



ARDENGLLEN ASSET MANAGEMENT STRATEGY 2021 – 2025



Policy Title:	Asset Management Strategy
Policy Author:	JWD Asset Services Ltd
Date of Approval:	October 2021 Board of Management
Date for Next Scheduled Review:	October 2025
Review Body:	Board of Management
Equality Impact Assessment Complete:	N/A
Strategy Published on Web:	No
Scottish Social Housing Charter Standard	SSHCS 4 & 5
Scottish Housing Regulator Standard:	RS 1
Scottish Housing Regulator Guidance:	RS 1.1

Ardenglen Housing Association can provide this Strategy on request, in large print, in Braille, on tape or in other non-written format, and in a variety of languages.



“Ardenglen’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”



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Introduction

Ardenglen Housing association was established in 1990 and is a registered charity organisation. We own and manage 982 homes, factor 18 privately owned properties, 5 commercial shops and manage 6 shared ownership properties. We also manage on behalf of the Castlemilk Community Maureen Cope Hall. We offer high quality accommodation within the East End of Castlemilk, which is situated six miles South of Glasgow City Centre. Our vision is to transform communities by providing aspirational homes and services, to enhance the quality of life of our customers.

COVID-19 pandemic and Scottish Government restrictions has 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 Ardenglen Housing Association, 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, the 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 surveys that have been successfully undertaken during 2021.

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 Ardenglen Housing Association are sustainable.

We will take the following strategic approach:

- Ensure that the key objectives of the Asset Management Strategy align with and contribute to 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 Ardenglen 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

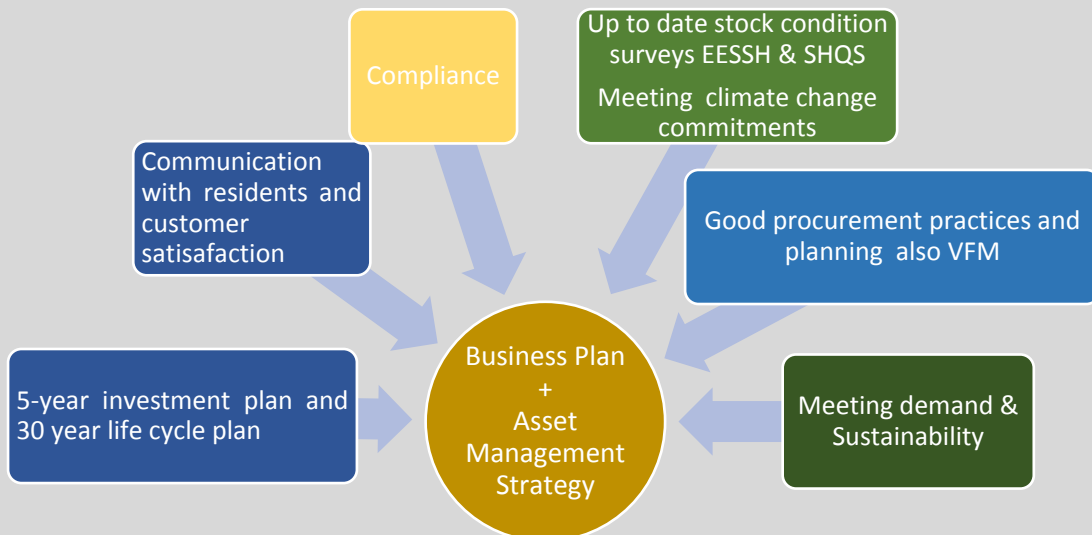
Services:

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

Understanding our assets

Ardenglen assets incorporate all heritable property, including rented housing stock and shared Ownership, interests in properties, commercial premises and Ardenglen 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 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

The Association will operate efficient and effective reactive and planned maintenance services, which has recently been procured, in such a way, as to maximise Value for Money for the association. In order 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 increase to 85-90% over the next two-year period. Short-term (1–5 years), medium, and long-term (25–30 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:

