

PAISLEY HOUSING ASSOCIATION

ASSET MANAGEMENT PLAN 2017-2020

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APPROVED BY MC March 2017

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- 10.5 year Planned and Cyclical maintenance programme
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Paisley Housing Association Policy, Procedure or other Key Documents listed in order referenced in text

- **Business Plan**
- **Letting Standard**
- **Environmental Feasibility Study 2015**
- **Allocations Policy**
- **Resident Satisfaction Survey 2016**
- **Rent restructuring**
- **Scottish Secure Tenancy Agreement**
- **Gas Safety Policy**
- **Right To Repair Policy**
- **Tenant Participation Strategy**
- **5 year & 30 year Financial Plan**
- **ARC**
- **Procurement Policy**
- **KPI targets**
- **Internal Audit Repairs 2014/15**
- **i-FLAIR Framework agreement 2016**
- **Stock Condition Survey 2014**
- **5 year Planned and Cyclical Maintenance programme 2017**
- **Factoring Policy**
- **BRE Study**
- **Buying and Selling Policy**
- **Internal Audit Factoring 2015**
- **Risk register**
- **Land Strategy**

EXECUTIVE SUMMARY

Effective asset management is fundamental to the successful delivery of an excellent service which places customers at the heart of our business and that meets the organisation's Business objectives. This document sets out Paisley HA's strategy for Asset Management.

PHA has embraced the principles of effective asset management by:

- Recognising the importance of maintaining and analysing stock condition, demand and sustainability information;
- Ensuring effective procurement and delivery of planned works programmes to make sure the stock is maintained in good condition;
- Recognising an ongoing need to meet changing standards for stock and environment to be 'fit for purpose'
- Recognising an ongoing need to meet the changing expectations, and support needs, of customers

For this reason the Asset Management plan supports our 30 year investment plan to maintain and invest in existing stock to meet resident expectations and provide a sustainable long term solutions through active asset management.

We have many positives, and areas where we have already identified concerns and are taking ongoing action.

- We have a good mix of stock types with no significant undersupply and no concerns over our non traditional properties.
- Turnover is fairly stable year on year. We have demand for most of our areas. There are no long term voids.
- Current and prospective tenants have increasing expectations. Where we have lower demand in Foxbar flats, sustainability is being tackled through targeted investment in the external environment and improvement in the energy efficiency and visual attractiveness of these flats.
- Planned maintenance no longer requires to focus investment mainly on sustaining our older stock in Foxbar but is spread across the stock.

However while we have already made a substantial investment in SHQS and EESSH works which has made a visible difference to tenants homes, and have a strong 5 year Planned Maintenance programme to continue this progress, there remains a need to both regenerate older areas and re-visit more recent stock to ensure it is still fit for purpose.

Analysis in the Asset Management plan confirms two subject areas already actioned as organisational priorities; environmental improvement, and sustainability of tenancies, in particular of Section 5 tenancies.

Asset Management action plans have been built around the two areas which give some cause for concern 1) sustainability and affordability, 2) aspects of planned maintenance, under which new actions (or adjustment to our previous approach) have been developed in response to the range of distinct issues for the stock and residents' needs. These have been reflected in Budget process.

This document establishes the framework within which asset management operations will be provided. It highlights the component parts of the asset management function e.g. assessing and

mitigating risk, joint working, and their inter-relationship. It has been designed to ensure a more 'joined up' approach to the way we plan and deliver both management and maintenance services.

Progress with Asset Management will be monitored by the Management Committee through formal quarterly Board reports on Planned Maintenance and Sustainability. This Plan spans a three year period but will be formally reviewed each year as it is expected that the Plan will receive minor updates at each review. An Annual report on overall progress with proposed changes to the Asset Management document will also be presented to the board.

1. INTRODUCTION

Paisley Housing Association's ability to deliver good housing services for our current and future customers is dependent on our ability to make the most of the homes we own, not only as good places to live, but as the assets on which the whole organisation is built. Most of our income comes directly, in the form of rent, from homes as 'assets'. Most of our outgoings is for the staff management, property maintenance and planned investment needed to look after these homes as assets for the benefit of existing and future residents.

Good asset management continues to be at the core of our Business Plan. This strategy reflects our ongoing, proportionate and targeted actions which are based on a good understanding of our stock, our customers and the context in which we operate. Our objective is to ensure the Association invests wisely making best use of its assets.

