

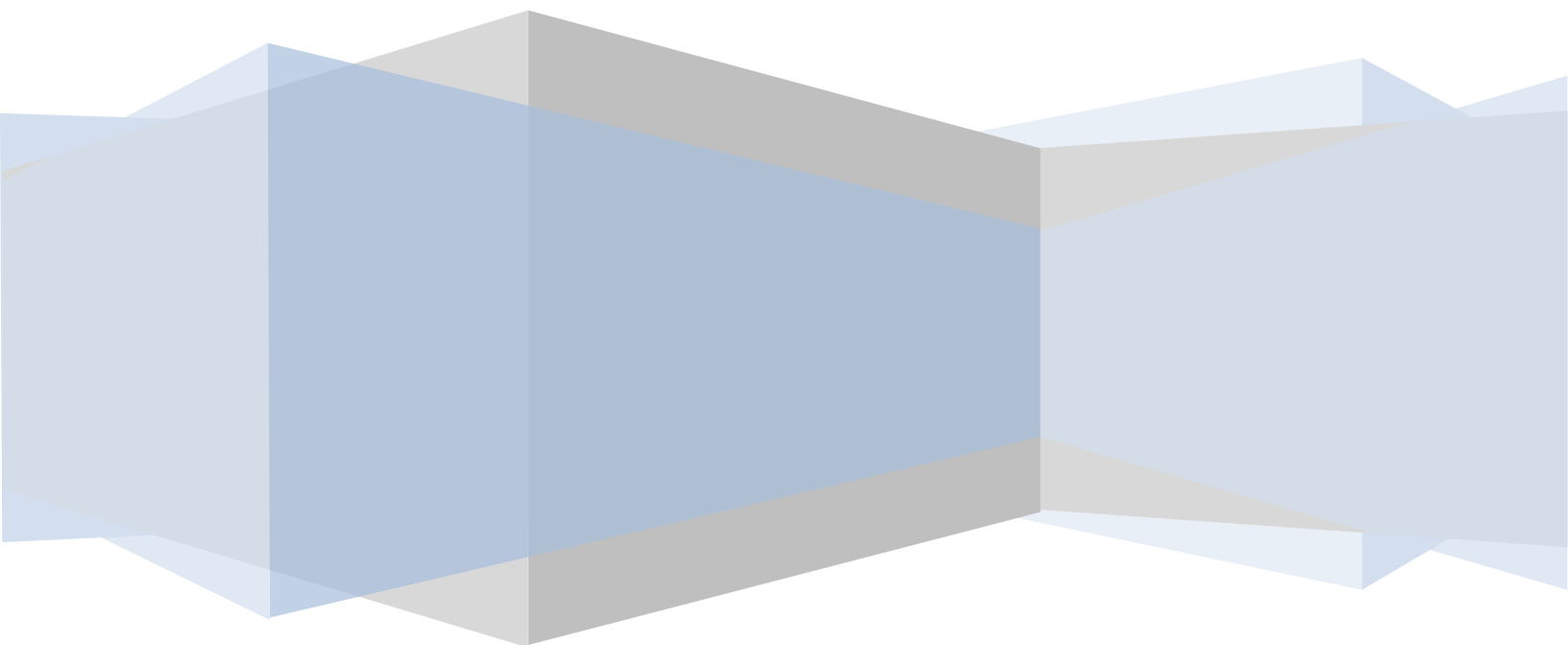


CDHA

Cathcart & District Housing Association

ASSET MANAGEMENT STRATEGY

August 2022



All Policies are available on tape, in braille, and translation into most languages. Please ask a member of staff if you would like this policy in a different format.

