



# Interim Asset Management Strategy

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## 1. Introduction

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. It 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 to people in housing need
- Land that is 'banked' 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
- Financial strength that underpins the organisation to ensure that we achieve our strategic objectives

We rely on all of these to deliver our key objectives.

## 2. Our Strategy and Plan

Our Asset Management Strategy (AMS) and Asset Management Plan (AMP) is to ensure that we 'make the most of what we have got' and that it supports our three pillars of regeneration: Physical, Economic and Social as set out in our Business Plan 2022-2025.

Our AMS focuses primarily on the 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 objectives and contributes to the long-term sustainability of the organisation.***

### **3. Purpose of our Asset Management Plan**

The purpose of our Asset Management Plan is to:

- Set out the framework for our approach to managing our assets in order that we achieve our aims and objectives both now and in the future.
- Propose a working document –an action plan- to assist with continual improvement in the efficient and effective delivery of the Asset Management Strategy.

The objectives of the plan are as follows:

- to produce an asset profile of the housing stock
- to state the value of the stock
- to review the findings of the most recent stock condition survey against the current and future repairs and maintenance requirements
- to focus on the Association's new build priorities, tenure diversification, the Energy Efficiency Standard for Social Housing (ESSH & ESSH2), maintaining the Scottish Housing Quality Standard (SHQS) and managing voids, amongst other priorities, which will be outlined in detail
- to set out our approach to asset investment
- to evaluate the Association's housing stock against existing housing needs and demand information
- to clarify ng homes' understanding of customer needs and detail how we ensure we keep abreast of changing needs of current and potential customers
- to provide an integrated understanding of the 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 to take to mitigate against the effects of these risks
- produce an action plan detailing how we will challenge ourselves to continually improve and remain effective and efficient in supporting our strategy.

#### 4. Asset Value

As at March 2021 the stock has an asset value of just over £106m for the rented properties and £1.4m for other fixed assets. The commercial properties (last valued in a once only valuation in 2014) is as listed below:

<b>Commercial Assets</b>	<b>Yr Built/ Refurb</b>	<b>No of Units</b>	<b>Yr. 1 Gross Rent</b>	<b>EUV  £</b>	<b>MV  £</b>
Ned Donaldson House (Own-Occupied)	2001	1		400,000	400,000
264 Saracen Street (Let to Pollok Credit Union)	n/a	1	7,500	60,000	60,000
252 Saracen Street	2011	1		320,000	320,000
10 Vulcan Street (Own-Occupied)	2011	1		130,000	130,000
33 Lenzie (Concierge Office Own-Occupied)	2011	1		125,000	125,000
<b>Total</b>		<b>6</b>		<b>1,035,000</b>	<b>1,035,000</b>
43 Atlas Road - owned by DSG				65,000	65,000
				<b>1,100,000</b>	<b>1,100,000</b>

#### 5. Social and Economic Context

ng homes, the trading name of North Glasgow Housing Association, was established in 1976 as a community based housing association and we have continuously promoted the values of community engagement, opportunity and local prosperity.

The business has grown dramatically in scale and complexity since then with 3,000 units added through the Large Scale Voluntary Transfer (LSVT) programme from GHA, 800 house transfer from Scottish Homes, smaller scale transfers from GCC and with over £100m in building or improving homes for local people. At the moment, we have 5,424 social rent properties and 1,275 factored owners and 21 mid-market rent units.

Economic conditions have continued to be depressed during the period of the Business Plan. Cutbacks by councils and others are reducing income streams and increasing pressure on our

tenants. For the duration of the organisation's strategic Business Plan 2022-25, it is not expected there will be any new build developments

Our stock condition survey is currently being updated from the full survey completed in 2019/20. The aim for the medium/long term strategy is to always keep our stock in reasonable and lettable condition and will form part of our Business Plan and other strategic documents.