Our Asset Management Plan covers the wider context in which we operate as a Registered Social Landlord in Renfrewshire and how this is changing, in particular in relation to the **increase in the private rented sector**. We look at our demand, and how our services address the **changing needs and expectations of our customers**. The focus then moves to our asset base, its condition and value, meeting statutory Energy Efficiency targets and planned investment. Finally we look at linkages between asset management and business and financial planning, mitigating risk and securing value for money and **conclude with our actions to deal with cause for concern stock** and other identified concerns.

The Scottish Housing Regulator has produced guidance for Registered Social Landlords in developing their Asset Management Strategies and we have used this guidance extensively in producing ours.

2. PAISLEY HOUSING ASSOCIATION'S ASSETS

The Association, originally Paisley South End HA, was established in 1984 as a community based housing association carrying out Comprehensive Tenement Improvement in the south of Paisley.

In 1998 we doubled in size after a successful ballot to receive a transfer of Scottish Homes stock in Foxbar. This consisted of traditional houses and flats built in the 1950's and a multi storey block.

We now have a diverse stock mix of 1204, mainly general needs, in new build, traditional, multi storey and sandstone tenement properties in Foxbar, Glenburn and the south, west and town centre of Paisley.

Asset Management is the process by which we ensure that the assets that we need to operate our business are managed effectively and provide value for money. It covers a range of activities that are in place to protect these assets.

Our assets consist of:

- Our housing stock **Appendices 1&2** gives details of stock numbers, location, sizes and types
- Land that is banked for future development
- Our office accommodation and non domestic stock

- Skilled staff, the people resource that is in place to ensure that our physical assets are effectively managed and that the required services are offered to customers
- Voluntary Board members who govern the organisation, take strategic decisions to influence the direction and values of the Association
- Other assets that support the above such as IT systems, stock information and equipment
- Financial resources that underpin the organisation

We rely on all of these to deliver our key business objectives.

3. INVOLVING THE RIGHT PEOPLE- PAISLEY HOUSING ASSOCIATION'S GOVERNING BOARD AND STAFF

Good asset management requires understanding and ownership across the organisation. The Management Committee of Paisley South has the experience, training and support to be effective in discharging its role of ensuring good governance of the organisation.

Key performance indicator targets are set annually and overall asset performance is reported to the Management Committee quarterly using a traffic light system to highlight any areas that need closer attention. It also forms part of the budget process within our annual planning cycle.

Staff and Committee annually have an away day to examine the challenges facing the organisation. This informs our Business Plan priorities, a key part of which is strategic asset management.

As part of our 'whole organisation' approach we have an ongoing review of our staff requirements and maximise training opportunities by offering employability placements, which have resulted in new posts to enhance our service delivery.

We continue to explore different types of working arrangements across departments such as our pilot Estates Team.

We have in place joint working arrangements across Housing Management and Technical departments for void and estate management. This includes the flexibility for enhancing our letting standard for properties with lesser demand, with work required identified by the officers involved in allocation. Our Letting Standard has recently been 'under scrutiny' by our Tenant Scrutiny Group which is to be complete by March 2017.

A feasibility study focussing on environmental improvements is now a key Business Objective with Quarterly reports presented to our Management Committee.

Staff throughout the organisation has developed a network of housing contacts with which they can share best practice and collaborate in joint working initiatives. Examples of this are our joint training, and benchmarking with FLAIR, and the procurement framework for planned and cyclical work developed by i-FLAIR which is ourselves, Arklet, Barrhead, Bridgewater, Cloch, Linstone, Oaktree and Williamsburgh Housing Associations.

Staff and Board members attend training, various forums and conferences and the Association is affiliated to such as GWSF and EVH to ensure that we are up to date with current issues in the sector.

4. UNDERSTANDING OUR CUSTOMERS- THE WIDER CONTEXT

Housing market

Good customer intelligence is important to strategic asset management. Having an understanding of who our customers are and what needs and aspirations they have, now and in the future is a priority for us.

