



ASSET MANAGEMENT STRATEGY

2022/23 – 2026/27

APPROVED	29 MARCH 2022
NEXT REVIEW	MARCH 2027

1. INTRODUCTION

The purpose of the Asset Management Strategy is to effectively manage the Association's asset base in order to protect the investment we have made to our business by ensuring that we achieve value for money and having appropriate systems and processes in place to protect our assets and to ensure that we comply with tenant and resident safety obligations. Our Asset Management strategy should link into our Business Plan, Risk Management Plan and medium/long term financial plans.

2. THE ASSOCIATION'S ASSETS

We can define our assets as follows:

- Our Housing Stock which was provided through our Development Programme.
- Our staff, who are responsible for delivering a responsive and value for money service to our residents.
- Our Management Committee members who are responsible for and tenant and resident safety.

3. OUR HOUSING STOCK AT 31st MARCH 2021

The Association own and manage 281 units which includes 11 shared ownership properties. Our stock base is predominantly new build properties constructed between 1993 – 2006. Our properties are in good condition and are considered as high demand. Our average re-let times are well low the national average and tenancy sustainment is generally good. A breakdown of our housing stock by apartment size is outlined in the table below.

Apartment size	House	Tenement	4 in a block	Supported Units	Total
2 Apt	6	14	59	0	79
3 Apt	65	22	23	0	110
4 Apt	64	8	1	2	75
5 Apt +	15	2	0	0	17
Total	150	46	83	2	281

New Build housing stock: 254 units (inc.3 wheelchair properties + 2 supported units)
Rehabilitated stock: 27 units
Shared ownership: 11 units

4. OBJECTIVES OF OUR ASSET MANAGEMENT PLAN.

- To ensure that our homes are improved and maintained to a high quality, standard ensuring compliance with SHQS, EESSH and meeting new fire safety standards.
- To undertake comprehensive stock condition surveys every 3 years and use the information from these surveys to prepare costed planned maintenance/renewal requirements over a 30- year planning period. This will ensure that future planned investment decisions are based on accurate stock information.
- To provide a responsive and cost - effective reactive maintenance service which meets the needs, demands and aspirations of our residents.
- To use the information from stock condition surveys to update our 5 year and 30- year financial plans.
- To ensure that we comply with tenant and resident safety duties and obligations of RSL's including compliance management and assurance levels.
- To ensure that residents are informed about and given the opportunity to be involved in improvement programmes.
- To state the value of our housing stock and to ensure we have sufficient income to meet future maintenance requirements.

5. STOCK CONDITION

- **Scottish Housing Quality Standard (SHQS)**

The SHQS was introduced in 2004 and all RSL's were required to meet the standard by 2015. Our last physical stock condition survey was carried out in 2018 and survey confirmed that our stock is compliant with the requirements of SHQS. A desk top survey was carried out in February 2021. Next survey will be carried out in 2023. This information is reported annually in the Annual Return on the Charter.

- **Energy Efficiency Standard for Social Housing (EESSH)**

The EESSH is based on a minimum energy efficiency rating taken from a Standard Assessment Procedure (SAP). The stock condition survey carried out in 2018 confirmed that the NHER of our properties are equal to or in excess of both SHQS and the EESSH 2020 ratings.

We have EPC certificates in place for all of our properties.

Our properties benefit from Double glazing, gas central heating with thermostatic controls, condensing boilers and loft insulation.

- **Stock Condition Surveys**

We instruct a physical survey of our stock every 3 years. The last survey was carried out in February 2021. (This was a desk top survey due to the Covid-19 pandemic). The stock condition surveys include an assessment of the current stock condition against the SHQS and EESSH; identify outstanding repairs within our stock and their prioritisation for remedial action. Survey results also inform future planned maintenance/renewal requirements and cyclical requirements over a 30 - year planning period.

Survey results are used to update 5 year and 30 - year budget assumptions.

Planned maintenance work involves the replacement of components that have reached the end of their expected lifespan. Replacement schedules can be brought forward or pushed back dependent on survey findings. We use the following assumptions for component replacement.

Structure	60 years
Kitchens	20 years
Bathrooms	30 years
Windows & External Doors	20 Years
Door entry systems	15 years

We have an enhanced gas servicing/maintenance contract in place in partnership with other Drumchapel RSL's, where annual service and breakdown repairs are carried out for a fixed price. Boilers are replaced when they become uneconomical to repair.

We anticipate spending £906,400 on planned works between 2022/23 – 2026/27 and £146,583 on cyclical works during the same period. Gas servicing and maintenance costs are £184,352 over the same period. Reactive maintenance costs are £900,900 over the period. Revenue income over the period is £7,692,300. (based on a 4.2% rent increase in 2022 – 2023 and 3% per annum thereafter).