## 6. Our Housing Stock

### Housing provision

ng homes owns a total of 5,424 self-contained properties for social rent as shown in the table:

Stock Type	1 apt	2 apt	3 apt	4 apt	5 apt+	Total	% of total
Multi-storey flats	0	358	578	0	0	936	17.3%
Deck access/ Other flats	51	149	101	83	17	401	7.4%
Tenement flats	27	768	1,267	316	6	2,384	43.9%
4-in-a block cottages	0	57	743	160	1	961	17.7%
Houses	0	6	341	327	68	742	13.7%
<b>Total</b>	78	1,338	3,030	886	92	5,424	
<b>% of total</b>	<b>1.4%</b>	<b>24.7%</b>	<b>55.9%</b>	<b>16.3%</b>	<b>1.7%</b>		

From the stock figure of 5,424 there are 83 properties excluded from the letting pool. These are decant properties being held for structural repair and pending an options appraisal on future use. In addition to this, there are 21 units for mid-market rent and 35 sharing owner properties. This figure does not include 3 office premises and one newly built commercial unit.

The Business Plan has assumed that 122 properties will be demolished, subject to appropriate permissions. Provision has been made for demolition, decant and home loss and disturbance payments within the projections.

Our housing is geographically concentrated in 4 adjoining neighbourhoods across North Glasgow, approximately 2 miles from Glasgow city centre. The Springburn area has the largest share of stock (40%), most of which are flats including multi storey and deck access properties. This contrasts with Parkhouse, our smallest neighbourhood (9% of stock), has mostly houses and 4-in-a-blocks. Balornock accounts for 25% of the stock with an even split between flats, houses and 4-in-a blocks. Possilpark accounts for 26% of stock, with a majority of flats but with a sizeable proportion of houses.

### **General Needs**

The majority of our housing stock is general needs which is let to single people, couples and families. These properties are let in line with our Allocations Policy.

### **Housing for Older People**

We have housing for older people at:

- Hawthorn Street
- Carron Crescent
- Kemp Street
- Gourlay Street
- Barloch Street

Our retirement housing is available to applicants over 50 years of age and allows our tenants to live independently. Retirement Housing Officers work from a hub at Hawthorn Street and provide regular visits to each complex. In addition to this, staff can be on site to assist tenants with social activities. Concierge carry out security patrols at each of the complexes out of hours and at weekends.

### **Particular Needs**

We have 44 elderly amenity flats and 22 wheelchair properties spread across our areas. A significant proportion of our stock has been physically adapted to meet medical needs, supporting tenants to remain in their own homes

### **Supported Housing / Special Lets**

We provide housing which is leased to a variety of agencies to allow tenants with a range of different needs to live in our communities. These agencies include but are not limited to:

Agency	Springburn	Possilpark
Glasgow City Council	90	26
Mears	60	39
Phoenix Futures	_____	11
Key Housing	3	_____
Penumbra	_____	1 x 8-bedroom unit
Mungo Foundation	_____	1 close with 10 flats
Richmond Fellowship	_____	3
Quarriers	1	_____

### Housing Initiatives

ng homes supports the Government’s mortgage-to-rent scheme and other initiatives to prevent people losing their home, and will continue to pursue Mortgage to Rent purchase and shared ownership buy-backs where these make business sense. Over the past few years, ng homes has undertaken a modest programme of one-off existing market purchases, where this meets our financial and other criteria (e.g. to help consolidate common factoring and houses suitable for tenants with medical support requirements). This programme has benefitted from grant support from Glasgow City Council, adding value to our business.

### Factoring Service

ng homes provides a factoring service to 1,275 owners, managing properties and supporting owners. We consult owners in terms of future investment and have a quarterly owners forum to discuss topics of interest. We benchmark our management fees against other local Housing Associations and our fees are very competitive within the sector and less than Private Factors.

### Concierge Service

ng homes currently has a 24 hour Concierge service that covers its multi-storey flat areas 365 days per year. The Concierge service includes:

- Cleaning the multi-storey flat and deck access communal areas
- Clearing out empty houses in the multi storey flat area
- Assisting tenants
- Maintaining and preparing the bin area for cleansing uplift
- Safety patrols around our areas and offices

- Monitoring our CCTV
- Assistance at weekends for our elderly tenants

Our Concierge provide emergency support out with office hours and tenants and staff provide very positive feedback on this service. The quality of the service has been recognised by Keep Scotland Beautiful who awarded 2 Gold and 12 Silver National Awards for Environmental Excellence to four of our multi-storey blocks, which was a first for a Housing Association.