For data on the wider housing market environment in which we operate and how this is changing with regards to demographics, employment, income and affordability we have used the recent Renfrewshire **Housing Needs and Demands study 2015**. It also looks at the suitability of current Council stock to meet needs and demands within Renfrewshire and this gives us some context regarding our place in the Social Rented Sector. The **key findings** which impact on us are:

- **Increasing numbers of smaller households which impacts on our demand and influences any future development programme**
- Increasing older population which impacts on demand for adaptations
- **Average Renfrewshire income is only 80% of the Scottish Average**
- **Affordability issues for lower earners even for social rented sector**
- Private and Council stock stigmatised in some areas. Foxbar and Glenburn are classed as low income deprived areas. For Council stock they are low demand areas. We have a significant proportion of our stock in Foxbar.
- Marginal owner occupation in sandstone tenements and substantial numbers needing CTI
- **Sharp increase in private rented supply -5000 in Paisley & Linwood, the majority 1&2 bed flats which impacts on us in having to be competitive in price and product e.g. carpeted , white goods etc.**
- **Demand tends to be local**
- More detail on the findings of the study that we need to be aware of for our business is given as **Appendix 3**.

5. UNDERSTANDING OUR CUSTOMERS-DEMAND

Who are on our housing list?

We recognise that it is not solely information about the physical characteristics of our stock that informs our asset management plan. A key risk is whether our property will remain in sufficient demand in the future and whether tenants wish to remain in their tenancies long term. If people stay there is less risk regarding demand. To address this we find it essential that the needs of current and potential customers are understood and taken account of in our policies and longer term strategy.

This and the following sections under the broad heading 'Understanding Our Customers' look at our housing list, our strategy to support tenants through their tenancies and to understand why some tenancies are not sustained.

Our Allocation Policy places applicants into Priorities within the following six Groups:

- Nominations/Section 5 Homelessness referrals from Renfrewshire Council,

- Mobility needs (2 groups)
- General housing need (2 groups)
- Applicants with no housing need

Our Allocations policy prioritises assisting Renfrewshire Council discharge its Homeless duties, assists applicants with mobility needs, and those with no security of tenure e.g. those staying c/o family or friends or in private rented accommodation. Less likely to be housed by us are therefore applicants who have security of tenure either as owners or as tenants in the social rented sector, although we do queue applicants who have no housing need. In line with the Report findings in section 4, the majority of our demand is local i.e. within Renfrewshire.

To ensure access for all applicants on our housing list we set targets for allocations, report on performance quarterly and review these each year. In our review we take into account external factors.

We have a joint Nominations/Section 5 Agreement with the Council. Our 2015.16 internal target being 35% with a 35.42% outcome achieved. Demand for Section 5 allocations is specifically for 2apt. There is therefore a mismatch between this area of demand and our ability to satisfy it. A significant volume of our turnover is in Foxbar, which has mainly 3 and 4apt properties.

Our Housing list analysis of demand by area, street and property size identifies strong demand for most of our stock. We have no long term voids. Demand varies across our areas. Tables 1 shows our demand in relation to supply and turnover in our largest area, Foxbar. **Appendix 4** gives additional area housing list data.

At year end 2015.16 we had 865 applicants on our list. Applicants can queue for multiple streets. Currently 21% of our list is in the Group 'Applicants with no housing need' i.e. they have no identified need but aspire to move to another property.

Only 3 streets have low queues, all in Foxbar. These, highlighted in red, are **Orchy Cres, Findhorn Ave and Gryffe Cres** in the Rivers area. All are flatted accommodation and are the older 1950's stock of 3 & 4apts.

Renfrewshire Council has identified areas of particular low demand for their stock in the West end /Broomlands area of Paisley. Our stock in the West is in medium demand.

In the south the street with medium queues is Stock Street which has traditional sandstone tenements.

Out with location, our main issue of concern throughout our stock is with 4apt tenement flats. Renfrewshire Council and other RSL are also experiencing low demand for larger flats.

Our highest demand is for houses and own door flats across all of our areas.

Obviously the issue of low demand has to be seen in the context of turnover i.e. where there is low demand *and* higher turnover in an area. Actions regarding our low demand stock and sustainability are discussed in sections 10&15.

