

Asset Management Strategy

DATE OF REVIEW	20 August 2019
REVIEWED BY	FULL COMMITTEE
NEXT REVIEW DATE	20 August 2022

1. Introduction

This Asset Management Strategy, and associated action plan, demonstrates the Association clearly recognises that well maintained and sustainable properties are fundamental to ensuring we meet the expectations of our customers.

In order to achieve our vision, “to enhance the quality of life of residents and communities” we must be able to monitor and evaluate how our assets perform in order to target resources effectively.

Strategic Context

The Asset Management Strategy, and the maintenance programmes that flow from it, link to the business planning process and inform our Risk Management Strategy. The Asset Management Strategy aligns with the Association’s Finance and Development Strategies.

All strategies have been developed to ensure the Association meets its corporate objectives set out in the Association’s current Business Management Plan. This strategy should be read in conjunction with the Association’s other strategies.

Developing the Strategy

The Association recognised that the housing sector's traditional approach to asset management did not dynamically respond to the changing needs of the Association, and in particular its customer expectations. To ensure the Association is able to respond accordingly, it has developed systems for regularly reviewing the performance of its assets that enables the pro-active targeting of intervention therefore making the most efficient and effective use of resources. Intervention can take various forms and is not limited to maintenance activities. This approach is referred to as Emerging Asset Management approach and is set out in the Strategy.

The Association is aware that poor performance in terms of the property can be a symptom of wider housing related issues. Any system needs to be able to clearly establish the cause of poor performance to ensure intervention is efficient and effective.

This approach to asset management has been designed to inform decisions and ensure the careful targeting of resources, maximising value for money and enabling the highest quality property and customer services to be offered to our residents

The Association's Strategic Plan is based on a widely shared vision, having been drawn up in consultation with staff and members, and includes priorities identified by residents from consultation, surveys and discussion with stakeholders. The formulation of the Asset Management Strategy flows from this work.

The work relating to customer expectation is one of continuous development and improvement, and initiatives are on-going that will inform future improvements to this strategy.

We are confident that this strategy will help us to steer Cathcart & District to a successful and prosperous future, being able to identify and respond to the many challenges that we will face in the management of the Association's assets.

