

# **NORTH VIEW Housing Association**

*North View is a registered Scottish charity – charity registration number SC032963*

## **Asset Management Plan**

Approved by Management Committee:- 29<sup>th</sup> April 2015

### **1.0 Introduction**

The content of this document is proportionate and relevant to the scope and scale of our operational activities. It is concise, straightforward and complimented by/complimentary to other key policies and strategies – our Risk Management Strategy being one of the most important.

Although risk assessment is inherent in all the decisions we take, we have not focussed specifically on risk in this paper. Our approach to risk is well documented in our Risk Management Strategy and our quarterly Risk Assessment pro formas. Risks associated with asset management are recoded there.

Asset Management is about making the most of the ‘assets’ that we own. In this document, we explain how we achieve that.

### **2.0 What are our assets?**

Our assets are the houses we own, the land we own, our Office (which we own), the two stores we own, our Management Committee, and our employees.

Our biggest asset is our properties and it is our properties and environs that are the subject of this Asset Management Plan.

We own 674 properties. 671 of our properties are for mainstream rent, but we also own 3 properties occupied by people with a particular needs, who received support from specialist organisations.

Our housing stock consists of 467 post World War 2 tenements and three storey ‘townhouses’ (built in the 1950s and 1960s) and 207 houses and flats built post 1994.

The post World War 2 stock consists of a mixture of mainly traditionally constructed properties (brick cavity brick), with some constructed of Wilson block. All the properties have been modernised since (approximately) 1990.

All but 34 of the post 1994 properties have mainly been built of timber frame construction; the 34 are of traditional construction (brick cavity block).



All our properties are in a good state of repair; we do not have any major structural issues with any of our properties. None of our properties suffer from subsidence, and none are in disrepair.

We don't have any geological issues in our area, like disused coal mines etc., that could cause subsidence. We are also fortunate that the area we operate in was once greenbelt, and wasn't built upon until the Castlemilk 'scheme' was established in the 1950s and 1960s, thus, the land we own is clear of ground contaminants and toxins that can blight brownfied developments.

Castlemilk can be stigmatised, and the area we operate in is stigmatised by association. Several roads in our area bear the prefix 'Stravanan'. Stravanan sometimes gets a negative 'press', but we do not have major anti-social behaviour problems in the 'Stravanan' area, and there is a demand for housing in that area; re-lets are quickly filled and we don't get a lot of void or turnover in 'Stravanan'. These facts indicate that a negative reputation is undeserved, and that it has little impact on us.

We do not currently have a development programme. There are currently no development opportunities within our area of operation, but there is a potential opportunity should Windlaw House (a local nursing home) close. We have registered our interest in acquiring the site (should it become available) with Glasgow City Council Development and Regeneration Services.

### **3.0 What we mean by asset management**

Rental income accounts for approximately 96% of our income; rents are by far the main source of income that we receive.

It is obviously in our interests to bring in as much income as we possibly can. To achieve that, we have to manage our assets well, but that process is about more than bringing in money, it includes investment too.

Our approach to Asset Management is to bring in as much rental income as possible, and then invest that income back in the area to help ensure that i) our properties and environs are maintained to a high standard, and ii) we deliver a high quality service provision to tenants and owners.

We believe it is a self-perpetuating cycle; the more rental income we receive, the more we have to invest in our area, the more we invest in the area the less the level of the rent arrears (or conversely, the more rent we will bring in).

We spend the income that we receive on providing services to our tenants, residents and service users. It goes on maintenance work, staff, mortgages, wider role, overheads etc.. All the things that we do.



In terms of getting rent in, we have robust policies and procedures in place. We intervene early if a tenant falls into rent arrears, and we act to evict tenants who fail to address their arrear. However our processes have to be responsive to the needs of our client group, and we have a duty to prevent homelessness. Thus, we temper the robustness of our pursuit of rental income with proportionate arrears prevention procedures.

It is about more than having policies and procedures to make sure tenants pay their rent on time; there is a whole host of things that affect the outcome. Some of them are stand alone, but most are interdependent where the one affects the other, sometimes initiating a domino effect.

### ***Client Group***

The Scottish Index of Multiple Deprivation 2012 (SIMD) shows the area that we operate in to be one of the most deprived areas of Scotland. There are five bands to the SIMD categories; our area is in the lowest band for income, employment, health, and education.