### **Handyperson Service**

ng homes provides a handyperson service to all tenants who are over 60 or disabled. This is a free service that can be utilised to assist with small repairs such as putting up curtain rails, changing a light bulb or fitting a shelf. The tenant provides the materials and labour is provided by ng homes.

## **7. Housing Demand/Need**

The findings of an independent demand analysis that was carried out by Northstar Consulting Services reinforced what we know already, that despite the fall in population there is currently demand for the majority of our homes with our highest demand areas being Parkhouse and Balornock. We have a healthy waiting list of over 3,000 applicants, which is an increase of 1,000 from 2019/20 and our waiting list is significantly higher than other neighbouring Housing Associations. This demonstrates that we do have a demand for our stock. Some of our accommodation however including Possilpark tenements and the Balgrayhill Road deck access homes are in low demand. The plan assumes that 122 of these low demand properties will be demolished over the next three years.

In general, turnover in the last 5 years has ranged between 5% and 20% with an overall average of around 10% per annum. The turnover in tenements and deck access houses has been higher than the turnover for main door houses and multi-storey flats and turnover is at its highest in Possilpark. We will analyse these high turnover areas, to determine which specific patches, streets or closes are low demand and this will, in accordance with our Asset Management Strategy, allow our Board to make informed investment decisions in future.



Whilst not a comprehensive needs/demands assessment, our housing waiting and transfer lists by size and type gives an indication of demand:

<b>Table 2: Waiting List by size and type</b>						
<b>Size</b>	<b>No. on Waiting List</b>	<b>Houses</b>	<b>Flats</b>	<b>Cottage Flat</b>	<b>Multi Storey Flat</b>	<b>Deck Access</b>
2apt	740	286	567	485	224	17
3apt	1363	816	1037	1125	270	285
4apt	696	558	454	581		139
5apt	220	195	137	157		53
6apt+	52	42	27	33		13

Based on both our housing waiting list (Table 2 above) and transfer lists (Table 3 below), it appears that the most demand is for our cottage flat properties.

<b>Table 3: Transfer List by size and type</b>						
<b>Size</b>	<b>No. on Transfer List</b>	<b>Houses</b>	<b>Flats</b>	<b>Cottage Flat</b>	<b>Multi Storey Flat</b>	<b>Deck Access</b>
2apt	309	103	200	182	53	17
3apt	594	320	350	460	55	31
4apt	269	228	129	230		28
5apt	86	79	36	66		10
6apt+	20	16	9	17		3

The average waiting time by apartment size is shown in Table 4 below, from which it appears that demand is highest for our two, three and four apartment properties:

<b>Table 4: Average waiting time on Waiting and Transfer List.</b>					
<b>Length of time</b>	<b>2apt</b>	<b>3apt</b>	<b>4apt</b>	<b>5apt</b>	<b>6apt</b>
<b>Less than 6 months</b>	157	256	73	18	2
<b>6 Months-11 months</b>	200	327	104	22	5
<b>12-23 Months</b>	232	494	174	47	7
<b>24-36 Months</b>	145	320	161	48	7
<b>37-48 Months</b>	105	176	126	53	14
<b>4 years plus</b>	231	412	327	118	33

Table 5 below shows the age profile of people waiting to be housed and the highest demand comes from those in the 21-30 age group for 3apt properties.