Emerging Asset Management Approach

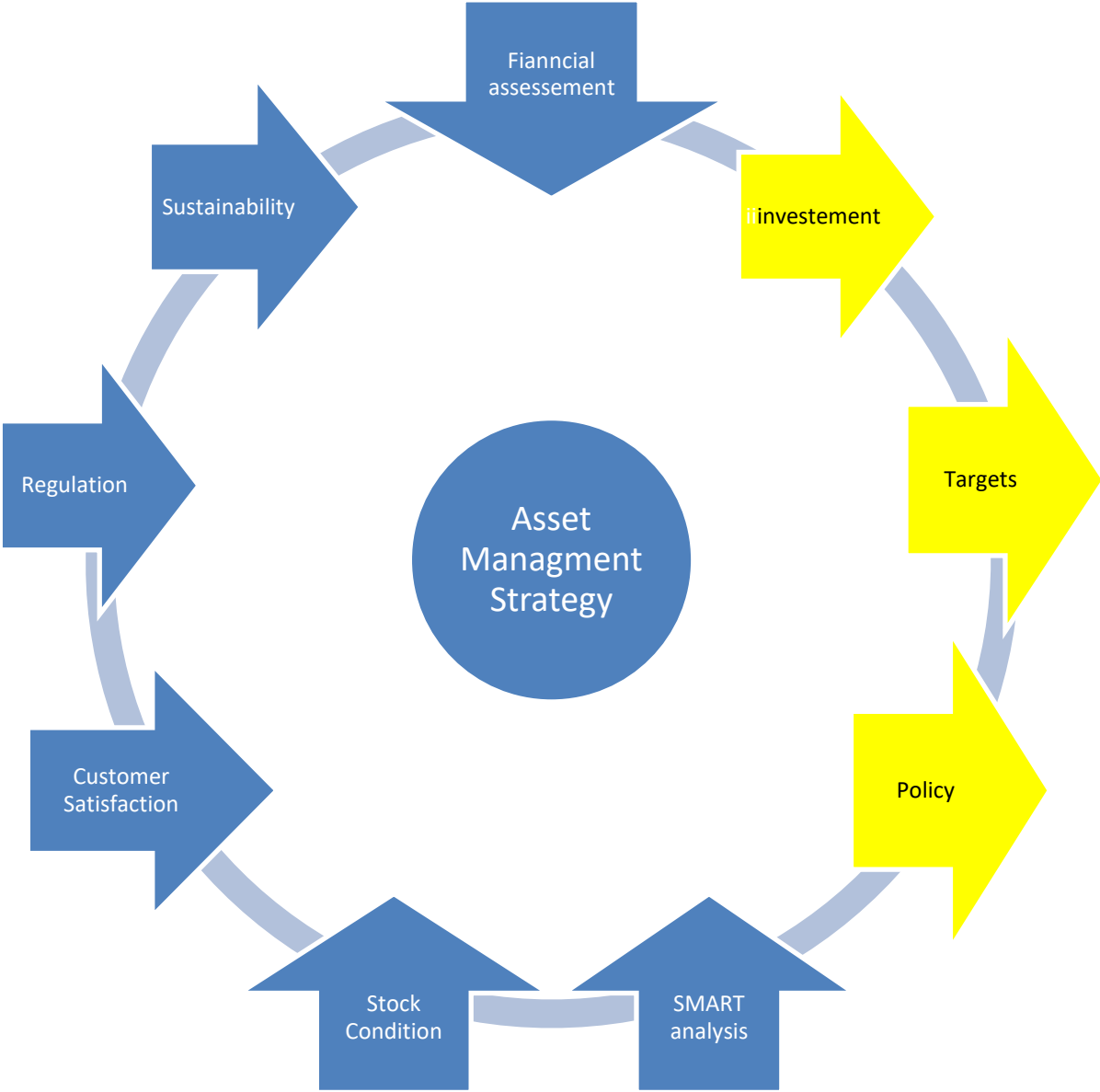
The Association's Board has agreed to implement an Emerging Approach to Asset Management to ensure the Association responds to customers' expectations and meets the challenges of the sector including the current economic climate. This is an evolving approach that will take several years to implement the initial vision, but in reality will be subject to continuous development.

The diagram, on page 4, summarises how the Emerging Approach to Asset Management cycle will operate:

The emerging Asset Management Approach is a continuous cycle that will be responsive to the changing performance of the Association's stock. It draws data from a number of sources (inputs) which are interpreted against the standards set by the Association before taking action in the form of operational targets, investment decision and changes in policy and procedures (outputs).

The Association’s Business Management Plan will reflect the decision made to ensure the best performance of the Association’s assets. The regular review of outputs and overall performance management information will allow the Association to closely monitor the impact of the actions taken through the inputs and make further decisions on future actions and thus repeat the cycle.

The Association considers this a long term approach that will take time to develop and refine to ensure maximum benefit to the Association’s customers.



2. Key Asset Management Strategy Objectives

Deliverability

The Associations main put great importance on ensuring that our objectives are aspirational but that they are deliverable. To ensure deliverability, objectives and target must give sufficient acknowledgement to a number of parameters. In essence, any idea, if it is to be deliverable, must comply with the following:

1. **Specific**
2. **Measureable**
3. **Achievable**
4. **Realistic**
5. **Timely**

We have sought to ensure that our key strategy objectives and tasks meet these criteria.

The key to the successful managements of the Association's assets is to balance the expectations of customers with statutory requirements, good practice incorporating technological advancements and value for money.

This is a complex balance to achieve and is reliant on data management and reporting systems being used efficiently and effectively. The key strategic objectives are designed to position the association to achieve this balance.

