



Asset Management Strategy 2021 - 2022

Ref: G01

Purpose of Strategy: The Asset Management Strategy is set to ensure the properties and estates we own and manage remain in good condition, are well maintained and provide comfortable homes for our tenants and other customers.

Strategy Monitoring Details	
Department:	Property Services
Author:	Amanda Hay Property Services Director
Status:	Group Strategy
Date Approved by Board:	31 March 2021
Updated:	
Planned Review Date:	<i>Generally 5 years after approval</i>
Regulatory Outcomes being achieved:	<p>Governing Standards</p> <p>GS 1 The Governing Body leads and directs</p> <p>GS 2 The RSL takes account of the needs and priorities of its tenants and service users</p> <p>GS 3 The RSL financial management and resources</p> <p>GS 4 The Governing Body decision making</p> <p>GS 7 Organisational changes or disposals</p> <p>Charter Outcomes</p> <p>4. Quality of Housing – Meet SHQS when allocated and meet EESSH</p> <p>5. Repairs, maintenance and improvements</p> <p>13. Value for Money</p>
Tenant Consultation Required:	<i>Yes - Specific areas will be surveyed during course of the Strategy</i>
Equalities Impact Assessment	<i>Initial</i>

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1. Introduction

- 1.1** The Asset Management Strategy sets the Association's business outlook and business practices on Asset Management and sets out how the Association will maintain assets, linking to its Corporate Objectives through the Group Strategic Plan.
- 1.2** The Asset Management Strategy will cover the period 2021 – 2022 and will be reviewed in 2022 to then run in alignment with next Strategic Plan 2022 - 2027.
- 1.3** The aim of the Asset Management Strategy is to ensure the properties and estates we own and manage remain in good condition, are well maintained and provide comfortable homes for our tenants. Across the Manor Estates

Group the Senior Management Team (SMT) and staff teams currently operate with :

- Annual Board Strategy input
- Manor Estates Group Strategic Plan
- Quarterly 90 Day Execution Plans
- Regular Internal Audit
- Asset database
- Property Management Policy
- Maintenance Service Standards
- Energy Efficiency Strategy
- Customer Engagement
- Owners Policies and
- 25 Year Business Planning Cycles,

all working together to ensure the overall Strategic overview aligns into the operational Asset Management system.

1.4 Through the term of this Strategy update we will establish an action plan (**Asset Management Strategy Action Plan Appendix 8**) to cover items of work and areas of research and development for inclusion in the next Strategy 2022 – 2027.

1.5 In addition the SMT will review the Scottish Housing Regulator (SHR) Strategic Asset Management Recommended Practice, which was subject to consultation in 2020 and anticipate publication during the next year, and incorporate amendments from this into the next Strategy 2022 -2027.

1.6 The Asset Management Strategy will look ahead to future priorities both for the housing sector and the Association itself, and build in resource to achieve them in the regulated timeframes. The Association is currently completing programme of smoke and carbon monoxide detection upgrades to meet the revised legislation. It is anticipated that there will be a future requirement to review flat doors, at entrance to individual flats from the common stair, as standards of fabrication and compliance are currently being reviewed. In addition the Association will consider the move to greener energy sources for all existing and new build properties and non domestic buildings.

2. Principles

2.1 Asset Management Objectives

2.1.1 The Association's Asset Management Strategy is developed from the Strategic Plan objectives :

1. Invest in and develop the assets of the organisation, using our resources effectively to build and maintain good quality homes and neighbouring environments

3. Improve the energy efficiency of the housing stock while providing advice and services to householders which mitigate fuel poverty
4. Support all of Manor Estates activities by ensuring the application of good governance, sound financial control, and risk mitigation complimented by effective and efficient administration

2.2 Asset Management Systems

2.2.1 The Association has followed the **SHR Guide Strategic Asset Management Recommended Practice 2012** and has set its system on the basis that :

