



ASSET MANAGEMENT STRATEGY 2022-2024

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1. Executive Summary

The 2022-2024 Asset Management Strategy presents a clear outline of how Paisley Housing Association's (PHA) aims and objectives will be delivered over the next two years. It establishes strategic alignment with PHA Business Plan 2022-2024 and provides the basis for future decision making and a clear process for achieving commitments made in an Action Plan. It has been developed with the involvement of the PHA Board, Senior Management Team and the relevant staff and budget holders.

The strategy has been developed with the guidance on Strategic Asset Management published by the Scottish Housing Regulator in 2012 alongside feedback from its review, Scottish and National Government Regulations and targets and the local and national plans which will assist and support the Associations objectives in the environment of which we operate.

The strategy comes at a time of significant economic uncertainty as the ongoing after effect of the COVID-19 pandemic develops new challenges of inflation well above average, rising energy costs and an acute shortage of skilled labour within the construction sector. In early September 2022, The Scottish Government announced emergency legislation to freeze all rent increases until at least March 2023. Given the economic outlook, It is generally expected the rent freeze will continue in 2024. The implications of this mean the Association will have to re-prioritise its longer term investment commitments to focus on essential works that will address customer's facing extreme fuel poverty as well as ensuring our stock is maintained to safe and legislative standard.

The Action Delivery Plan (**Appendix 1**) will be monitored and reviewed annual, with an annual progress report provided to PHA Board.

2. About Paisley Housing Association

Operating in Scotland's largest town, PHA are a high-performing, volunteer-led, Registered Social Landlord. We currently own 1,285 homes, factor a further 287 homes, employ 30 staff and have an annual turnover of around £6 million.

We own and manage a diverse property portfolio of traditional, multi-storey and tenemental buildings. Our properties are located in 5 main areas; town centre, west end, south, Foxbar and Glenburn. Around 85% of our properties are flats and over 90% are designated for general needs.

The Association currently invests around £2m annually in maintaining its properties and as a result 97% now meet the Scottish Housing Quality Standard while 96% meet the Energy Efficiency Standard for Social Housing. 93% of our tenants tell us that they are satisfied with the repairs service.

PHA is evolving as different provider from the one created in 1984 in terms of services, investment, finances, governance, and engagement. Tenant engagement, performance improvement, customer service and community involvement remain underlying priorities for future success. This is reflected in the Association's overall strategic business objectives.

3. Development and Strategic Context of the Asset Management Strategy

The Association's Business Plan 2022- 2024 sets out our vision, values and long term aims. Key priorities in the period of the plan will be the successful delivery of our investment commitments and the urgency around reducing fuel poverty, contributing to the climate agenda, planning for EESSH 2 and making lasting improvements to the surrounding environment. We want to create a sense of community and help people to sustain their tenancy and thrive within the community we serve . Our aim is to provide quality homes where people will want to live, put down roots and help to build strong, vibrant communities.

The Association continues to meet existing regulatory standard as a minimum and aim to have a strategy in place to meet the new EESSH2 targets for all our properties in 2023.

The Asset Management Strategy will influence other strategic plans and priorities for the business as material changes to our assets and the financial investment required to protect them directly influences the capacity we have as an organisation to deliver existing and new services for our customers.

It confirms the progress and current position and contains the strategic themes, projects, and objectives along with the associated action plan to be delivered during the life of this strategy to achieve the Strategic Plan objectives.

The key aims of the Asset Management Strategy can be summarised as:

- Provides a framework for fully informed decision making
- Manage both current need and future expectation
- Identify risks that will impact on the ability to deliver

- Provide value for money through effective and efficient procurement and contract management
- Address the issue of Fuel Poverty
- Identify and involve the right people who will have clear responsibilities and accountability
- Ensure long term viability and sustainability
- Identify and develop plans to deliver EESSH 2
- Complement other plans and strategies

4. Property Data and Operating Context

A central part of our framework for decision-making centres on the ability of the Association to collect and maintain data that is accurate and reliable.

Key to effective asset management is having robust information. PHA carry out stock condition surveys to continually gather information on the stock which updates our asset database and life cycle costing information.