Summary of Key Asset Management Strategy Objectives:

Objective 1: To meet the standard of expectations of our client group

Objective 2: Ensuring Health & Safety through Effective Maintenance

Objective 3 : Fresh approach to Stock Condition Data and Property Portfolio Knowledge

Objective 4: Adaptations

Objective 5: Sustainability & Retro Fit

Objective 6: Mapping Stock and Performance to Maximise Service Delivery and Efficiency

Each objective is set out in more detail.

Objective 1: The Cathcart & District ' Standard

The current minimum standard for social housing is the Scottish Housing Quality Standard (SHQS). Cathcart & District properties have been maintained to a high standard with commitment now to ensure this standard is maintained or bettered. This will make clear to our customers what they should expect from one of our properties

The impact of implementing this asset management plan will be incorporated into financial planning, albeit the extent of work required may not be fully clear until the required data (Objective 3) has been gathered.

Objective 2: Ensuring Health & Safety through Effective Maintenance

Protecting the health and safety of anyone that uses or visits any of our properties is paramount. This includes residents and their guests, staff and maintenance contractors. To achieve this, the Association has challenging but deliverable maintenance regimes in place to cover Asbestos, Gas installations, Electrical Installation, Fire protection and Water Treatment.

Asbestos

The Association has a legal requirement to provide information on the location and condition of any asbestos containing materials in its properties. The Health and Safety Executive publication "Asbestos: The Survey Guide 2010" imposes a responsibility to check for asbestos in all properties where employees (including Contractors) or others may be at risk. This means that the Association must know the location of, the exact type of and how to manage any sources of, asbestos in its properties.

The disturbance of asbestos can release small fibres into the air and breathing in these fibres can eventually lead to a number of fatal diseases. Provided the asbestos material is intact and in a position where it cannot easily be damaged, it will not pose a risk to health.

In order to comply with legislation and best practices, we should as far as is reasonably practical:

- Prevent or, where this is not possible, minimise exposure to asbestos fibres
- Manage asbestos in our premises and inform, where required, on the location, state of repair and type of asbestos present

There are three forms of asbestos commonly known as blue (Crocidolite), brown (Amosite) and white (Chrysotile) albeit they cannot be identified by colour alone. Blue and brown asbestos (the two most dangerous forms) have not been imported into the UK for nearly 30 years and their use was banned in 1985. White asbestos was banned, except for a small number of specialised uses, in 1999.

The Association's properties constructed or refurbished before 1986 will have a higher risk of containing asbestos containing materials (ACM). To manage this risk, a methodical approach to survey one of each house type on every scheme will be implemented, and results will be assumed for the other properties in the scheme. If any asbestos is found, its location will be conveyed to the customer, and all maintenance contractors, and an appropriate inspection regime implemented. If there is any concern about the condition of any ACM it will be removed.

Allowing for potential contamination and/or use of stock materials any property constructed post 1988 will at worst have ACM containing white asbestos with reduced risk. Most common will be asbestos cement and decorative coatings. These properties will also be tested after the pre 1988 properties" data has been gathered.

It is unlikely that any property constructed after 2000 will contain asbestos based products, however these properties will also be subject to a structured testing regime albeit less rigorous than that of older properties.

We have already completed surveys of all communal areas and have significant data on stock which has been tested as part of our major works programmes. This data is held on an Asbestos Register. The register has been issued to contractors who work for the Association and will be updated regularly. To improve our procedures in dealing with asbestos we will:

1. Review monitor and adjust the plan regularly
2. Provide staff and contractors with an adequate level of information on asbestos, its location and condition
3. Provide regular and adequate training for staff
4. Continue developing a programme of surveys and updating of the register
5. Provide emergency procedures

Throughout any work in relation to asbestos, customers will be kept informed and provided with accurate information. To reduce the possibility of undue alarm a communication protocol for asbestos will be developed.

Gas Installations

The Association has a Gas Servicing Policy that recognises the potential hazard that poorly or incorrectly maintained gas services and equipment can cause. The Association will use its best endeavours to ensure the correct servicing and maintenance of gas services and equipment to ensure their continued safe operation.