- Asset management is an organisational activity, led by corporate leadership with clear designation of delivery and review
- There is good quality data available to measure asset performance, identify and appraise future options and develop delivery plans
- There is sufficient data analysis and systems in place to develop, implement and review asset management plans
- The Association has a clear picture of how its assets are performing against objectives, including customer, condition and financial impact, with additional reports and research programmed as required
- There is recognition that customer engagement is central to our asset management approach, both in terms of satisfaction, quality and future need
- The Association will work towards ensuring that its assets are socially, economically and environmentally sustainable
- Value for money, ***“Doing the right things, in the right way and at the right price”***, will be assessed (defined Strategic Plan 2019-2022, update version 2021)

3. Requirements & Responsibilities

3.1 Asset Management Requirements

The Association’s Asset Management systems will cover :

Landlord Obligations	wind and watertight and reasonably fit for human habitation and healthy, safe and secure
Investment	planned utilisation of financial resource, with minimal ad hoc expenditure
Service	effective day to day repairs maintenance service, void relet standard and planned programme of improvements
Maintenance	ensuring servicing and repair installations for the supply of water, gas, electricity, sanitation, space and water heating and the management of asbestos and legionella
Data records	Full integration of all properties into stock database
Legislative compliance	current legislation SHQS, EESSH1, EESSH2, Property Factor Code of Conduct, Scottish

	Social Housing Charter, SHR recommended practice (2020) when released
Communal Areas	maintaining the communal areas within blocks of flats and any non-adopted common areas within estates
New assets / disposals	reliable mechanism for assessing future asset acquisitions or planning disposals
Asset value	method of appraising value, property and estate
Asset reconfiguration	method for assessing current and projected need, including desirability of property type, location and condition

3.2 Responsibilities

- 3.2.1 The Property Services Director and SMT are responsible for arranging and collating the data needed for formulating and updating the 30 Year Investment Programme.
- 3.2.2 The Property Services Director and Property Services Team arrange the survey assessments, data updates, cost checks and investment programme.
- 3.2.3 The Property Services Director will collate and arrange regular reports, through the budget cycles, contract programme and assurance reports on stock condition, and present to the Audit Committee and to the Board.

4. Stock Condition

4.1 Current Stock Position

- 4.1.1 The Association's current stock profile is listed at **Appendix 1 Stock Profile**, covering Property Types, Age, Stock Nature Build Type, Specialist Assets and Non Domestic Property Assets.
- 4.1.2 The Association is actively managing the achievement of the Scottish Housing Quality Standard (SHQS) target, see **Appendix 2 SHQS Status**. Exemptions required relate to low energy ratings and kitchen facilities lack the defined storage facilities, programmed to be addressed at the next component replacement programme. The stock recorded in Abeyance relates in the main to door entry systems for blocks in mixed tenure stairs where owner occupiers are unwilling to cooperate. The Association actively manages an advertisement programme highlighting the cost and benefit to the owner occupiers.
- 4.1.3 The Association will continue to seek out resources and provide in the 30 year Investment Programme for measures to reduce the number of properties failing the EESSH 1 target. Refer to **Appendix 3 Energy Performance, EESSH 1 and EESSH 2 Status**. The Association is actively managing the planned improvements to increase SAP scoring and to progress to achieve EESSH 1 and EESSH 2 and to increase the energy efficiency of the lowest performing stock.

4.2 Stock Condition Surveys

- 4.2.1 The stock and component information held by the Association on the asset database, and establishing the condition of our housing stock and estates, will be kept up to date and under annual review, and updated annually with the outcomes of the planned maintenance programme works. The annual review process will also take account of any issues raised through regular inspections by Association staff, analysis of reactive maintenance works and feedback from tenants.
- 4.2.2 The information will be refined and expanded through regular stock condition surveys, on a representative sample of the Association's properties, to assess the current condition of the various building components and advise on the remaining useful life and recommended replacement cycles. Through this process we develop target component life cycles, refer to **Appendix 5 Component Life Cycle Replacement Structure**.
- 4.2.3 Surveys may be carried out by the Association's Technical Inspectors utilising their detailed knowledge of the stock, component life-cycles and incidence of component repairs, to establish next component renewal dates. or by appointed consultants. Previous survey history is noted at **Appendix 4 Stock Condition and Stock Valuation History**. We may also carry out specialist surveys where the need for such work is identified through a stock condition survey, routine property inspections or where potentially serious faults are reported by tenants or owners. The next projected programme of surveys is noted and will progress when Covid restrictions are lifted and in line with 90 day planning cycles.