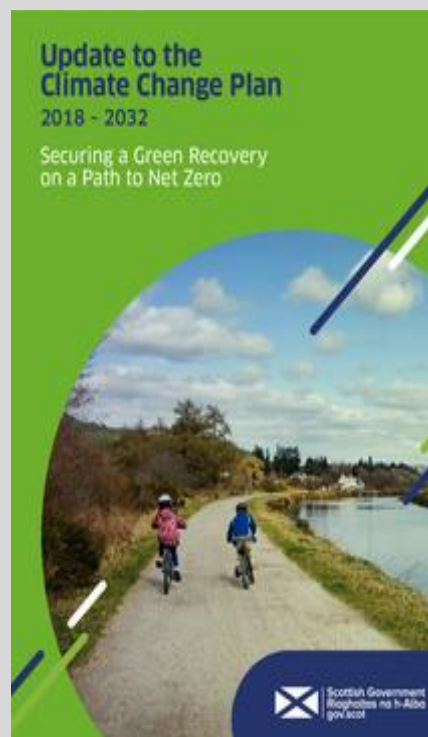
- ✓ The condition of our assets is maintained through regular reactive and cyclical maintenance and component replacement
- ✓ Our assets meet or exceed quality standards, such as the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing
- ✓ We begin to plan for future 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 (EESH2) will become the key driver to reduce CO₂ emissions in the social housing sector, however there are many other objectives that will impact on 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

As part of the association's annual assurance work, we commissioned an independent health check in 2020. This identified weaknesses in relation to the reliability of our stock condition information which raised some doubts about the assumptions underlying the financial projections and our duties to comply with asbestos, Fire Risk Assessments and health and safety legislation.

To address these issues, we appointed the John Martin Partnership (JMP- Cost Consultants) to undertake an independent Stock condition Survey and they undertook a survey of approximately 42% of our homes which amounted to 413 inspections out of a total stock of 982.

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. Ardenglen 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 JMP 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;

Compliance item	Date verified	% Achieved
SHQS	July 2021	100%
EESH 1	July 2021	100%
ASBESTOS MANAGEMENT	July 2021	100%
FRA's	July 2021	100%
WATER HYGIENE	July 2021	100%
PASSENGER LIFT	July 2021	100%

A small number of properties were identified as failing SHQS for minor issues such as missing kitchen units altered by tenants, chipped bath, missing toilet seat, or uneven common footpaths. These issues will all be addressed before 31 March 2022, 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.

Following the successful completion of the stock condition survey our Board of Management authorised a continuation of the stock condition surveys and will undertake two follow-up surveys in 2022/23 and 2023/24 of circa 20% of the stock each year.

The housing stock data collected will then be uploaded onto the asset management system (HUB) 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 at the conclusion, of the 2023/24 survey approximately 80-85% of the housing stock will have been fully surveyed. HUB is an asset management system developed 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.