The Association has a legal obligation to ensure the continued safety of its residents in respect of gas equipment installed in dwellings that it owns. The Association fulfils its responsibility by employing the services of a Gas Service and Maintenance Contractor, who is registered on the Gas Safety Register, operated by CAPITA and who performs the duty of Gas Installer as defined in the current Gas Safety (Installation and Use) Regulations. The Association must undertake a gas safety check within 12 months of the previous one.

The appointed Gas Servicing Contractor will be audited to ensure properties are being correctly serviced. It is very important that procedures are regularly reviewed to ensure best practice is being followed.

Carbon Monoxide

(CO) is a colourless, odourless, tasteless, poisonous gas produced by incomplete burning of carbon-based fuels, including gas, oil, wood and coal. When CO enters the body, it prevents the blood from bringing oxygen to cells, tissues, and organs. You cannot see it, taste it or smell it but CO can kill quickly and according to the HSE around 20 people die from CO poisoning every year. The Association's committed approach to maintaining gas installations to the highest standards should minimise any chance of excessive levels of CO occurring but as a back-up, audible CO detectors will be fitted to all properties requiring one by 2014.

Electrical Installations

Unlike gas, there is no legal requirement to undertake electrical testing of our properties, however it is considered good practice to do so to ensure the health and safety of our customers. The relevant Key Line of Enquiry (KLOE) produced by the Audit Commission makes specific mention of the servicing of electrical systems in line with current good practice.

It is common practice for the first electrical test of a new property to be conducted 10 years after construction. The latest version of BS 7671 updated in 2008 recommends that all properties should be tested every 5 years and every time a

property has a new tenancy. All properties should have a label on the consumer unit that states the recommended date of the next inspection.

The Association will implement a testing regime looking at oldest properties first on a 5 year rolling programme. New properties are tested first at year 10. All void properties will also be tested and full records maintained.

The Association recognises that inspection and identification of remedial works should also help to reduce the number of responsive electrical repairs. Electrical safety also links with the important issue of fire safety.

Fire Safety

The Association recognises the risks posed to residents and to the Association's assets, by fire. To combat this risk all properties will be fitted with fire prevention alarms. Individual dwellings will all have smoke detectors fitted and an annual service regime will be implemented to ensure they are checked to be operational.

Larger sheltered schemes and communal areas will be subject to a more rigorous servicing and testing regime in line with the recommendation for the type of installation.

All properties with larger communal areas (mainly Sheltered Schemes) have already been subject to Fire Risk Assessments with any essential works undertaken. This approach will be extended to all properties with communal areas with Fire Risks Assessments updated annually.

When undertaking any refurbishment works, we will ensure that passive fire prevention (work to building structure) will comply with the current Building Regulations and Best Practice Guidelines.

Water Safety

The Association is aware of the importance of regular maintenance in the prevention of Legionella. Any property with

communal vessels used for the storage of water will be regularly cleansed and will be subject to a water management plan.

Objective 3: Fresh Approach to Stock Condition Data and Property Portfolio Knowledge

The Association recognises that the quality and condition of our stock is of significant importance to not only our current residents, but also to our funders, regulators and future residents. In addition, well maintained properties give higher valuations for loan security, assisting in funding future development programmes and can give us a competitive advantage over other landlords with less well maintained stock. To meet the demands of the Emerging Approach to Asset Management this data and structure will be refreshed on an on-going basis. The information retrieved from the planned maintenance module will form the basis of budgetary planning for coming years.

Stock Condition Data

The Association has an implemented Stock condition approach and data is maintained through regular surveys to update the information in the database. The SCS will by default visit and assess 20% of stock at each cycle. Processes are in place to ensure any components updated through responsive and planned maintenance are reflected in the Stock Condition Database.

The database is used to inform planned maintenance programmes and ensure the Association's robust business planning process has accurate maintenance liabilities incorporated. The development of this strategy required a comprehensive review and validation of the stock data.

Improving the accuracy and relevance of data is fundamental to ensuring the Association delivers an effective maintenance service and the Business Management Plan is based on accurate data. This data should be subject to a statistically representative, sample, Stock Condition Survey at least every three years.