5. Investment Planning

5.1 Investment Priorities

- 5.1.1 The Manor Estates Group rents are set to ensure both affordability for the customer and to ensure a sufficient level of income is received to allow projected Investment Programme spend. It is a fine balance requiring prudence to ensure we get maximum results for each £ expenditure.
- 5.1.2 The Manor Estates Group Strategic Plan sets out areas of priority spend and these are projected into the 30 year Investment Programme.
- 5.1.3 Property components are replaced within target lifecycles, refer to **Appendix 5 Component Life Cycle Replacement Structure**. The target lifecycles are reviewed and assessed with the Stock Condition Survey results and considered for more or less rapid replacements. Where early component failures are suspected these will be investigated by our team of Technical Inspectors and re-planned into the budget for the next annual review.
- 5.1.4 Component specifications may be enhanced, not only with newer technology or innovation, but to seek a desired outcome, such as minimal maintenance or increased life cycle. Amendments will be proposed from Property Services

staff, costed and appraised before incorporation into the 30 year Investment Programme.

5.2 Feedback from Reactive Maintenance Works

- 5.2.1 Throughout the investment planning process the Property Services team takes account of feedback from reactive maintenance repairs, to :
- tailor life cycle replacement plans by identifying when it is more cost effective to replace a component rather than keep repairing it
 - stretch life cycles if components have lasted beyond life cycle expectation by good maintenance
 - refine replacement specifications to get the right balance between initial cost, cost in use and longevity of components

6. Investment Management

6.1 Under the Asset Management Umbrella

- 6.1.1 Information is gathered on stock condition and entered into the asset database, then used to develop a long term investment programme setting out the planned maintenance and component replacement programme for 30 years ahead. This investment programme is fully costed based on component replacement cycles and takes account of our experience of replacement costs from current contract costs, uprated for inflation.
- 6.1.2 The 30 year Investment Programme is updated annually in line with the **Property Management Policy** regular cycle of investment and review. Refinements in budget programmes will be made to accommodate unexpected legislative changes, to balance work flow for the Property Services Team and to ensure affordability for the business in particular to maintain banking covenants across the medium to long term.
- 6.1.3 The detailed maintenance programme for year 1, extracted from the 30 year Investment Programme, is incorporated in the budget for the next financial year.
- 6.1.4 The Energy Efficiency Policy actions will be incorporated to the asset database to ensure inclusion in the 30 year Investment Programme.
- 6.1.5 The EESSH 2 standard is expected to lay the requirement to consider the level of cost effective investment with each organisation. Through the term of this strategy the Association will investigate and evaluate cost benefit of energy efficiency measures and establish a base line policy.
- 6.1.6 Planned work in mixed tenure estates or common stairs will be consulted on and re-charged to owners in line with the **Services to Owners Policy**.

6.2 Rental Demand

- 6.2.1 The Association relets void properties as efficiently as possible to avoid them having a negative impact on the local area or being a cost drain on the business.

- 6.2.2 There are currently no significant issues with lack of demand for any of our properties at present with none having been classed as “long voids” (vacant for more than six months) in the last 3 years. There is however occasional difficulty in reletting retirement housing flats on upper floors. The situation will be kept under review.
- 6.2.3 Through the period of this strategy the Association will collate and analyse valuation data on selected void properties to establish a base line on asset value across the estates.
- 6.2.4 Comparison and benchmarking assessment of rental affordability will follow, to evaluate action required.

6.3 Stock Valuation Process

- 6.3.1 The Association will instruct an independent valuation statement, every 3 to 5 years, to assess the “in use” value of the housing stock. The data will be utilised as a performance measure and to compare value of investment required compared to the Association’s own costed 30 Year Investment Programme.
- 6.3.2 Through the term of this strategy the Association will further analyse the results from the last valuation (2020) across secured stock groupings to establish viability and contribution to the business plan.