<b>Table 5: Waiting list &amp; Transfer List by age group</b>					
<b>Age Group</b>	<b>2apt</b>	<b>3apt</b>	<b>4apt</b>	<b>5apt</b>	<b>6apt</b>
20 and under	38	29	0	2	0
21- 30	243	502	112	12	4
31- 40	171	467	378	99	21
41-50	131	315	299	138	29
51-64	270	438	152	52	13
65+	213	228	26	4	2

Turnover of our stock at 2021/2022 is outlined in Table 6 below:

<b>Table 6: Turnover 2021/22</b>						
<b>Apt Size</b>	<b>House</b>	<b>Tenement</b>	<b>Cottage</b>	<b>Multi Storey Flat</b>	<b>Deck Access</b>	<b>Total</b>
2 Apt	2	91	5	51	3	<b>152</b>
3 Apt	17	124	37	58	12	<b>248</b>
4 Apt	7	19	6		19	<b>51</b>
5 Apt+	1				3	<b>4</b>
<b>Totals</b>	<b>27</b>	<b>234</b>	<b>48</b>	<b>109</b>	<b>37</b>	<b>455</b>

When considering these figures against our waiting list, we can give an approximate indication of the length of time an applicant will have to wait on the list to get a house as set out in Table 7 below.

<b>Table 7: Years to Wait</b>					
<b>Apt Size</b>	<b>Houses</b>	<b>Tenement</b>	<b>Cottage</b>	<b>Multi Storey Flat</b>	<b>Deck Access</b>
2 Apt	10yrs +	8	10yrs +	5	10yrs +
3 Apt	10yrs +	10yrs +	10yrs +	5	10yrs +
4 Apt	10yrs +	10yrs +	10yrs +	no turnover	8
5 Apt+	10yrs +	no turnover	no turnover	no turnover	4

Based on years to wait, it appears that there is most demand from cottage flats and houses.

Based on 2012 figures, the levels of social rented tenancies were above the Scottish average and owner-occupation was below the Scottish average at 65% social rented and 35% privately owned.

Since then, the Springburn and Canal wards has changed across the last decade. The demolition of the Red Road flats together with the Pinkston multi-storey flats that were on the North Bridge site has changed the position. Taken together with another five years of Right to Buy up to the date of its abolition helped to change the position. Based on the 2018 numbers the position had altered to 52.5% social rented and 47.5% privately owned.

Beyond 2018 there is a substantial increase in private and mid-market developments in the area. The North Bridge development will bring 824 owned units and private rented. The redevelopment of the distillery site is resulting in 84 social housing and 500 private units. The Hamiltonhill redevelopment by Queens Cross HA will result in 350 units for sale and 320 for social housing. The redevelopment of the Ruchill Hospital site will result in 403 private units.

Taken together with other developments there has been a significant change in the area with private ownership over 50%. The development of the Keppochhill Park site (bounded by Keppochhill Road, Carlisle Street and Hawthorn Street) which will follow on from North Bridge will further augment the area.

## **8. Underlying Principles**

The Business Plan 2022/25 outlines the purpose and sets the direction for ng homes in the next few years. A key strategic objective in this plan is to 'maintain properties to the highest possible standard'.

Our underlying principles are:

- protecting tenants' interests in terms of keeping rents affordable and ensuring adequate resources for maintenance
- ensuring adequate staff resources to deliver services
- meeting SST commitments
- retaining the confidence of private lenders
- sustaining good financial performance

## 9. Asset Management

The Asset Management Strategy is a key document in this context, as it outlines how ng homes will manage its housing assets and resources to achieve this objective.

Our stock condition survey process is always ongoing and this allows us to continually update our plans and review our Asset Management Strategy together with an updated asset database.

### Fire Safety – High Rise Flats

Following the Grenfell Tower Fire in North Kensington on 14 June 2017, the Scottish Government ministerial working group is examining building and fire safety regulatory frameworks (Fire (Scotland) Act 2005 as amended, and the subsequent Fire Safety (Scotland) Regulations 2006 with a particular focus on high rise buildings.