During 2022 we carried out a complete review of our SCS database and update of our life cycle costing information. The objective was to give us confidence that our assumptions and methodology relating to our long-term future investment needs is as accurate and effective as possible.

Our information base includes

- The 2022 Stock Condition Survey, which incorporated EESSH and SHQS compliance, undertaken by JMP.
- Life Cycle Costing model with cost projections for 30 years.
- Alignment of planned maintenance, cyclical maintenance and other programmes that are considered asset management priorities.

The Association has well-established ways of listening to, and consulting with tenants which include service surveys, external events, and targeted tenant engagement. A key method of understanding our tenants includes the tenant satisfaction survey carried out independently by a customer insight research company. At the time of writing the Asset Management Strategy, the latest customer satisfaction survey has not yet been rolled out. However, from day to day feedback, tenants have told us that affording to meet heating costs is an increasing concern. Therefore, tackling fuel poverty is a key objective for PHA by investment in energy efficiency for homes and working towards longer term energy cost reducing measures.

Repairs Service

To maintain our assets, PHA undertakes approximately 3,500 repairs in tenants' homes per annum, including an out of hours emergency repairs service. There is an agreed repairs policy in place. The Association engages with a number of small local multi trade contractors. Performance of the service is closely managed and monitored against agreed repairs priority timescales and performance is published annually to tenants through the Annual Report.

Void Properties

There are approximately 130 tenancies terminated per annum. Ensuring a quick and quality turnaround of void properties is crucial to maximising rental income and meeting housing demand. Where possible, void properties are inspected and are repaired by the in house Estates Team, in line with PHA's approved Lettable Standard for re-let. Where a property is deemed 'harder to let' additional works may be carried out to increase the properties letting appeal e.g., full decoration.

Planned Maintenance Programme

Around £2million per annum is spent on upgrading properties. This includes lifecycle replacement of components at the end of their expected cycle e.g., kitchens and bathroom as well as improving standards and meeting legislative requirement, such as EESSH, SHQS, LD2 and other tenant safety measures.

The focus moving forward is by technology and new materials, lengthen lifecycles of component elements and increase energy efficiency.

Cyclical Programmes

PHA undertakes a large and varied range of cyclical programmes to maintain its assets. These include obligatory gas servicing, legionella risk assessments, lift servicing and others are to prolong the life of the assets like gutter cleaning and communal painting.

Adaptations

In order to support tenants with additional needs to live safely, comfortably, and independently at home, the Association undertakes a number of medical adaptations per annum. PHA receives an annual grant from the Scottish Government towards the cost of providing adaptations for tenants which the Association supplements with further funding. There has been a steady increase in the number of adaptations requests each year, as the general population lives longer and has more complex needs.

Development & Increasing Stock

The Association continues to seek opportunities to develop new homes. The recent completion in 2021 of 16 new amenity flats in High Calside and 30 new homes in Glenburn, demonstrates the demand for quality housing in the community. In 2023 the Orchard Street CTI scheme will commence and will see the Association be at the forefront of preserving traditional sandstone tenements within the town centre. In addition, towards the end of 2023 the existing gap sites in Foxbar will undergo a detailed feasibility for the possibility of a wider scale new build and environmental project for the area.

Working in Partnership

PHA has a well established successful track record of partnership working, as founding members of FLAIR (the Federation of Local Housing Associations in Renfrewshire and East Renfrewshire) and the procurement consortium iFLAIR.

As the period of economic uncertainty continues, PHA will maintain its operation within both FLAIR and iFLAIR, recognising more than ever the importance of supportive and collaborative working.

During 2023 the iFLAIR framework agreement will be re-tendered for its next iteration (Version 4). PHA will ensure it contributes innovative suggestions and solutions to ensuring it is an effective and efficient procurement tool for the Association and other members.

The association will also look to explore partnership working opportunities beyond the FLAIR network .