7. Risk

7.1 Risk management

- 7.1.1 In line with the Association’s **Risk Management Strategy** all current risks are considered bi-monthly by SMT and reviewed at each Audit Committee meeting. The current risk profile associated with this strategy are :

Financial planning

– insufficient resources, arrangement of cash flow, planned maintenance projections and investment programme, managed by regular stock survey and annual review

Estate Management

– deterioration of areas due to owner occupier unwilling to pay share, managed by estate management plans and regular inspections

Factoring

– full cost of services not recovered, controlled by debt management procedures

Maintenance Contracts

– managed through regular progress reviews and follow up actions

Energy Efficiency Standard for Social Housing milestones at 2020 and 2025 - managed through planned programme, review of asset performance and seeking owners permissions / contributions

Scottish Housing Quality Standard

– managed programme to minimise exemptions and abeyances and regular review

Fire Safety Regulation

– managed review of regulation across stock base

The overview of risks are considered in the Associations Strategic Plan and managed day by day through the 90 day planning network.

8. Customer Consultation

8.1 Methods of Consultation

8.1.1 We gather information on the current and future aspirations of our customers with regard to their homes and their estates and build these results into our forward plans and programmes of work. The methods utilised are social media, web site, newsletters, tenant surveys and discussions in our Armchair Panel.

8.1.2 It is important that we can demonstrate to our customers that we have a clear evidence based strategy for maintaining and improving their homes and estates and that we manage the process to ensure value for money over the long term.

Articles and discussions will explain the interaction between the maintenance service, the major component replacement programmes and the costs as reflected in the annual rent increase, to illustrate the Association's Investment Programme.

8.1.3 Stemming from the 3-yearly tenant survey we will conduct smaller scale text / email surveys to further analyse their views :

- Year 1 – follow up questions to survey outcomes
- Year 2 – Component questions
- Year 3 - New Technologies

8.1.4 Future customer consultation may be required on new innovative products, increased expenditure to address the Green agenda, or perhaps cost savings to limit rent increases in future years. SMT will discuss and agree survey topics before development.

9. Acquisitions or Disposals

9.1 Current outlook / strategic plan

9.1.1 The Manor Estates Group Strategic Plan illustrates the growth mechanisms currently being pursued by the Association. A full set of checks will be

required to ensure these add value to the business before proceeding with the acquisition.

9.1.2 The Association will work with others to pursue the development of new build housing opportunities, and has set out to increase stock base to 1150 properties by 2022. For any new build proposal the following will be assessed :

- Stock mix (social or MMR)
- Grant funding availability
- Likely rental sum required
- Size of individual units
- Design brief
- Housing management concerns
- Loan requirements
- Integration to current business plan
- Future lease of MMR to subsidiary company MEALtd., likely lease term and lease maintenance requirements (reactive maintenance, annual gas servicing, annual PAT testing of electrical appliances and landscape maintenance services)

9.1.3 The Association will consider the Purchase of Mortgage to Rent or other Social Rented Stock, including the buy back of ex stock sold through Right to Buy.

9.1.4 The Association will consider a strategic partnership with another housing partner or partners to jointly develop or acquire stock, or to take over the operation of another organisations stock.

9.1.5 The Association does not have a set programme of disposals however this strategy will pull together considerations where a property may be considered for disposal. The criteria considered is laid out in **Appendix 6 Disposal Consideration and Criteria**, and includes :

- properties which are not contributing positively to our Business Plan,
- cannot be economically brought up to the SHQS or EESSH 2 standard,
- stock performance issue such as increased maintenance spend projected
- demand criteria assessed from void re-let periods
- area of property, including poor stair or estate management

The collated outcome will be utilised to prepare an option report for SMT consideration. The final decision will be collective from SMT, in line with this Strategy.

9.1.6 The Association is in the final stages of a programme of disposals of garage units in South Queensferry. The seven remaining garages have been marketed and the Association is in negotiation with the prospective buyer. There was no prospect of an alternative land use for the sites, this was fully explored before the sales were arranged.

9.1.7 The **Appendix 6 Disposal Consideration and Criteria** report format would be utilised to analyse the benefit of an ad hoc purchase of a property.