The Association has 14 high rise blocks, situated in:

9	Carron Crescent	Glasgow	G22 6BW
19	Carron Crescent	Glasgow	G22 6BP
29	Carron Crescent	Glasgow	G22 6AX
15	Croftbank Street	Glasgow	G21 4LP
22	Viewpoint Place	Glasgow	G21 3AU
42	Viewpoint Place	Glasgow	G21 3AS
250	Edgefauld Road	Glasgow	G21 4YX
70	Broadholm Street	Glasgow	G22 6SW
178	Balgrayhill Road	Glasgow	G21 3AH
198	Balgrayhill Road	Glasgow	G21 3AH
53	Carbisdale Street	Glasgow	G22 6BL
12	Eccles Street	Glasgow	G22 6BH
15	Eccles Street	Glasgow	G22 6BJ
195	Fernbank St	Glasgow	G22 6BQ

The Association has stringent standards which contribute to keeping people safe, and has instructed fire safety risk assessments to all of its multi-storey flats and other properties. As a result, the Association has embarked upon extensive works to the multi-storey blocks as follows:

Legislative, regulatory compliance and investment works project across 6 multi- storey blocks (24 /25 storeys high) at Balgrayhill Road, Edgefauld Road, Croftbank Street and Viewpoint Place consisting of the following:

**Legislative Works** – (including Water and Fire Safety)

Replacement of cold-water systems, installation of communal fire alarms, building management systems, door entry, fire compartmentalisation, service riser fire dampeners and 60-minute fire resistant flat doors

**Regulatory Compliance Works** – (EESSE Energy Efficiency)

Air Source Heat Pump District Heating System

**Investment Works** – (2nd stage transfer commitment)

Property Security Alarms / Cold water systems

Legislative, regulatory compliance and investment works project across 7 multi-storey blocks in the Carron Estate. (4 x 15 storey and 3 x 8 storey tower blocks) consisting of the following:

**Legislative Works**– (Fire Safety)

Installation of 60-minute fire resistant flat doors and common fire doors and screens. panels.

**Regulatory Compliance Works** – (EESSE Energy Efficiency)

Air Source Heat Pump District Heating System

3 x Roof top Solar Panel array (3 x 80 panels)

**Investment Works** – New roof coverings 3 x 8 storey blocks.

**Scottish Housing Quality Standard (SHQS)**

The SHQS was introduced in 2004 and all social housing in Scotland had to be brought up to this standard by 2015.

The SHQS has 40 elements within 5 housing criteria. The standard requires all dwellings to:

- Meet the tolerable standard
- Be free from serious disrepair
- Be energy efficient
- Be equipped with modern facilities and services
- Be healthy, safe and secure

## Energy Efficiency Standard for Social Housing (ESSH)

The ESSH is based on a minimum energy efficiency rating, as defined within the Energy Performance Certificate (EPC) for a property. The energy efficiency rating is taken from SAP energy calculations and the ESSH uses the 2009 version of SAP as its basis. Since January 2009 we have been obliged to provide an EPC for each of our properties at the time of re-let. The EPC gives an energy efficiency rating which will be used for ESSH purposes.

The ESSH sets a single minimum Energy Efficiency rating that must be achieved. The rating varies depending on fuel type and general dwelling type. It does not differentiate between construction types or age of properties:

<b>EPC Rating</b>	<b>The number of properties with a valid EPC</b>
A	0
B	188
C	3560
D	874
E	88
F	18
G	0
<b>Total</b>	<b>4728</b>

<b>Of the properties with a valid EPC, please state which version of the SAP was used for generating the EPCs</b>	<b>Number of Properties</b>
SAP 2001	0
SAP 2005	0
SAP 2009	14
SAP 2012	4714
Other/Unknown	0
<b>Total</b>	<b>4728</b>

The standard does not prescribe how RSLs are to achieve these minimum energy efficiency ratings but provides a list of 'reasonable measures' that we can consider when deciding what works we will undertake to bring properties up to the minimum rating.

These measures are felt to represent a good balance of cost and benefit in the reduction of energy consumption:

- Condensing boilers
- Double/secondary glazing
- Heating controls
- Storage heaters
- Loft insulation top-up
- Floor insulation
- Compact fluorescent lighting
- Solid wall insulation (external)

ng homes will plan our future budgets to allow us to meet the standard in as many properties as possible and apply for exemptions should this be necessary.

It is accepted by the Scottish Government that there were situations where RSLs are unable to meet the EESSH by 2020, due to circumstances out with their control. They have, therefore, included a number of categories where RSLs can claim a 'Temporary Exemption' from meeting EESSH.