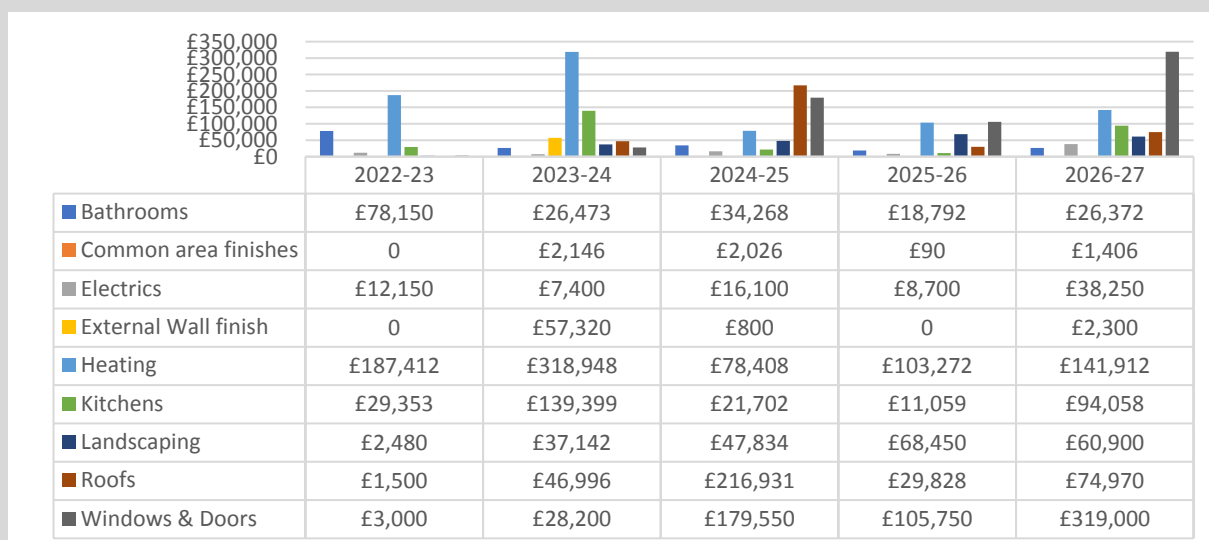
Investment levels

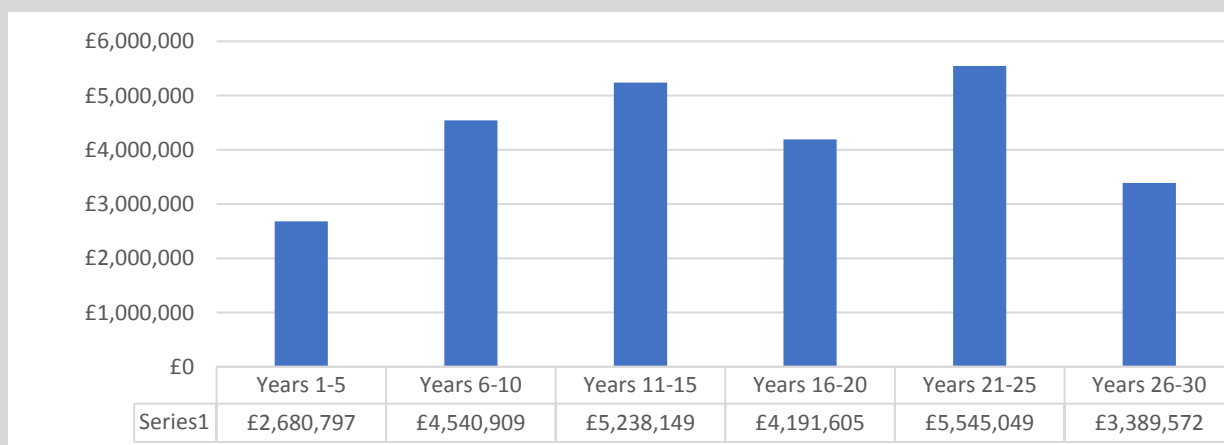
Overall investment in Ardenglen properties are detailed below over the period of the 5-year investment & 30 year life cycle plan and Budget.

Overall investment in Ardenglen properties amounts to over £32.5k (includes VAT and fees)/property over a 30-year life cycle plan and a total budget of £32.3m (includes VAT and fees).

(See investment plan tables below)

Ardenglen 5-year investment Plan (excludes VAT & fees)



Ardenglen 30-year Life Cycle Plan (excludes VAT & fees)**Ardenglen Housing Assets**

As from 1st April 2021 the Association's rented housing stock totalled 982 dwellings. The stock consists of predominantly house and flatted property archetypes. We do not have any non-traditional properties.

Housing Stock by house age and type (as of 1st April 2021)

406 (42%) of the total stock is new build, constructed through the Association's development programme between 1994 and 2012.

House Age

RENTED HOUSING STOCK BY AGE (as of 1st April 2021)						
Pre 1919	1919-1944	1945-1964	1965-1982	1983-2002	Post 2002	Total
0	9	543	0	239	191	982
0	1%	56%	0	24%	19%	100%

House Type

RENTED HOUSING STOCK TYPE (as of 1st April 2021)							
Property type	Main/Detached House	Cottage Flats	Tenement/Main Door Flats	Modern Flats	MTR	Leased Property	Total
	215	38	594	121	13	1	982

The remaining stock is fully improved and refurbished former Glasgow City Council properties, most of which were constructed in 1956 – 1958. There are also a small number of older properties acquired through the Mortgage to Rent Scheme.