9.2 Peripheral Properties

- 9.2.1 The Association has not currently experienced any difficult to let stock. The Association has 16 social rentals in Fife region, properties acquired through the Scottish Governments Mortgage to Rent Scheme. The longer term viability and effective management of the Fife stock will be reviewed and assessed in line with Strategic Plan.

9.3 Community Buildings

- 9.3.1 The possibilities for the additional use of the 3 community building facilities will be assessed and considered, with aim to contribute towards the ongoing maintenance and upkeep of the buildings.

9.4 Assurance Reporting on Stock Growth

- 9.4.1 The status of current growth or disposal actions will be collated and reported quarterly through SMT assurance reports.

10. Factoring Service

10.1 Factoring provisions

- 10.1.1 The Association is a Registered Property Factor under the Property Factors (Scotland) Act and provides a full property Factoring service to common property and common ground areas for 438 households, in flats in common stairs, and a reduced service covering landscape maintenance to a further 1067 households.

The Association has properties alongside another 276 owner occupiers where no other services are provided. The Association does not provide a repairs service to owners for exclusive property or private land.

- 10.1.2 In line with the Property Factors Code of Conduct the Association provides all Factoring customers with a Written Statement of Services which sets out our role as factor, how we will provide services to owners, our methods of managing estates, how often accounts are issued and mechanisms for debt collection.

- 10.1.3 The presence of other property owners on the Associations estates has a substantial impact on our approach to asset management, particularly where maintenance work is required to common areas of blocks of flats. The Association recognises the benefit of providing an effective factoring services to property owners, which will ensure that properties and common areas are adequately maintained to encourage good relations within communities.

10.2 Factoring procedures

- 10.2.1 The Association manages these mixed tenure estates in line with the **Policy for Owners Services** and secures payment for services through regular account issue and debt chasing arrangements.

11. Board Reporting and Updates

11.1 Updating the Action Plan

- 11.1.1 Asset management actions will be reported through SMT 90 day planning reviews, presented internally each month, and to the Board each quarter.
- 11.1.2 Key aspects of the ongoing SMT work on the asset management actions and any new initiatives will be highlighted in the regular SMT update report to the Board.

11.2 Outcome Reports

- 11.2.1 The annual Allocation Outcomes Report analyses Average Bids per Property and Refusals – any negative trends and resultant implications for Asset Management will be developed through 90 day planning and into the next Strategic Plan review.
- 11.2.2 Assurance reporting will be developed and prepared on the Property outcomes and annual updates on SHQS, Energy Performance, EESSH 1, EESSH 2, see **Appendix 7 Development of Assurance Reporting**.

11.3 SHR Strategic Asset Management Recommended Practice 2020 Update

- 11.3.1 The SMT will consider the content and impact of the SHR requirements on the Association's business planning framework when this update document is released, and will, at that time, consider appointment of Consultancy assistance, if any areas require additional systems or reports. The Board will be kept apprised through regular SMT update to Board meetings.

11.4 Internal Audit

- 11.4.1 Internal Audit opinion will be sought on the redrafted Strategy, to gain external assurance of the update process and tie in to the Association's business planning framework.

12.0 Publicising this Strategy:

This strategy will be made available for viewing by all staff (Purely HR System) and Board members (BoardBookit).

13.0 Other relevant or related policies:

PS10 Property Management Policy

PS11 Maintenance Service Standards Policy

PS02 Energy Efficiency Strategy

PS21 Energy Efficiency Policy

PSF01 Services to Owners Policy

HM02 Allocations Policy

HM03 Customer Engagement

CS01 Financial Regulations

G16 Risk Management Strategy

14.0 Appendices

Asset Management Strategy

Appendix 1 Stock Profile

Current stock as at 15 March 2021:

Property Types	Social Stock	Mid-Market Stock	Total Stock	%
House	378	0	378	34.55%
Tenement	410	80	490	44.79%
4 in a Block	150	0	150	13.71%
Other flat / maisonette	76	0	76	6.95%
Total	1014	80	1094	100.00%