Date of Policy Review: August 2022
 Date of Committee Approval: 16 August 2022
 Date of Next Review: August 2025

<p>SCOTTISH HOUSING REGULATOR STANDARDS</p>	<p>STANDARD 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users</p> <p>STANDARD 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users, and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p>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.</p> <p>STANDARD 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisations purpose</p>
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“CDHA’s Asset Management Strategy identifies, how we will maintain and improve, our housing assets. More importantly to express our vision to transform communities, by providing aspirational homes and services, to enhance the quality of life of our customers”

Introduction

Cathcart & District Housing Association (CDHA) was established in 1978 and is a registered charity organisation. We own and manage 596 homes, factor 497 privately owned properties and manage 40 lock up garages. We offer high quality accommodation within the Cathcart & Mount Florida area, on the south side of Glasgow.

CDHA accepts the challenge to deliver comprehensive housing services which meet or exceed the needs and aspirations of our clients.

COVID-19 pandemic and Scottish Government restrictions have had a significant overall impact on the Association. This includes all forms of contracts being undertaken, including investment programmes. However, moving forward, we are in a very positive position, in relation to asset management and investment over the next 5 years.

We have defined **Strategic Asset Management** as the strategy which will ensure we manage, maintain and invest in our property assets, to ensure that our properties provide attractive, good quality homes for our customers at an affordable cost to them and the Association.

We also want to ensure our homes and other property assets are in the right location and are fit for purpose. For CDHA, the above definition reflects the process we apply to ensure that the assets we need to operate our Association/business, is managed effectively, provide value for money, support growth and diversity and are sustainable into the future.

In addition to the property assets, we also recognise financial resources, staff, systems and processes as organisational assets.

The Asset Management Strategy recognises that effective maintenance is essential to ensure our properties continue to meet housing needs, and demand and remain sustainable in the future.

Various asset management procedures and processes are in place, following a stock condition survey, FRA surveys and asbestos and legionella surveys that have been successfully undertaken during 2022.

Aims and Objectives

Through our Asset Management Strategy, we have a commitment to the Association's Business Plan and strategic objectives, in which we are committed to ensuring the following:

- Recognition of our customer needs and high expectations.
- Customer satisfaction.
- Quality standards and specifications.
- Sustaining good quality property data for 30-year life cycle programme.
- Financial viability, affordability, and value for money.
- Delivering added value through our procurement process.
- Investment in our properties is aligned to changing needs and aspirations and is linked to demand.

Purpose of an Asset Management Strategy

Strategic Asset Management is essential for the Association, to deliver good services for customers, provide a solid platform for improvement, and make the most of our property assets. It is therefore the aim of the Asset Management Strategy to ensure that all assets owned or managed by CDHA are sustainable.

We will take the following strategic approach:

- Ensure that the key objectives of the Asset Management Strategy align with and contribute to the delivery of the Business Plan.
- Ensure appropriate Customer Engagement and Stakeholder consultation at relevant stages, leading to improved satisfaction levels.
- Assess the long-term viability of stock to ensure that value for money is delivered by meeting expected standards with investment requirements based on a sound understanding of our customers, our future customers, our assets, and the issues affecting both.
- Ensure quality standards are maintained.
- Ensure regular monitoring and review of the Asset Management Strategy, and how this will be communicated internally and externally.

Expected outcomes of an Asset Management Strategy, linked to the Business Plan and CDHA Strategic Map;

Communities:

- Established new standards and specifications for our housing stock.
- Improved Customer Satisfaction levels in relation to their homes.
- Taking forward our revised 5-year investment plan which supports our Business Plan.
- Sustained demand for our properties.

Financial Leadership:

- Improved Value for Money through strategic procurement

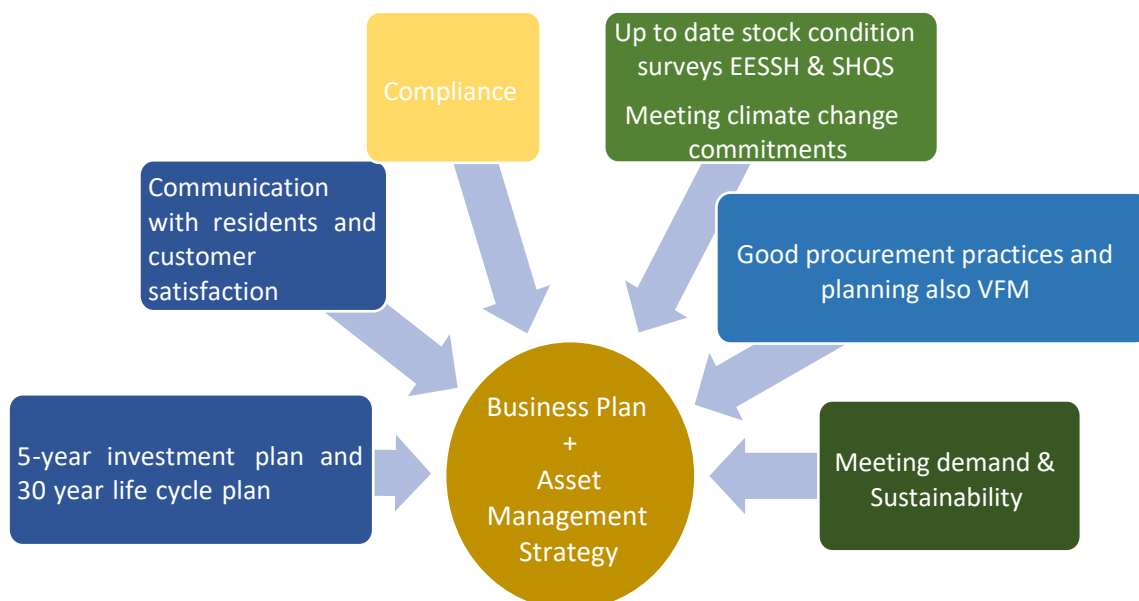
Services:

- Use of new technology & systems to deliver improvements to homes and services

Understanding our assets

CDHA assets incorporate all heritable property, including rented housing stock, lock up garages and CDHA offices. We also have responsibilities in relation to Common Areas where we provide Factoring services, although we do not own these assets.

The nature and type of assets owned and managed by the Association are detailed within the property database. This database will be kept up to date at all times, and we will periodically publish a summary of some of the key information on our assets.



Looking after our Assets

CDHA will operate efficient and effective reactive and planned maintenance services, which have recently been procured, in such a way, as to maximise Value for Money for the Association. To maintain our investment requirements for our assets, we will maintain an accurate record of stock condition, based on the detailed stock condition survey of 42% for year one and to continually increase the information over the period of 3 years. Investment plans have been, prepared for planned investment and improvements, and these have been incorporated into the Association's budgets and financial plans.

This will ensure that:

- The condition of our assets is maintained through regular reactive and cyclical maintenance and component replacement
- Our assets meet or exceed quality standards, such as the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing
- We begin to plan for future standards such as EESSH2
- We will meet or exceed all legislative and statutory requirements.
- Internal and external funding is in place and aligned to meet business needs.

Climate Change

The Scottish Government has published Scotland's 2018-2032 Climate Change Plan which sets out the Scottish Government's pathway to new ambitious targets set by the Climate Change Act 2019. This sets out their vision and path to a low carbon economy while helping to deliver sustainable economic growth and secure the wider benefits to a greener, fairer, and healthier Scotland in 2032.

Housing is identified as a key contributor to CO2 emissions, roughly 13% of the nation's total emissions. The introduction of a new Energy Efficiency Standard for Social Housing (EESSH2) will become the key driver to reducing CO2 emissions in the social housing sector, however, there are many other objectives that will impact the Association, including:

- Energy efficiency targets for commercial premises
- Stringent energy efficiency targets for new housing
- The electrification of energy supplies, leading to the phasing out of heating systems using fossil fuels
- An aim to phase out petrol and diesel vehicles by 2032, with the resultant impact this will have on residents and staff requirements in terms of being able to charge their electric vehicles



Stock Condition Surveys

Findings from the Updated Stock Condition Survey

The stock condition survey identified the current condition of the houses and made recommendations as to the estimated replacement dates for each of the main building components. CDHA standard schedule of rates was agreed and was used in conjunction with the findings of the survey to generate a 5-year investment programme, commencing 2022/23 and a 30-year life Cycle investment plan for the ongoing maintenance of the housing stock. The Stock Condition report concluded that the housing stock can be considered as being in good condition overall.