The findings of the Residents' Survey undertaken in June 2014, indicate the following to be a representative demographic of our tenant client group:-

- *14% of our tenants are unemployed; 27.2% are long term sick or have a disability; 21% are retired; 13.7% do not work because they look after the family; and 21.6% of our tenants are in full time or part time employment.*
- *44% of tenants' households have at least one member with a disability – 65% of which are mobility related; 14.6% of which relate to mental health, and 8.9% to long term illness (or long term condition).*

On top of that, approximately 75% of our tenants receive housing benefit (with housing benefit payments accounting for approximately 75% of our rental income).

We monitor the demographics of our Client Group through our regular Large Scale Residents' Survey and the SIMD. At this juncture, we do not envisage the demographic profile changing substantially in the years ahead.

### ***Income maximisation***

Members of our client group are greatly reliant on statutory benefit payment. From a business perspective, it is in our interest that tenants maximise their income; if tenants become poorer, rent arrears will increase, which will lead to increased legal costs too.

We have to help alleviate poverty among our tenants. We are limited in what we can do, but we do what we can. Our most effective response has been to employ a full time Welfare Rights Officer (WRO).



The WRO's remit goes beyond rent arrears prevention and reduction, the WRO's prime role is about maximising tenants' income. The WRO advises tenants and residents on all aspects of welfare advice with a view to maximising benefit entitlements, and therefore income – the premise being that we have a greater chance of getting rent from tenants if they are better off financially.

### ***Minimising loss***

To maximise our rental income we need all our properties to be occupied and all our tenants to pay the rent they are due to pay. That won't happen, but we have procedures in place to minimise the potential loss.

We have discussed our approach to rent arrears earlier, here we cover our approach to void properties.

To make the most of our housing assets we need to achieve as full continuous occupation as practicably possible. Tenancies will always change, but we have to make sure that when they do, we relet the property as quickly as possible. We have set 'turnaround' targets and have processes in place to facilitate quick allocation.

Our stock turnover is around 60 properties per annum, which represents approximately 9% of our stock.

We now take a more pragmatic approach to re-lets, whereby we will liaise with the incoming tenant regarding the outgoing tenant leaving carpets, curtains etc. in the property. Previously it had been our policy to remove such items, but we recognise that the incoming tenant may not be able to afford to buy replacements, so, where possible, and with the agreement of the tenants, we now leave these fixtures. Doing this could prevent the incoming tenant from having a large monetary outlay on fittings at the start of their tenancy, allowing them to replace carpets, curtains etc. on a phased basis over time. Potentially, this could save tenants money and prevent them from getting into debt early in their tenancy. That should mean that they will have more available cash (than they would have had had they to buy new fixtures and fittings), which, in turn, reduces the risk of them falling into rent arrears early in their tenancy.

*Note:- The incoming tenant has to sign a disclaimer for any retained fixtures and fittings, to confirm that they accept responsibility for the items and that North View is not responsible for the maintenance or replacement of these fixtures and/or fittings.*

Re-lets can be a double edged sword. Although nil re-lets would benefit our potential rental income, we 'encourage' tenants to move to another property in our stock as and when their housing needs and/or circumstances change; that is an important component of a stable community.



### ***Tenancy sustainment***

Our approach to supporting tenants in their tenancy contributes to both income maximisation, and minimising loss.

It is important that we support our tenants to sustain their tenancies. This helps to build a stable community and also helps to maximise rental income and minimise void loss to the Association. What we do to support tenants is described as follows.

We have many measures in place to help tenants to sustain their tenancies. The organisation's Welfare Rights Officer is central to this. The current economic climate, together with Welfare Reform, makes this a particularly difficult time for our tenants. The Welfare Rights Service assists tenants in many ways, including providing assistance with Housing Benefit claims, applications to the Scottish Welfare Fund for household items that are required to sustain a tenancy and to help maximise tenants' incomes (including assistance with applications for health-related benefits, Discretionary Housing Payments etc.).

The housing application process, home visit (prior to making an offer of housing) and the tenancy sign up procedure all aim to identify any support needs that a tenant may have that the Association or another organisation can assist with. The Association also carries out a 'settling in' visit to new tenants (usually six weeks after the tenancy started). If the tenant engages and accepts this visit, any issues that have not been evident previously are identified and if necessary, appropriate processes or referrals put in place to ensure that the tenant is supported to sustain the tenancy.

During the tenancy, if we become aware of problems, we will work with tenants and initiate engagement with other agencies (if appropriate) to address the issues.

#### **4.0 What makes our properties popular?**

We aim to make our houses and area as attractive as possible, so that tenants will want to stay here, and prospective tenants will want to live here.