Age of Property	Social Stock	Mid-Market Stock	Total Stock	%
Pre 1919	4	0	4	0.37%
1919-1944	18	0	18	1.65%
1945-1964	426	0	426	38.94%
1965-1982	188	0	188	17.18%
1983-2002	310	0	310	28.33%
Post 2002	68	80	148	13.53%
Total	1014	80	1094	100.00%

Stock Nature	Social Stock	Mid-market Stock	Total Stock
Retirement	137	0	137
Retirement wheelchair	6	0	6
Wheelchair	2	0	2
Amenity	63	0	63
Regular / not classified	806	80	886
Total	1014	80	1094

Social Rented Bedrooms	House	Tenement	4 In Block	Other	Total
1 Bedroom	48	43	105	68	264
2 Bedroom	194	278	38	7	517
3 Bedroom	98	89	4	1	192
4+ Bedroom	38	0	3	0	41
Total	378	410	150	76	1014

Build Type			

	Social Stock	Mid- market Stock	Total Stock
Modern timber frame insulated	191	80	271
Brick or block cavity insulated	436	0	436
Block cavity internal wall insulation	1	0	1
Block no cavity insulation	9	0	9
No fines insulated	370	0	370
Brick cavity D H S	1	0	1
Swedish Timber EWI	1	0	1
Orlit PC EWI	1	0	1
Atholl steel EWI	1	0	1
Traditional Stone	3	80	3
Total	1014	80	1094

Specialist Assets	Stock No.		Build Date
House in Multiple Occupation (support agency partnership)	1	4 bedroom	1980's

Non Domestic Property Assets	Stock No.		Build Date
Community buildings on the retirement housing estates	3	Meeting Room Kitchen Office M & F Toilet Facilities Laundry Facilities	1980's

Asset Management Strategy

Appendix 2 SHQS Status

Current SHQS Compliance:

SHQS (Social Rented Properties)	At 31.03.2020
Meeting SHQS	874
Exempt from SHQS	10
In Abeyance from SHQS	130
Stock Failing SHQS	0
Total Stock	1014

Asset Management Strategy

Appendix 3 Energy Performance, EESSH1 and EESSH2 Status

Energy Performance:

Current Energy Performance Certificates (EPC) profiles for the social rented properties:

A 92+	9	0.9%
B 81 – 91	76	7.5%
C 69 – 80	574	56.6%
D 55 – 68	237	23.4%
E 39 – 54	6	0.6%
F 21 – 38	2	0.2%
G 1 – 20	0	0.0%
None	110	10.8%
Total Social Stock at 31 March 2020	1014	100.0%

Current EESSH 1 & EESSH 2 Compliance:

Number social rented properties that meet the EESSH standard 31.03.2020

	Gas	Electric	Total
Flats	353	9	362
Four-in-a block	142	4	146
Houses	230	4	234
Detached houses	3	0	3
Total	728	17	745

Percentage meeting the EESSH 1

73.5%

Projections meeting energy efficiency targets:

Projection at 31.03.2020	EESSH 1 2020 Target	EESSH 2 2032 Target
Pass	660	84
Projecting Pass	85	5
Projecting Fail	269	925

Projecting Fails	EESSH 1	EESSH 2
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	2020 Target	2032 Target
Less than 3 points to target	129	132
4 or more points to target	140	793
Total Projecting Fails	269	925

Note – Action planned for Energy Policy Update and ESSH figures update for ARC report April and May 2021.

