



TOLLCROSS
housing association

Asset Management Strategy

Prepared By	Clive Douglas, Chief Executive Office
Policy Created	//
Date of Last Review	28 th January 2019
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Reviewed By	Management Committee

CORPORATE FIT	
Internal Management Plan	✓
Risk Register	✓
Business Plan	✓
Regulatory Standards	✓
Equalities Strategy	✓
Legislation	✓

On request, the Association will provide translations of all our documents, policies and procedures in various languages and other formats such as computer disc, tape, large print, Braille etc. and these can be obtained by contacting the Association's offices.

1. Introduction & Scope

- 1.1 Tollcross Housing Association's Asset Management Strategy is intended to manage and protect the Association's asset base in a way that it supports the Association's wider organisational objectives and contributes to the long term sustainability of the assets, the organisation and the wider environment.
- 1.2 Asset Management is the process by which we ensure that the assets that we need to operate our business are managed effectively, efficiently and provide value for money. It covers a wide range of activities that are in place to protect all of these assets.
- 1.3 Our assets are:
- The housing stock owned by Tollcross Housing Association. This fundamental asset allows the Association to perform its primary function of providing quality, affordable houses that meet the changing needs of our current and prospective customers.
 - Our office accommodation and other non-housing assets.
 - A skilled group of voluntary board members who govern Tollcross Housing Association, and take the strategic decisions that influence the direction and culture of the Association.
 - An effective and well trained staff team that will ensure that the Association's assets are effectively and efficiently managed and that the Association can provide the range of services required by our customers to the highest standard possible.
 - Other assets that support the above such as IT and other infrastructure systems
 - Financial strength that underpins Tollcross Housing Association.
- 1.4 The Association relies on all of these assets to ensure that we deliver our strategic objectives.
- 1.5 This document will be used to help formulate the Association's Asset Management Plan. This Plan will focus mainly on the Association's housing stock assets, with the protection of the other assets noted above covered elsewhere in our other strategic documents.

2. Background

- 2.1 Tollcross Housing Association Limited was formed in 1974 by local residents determined to improve housing conditions in the east end of Glasgow. At the time, the traditional sandstone tenements in the area offered very cramped housing conditions with poor facilities for tenants.
- 2.2 Over the first 15 to 20 years of existence the Association received government grant funding to upgrade these properties by amalgamating flats, providing high quality kitchens and bathrooms and installing energy efficient heating systems and double glazing.
- 2.3 In later years the Association moved on to provide new build development projects that both provided a better mix of rented accommodation in the area and helped regenerate the communities the Association operates in. The Association's continued aim is to provide high quality affordable rented housing and sustain local communities.
- 2.4 The Association currently owns and manages 2284 houses and flats in Tollcross, Carmyle and Lilybank/Newbank, with 1552 of these acquired from Glasgow Housing Association in June 2011. We provide factoring services to 506 residential and commercial owners. We also manage 12 mid-market rented properties through our subsidiary, Auchenshuggle Develops.
- 2.5 The Association is managed by a voluntary Management Committee including local residents who are elected by its members at the Annual General Meeting. Anyone over the age of 16 can apply to become a member of the Association by completing an application form and making a £1 one-off payment. Members can attend the Annual General Meeting and those 18 and over can stand for election to the Management Committee.

3. Purpose of our Asset Management Plan

- 3.1 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, namely to:
 - Devise a working document that uses the principles set down in the Asset Management Strategy to ensure the delivery of an efficient and effective system that protects the Association's assets.
- 3.2 The objectives of the plan are as follows;
 - To produce an accurate asset profile of the housing stock

- To state the value of the housing stock and offices.
- To review the findings of the most recent stock condition survey against the current and future repairs and maintenance requirements of our housing stock, to incorporate the Scottish Housing Quality Standard, EESSH 1 (target achievement 2021), EESSH 2 (target 2032) and Net Zero Carbon (target 2045).
- Ensuring that future investment decisions are based on robust reviews of the viability of stock which may have a limited future.
- Ensuring that tenants and customers play an effective role in developing stock investment programmes and improvement plans.
- Developing an IT database / software system that will provide accurate asset information.
- Ensuring our stock profile meets the needs of our tenants now and, where practical, meets the needs and aspirations of tenants in the future.
- Demonstrating value for money in the delivery of all investment works through effective procurement.