A lot of things influence this, but the main ones are i) that the property is the right size, ii) it is the right house type, iii) it is in the right location (for proximity to work, shops, doctor's surgery, post office, hospitals, schools, relatives, friends, public transport, etc.), iv) that the property is maintained to a good standard, v) that the property is clean and there are no outstanding major repairs at time of re-let, vi) that the environs (close, garden, common areas etc. are clean and well maintained), vii) that the rent of the property is affordable, viii) the property is affordable to heat, and ix) the property is safe and secure.



The location of the property is outwith our control – although the area we operate in is served by the majority of services listed (in item iii) above, indeed the latest SIMD results show our area to be in the top performing band for ‘geographical access’. Although advantageous, it’s not a ‘deal maker’ for prospective residents; we find that people will more readily accept a property in our area if they have family connections in the area.

Our approach to addressing (or our ability to address) each of the other issues is discussed below:-

### ***Property type and size***

We have two property types – flats and houses. Both types have properties ranging in size from two to six apartment, although most of our larger properties are houses (not flats).

We have a healthy Housing List (of approximately 500 prospective tenants), illustrating that there is a high demand for our properties. Having such a variety of properties helps sustain demand and also gives our own tenants the opportunity to move within our area as their housing needs change. Broadly speaking, there is greater demand for our houses than our flats but our flats are popular, and we do not have any property types nor areas that are ‘hard to let’.

We regularly monitor how easy/difficult it is to let properties in order to identify ‘problem’ re-lets. If several prospective tenants refuse a property, we assess the situation and take an appropriate responsive action, which is determined on a case by case basis to help expedite the process of letting the property in question.

### ***Maintenance***

An effective repairs service and the continued long-term maintenance of our properties are our tenants’ top priorities. These are two of our main goals too – our thoughts being that we will have fewer tenants wishing to leave if our properties are well maintained. We have invested to achieve that, indeed maintenance is frequently our largest annual budgetary expenditure item.

Our maintenance budget is spread over four ‘disciplines’:- reactive repairs, cyclical repairs, major repairs, and estate maintenance. Estate maintenance will be covered under ‘maintenance of environs’, but the three other disciplines are discussed below.

### ***Reactive repairs***

We have three categories of reactive repairs – emergency, urgent and routine. Each has its own target response time and we have developed Key Performance Targets to enable us to assess our performance against them.

Our Service Standards include reactive repairs. We regularly publish our Service Standards and repair targets, so tenants know what they can expect from us. We also regularly publish our performance figures (against targets) so service users can see how we are performing.



Quarterly performance monitoring helps us assess how we are doing, as does feedback from Focus Group meetings, satisfaction surveys, and complaints. All these inform the evaluation process.

### ***Cyclical repairs and Major Repairs***

Cyclical repairs and Major Repairs are scheduled in a 30 year programme. The cost of these programmes are integrated within our financial projection programmes.

Work type and scheduling is informed by our 'in house' stock condition surveys, repairs histories, complaints, tenant satisfaction surveys, and contractor feedback. We carry out a rolling programme of 'in house' condition surveys and monitor repair related complaints and repair reports to evaluate effectiveness of our programmes. We also listen to what our contractors tell us regarding performance of components etc..

Work programmes are reviewed annually, which facilitates the incorporation of amendments arising from legislation/regulative changes etc.. It also allows us to respond to issues of financial pressure, or evaluation of effectiveness of current programme etc..

### ***Repairs service delivery***

We carry an in house tradesteam comprising of three joiners, an estate caretaker, and a handyman. The joiners address (joinerwork related) repairs, and carry out major repairs like kitchen replacement and window replacement. We procure components (like kitchens, windows, boilers etc.) 'in house'.

Other repairs and maintenance services are delivered through small sub-contractors, rather than via a single multi discipline contractor.

We believe that the in house repairs team adds value to our service, however we need to formally evaluate the performance of the team to be able to demonstrate its value.

### ***Medical adaptations***

We obtain Council funding to carry out alterations/adaptations to properties for residents with a medical need. This helps to enable people to stay in their home and not have to move to a specially adapted property. Retaining people helps stabilise our community.

We actively promote the medical adaptation 'scheme' to our tenants, to raise awareness.



***Re-let standard***

We have set procedures to help ensure the high standard of the property at the time of the new tenancy commencing, and to reduce outstanding repairs. We aim to complete all repairs by the time the new tenant moves into the property, but that is not always possible. In the event of ongoing repairs we try to get the repair completed as soon as is practicably possible. However we will keep the tenant regularly updated of progress; we have found that setting up good lines of communication helps negate dissatisfaction.