Asset Management Strategy

Appendix 4 Stock Condition and Stock Valuation History

Stock Condition Survey History

Year	% or number Surveyed	Consultant / Internal		Asset database
2000	25% achieved	Summers	Included insurance rebuilding costs	Introduced Codeman database
2005	10% aim 10% achieved	Summers	Level of no access for surveys	Codeman database
2010	10% aim 8.5% achieved	Brown & Wallace	Level of no access for surveys Sought MEHA own assumptions / costs	Codeman database Transferred data to Open Housing
2014	10% aim 5% achieved	Internal	Developed survey sheet and method internal staff	Open Housing Database
2015	10% aim 13.5% achieved	Internal	MEHA Technical Inspectors	Open Housing Database
2016	10% aim 10% achieved	Internal	MEHA Technical inspectors	Open Housing Database
2017	10% aim 0% achieved	Internal	Staffing issues	Open Housing Database
2018	10% aim 1% achieved	Internal	Staffing issues	Open Housing Database
2019	10% aim 4% achieved Re-programmed for 2020	Internal	MEHA Technical Inspectors New staff delayed JLL appointed to undertake 100 surveys presenting data collated for internal analysis	Open Housing Database
2020	10 % aim 1% achieved	Internal JLL	MEHA Technical Inspectors New staff / covid delayed Minimise contact time in voids JLL covid delayed Build in to void period for 2021	Open Housing Database
2021	10% + Voids	Internal JLL	Await tier restrictions MEHA Technical Inspectors Voids JLL 100 surveys	Open Housing Database

Mortgage to Rent Purchases Stock Condition Survey History

Year	Number Surveyed	Consultant / Internal		Asset database
2003	1	Internal	MEHA Technical Management	Codeman database
2004	1	Internal	MEHA Technical Management	Codeman database
2005	7	Internal	MEHA Technical Management	Codeman database
2006	9	Internal	MEHA Technical Management	Codeman database
2007	5	Internal	MEHA Technical Management	Codeman database
2008	8	Internal	MEHA Technical Management	Codeman database
2009	14	Internal	MEHA Technical Management	Codeman database
2010	11	Internal	MEHA Technical Management	Codeman database Transferred data to Open Housing Open Housing
2011	9	Internal	MEHA Technical Management	Open Housing
2012	10	Internal	MEHA Technical Management	Open Housing
2013	6	Internal	MEHA Technical Management	Open Housing

Stock Valuation History

Independent verification by random survey across all stock and cost centres

Year	Independent Survey	Consultant		
2009	Cost centre based / secured and unsecured stock	DTZ	Andrew Dodd	Every 3 years
2011	Cost centre based / secured and unsecured stock	DTZ	Andrew Dodd	Every 3 years
2015	Cost centre based / secured and unsecured stock	JLL	Andrew Dodd	Every 5 years
2020	Cost centre based / secured and unsecured stock	JLL	Geoff Ferguson	Every 5 years *

*Lender indicates likely to request 3 yearly valuations going forward from 2020

Asset Management Strategy

Appendix 5 Component Life Cycle Replacement Structure

The Association's current target component life cycles:

COMPONENT	Years
Kitchens	18
Kitchens Retirement	24
Bathrooms	30
Gas Central Heating*	20
Electric Storage Heating*	20
Windows	30
External Doors	30
Flat Entrance Doors ** (internal from common stair)	35

*will be adjusted in future to align with off gas / greener technology projections

**will be adjusted in future to reflect any post Grenfell specification upgrade

Asset Management Strategy

Appendix 6 Disposal Consideration and Criteria

The criteria considered include :

- properties which are not contributing positively to our Business Plan
- properties which cannot economically be brought up to the SHQS or EESSH 2 standard
- stock performance issue such as increased maintenance spend projected
- area of property, including poor stair or estate management trend
- demand criteria assessed from void re-let periods

The collated outcome will be utilised to prepare an option report for SMT consideration. The final decision will be collective from SMT, in line with this Strategy.

*Specific listing of proposed disposals will be held internally

Prop ref no.
Address
City
Postcode
Edinburgh or Fife
Date Acquired
Date Last void

Property Type
Property in common stair
Ex Council Stair
Factored
Maintenance Work Next major works programme
Heating Type
last renewal
Ext Wall type / insulation
Loft insulation
SAP Rating

EESHS 1 pass

EESHS 2 pass

SHQS pass

Area Perception

GOOD

ACCEPTABLE

NOT ACCEPTABLE

- general condition of estate (common areas) in which the property is situated
- are there issues in the area generally with ASB
- any difficulty building effective relationships with police, support agencies, etc
- condition and look of neighbouring properties
- proximity to other stock / single property

Demand

LOW Less than 10 bids

MEDIUM 10 to 40 bids

HIGH more than 40 bids

- Edinburgh properties – if property close to other stock, can look at demand for previous vacancies
- If property has been relet previously, will have accurate information about level of demand
- If there have not been vacancies can seek information from other landlords who have stock in area about demand levels

Purchase Date

Purchase Price £

Grant

Initial Repairs £

SMT consider Dispose?