4. Asset Value

4.1 As of the 31st March 2022 the total stock owned by Tollcross Housing Association was, as noted in the financial statement:

Stock Type	No.
Housing properties for letting (including mortgage to rent)	2,284
Shared Ownership properties	17
Lock-ups	21
Office premises and lockups	4

4.2 Net book values at 31 March 2021 were as follows:

Category	NBV
Housing properties for letting	£60,881,911
Shared Ownership properties	£421,067
Mortgage to Rent properties	£440,489
Office premises and lockups	£3,726,230

5. Asset Profile

5.1 Tollcross Housing Association's asset base (2284 housing units) is diverse in nature and is predominately situated in our three main areas of operation within the east end of Glasgow i.e. Tollcross, Lilybank/Newbank and Carmyle.

5.2 The table below shows the breakdown of the Association's stock by Apartment size;

Apt Size	Houses	High Rise	Tenement	4 in a block	Total
2 Apt	33	0	511	123	667
3 Apt	160	0	942	86	1188
4 Apt	153	0	167	65	385
5+Apt	35	0	5	4	44
Total	381	0	1625	278	2284

5.3 The breakdown of stock, based on construction date, is:

Pre 1919	1919-1944	1945-1964	1965-1982	Since 2002	Total
572	905	491	1	315	2284

5.4 The vast majority of the Association's stock is general needs family housing, with an additional 58 units of sheltered and very sheltered accommodation.

5.5 The Association's properties are a variety of construction techniques, including traditional sandstone tenements, brick/cavity/brick, brick/cavity/block, timber frame and concrete no-fines.

5.6 Turnover across the stock for the last year (2021/22) was 198 units.

6. Tenant Satisfaction Results

6.1 The Association's latest Tenants Satisfaction Survey, undertaken in August/ September 2019, provided levels of satisfaction with our stock and with the communities in general noted below. The table below demonstrates the levels of satisfaction from this survey.

6.2 Percentage of Tenants satisfied with the quality of their homes; (ARC indicator 7)

Very satisfied	412
Fairly satisfied	450
Neither satisfied or dis satisfied	8
Fairly dissatisfied	29
Very dissatisfied	11
Total	910
Satisfaction level	94.73%

6.3 Percentage of tenants satisfied with the Association's contribution to the management of their neighbourhood; (ARC indicator 13)

Very satisfied	442
Fairly Satisfied	437
Neither satisfied or dissatisfied	11
Fairly dissatisfied	17
Very dissatisfied	3
Total	910
Satisfaction level	96.59%

6.4 The Association continually monitors levels of satisfaction and responds as appropriate to tenant feedback. We continually review our services based on the results of these surveys.

6.5 The Association has noticed that levels of satisfaction in some areas of service delivery dropped during the pandemic. However, recent survey result show that these results are now recovering and have almost returned to pre pandemic levels.

7. Landlord Responsibilities

7.1 Housing (Scotland) Act 2001 incorporating 2014 update

Tollcross Housing Association's responsibilities as a Registered Social Landlord are set out in the Housing (Scotland) Acts 2002 and 2006. As a Registered Social Landlord the Association is required by law to keep all properties wind and watertight, habitable and "reasonably fit for habitation".

7.2 Scottish Secure Tenancy Agreement

All of the Association's responsibilities are set out in the Scottish Secure Tenancy Agreement and include;

A) A duty of care to carry out repairs relating to water penetration, rising damp and condensation dampness. This duty of repair includes a duty to take into account the extent to which a property falls short of the current Building Standards by way of disrepair or sanitary defects.

B) To keep in repair the structure and exterior of all properties and communal areas and will include;

Drains, gutters and external pipes

Roofs, chimneys, chimney stacks and flues

External walls, external doors, window sills, window catches sash cords and window frames including external painting and decoration.

Internal walls, floors and ceilings, doors, door frames, internal stairs and landings.

Plasterwork

Pathways, steps or other means of access, integral garages and stores, boundary walls and fencing.