It is important to accept that lifecycles are only guides and the actual performance of components is influenced by a number of factors including manufacturing quality, installation workmanship, weathering, environmental impacts, servicing cycles, and human impact through use. The Association, following consultation with customers, is developing a fixed versus condition approach. This will result in some components being replaced on a fixed lifecycle with others purely on reaching the end of their useful life.

From the completion of this significant exercise, the Association will, each year, publish the next year's programme for the replacement of major components that are replaced on a fixed lifecycle. This will ensure customers are well informed about how their homes will be maintained.

The replacement costs of components also vary depending on market condition, advancement of technology, legislative/regulation changes and the need to respond to changing agendas such as carbon reduction. These will be reviewed annually.

Property Portfolio

The Association has comprehensive records in the form of its Stock Condition Database but also in the form of health and safety files, operational and maintenance manuals, as-built drawings, EPCs, the housing management system and other data sources.

Objective 4: Adaptations

The Association is committed to the principle of enabling service users with disabilities to continue to live in their homes, if they want to. To this end the Association maintains good working relationships with other stakeholders including Health and Social Service specialists. This co-operation is aimed at enabling service users to receive aids and adaptations as part of appropriate support packages.

Objective 5: Sustainability & Retro Fit

The Association is committed to ensuring that all properties perform as well as possible in terms of environmental impact and cost in use but this has to be affordable to the organisation. There have been significant advancements in green technology in recent years but not all products have proven their benefit. The Association will research current good practice and undertake work to establish the most appropriate approach to this important agenda.

The principal of retro-fitting existing properties with new technology has always been supported by the Association. The Association will ensure that the cost of meeting this agenda will be clearly reflected in the Business Management Plan.

The Association will where possible take advantage of ECO schemes and the first grant assisted scheme of cavity wall insulation and loft insulation was completed during 2013

Objective 6: Mapping Stock and Performance to Maximise Service and Efficiency

The Objectives 1 to 5 are all designed to ensure the Association maintains its properties in the most efficient way that meets our customers' expectations. This whole approach has to be underpinned with a robust and dynamic approach to data management. Only with clear and informative data, can the Association make clear and demonstrable decisions, in conjunction with our customers, on how best to meet these challenges.

Responding to other Challenges and Priorities

In addition to the key objectives set out above there are other challenges the Association must address relating to asset management and work is on-going under other initiatives. A number of these initiatives will have an impact on the decision made under this strategy.

Customer Involvement and Customer Profiling

A significant exercise is on-going to ensure the Association understands and embeds the views of its customers in all its activities. These include a greater role for residents in the decision-making process. We are also gathering comprehensive data on our customers in order that this profile information can influence the decisions we make in ensuring we are delivering services in the most effective way. The Association recognises that this will be a continuous process with changing demographics.

Balancing Responsive and Planned Repairs

Planned maintenance is seen as the most efficient way in terms of cost, and service delivery, to undertake maintenance work to our stock. Clearly the organising of maintenance work into larger, and hence more cost efficient, packages of work is preferable to the costlier alternative of an unplanned “one-off”.

A good practice benchmark is to spend 70% of maintenance resource on planned maintenance and 30% on responsive maintenance. Achieving this balance in responsive and planned maintenance is an important performance measure for the association and will form a key performance indicator.

Efficiency in Procurement

The Association recognises that efficiency in procurement is a significant issue. With annual maintenance budgets approaching £0.75m the opportunity of delivering value for money through effective procurement is evident.

In this respect we will advertise as widely and openly to ensure that we procure the most cost-effective mechanism of delivering our planned maintenance schemes.

The significant update of the Stock Condition System will enable the Association to plan maintenance spend with a higher degree of accuracy. This will in turn enable the Procurement Strategy to be developed to ensure the Association achieves value for money. Maximising the opportunity to achieve value for money will be greatly aided by ensuring the Association clearly identifies in detail the service and extent of work required. Entering into arrangements without this information could result in inefficient arrangements and higher costs to the Association.