We have set decoration allowances, which are issued in the form of vouchers, and, if necessary, we will take appropriate action to incentivise properties if we find difficulty in re-letting them.

The standard is regularly monitored through satisfaction surveys and procedural evaluation.

***Maintenance of environs***

Keeping the area 'looking good', and litter free is important. We are responsible for the maintenance of a large expanse of open area – the Windlaw Strip – and several large backcourts, along with smaller backcourts and smaller open areas. We have appointed a landscape contractor to maintain these areas for us, with their remit being set under contract. Additional grass cuts and/or litter picks are carried out when required.

We provide a free grass cutting to tenants who are not well enough to cut the grass in their gardens. The grass cutting service is also available to all tenants on a payment basis. This, augmented by regular estate management inspections, helps ensure that the environs are kept tidy.

We have appointed a contractor to clean all of our closes. Each close is cleaned at least once a month, with 'one off' cleans being authorised as required. Although only one clean a month, it helps ensure that the closes are kept clean and welcoming.

We aim to keep the area as clean and tidy as possible. In March 2015 we installed five rubbish bins at various points in the Windlaw Strip. The bins were installed to help tackle littering and dog fouling (in response to these issues being identified in our 2014 Residents' Survey as being the most problematic issues in the area).

The bins aren't the solution in themselves, but we are hopeful that their provision will encourage people to use them. We are hoping for a reduction in litter and dog fouling in the Strip.

We aim to make good common repairs and vandalism as soon as practicably possible. Prompt attendance prevents further deterioration, or, in the case of vandalism, recurrence. It is important that these issues be attended to quickly to preserve the appearance of the area.



## **Rent**

Our rents must be affordable, should be comparable with rents charged by other local RSLs, and should represent value for money.

We have an issue with rent differentials between similar type properties. This is unique to the properties that we acquired from Scottish Homes (through Tenants Choice and the stock transfer of May 2005), but, on top of this, the average rent levels for our 3, 4, and 5 apartment properties are higher than the Scottish average (as highlighted in the Scottish Housing Regulator's 2014 Landlord Report). In 2015/16 we will be looking at both issues with a view to determining a long-term course of action to remove the rental disparity and bring our rents more 'in line' with the Scottish average.

Rents have to be maintained at an affordable level, but rents are our main source of income, so we have to strike a balance between affordability and bringing in enough rental income to allow us to adequately invest in the maintenance of our housing stock and its environs. We are very mindful of this and have built in realistic assumptions to our financial projections. We regularly carry out scenario planning and sensitivity analysis on our projections to test their robustness and flexibility.

The biggest threat to rental income that we currently face is welfare reform – predominately the introduction of Universal Credit and the potential loss of the spare room subsidy. To date the Scottish Government has negated the loss of the spare room subsidy through Discretionary Housing Payments (DHPs), but we are mindful that the decision to maintain the arrangement is reviewed annually.

## **Thermally efficient**

We do not have a formal 'Energy Improvement Plan', but we have done/will do everything practically possible to improve the thermal efficiency of our properties.

We have retro fitted cavity loft insulation, and insulated the cavities of all properties of suitable construction. We are carrying out a rolling programme of boiler replacement, window replacement, and are upgrading the old electric storage heating systems with modern more efficient versions. The components used in the upgrades have a better thermal performance than those they replace.

All but four of our properties comply with the 'Energy Efficient' criterion of the Scottish Housing Quality Standard (SHQS). *We have been unable to engage with the tenants of these properties to effect a heating upgrade, and so have applied for an abeyance for each.*

Some of our properties currently fail the Energy Efficiency Standard for Scottish Social Housing (ESSH), but our ongoing major repairs programme of boiler replacement and heating upgrades will ensure that all will be compliant by the due date of 31<sup>st</sup> December 2020.



### **Safety**

All our properties meet the 'Health, Safe and Secure' criterion set out in the SHQS. We are confident that our properties are all free of asbestos as they were built or refurbished from the early 1990s (by which time the use of asbestos as a building material was prohibited) – a view strengthened by the fact that we have tested many samples taken from different tenements throughout the area, and all have come back negative for asbestos.

We have had Legionella Risk Assessments of the water systems within our property types carried out by a competent party. We are now implementing their recommendations in respect of 'follow up' work and advising tenants on action that they should take to reduce the risk of contracting legionella.

We carry out annual gas safety checks of all gas appliances in properties that have a gas supply, and carry out annual inspections of smoke detectors to ensure that they are operational.

We also use our quarterly newsletter and facebook page to advise tenants about precautions they can take to reduce the risk of contracting legionella, and inform them/advise them about checks for gas safety and the smoke detectors.