C) To keep in repair and proper working order, installations we have provided for space heating, water heating and sanitation for the supply of water gas and electricity. This will include;

Basins, sinks, baths, toilets, flushing systems and waste pipes, showers, water tanks.

Electric wiring, fireplaces, fitted fires and central heating installations.

D) Have a requirement to publish and inform tenants of their and the Association's responsibilities in respect to repairs and maintenance.

8. Asset Condition

8.1 Scottish Housing Quality Standard

The Scottish Housing Quality Standard (SHQS) was introduced in 2004 whereby all stock owned by Registered Social Landlords in Scotland should achieve this standard by 2015. Compliance against this Standard has been reported annually by the Association to the Scottish Housing Regulator (SHR) through the Annual Return on the Charter (ARC).

The SHQS has 55 elements within 9 sub sections. These standards require all of the Association's properties 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.

As of 31 March 2022, 81% of the Association's stock is fully compliant with this Standard. The remaining 19% has been designated as exempt or in abeyance from the Standard. In these exempt cases it is economically unviable to achieve the Standard. In the abeyance cases, the existing tenants do not wish to have the works, required to bring the property up the Standard, carried out on their home.

8.2 Stock Condition Survey

In 2022, the Association has commissioned an independent surveyor to undertake a full stock survey incorporating SHQS assessment to 20% of all the Association's stock. In addition, the Association has also carried out in-house surveys to all void (vacated) housing properties in the year. It is intended that a 20% external survey will be undertaken every 5 years to ensure that all of the data collected is independently checked and that the information is regularly refreshed within the system. This process will also help verify the in-house data collected.

The information gathered during these surveys is then used to develop the 30 year investment plan for the Association's stock. This plan then informs the financial programming and business planning undertaken annually by the Association.

9. Energy Efficiency Standard for Social Housing

9.1 The Energy Efficiency Standard for Social Housing (EESH) is based on a minimum energy efficiency rating as defined within the Energy Performance Certificate (EPC) for the property. The energy efficiency rating is taken from the Standard Assessment Procedure (SAP) energy rating calculation system and the EESH uses the 2012 version of this system. Since January 2009 all Social Landlords have been obliged to provide a valid EPC for each property at the time of re-let.

9.2 EESH 1

As at March 31st 2021, 98.6% of the Association's housing stock complied with the targets set in EESH 1:

C10.1 Number of self contained properties	
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	Gas	Electric	Other fuels	Total
Flats	1,621	4	0	1,625
Four-in-a-block	276	2	0	278
Houses (not detached)	377	2	0	379
Detached houses	2	0	0	2
Total	2,276	8	0	2,284

C10.7 Number of properties in scope of the EESSH that meet the standard				
	Gas	Electric	Other fuels	Total
Flats	1,607	1	0	1,608
Four-in-a-block	276	0	0	276
Houses (not detached)	367	0	0	367
Detached houses	2	0	0	2
Total	2,252	1	0	2,253

C10.5 Number of properties in scope of the EESSH that do not meet the standard				
	Gas	Electric	Other fuels	Total
Flats	14	3	0	17
Four-in-a-block	0	2	0	2
Houses (not detached)	10	2	0	12
Detached houses	0	0	0	0
Total	24	7	0	31

9.3 EESSH 2 Compliance (B rated or better)

The Association is now working on the production of a detailed plan that will identify the work and costs required to bring all of the Association's stock up to the required EESSH 2 standard.

All of the Association's stock will be expected to be brought up to the EESSH 2 target, noted below. It is accepted by the Scottish Government that there will be circumstances where it will be impossible for an RSL to bring certain stock up to this required standard. However, in these cases everything must be done to get the stock up to a position where it is as close to the standard as possible given the constraints identified.

EPC Rating	Stock position at 31st March 2022
A	0
B	188
C	2030
D	61
E	5
Total	2284

As noted above, the new EESSH 2 standard requires all properties to be “B” rated or better. This means that the Association will aim to improve 2096 properties (2030 “C”, 61 “D” and 5 “E” rated) by 2032 to achieve the standard.