Focusing on the Green Agenda

Asset Management will play a pivotal role in addressing the climate emergency, addressing fuel poverty and aiming to meet the energy efficiency and performance targets. In late 2022 the Association will be jointly appointing a Sustainability Consultant with a number of other Renfrewshire and Glasgow based RSL's to assist in developing longer term investment proposals. The venture will provide collaboration and learning to best understand the financial and resource implications of meeting the revised EESSH2 targets and the wider Scottish Government Net-Zero Carbon requirements.

Other Property Assets

The associations continues to owns its previous office building at 64 Espedair Street. It is currently being leased out to a local commercial business for three years, ending in 2024. Due to design of the building, it is not financially viable to explore options to refurbish and repurpose its use. It is expected PHA will look to dispose of the building when this lease ends by means of sale.

The current office accommodation at Assurance House, 2 Lawn Street is also owned by the Association. The building was extensively refurbished internally in 2020-2021 . External refurbishment works are required to address ongoing water ingress issues and to improve the overall appearance of the building. It is expected these works will be undertaken in early 2023. Whilst the Association operates

a hybrid working arrangement for staff, the longer term use of elements of the building will be explored.

5. 2022-2024 Strategic Themes, Projects and Objectives

The projects outlined below, and their outcomes, will deliver PHA's vision for the next 2 years. How the objectives will be delivered are set out in the Action Plan at **Appendix 1**.

Providing a high-quality, safe & affordable home environment for those in need.	
Continue to invest in existing stock. Meets the needs of customers. Complying with changing regulatory standards. Shows early action towards the Green Agenda	
Projects	Objective
Essential Investment in existing stock	<ul style="list-style-type: none"> • Establish an immediate two year investment plan and cyclical maintenance plan • Review progress against performance on an ongoing basis • Review the SCS data, refine and implement with the new Asset Management IT System
Safe Homes	<ul style="list-style-type: none"> • Ensure ongoing compliance with all relevant landlord H&S criteria • Adopt a best practice culture • Expand the range of safety information for Tenants
Energy Efficiency Compliance	<ul style="list-style-type: none"> • Keep immersed in the review of EESSH2 in early 2023 • Introduce energy efficiency measures where practical
Housing to 2040	<ul style="list-style-type: none"> • Understand and evaluate the 2040 Scottish Government plans. Look to develop a longer term strategy that will meet the new standard
Environmental Improvements with a focus on longevity and maintenance reducing materials	
Projects	Objective
Environmental	<ul style="list-style-type: none"> • Establish an immediate priority plan for two years
Mixed Tenure	<ul style="list-style-type: none"> • Re assess our engagement with factored owners and other land/property owners

Development & Deliverable Growth	
Projects	Objective
New build Opportunities	<ul style="list-style-type: none"> • Explore new and emerging construction methods and alternate routes to develop new homes
Mixed Tenure Development	<ul style="list-style-type: none"> • Deliver the Orchard St CTI project • Explore further mixed tenure development and land opportunities

Providing effective services to help our tenants maintain their tenancies	
Ensuring our services and projects can help reduce inequality and improve the life of customers through challenging periods	
Projects	Objectives
Adapt & Sustain	<ul style="list-style-type: none"> • Continue to enhance the delivery of adaptations work. Recognising the year on year increase and awareness of the demand of different types of adaptation requests
Reducing Energy Costs	<ul style="list-style-type: none"> • Explore options to assist with the rising cost of energy prices for an asset perspective e.g. explore alternative renewable heating systems for electric and communal gas stock, properties suitable for pilot opportunities

Providing opportunities to ensure the voice of our customers is heard	
Enhancing our community participation and empowering customers in the asset decisions making	
Projects	Objectives
Tenant engagement	<ul style="list-style-type: none"> • Support the customer engagement strategy for an asset perspective
Digital Inclusion	<ul style="list-style-type: none"> • Explore new methods of capturing tenant feedback and general interaction of asset issues

6. Monitoring & Review

The Association will review and update the Asset Management Strategy on a frequent basis. Typically if there are significant changes to legislation or recommended good practices. On this occasion the Asset Management Strategy is for a two year period, and will be reviewed annually, along with the action plan.

Key Performance Indicators have been developed to capture evidence of the effectiveness of this Strategy and will be monitored monthly by the Senior Leadership Team with the relevant KPI's reported to the PHA Board.