Anti-social behaviour can adversely affect the quality of life of many tenants living in the vicinity. We have in place robust 'Anti-Social Behaviour' procedures for dealing with such instances, but initiation is dependent upon us receiving a report.

We have a 'Silver Service' agreement with Community Safety Glasgow (CSG) which covers cases of anti-social behaviour. We regularly draw upon the expertise of CSG to help tackle anti-social behaviour cases. Our response is proportionate to the nature of the problem.

Anti-social behaviour can stigmatise an area. It is therefore important that we address it effectively and timeously.

## **5.0 Housing + (Wider Role)**

We make a significant contribution to the success of the local community through housing, but we play a more peripheral role in nurturing community spirit.

The success of a community is dependent upon an infinite number of factors; housing, social interaction, acceptance, and inclusiveness are some of the fundamental characteristics of a stable, and a vibrant community. We are but one of those factors, and we are limited in what we can do, but through our wider role work, we will do what we can.



Our wider role work is primarily aimed at providing activities and services to/for the children and young people living in our area, which is delivered for us by specialised organisations, some of which are Castlemilk based. However our wider role activities also encompass events for adult residents and families – like coach trips – and we are receptive to developing initiatives to benefit other client sub-groups.

## **6.0 Future**

We envisage there being little change in our future activities and the demographics of our future client group. We will, of course, continue to monitor for trends and will use that information to inform our decisions. In the mid-term, we will be working towards EESSH compliance.

In the years ahead, we will i) maintain the approach to asset management described earlier in this document, and ii) continue to regularly review all aspects of our work that affect asset management, and act/plan accordingly.

## **7.0 Finances**

Our long term financial projections confirm the viability of the Association. At 31<sup>st</sup> March 2014, our 'Net Book Value' was £7,916,936.

These financial projections incorporate realistic and robust maintenance projections. Both sets of projections are revised annually. We have confidence in our ability to deliver on them.

## **8.0 Responsibilities**

Having explained our approach to asset management, we have to consider who is responsible for its evolution and implementation.

Our Management Committee is responsible for taking strategic decisions in relation to asset management, and then monitoring, and evaluating our performance against what was decided on.

Our senior staff team advise Committee on strategic (asset management related) matters and oversee implementation of decisions. Relevant other members of staff will be involved in implementing these decisions.

The advice given to Committee is informed by feedback from staff members, which is gathered via discussion with line manager, at team meetings, at staff meetings, or from formal performance appraisals. The views of residents are also considered (the views being gathered from surveys, reports, complaints etc).

Our aim is for all Committee and Staff members to 'buy in' to the Plan, contribute to it, and, where appropriate, be involved in the implementation of decisions.



## 9.0 Links to other policies

This Asset Management Plan is most closely linked to our Business Plan; it is the majority 'contributor' to the Business Plan. It is also intrinsically linked to our Performance Management Strategy, Risk Management Strategy, and, to a lesser extent, our Resident Involvement Strategy.

## 10.0 Summary

We have strong processes in place to help us maximise rental income, and tackle rent arrears. We also have effective measures in place to help maximise rental income. We have a healthy demand for our houses and have confidence in our maintenance programmes, and in our ability to finance them. On the whole, we are doing well and are in a strong position to sustain that level of performance, but there are issues that we need to address and/or be mindful of. These are discussed below:-

**Rent assimilation:-** One of our Objectives for 2015/16 is to establish a strategy to facilitate rent assimilation (both with similar type properties and the Scottish average) over a set time period.

**Evaluation of repairs team:-** In 2015/16 we will be carrying out an external evaluation of our in house tradesteam to determine if it is providing 'value for money' to our service users.

**National standards:-** We continue to try to gain access to upgrade the heating systems to the few properties that fail the energy criterion of the SHQS (Scottish Housing Quality Standard). The implementation of our Major Repair programme will ensure our properties are compliant with the EESSH (Energy Efficiency Standard for Social Housing) by the due date of 31<sup>st</sup> December 2020.

**Legionella:-** We will implement recommendations from the legionella risk assessments that a competent party is carrying out for us on a representative number of our properties.

**Delivery of maintenance programme:-** Having established a strong programme, we need to make sure that we deliver it on schedule.

**Wider role (Housing +) activities:-** We foresee an increase in the number and type of wider role activities that we get involved with, but our core role will continue to be the management and maintenance of our properties. We expect to continue to act more as facilitator than direct provider in 'housing +' type activities.

## 11.0 Review

The Asset Management Plan will be reviewed at least every three years.

<b>End</b>
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