Verification was also obtained for regulatory compliance within the following areas.

A small number of properties were identified as failing SHQS for minor issues such as missing kitchen units altered by tenants, shortage of sockets in very small kitchens, or uneven common footpaths. These issues will all be addressed before 31 March 2023, with much of the work being carried out under day-to-day repairs.

A separate Fire Risk Assessment and Asbestos Survey was undertaken concurrently with the condition survey and in summary, however, no asbestos was noted, and no notable fire risk concerns were identified.

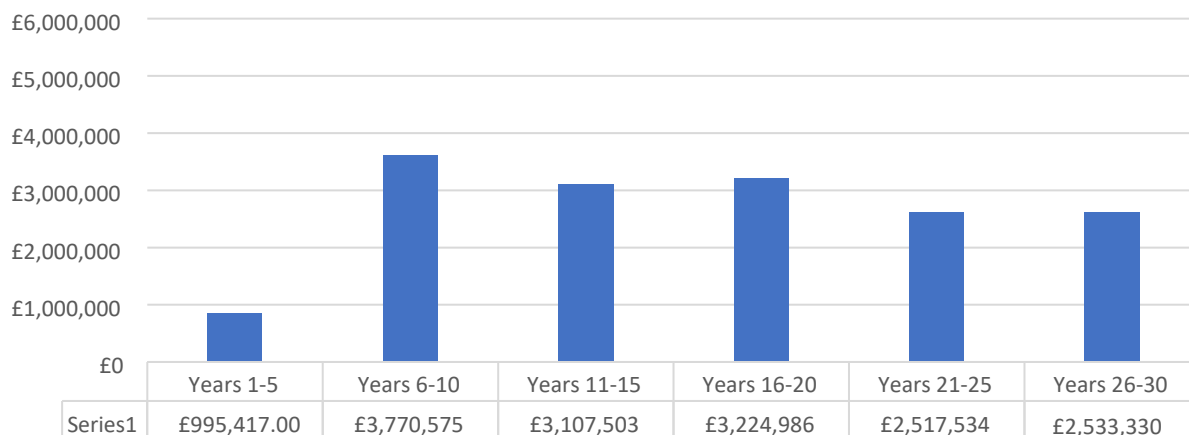
The housing stock data collected will then be uploaded onto the component and planned maintenance system (Home Master) and will replace existing cloned stock data. This will increase the overall percentage of the housing stock that has had a physical survey, with the intention that by continuous updating of the system and investment going forward by the time the next Stock Condition Survey is undertaken we will have around 60% of stock detail. Home Master has developed an asset management system specifically for the social housing sector. It is a web-based system that allows our staff, access to all property data/details, through a simple log-in screen.

Investment levels

Overall investment in CDHA properties is detailed below over the period of the 5-year investment & 30 year life cycle plan and Budget.

Overall investment in CDHA individual properties amounts to over £27k (includes VAT and fees)/property over a 30-year life cycle plan.

CDHA 30-year Life Cycle Plan (excludes VAT & fees)



CDHA Housing Assets

As from 1st April 2022, the Association's rented housing stock totalled 596 dwellings. The stock consists of predominantly tenement and modern flatted property archetypes. We do not have any non-traditional properties.

Housing Stock by house age and type (as of 1st April 2022)

Pre 1919	1919-1944	1945-1964	1965-1982	Post 1982	Total
281	113	97	61	44	596
47%	19%	17%	10%	7%	100%

All our New Build stock (44) flats were built between 1999 and 2020. The remainder of our stock is fully improved and refurbished either as stock owned and refurbished through the Comprehensive Tenemental Improvement contracts of the 1980s and 1990s or improved properties transferred through second stage stock transfer from GHA in 2010.

The Association has a wide variety of apartment sizes, including some large, some of which also include significant alterations for families with members with disabilities.