- **Reactive maintenance and void repairs**

We have a statutory responsibility to ensure that our properties are maintained to a reasonable standard and to implement a maintenance policy which allows us to maintain our housing stock in good order and provides a professional and responsive service which meets the needs, demands and aspirations of our residents. We have targets in place to complete Emergency repairs within 4 hours and non-emergency repairs within 3 working days.

Quarterly and annual maintenance reports are provided to the management committee to ensure contractor performance is subject to continual assessment and review.

Carrying out repairs to empty homes quickly is the key to minimising void repair periods. The Association has specific re-let standards to define the standard we will strive to obtain when assessing void repair requirements. The undernoted repairs are carried out prior to re-let:

Void gas check
Electric Check
Energy performance assessment
Lock changes
Clear out and valet service
Internal decoration if required
Repair/replacement of components
Asbestos survey for properties built prior to 2000

We also carry out tenant satisfaction survey to assess tenant satisfaction with our repair service. Outcomes from our last tenant satisfaction survey (September 2019) are appended.

We spent £92,163 on reactive maintenance repairs in 2020/21 which equated to 6.31% of our turnover. Reactive spend per unit was £316.

- **Right to Repair**

The Association will adhere to statutory requirements set out within the Scottish Secure Tenants (Right to Repair) Regulations 2002 which defines target timescales for qualifying repairs covered by the scheme.

6. Tenant and Resident Safety

We have a statutory responsibility to ensure that our tenants live in homes which are healthy, safe and secure. We have systems in place to achieve this and we carry out the undernoted work at specified intervals as part of our cyclical maintenance programme.

- We carry out annual safety checks on gas central heating boilers and issue a CP12 Certificate within 12 months of the previous anniversary date to confirm this has been done. Our target is to ensure 100% compliance. We provide Quarterly reports to our Governing Body to advise on our performance in relation to the management of gas safety. The annual safety check also includes smoke and heat alarms and CO detectors.
- We carry out Domestic Electrical Installation Periodic Inspections on all our properties every 5 years in accordance with BS 7671. Inspection Reports are provided for each property and any repairs identified to ensure full compliance are carried out at time of inspection.
- Portable Electric Appliance testing is carried out annually at our 2 supported accommodation units.
- Water tanks in tenement properties are tested annually to prevent contamination by legionella bacteria and quarterly checks on water samples are carried out at our 2 supported accommodation units.

- Asbestos surveys are carried out in void properties which were constructed prior to 2000 and we maintain an asbestos register.
- Roof anchors in tenement properties are checked and inspected annually and an inspection certificate is issued to demonstrate compliance.
- Interlinked smoke alarms, heat detectors and CO alarms are installed in all our properties to comply with Fire Safety Regulations.
- The Association complies with ACS/EVH Healthy and Safety manual and H&S Audits are carried out every 2 years.

7. TENANT CONSULTATION

The Association consults with residents prior to undertaking any major repair works. Regular Information letters are issued prior to works commencing, tenants are given kitchen choice options and can select their preferred kitchen units, Worktops, handles, tiles and vinyl flooring from the contract range available. Contractors have a liaison officer on site to deal with any problems when works are progressing. We also offer choice in relation to common close painting. Tenant satisfaction surveys are carried out on completion of works and outcomes are reported to our Management Committee.

A copy of our 5 - year Major Repairs and Cyclical Maintenance Plan for 2022 – 2027 is appended for information. The plan outlines the type of work we will undertake, the year it will be done and anticipated cost of planned works.

Due to our size, scale, and structure we do not have a Registered Tenants Organisation but maintain a Tenant Consultation Register which contains a list of residents who expressed an interest in being consulted about key policy reviews.

Results from our last Tenants Satisfaction Survey (September 2019) indicated that tenant preference for consultation was by letter or survey.

8. ASSET VALUE

At 31st March 2021 our stock was valued at £12,637,328 in our audited Annual Accounts for 2020 – 2021.

All of our properties are new build construction (with the exception of a 27-unit tenement rehabilitation scheme) delivered through our Development programme between 1993 – 2006.

Gearing Ratio 2020/21	-23.6%
Gross Surplus 2020/21	27.9%
Debt per unit 2020/21	£1,489
Loan Balance at 2020/21	£434,687 (loan debt cleared November 2021)

9. REVIEW

The Asset Management Strategy is for the period 2022/23 – 2026/27 but it will be reviewed annually on a rolling basis and updated to reflect the next 5 - year period. The review will also link into our Business Plan, Risk Management Strategy and 5 - year financial projections.