Note – this process will be utilised to analyse the benefit of an ad hoc purchase, with additional consideration of funding availability.

This is an action plan item for 2021 / 2022.

Asset Management Strategy

Appendix 7 Development of Assurance Reporting

Assurance reporting will be formulated to cover:

Item	Frequency	Responsibility
Growth and disposal	Quarterly	PSD
Compliance with SHR Asset Management Recommended Practice	Annual	PSD
Stock Profile, covering Property Types, Age, Stock Nature Build Type, Specialist Assets and Non Domestic Property Assets	Annual	PSD
SHQS Status	Annual	PSD
EESSE 1 EESSE 2 Status	Annual	PSD
Stock Condition Survey Status	Annual	PSD
Stock Valuation Status	Annual	PSD
Factor Debt Status	Quarterly	PSD
Compliance Gas service certification Electrical check certification Water management certification Smoke detection installation	Quarterly	PSD
Health and Safety / Asbestos Build date, risk of asbestos content, surveyed, number with no asbestos content	Annual	PSD

Asset Management Strategy Appendix 8

Action Plan

Year	Area	Initiative	Measurement of Success	Timescale	Responsibility
2021	Stock appraisal	Conduct NPV on void properties (1 year trial)	Bank of data collated and analysed	2021 / 2022 (Covid permitted)	PSD
2021	Stock appraisal	Criteria for Sale / disposal void property assessment	Documented process	2021 / 2022	PSD
2021	Stock appraisal	Run disposal reports on selected void properties	Disposal reports collated and analysed	2021 / 2022	PSD / PSM
2021	Stock appraisal	Joint report on voids, value, disposal and allocations	Report formulated	2021 / 2022	PSD / HD
2021	Asset Strategy	Review SHR guidance	Document reviewed and actions listed	2021 / 2022 (when released by SHR)	PSD
2021	Energy Efficiency	Final roll out of EESSH 1 insulation measures	Only refusals and “no access” properties remain	2021 / 2022 (Covid permitted)	PSD / PSM
2021	Energy Efficiency	Research cost effective investment / evaluate cost benefit of energy efficiency measures and establish a base line policy	Research collated and analysed Draft policy statement	2021 / 2022	PSD / PSM
2021	Stock appraisal	Explore additional use of community buildings	Increased use of community buildings programmed	2021 / 2022 (Covid permitted)	HD / HM
2021	Stock appraisal	Review data collation for Stock Condition Survey by Technical Inspectors	Data template agreed	2021 / 2022	PSM / TIs
2021	Stock Appraisal	Instruct external Stock Condition Survey 10% stock	Surveys completed	2021 / 2022	PSD / PSM / Ext Consultant
2021	Stock appraisal	Explore Open Housing Stock Condition module for running in house	System appraised and resourced	2021 / 2022	PSD / PSM / Ext Consultant

		Stock Condition Inspections with integration to our current asset database	Installation planned		
2021	Stock appraisal	2020 stock valuation analysis to secured stock groupings	Report on secured stock groupings	2021 / 2022	PSD / CEO
2021	Stock appraisal	Outline method to collate owned land status	Owned land register outlined	2021 / 2022	PSD / CEO
2022	Stock appraisal	Review disposal criteria	Revised criteria agreed	2022 / 2023	PSD
2022	Stock appraisal	Explore criteria for new developments	Analysis current data and drafted outline	2022 / 2023	PSD
2022	Common Stair	Common Stair Survey Trial – wholly owned stair	Survey completed and reviewed	2022 / 2023	PSD / PSM
2022	Stock appraisal	Explore tenant demographic for future stock / component demand	Analysis of tenant demographic	2022 / 2023	PSD / HD
2022	Stock appraisal	Register of owned land	Register populated	2022 / 2023	PSD / PSM