RENTED HOUSING STOCK BY SIZE (as of 1 ST April 2021)						
	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt+	Total
Total	80	253	204	55	4	596
%	4%	15%	55%	22%	4%	100

Organisational Approach

Good asset management requires understanding and ownership right across the organisation.

Everyone in the organisation has some part to play in getting the most out of our homes as assets.

We will:

- **Seek** the views of all staff on the Strategy.
- **Examine** key internal processes to ascertain how these can be changed to improve the let ability of housing stock and thereby maximising rental income generated.
- **Involve** a range of staff from housing management to repairs and maintenance teams, in option appraisals for problematic/difficult to let stock to spread the local knowledge of the problem and seek innovative solutions.
- **Investigate** all aspects of procurement to maximise, value for money.
- **Ensure** that investment is linked to demand.

This will ensure that all staff can contribute to the Asset Management Strategy and influence the ongoing contribution it makes to ensuring the viability of our assets.

Customer Engagement

It is essential that we understand existing and prospective customers, and their needs and aspirations so that we can match these with our assets to ensure that people will continue to want to live in our properties long into the future. Customers' needs and aspirations will change, and we will seek their views on all aspects of the services we will deliver.

The knowledge gained, will be used to add, or improve services for customers, including regular review of strategy, policy and procedural documents. This approach will assist us to deliver the objectives of the Asset Management Strategy by improving both the quality of homes and the environment in which our customers live and the services we provide to them.

Planning approach

Planning is important to include enough time to consult with Tenants and owners in order that they have an opportunity, to influence and be fully involved in any planned investment plans.

CDHA, tenants satisfied with the opportunity to participate is currently 99%, compared to a Scottish average of 86.6%.

We will use a variety of methods to contact our client group:

- Newsletters/information leaflets
- Committee meetings, and Annual General Meetings
- Door-to-door surveys, interviews, and other face-to-face contact
- Letters
- Telephone/emails through our digital strategy
- Customer satisfaction surveys (including resident satisfaction and repair surveys)

In some cases, we may set up pilot schemes or sample sessions to inform our clients and information sessions would be held with key personnel involved in attendance, to ensure that any questions and issues raised can be addressed and allow for choice and flexibility wherever practical and financially possible.

Regular meetings will continue with customer groups, to ensure consultation is being carried out and good information is provided. Tenants would also be kept informed of updated information leading up to the works.

To cause as little inconvenience as possible, tenants and owners would be made aware as far in advance as possible as to when their property is scheduled for improvements. This will allow those who may have to check with their place of employment and anyone wishing to book holidays to have plenty of time to prepare. Consultation feedback will help us further develop our asset management strategy and improve how we deliver future maintenance and improvement services.

Monitoring & Review

SHR Recommended Practice states that Associations should plan and execute a periodic review “to think carefully about what it needs to do to ensure it has a good strategic approach to asset management. If a review is required, then it should reflect individual context, be led by the Senior Management Team, involve a range of people from across the association and provide a challenge to current thinking”

The Association's Asset Management Strategy will be reviewed every three years, or more often if required. An annual review will be carried out and reported to the Management Committee annually.

Making best use of our properties – asset performance

Through the development of a separate sustainability plan, CDHA will develop an analysis of the individual and collective performance of our properties using asset, individual stock performance and social value appraisal methods. This will allow us to:

- Measure the medium and long-term performance of our assets
- Provide an objective baseline on which to make investment decisions for example a traffic light system R.A.G (Red, Amber, Green)
- Identify any low performing assets for options appraisals

This approach will produce a Net Present Value (NPV) of CDHA Assets by individual property and by specific stock groups. The NPV will be based on a calculation of the costs to manage and maintain a property against the income it generates. A negative NPV means that a property costs more to manage than the income it generates but it does not mean that all negative NPV properties should be disposed of as other factors should be considered such as stock performance management adjustments, localised stock strategy and appraised social value.