There are six possible categories of exemption:

- a) Technical: Where the construction of the property means that the building is unsuitable for energy efficiency measures. It is expected that this will be very rare and new technologies in the future may help address the issues.
- b) Legal: For example, where a property is listed or in a conservation area and required measures cannot be installed. Again, it is anticipated that these types of cases will be rare.
- c) Excessive cost: Where the cost exceeds any possible benefit to tenants.

- d) Social: Where a tenant and / or owner or sharing owner refuse to participate and the measures cannot reasonably be undertaken without their consent. The RSL is expected to make every reasonable effort to secure the participation of all parties and is expected to regularly review the situation, particularly when tenancies change, etc.
- e) Disposal: Where the landlord's long term asset management strategy is to dispose of the property either through demolition or sale.
- f) Funding: The RSL is expected to show that it has made all reasonable efforts to secure funding and is expected to regularly review the funding situation.

RSLs are expected to regularly review the circumstances of all cases where they are claiming temporary exemptions. It is anticipated that advances in technology will mean that some measures may become technically achievable in the future and changes in funding may make them affordable.

In addition, RSLs are expected to undertake all measures they can to a property to improve its energy efficiency, even if it will not fully meet the Standard.

We have a strong track record in securing grant support to assist energy efficiency improvements.

The table below shows the number of properties meeting the EESSH Standard at 31<sup>st</sup> March 2021 which is 87.7% of our stock:

<b>No. of properties meeting EESSH standard 2020/2021</b>	<b>Gas</b>	<b>Electric</b>	<b>Other Fuels</b>	<b>Total</b>
Flats	2179	870	62	<b>3111</b>
Four-in-a-block	925	10	0	<b>935</b>
Houses (other than detached)	664	2	0	<b>666</b>
Detached houses	16	0	0	<b>16</b>
<b>Total</b>	<b>3784</b>	<b>882</b>	<b>62</b>	<b>4728</b>



There are 666 properties without an EPC. 524 of these are considered to be exempt from the EESSH Standard (see table below). In the next reporting year, a programme will be put in place to achieve 100% compliance.

<b>Reasons for properties having an exemption from EESSH</b>	<b>Number of Properties</b>
Technical	130
Social	84
Excessive Cost	246
Long Term Voids	64
<b>Total</b>	<b>524</b>

### **Reactive maintenance**

This relates to reactive repairs to the housing stock and repairs to empty homes. The service standards are set out in ng homes Maintenance Policy and information sheets available to service users.

We follow our Gas Policy and Procedures and are 100% fully compliant with regard to our reactive gas maintenance service and have a single gas servicing contractor to undertake the works. This was in order to control cost, improve performance and increase tenant satisfaction.

At March 2022, 79.3% of our tenants were satisfied with the overall repairs service.

### **Environmental Management**

The environmental management service consists of a comprehensive range of works that include the maintenance of common areas, such as close cleaning, environmental hit squads, playpark management and litter-pick up services. There are 468 closes that get cleaned weekly also in this schedule are the cleaning of the backcourts and bin sets on these visits. The environmental hit squads are a reactive service which help keep all ng homes areas free from bulk refuse and fly tipping.

Our Landscape Maintenance Contractor is ng2 and the current contract runs until December 2022. This contract includes front garden maintenance (14 cuts per year) as well as hedge cutting and shrub bed maintenance.

## **Cyclical**

The term cyclical is used to refer to the regular maintenance and preservation of components.

The main focus of cyclical work tends to consist of annual gas safety checks, external and common paint works. At ng homes the range of cyclical work has been extended to include smoke detector / CO detector replacements, electrical inspections, lift maintenance and gutter cleaning.

Any contract over the value of £50,000 is awarded after an open and competitive procurement process and placed on the Public Contracts Scotland website.

## **Planned Maintenance**

We plan to invest dependent on the timing of various contracts and the procurement process being completed on time. All future investment will be determined by the following key strategic drivers:

- legislation requirements
- regulatory requirements
- stock condition.