Aspects of asset related performance are reported annually through the ARC returns reported to the Scottish Housing Regulator.

Appendix 1: Delivery Action Plan - 2022-2024

Project	2022/2023 Year 1	2023/2024 Year 2
<i>Providing a high-quality, safe & affordable home environment for those in need.</i>		
<i>Continue to invest in existing stock. Meets the needs of customers. Complying with changing regulatory standards. Show early action towards the Green Agenda</i>		
Investment In Existing Stock	<p>Establish and deliver "immediate priority" 2 year planned and cyclical program</p> <p>Implement delivery and measure performance of contracts. Establish post contract reviews</p> <p>Implement phase 2 of new IT system for Asset Management</p>	<p>Continue to deliver the 5 year program. Anticipate review changes to allow of EESSH 2 delivery</p> <p>Continue to deliver and measure performance of contracts. Implement post contract reviews</p> <p>Continue to implement new IT system with new stock condition data. Roll out other data for IT system</p>
Safe Homes	Engage with a specialist H&S consultant to best understand baseline requirements	Develop staff to enhance H&S knowledge and skills to deliver elements of H&S requirements internally
Energy Efficiency Compliance	Anticipate EESH2 review and new principles	Develop and agree on how to achieve the revised EESH2
Housing to 2040		Review the finalised proposals and formalise a PHA 2040 Standard, reviewing investment programmes required for deliver
<i>Environmental Improvements with a focus on longevity and maintenance reducing materials.</i>		
Environmental	Survey the stock, address immediate improvement works.	

	Further develop priority plans	Deliver further priority works as and where identified
Mixed Tenure	Evaluate the impact of the Environmental programme on mixed tenure owners. Establish a clear communication plan	Consider alternative arrangements and strategy for blocks where owner refusal is present
Development & Deliverable Growth		
New build Opportunities	Evaluate options appraisal for Foxbar gap sites. Look to appraise sites identified elsewhere for development and acquire sites with appropriate approval	Gain understanding around sustainable development and future methods of construction
Mixed Tenure Development	Deliver the Orchard Street CTI project Work with partners and local landowners to identify suitable available opportunities for rehabilitation and development	

Providing effective services to help our tenants maintain their tenancies

Ensuring our services and projects can help reduce inequality and improve the life of customers through challenging periods

<p>Adapt & Sustain</p>	<p>Establish a closer working relationship with partners to best facilitate tenants adaptations needs</p>	<p>Implement and evaluate</p>
<p>Reducing Energy Costs</p>	<p>Explore renewable heating solutions for George St communal system and Oliphant Court</p> <p>Establish any funding and pilot opportunities</p> <p>Identify further measures from an Asset perspective that could reduce energy costs to tenants. Work in collaboration with internal colleagues and wider partners</p>	

Providing opportunities to ensure the voice of our customers is heard

Enhancing our community participation and empowering customers in the asset decisions making

<p>Tenant Engagement</p>	<p>Contribute to the development of the Tenant & Community Engagement Strategy from an assets perspective</p>	<p>Implement and evaluate</p>
<p>Digital Inclusion</p>		<p>Explore opportunities and pilot digital connectivity initiatives e.g. wi-fi pilot</p> <p>Explore and develop technology to enhance asset information and tenant interaction on repairs.</p>

Appendix 2: Strategy KPI's

The KPI's in the table below have been identified as the key indicators of the success of this Strategy. Additional KPI's may be developed as required.

<i>Providing a high-quality, safe & affordable home environment for those in need.</i>	
Performance Indicator	2022-2024 Target
Average time to complete non-emergency repairs	2.8 days
Average time to complete emergency repairs	2 hours
% of reactive repairs completed right first time	97.6%
<i>Providing effective services to help our tenants maintain their tenancies</i>	
Performance Indicator	2022-2024 Target
Average time taken to complete a Stage 3 adaption	5 days
% Tenancy Sustainment	90%
<i>Providing opportunities to ensure the voice of our customers is heard</i>	
Performance Indicator	2022-2024 Target
% of tenants satisfied with repairs service	95%
% of tenants satisfied with investment work in their home	95%