Performance Management

The success of an asset management strategy is determined by several factors, but a crucial factor is monitoring performance and effecting improvements from the information obtained. Since the work will be procured largely through framework agreements there will also be reviews at the end of each stage as well as annual reviews. A number of review mechanisms will be utilised.

- I. An annual review of contractor's performance against KPI's and in line with the contractual protocols and monthly progress meetings.
- II. A quarterly review of the financial position.
- III. A tenant satisfaction survey for each contract.
- IV. A five yearly full revaluation.
- V. An annual review of demand which will take into consideration, cultural and economic changes.
- VI. An annual review of materials to ensure allowances for sustainability options and energy efficiency to help combat fuel poverty.
- VII. A review of costs against the building price indices.
- VIII. A review of the local context in which the contracts are being delivered and monitored.
- IX. A test against housing for varying needs disability legislation and sustainability guidance for all projects.
- X. An appraisal of the contractor's performance by staff.

- XI. An overview of operational performance indicators (KPI's and OPI's) that link to targets and risks associated with the delivery objectives.

Housing Demand

The stock is generally in good condition and there is demand for the majority, of our homes and services. Our most recent tenants' satisfaction survey stated that 94.5% of our tenants were very or fairly satisfied with the overall service supplied by CDHA compared to the Scottish average of 89% and a peer group average of 90.5%.

All our stock is located within the Cathcart & Mount Florida area. The Associations stock by age profile is contained within Table 1 below:

Table 1

Pre 1919	1919-1944	1945-1964	1965-1982	Post 1982	Total
281	113	97	61	44	596
47%	19%	17%	10%	7%	100%

Whilst not a comprehensive needs/demands assessment, our housing waiting and transfer lists by apartment size gives an indication of demand within table 2 below. This is a fluid list and is regularly cleansed so as to remain as live as possible.

Table 2 (July 2022)

Apartment Size	Waiting List	Transfers	Waiting List + Transfer
1 / 2 apt	207	7	214
2 apt	250	42	292
2 / 3 apt	31	3	34
3 apt	171	22	193
3 / 4 apt	26	1	27
4 apt	64	11	75
4 / 5 apt	15	3	18
5 apt	26	0	26
Total	790	89	879

The strategic challenge facing the association is maintaining and carrying out an assessment of house types and size within the demand for our stock to ensure the financial viability of the organisation and be demand led. Potential demand challenges arise from the impact of further welfare reform and the aftereffects of the Covid-19 pandemic.

CDHA priorities and challenges

Action by CDHA	Measures of Success
<p>Provide CDHA tenants with a reactive repairs service that is fast, efficient, and effective</p>	<ul style="list-style-type: none"> • Embed a new repair service from Everwarm who was appointed in August 2021 • Maintain local office and staff based in our communities • In house teams' performance in meeting CDHA quality standards and delivering service within available financial resources • Inspections provide assurance about quality of works carried out by external contractors
<p>Reactive repairs service is valued highly by tenants</p>	<ul style="list-style-type: none"> • High levels of tenant satisfaction maintained, and tenant feedback used to make changes where needed • Staff monitor repair timescales and report regularly to team leaders. Any issue is quickly taken up with contractors • Excellent performance achieved in relation to Charter Indicators and CDHA's own key performance indicators
<p>Future proof CDHA's housing, by protecting and sustaining our ageing housing stock</p>	<ul style="list-style-type: none"> • CDHA's approach makes greater use of proactive inspections of our stock and the introduction of the Home Master asset management system • All CDHA stock continues to meet the Scottish Housing Quality Standard (other than exemptions and abeyances) and EESSH • CDHA's spending on major repairs and replacements is planned effectively, with reference to the Asset Management Strategy, up to date stock condition survey data, life cycle costings and Financial Business Plan • Plan and deliver the programmes of major repairs and cyclical maintenance approved by SMT and Committee of Management, also review/update programmes annually • Strategy in place to guide CDHA's approach to achieving the Scottish Government's 2032 climate

