2	£136,500	1	£115,500		
Gutters 1							2	£13,299		
Downpipes 1 upvc							2	£11,108		
Downpipes 2 cast iron							2	£2,478		
Electrical Consumer Unit									2	£27,300
Windows 1	5	£23,100								
Entrance Door 1	5	£4,500								
Entrance Door 2	5	£4,500								
Kitchen extract fan	8	£300								
Kitchens	8	£34,200	9	£57,000						
Retaining Walls									1	£27,400
Common External Front Door	9	£9,000								
Total Planned Works		£197,430		£109,500		£253,500		£340,096		£113,950

Cyclical Works										
External Decoration	6/7	£61,200	1-2-3-4-5-9	£148,800			8	£10,800		
Close Painterwork			1-2-3-8-9	£61,550						
Door entry maintenance	1-2-3-8-9	£1,970		£1,970		£1,970		£1,970		£1,970
Smoke Detector	4-5-6-7-8-9	£63,680								
Carbon Monoxide Detector	4-5-6-7-8-9	£15,040								
Electrical Inspection and Testing	2	£7,800	6-8	£6,400	1	£6,600	7-9	£8,600	3-4-5	£7,300
Gas servicing	A/Phase	£37,026		£37,026		£37,026		£37,026		£37,026
Gutter Cleaning	A/Phase	£7,152		£7,152		£7,152		£7,152		£7,152
Roof Anchor Maintenance	1-2-3-8-9	£1,108		£1,108		£1,108		£1,108		£1,108
Total Cyclical Works		£194,976		£264,006		£53,856		£66,656		£54,556

(Note: Information supplied from John Martin Partnership's HUB Management system)