Planned improvement works are wide ranging and consists of the replacement of components that are in need of renewal. The main areas of planned improvement work will consist of kitchen and bathroom replacements and rewiring works, door upgrades, installation of boilers and the upgrade of central heating systems and fire safety works

## **Life Cycle Costing**

The need to deliver sustainable buildings means ng homes need to consider the future ramifications that current decisions about our stock will have and use the standard method of life cycle costing which aligns with the maximum lifespans within the Building Cost Information Service (BCIS) and published in the 'Life Expectancy of Building Components' and BCIS Building Running Costs online.

## **Asbestos**

ng homes has an asbestos policy and register and undertakes an annual programme of surveys. The register is provided to all contractors ng homes use on reactive and programmed maintenance. Asbestos identified has been minimal, low-risk and subsequently managed and left in-situ pending renewals of components.

## **Legionella**

ng homes have appointed a specialist contractor with proven experience in this type of work to carry out inspections and maintenance of water tanks and update registers detailing when this was done.

## **Adaptations**

ng homes faces a challenge of meeting increasing demand for adaptations in a period of public expenditure constraints. In order to maximise adaptations and address demand, ng homes will undertake medical adaptations in line with its medical adaptations policy. We received a funding allocation of £150,000 to carry out medical adaptations from the Scottish Government during 2020-21.

## **Procurement**

ng homes is committed to open and competitive procurement. All tenders comply with ng homes financial regulations and current procurement legislation. Where applicable, procurement has a sustainability and local training and employment focus. The annual budget and financial forecasts include a sum for external consultancy support.

On an annual basis ng homes reviews and maintains stock condition data and produces proposed work programmes. This process includes collecting and analysing information on tenant demand.

All reactive and programmed work is monitored to ensure:

- Work proceeds and is completed within timescale
- Work is completed within budget and potential over spends are addressed quickly and decisively
- Tenant satisfaction is monitored to ensure service standards are realised

## **10. Risk Management**

The role of Governance and meeting statutory compliance is a key risk for ng homes in the context of asset management as is maintaining demand for our stock and ensuring we achieve high levels of resident satisfaction. Our Board's role is to deliver the business purpose, which is set out in our Business Plan together with our governance structure.

ng homes has to maintain SHQS compliance and adapt to potential enhanced energy efficiency standards. ng homes has a comparatively low turnover of stock and demand exceeds supply. The financial challenge of welfare reform presents a significant risk to the organisation. This will increase

pressure on operating costs and the scale of bad debt. This presents a risk in the context of maintaining demand and funding any new legal obligations the organisation has to meet.

ng homes plans and controls its finances by setting annual budgets which includes an accurate assessment of the full cost of each activity and a fair allocation and apportionment of costs. This is a necessary part of the governance structure of the Association as it sets out the financial objectives, actions and initiatives agreed by the board for the year ahead. Not to prepare the budget and failure to submit would be a failure in controls and a breach of agreements.

The risk is mitigated by the proper preparation of the budget and consideration of such against required standards. The budgets are reviewed at management and Board level and submitted to the Regulator within agreed timetables. Ongoing external stock condition survey work also supports the management and control of this risk.

ng homes take a pro-active approach to risk management. Two separate strands are evaluated; strategic and operational, in line with our current Risk Management Strategy. Quarterly Risk Reviews are undertaken by the Senior Management Team, along with quarterly departmental reviews. A Strategic Investment & Regeneration Risk Register is maintained and updated regularly. The Board of Directors receive regular reports to monitor performance and manage risk.

## **11. Conclusion**

Our Asset Management Strategy sets out our approach to managing and maintaining our property assets now and in the future. Over the next 30 years we intend to invest over £352m via our planned maintenance programme and reactive and cyclical maintenance.

This Strategy will prioritise current and future investment to meet EESSH2, affordable warmth and our obligations in respect of health and safety. Our plans are being put in place to continually improve on our high repairs performance and high levels of customer satisfaction with the repairs service. Our proposals for investment and improving service delivery will be underpinned by customer consultation and engagement.

We will develop neighbourhood strategies to ensure that we invest in properties in sustainable environments and robustly assess the future life and investment requirements of our stock. We will also develop stock disposal strategies for consideration by the Scottish Housing Regulator and local authorities where appropriate.