	<p>change targets, with an initial emphasis on replacing heating systems</p> <ul style="list-style-type: none"> • Positive feedback received from tenants about CDHA's communications on works to be carried out, and the quality of the completed works
Maintain the quality of the housing stock and ensure tenant safety through CDHA's cyclical maintenance programmes	<ul style="list-style-type: none"> • CDHA meets all legal obligations relating to stock/tenant safety (e.g., gas servicing, fire safety, asbestos management, water hygiene) • Life cycle assumptions and up to date property inspections are used to decide programming of cyclical work of an elective nature (e.g., painter work, programmes and environmental works etc.)
Getting the best value from CDHA's assets	<ul style="list-style-type: none"> • Maintain present high levels of demand for CDHA's stock • Achieve continued improvements in void relet times and void rent losses, also review current let standards in accordance with
Action by CDHA	Measures of Success
	KPIs set annually by SMT and Committee of Management
Provide services that deliver good value for money	<ul style="list-style-type: none"> • Up to date property surveys allow evidence-based targeting of resources. • Repairs and planned maintenance are affordable under the budgets set by SMT and Committee of Management • CDHA's best value approach delivers added value for residents (e.g., enhanced estate and environmental services by in house teams) • Best practice approach to procurement, to achieve affordable solutions and community benefits

Appendix 1

Components life cycle replacements and mandatory checks.

The table below shows our component list and life cycle expectancy.

Component	Component Life (in years)
Bathroom replacement	25
Combi boiler	18
Radiators and pipework	36
Door Entry	30
EICR Tenancy	5
EICR Close	5
Emergency Lighting test	1
Close Door	30
Flat entrance door	30
Rear Close door	30
Close decoration	7
Fences/bin store surrounds	30
Kitchen replacement	18
Pathways	40
Rewire	35
Roof Replacement	45
Wet room replacement	25
Window Replacement (flat)	30
Window Replacement (close)	30

Cathcart & District Housing Association Equality Impact Assessment

Name of policy to be assessed	Asset Management Policy	Is this a new policy or a review?	Review
Person completing the assessment	Christine Leitch	Date of Assessment	9.8.22

1. Briefly describe the aims, objectives and purpose of the policy	The purpose of this strategy is to provide clear direction and a sense of purpose for all matters relating to our assets (our properties) This policy will enable staff to positively engage with tenants, contractors, other staff and arrange maintenance projects, procure contracts and contractors and ensure that fairness and transparency is visible at all stages of our Asset Management work
2. Who is intended to benefit from the policy? (e.g., staff, applicants, tenants, staff, contractors)	Tenants, contractors, owners, staff, committee members, and other stakeholders
3. What outcomes are wanted from this policy? (e.g., benefits to customers)	The policy is designed so that anyone can get a sense of how we procure contracts, manage contracts and how they impact on all service users as detailed above. The aim is that it is clear and concise and is one of our major management policies demonstrating how we work with our properties.

4. Which protected characteristics could be affected by the policy (tick all that apply)

Minority Ethnic: X
 Gender:
 Disability: X
 Sexual Orientation:
 Marriage/civil partnership:

Age: X
 Religion/belief:
 Transgender:
 Maternity/Pregnancy:
 Socio-economic status:

5. If the policy is not relevant to any of the protected characteristics listed in part 4. State why and end the process here.

N/A

6. Describe the likely positive or negative impacts the policy could have on the groups identified in part 4.

Positive Impacts

We will always endeavour to have any policy translated to a requested language. Our asset management strategy takes account of needs for disabled adaptations to our properties, and we always ensure that tenants and owners choices are reflected where possible i.e., kitchens and bathrooms

Negative Impacts

Our policies are written in plain English there could be a wait to have it translated.

 All communications are written in aerial 12 font which could be a hindrance for anyone with a sight impairment. We are able to enhance the print on request.

<p>7. What actions are required to address the impacts arising from this assessment?</p>	<p>We offer translation where needed We offer larger print where needed Ensure communication with tenants and owners on all contracts that affect the components within their property</p>
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Signed: Christine Leitch

Date: 9/8/22