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

RENTED HOUSING STOCK BY SIZE (as of 1st April 2021)						
Total	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt+	Total
982	40	148	536	214	44	982
100	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.

In particular, we will work closely with front line staff to ascertain their views on the housing stock, and what improvements could be made to make it more sustainable. This will be achieved working as part of the new HUB asset management structures being formed.

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, owners and Registered Tenant Organisations (RTO) and any other tenant groups, in order that they have an opportunity, to influence and be fully involved in any planned investment plans.

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

Through the Big Conversation, methods we will use to consult tenants and owners involved with improvements will include:

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

Design events/pilot exercises 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 would continue with RTO/tenant groups, and owners 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 was scheduled for improvements. This would 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 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 four 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 development of a separate sustainability plan Ardenglen will develop 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
- Identify any low performing assets for options appraisals

This approach will produce a Net Present Value (NPV) of Ardenglen 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 a number of factors, but a crucial factor is monitoring performance and effecting improvements from the information obtained. Since the work will be procured by partnering on a phase-by-phase basis 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 with a mid-term update at the 30-month period.
- 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 Ardenglen HA compared to the Scottish average of 89% and a peer group average of 90.5%.

All our stock is located within the Castlemilk area where the population increased due to the amount of new build being undertaken across all areas. The Associations stock by age profile is contained within Table 1 below:

Table1

RENTED HOUSING STOCK BY AGE (as of 1 ST April 2021)						
Pre 1919	1919-1944	1945-1964	1965-1982	1983-2002	Post 2002	Totals
0	9	543	0	239	191	982
0	1%	56%	0	24%	19%	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:

Table 2

Apt Size	Applicant Waiting List
1apt	0
2apt	112
3apt	98
4apt	93
5apt	37
6apt	2
Total	342

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 organization and be demand led. Potential demand challenges arise from the impact of further welfare reform and the after, effects of the Covid-19 pandemic. Consequently, the association will closely monitor other Housing Association's new build and private investors within the Castlemilk area. As an organisation, we would welcome other tenure's, into our area, where there is an unmet demand, to create a more balanced and stable community.

Ardenglen HA priorities and challenges

Action by Ardenglen HA	Measures of Success
Provide AHA tenants with a reactive repairs service that is fast, efficient and effective	<ul style="list-style-type: none"> ● Introduce and imbed a new repair service from P&D Scotland and MP Group from August 2021 ● Maintain local office and staff based in our communities ● In house teams' performance in meeting AHA quality standards and delivering service within available financial resources ● Inspections provide assurance about quality of works carried out by external contractors
Reactive repairs service is valued highly by tenants	<ul style="list-style-type: none"> ● High levels of tenant satisfaction maintained, and tenant feedback used to make changes where needed ● Excellent performance achieved in relation to Charter Indicators and AHA's own key performance indicators
Future proof AHA's housing, by protecting and sustaining our ageing housing stock	<ul style="list-style-type: none"> ● AHA's approach makes greater use of proactive inspections of our stock and the introduction of the HUB asset management system ● All AHA stock continues to meet the Scottish Housing Quality Standard (other than exemptions and abeyances) and EESSH ● AHA'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 ● Delivering the catch-up programme in 2021/22 which has resulted from the COVID 19 pandemic. ● Plan and deliver the programmes of major repairs and cyclical maintenance approved by SMT and Board of Management, also review/update programmes annually ● Strategy in place to guide AHA's approach to achieving the Scottish Government's 2032 climate change targets, with an initial emphasis on replacing heating systems ● Positive feedback received from tenants about AHA'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 AHA's cyclical maintenance programmes	<ul style="list-style-type: none"> ● AHA 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., painterwork, programmes and environmental works etc.)
Getting the best value from AHA's assets	<ul style="list-style-type: none"> ● Maintain present high levels of demand for AHA's stock ● Achieve continued improvements in void relet times and void rent losses, also review current let standards in accordance with

Action by Ardenglen HA	Measures of Success
	the targets set annually by SMT and Board of Management
<p>Provide services that deliver good value for money</p>	<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 Board of Management ● AHA’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