The Association is currently working in partnership with Shettleston Housing Association to appoint a team of consultants to produce a detailed plan allowing each Association to identify the extent of work required to bring each Association’s stock into full compliance with the EESSH 2 standard. At present, we note that only very recent new build project will require no further work. The detailed plan will also highlight areas of stock where it may not be possible to reach the standard.

The purpose of the plan will be to identify what the likely cost of these works will be, allowing the Association to make provision for these works and costs when producing future financial plans. The scale of the works required to meet the EESSH 2 standards will be considerable which is likely to have a significant impact on the Association’s financial position moving forward. It is envisaged that the proposed plan will be completed by the 3rd quarter of 2022.

9.4 Reasons for Possible exemption from compliance with EESSH standards;

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 should help address this issue

Legal;

Where a property is listed or in a conservation area and required measure cannot be installed. Again it is anticipated that these types of cases will be rare.

Excessive cost;

Where the cost of the required works exceeds and possible benefits to tenants.

Social;

Where a tenant and /or owner or sharing owner refuses to participate and the proposed works cannot be undertaken without their consent. RLS's are expected to take all reasonable steps to secure the participation of all parties in any required works.

Disposal;

Where the landlord's long term strategy is to dispose of the property through sale or demolition.

Funding;

From 2017 onwards, RSL's can show that funding for the required energy efficiency works is not available. The RSL is then expected to show that it has made all reasonable efforts to secure funding and is expected to regularly review the funding situation.

Tollcross Housing Association will regularly review the circumstances of all cases where a temporary exemption or abeyance is in place. It is anticipated that advances in technology will mean that some measures may become technically achievable in the future. As with EESSH 1 and SHQS, it is likely that additional funding mechanisms will be put in place to help fund work that is outwith the financial reach of the Association at present.

10. Asset Performance and Viability Review

Tollcross Housing Association will carry out an asset performance review before the end of 2022. This review will provide the Association with a comparative breakdown of stock performance over all of the stock. This review will consider planned future investment, maintenance costs, rent levels and arrears, tenant satisfaction levels, anti-social behaviour, future demand and void numbers. This review will determine/confirm the future viability of the Association's stock.

11. Investment in Stock

11.1 Our current investment planning system includes;

- 30 year Life Cycle costings based on up to date stock condition data
- 5 year financial projections
- Annual Business Plan, for consideration and approval by funders
- Tenant satisfaction survey results and consultation.

11.2 In order to keep the Association's Planned Maintenance investment programme up to date, as well as ensuring compliance with all Regulatory and legislative requirements, we will instruct a physical stock condition survey of 20% of the total stock every 5 years. In addition, in-house surveys will be carried out on every void property that becomes available. This will cover around 8% of the Association's

stock and over a 5 year period add a further 30% of the stock being surveyed. This, in conjunction with the agreed 20% independent stock condition survey, will mean that around 50% of the Associations stock is being surveyed every 5 years.

11.3 Planned Maintenance works consist of the replacement of the various component part of each property. Each component has an agreed useful economic lifespan. When the item will have reached the end of its life and will require to be replaced. The 5 yearly stock condition survey is used a check to prove that components are deteriorating in line with expectations, and that items will not need to be replaced ahead of schedule. In some cases it may also be the case the some components may outlive their expected useful life and not need replaced within the set timescale.

11.4 Components Useful Economic Life in Years

Component	Life span
Structure	60
Roof	60
Kitchen	15
Bathroom	30
Central Heating	15
Rewiring	30
Air Extraction	15
Smoke, Heat and CO detection	10
Windows	30
External Doors	30
Communal Close Doors	30
Door Entry system	15
Emergency lighting	30
Rainwater goods	30
Lifts	20

12. Equalities

An Equality Impact Assessment (EIA) has been carried out when preparing this policy. In line with good practice the completed EIA will be published alongside the Asset Management Policy.

Where there is a need for follow-up action, the tasks and timeframe for achieving them shall be noted in the Equality and Human Rights Action Plan to ensure they are addressed.

We do not see this policy as having any direct impact upon the protected characteristics contained within the Equality Act 2010.

13. Review

This Strategy will be reviewed every 3 years.