Table 1

GN Housing list AREA-FOXBAR										
Street	Stock apt size	2APT	3APT	4APT	5APT	No need	Total queue	Stock nos.	Nos. Voids in 15/16	Nos. Voids to Q3 16/17
Orchy Crescent	3&4		1	1		2	4	60	15	9
Glendower Way	4			6			6	1	0	0
Gryffe Crescent	3&4		2	1		4	7	16	4	1
Oliphant Court	3		5			3	8	56	8	1
Mannering Road	3&4		7	2		5	14	80	14	9
Marmion Road	4			22		2	24	1	0	1
Findhorn Avenue	3&4		15	14		10	39	48	10	10
Don Drive	3		39			18	57	9	1	0
Manor Road	3&4		27	23		15	65	10	1	0
Almond Crescent	3&4		26	23		17	66	7	1	0
Tweed Avenue	3&4		29	23		16	68	5	0	0
Montrose Road	4&5			50	15	6	71	10	0	0
Esk Drive	2,3,4	24	32	23		36	115	12	0	0
Oliphant Crescent	2,3,4	29	30	24		35	118	30	6	0
Spey Avenue	2,3,4	27	32	23		37	119	8	0	0
Beaully Drive	2,3,4,5	20	28	24	11	37	120	15	0	0
Dee Drive	2,3,4	32	34	26		40	132	30	3	2
Hollows Ave/Cres	2,3,4	37	38	26		37	138	36	3	0
		37	37	30		42	146	11		
Foxbar Road	2,3,4	34	36	27		51	148	15	4	0
Talismann Road	3&4		66	46		40	152	4	0	0
Heriot Avenue	2,3,4	36	28	57		46	167	21	2	3
TOTALS		276	512	471	26	499	1784	485		

Demand for adapted stock

We have 15 properties adapted for wheelchair users but do not have a waiting list for adapted stock. Similarly, stock originally developed as amenity housing i.e. with particular features for older people is now allocated to general needs and mobility groups depending on the number of steps in/out of the building and any significant adaptations that have been installed such as wet floor shower rooms.

6. UNDERSTANDING OUR CUSTOMERS – TURNOVER

There are three aspects to this that we address;

- is our overall level of turnover a concern
- is there concentration in any particular areas or stock types
- why are customers moving and where to

Termination Level

Overall the Associations turnover has significantly decreased from 16.59% in 2011/12 to 11.5% 2014/15. In 2015/16 it is 11.94%, which is higher than the Scottish average of 8.9%.

Table 2 gives a comparison with other RSL operating locally on the percentage of lettable stock that became vacant in 2015/16. Renfrewshire Council is at 10.17%.

Table 2 2015.16 ARC information for FLAIR

Landlord	Turnover %
Paisley South	11.94
Linstone	11.34
Williamsburgh	10.82
Barrhead	9.2
Ferguslie Park	7.62
SCOTTISH AVERAGE FOR RSL	8.64

We are the highest in FLAIR. Turnover is a concern although our Residents Satisfaction Survey is not indicating problems with issues such as area/facilities/rent levels or us as a landlord. There is a common factor for ourselves, Linstone HA and the Council in that we all have a profile, to a greater or lesser degree of similar types of older stock.

Looking at concentrations of terminations, Appendix 5 gives detail on annual turnover over 5 years and the total volume of voids by street in comparison with the amount of stock in that street. By identifying those which show a pattern of increasing or high turnover, Table 3 summarises 'hot spot' streets. Those designated as amber which have above average turnover and the highest risk, in red.

Table 3 'Hot spot' streets-Above Average Turnover

Area	Street	Type of Stock	Stock number	Void turn over – 5 yrs	11/12 Nos. (%)	12/13 Nos. (%)	13/14 Nos. (%)	14/15 Nos. (%)	15/16 Nos. (%)
Foxbar	Oliphant Cres	50's Traditional tenement/ Houses	30	29	6 20	10 33.3	2 6.6	5 16.6	6 20
Foxbar	Mannering Road	50's Traditional tenement	80	76	17 21.2	17 21.2	13 16.2	15 18.7	14 17.5
Town Centre	George St/Place	CTI sandstone tenement	45	40	10 22.2	9 20	9 20	5 11.1	7 15.5
Town Centre	Storie Street	CTI sandstone tenement	18	14	4 22.2	2 11.1	2 11.1	6 33.3	0 0
South	Causeyside St	CTI sandstone tenement	16	17	4 25	3 18.7	3 18.7	4 25	3 18.7
West	Broomlands Rd	CTI sandstone tenement	28	21	6 21.4	4 14.3	4 14.3	5 17.8	2 7.1
Foxbar	Orchy Cres	50's Traditional tenement	60	86	17 28.3	18 30	25 41.6	11 18.3	15 25
Foxbar	Findhorn Ave	50's Traditional tenement	48	52	15 31.2	6 12.5	12 25	9 18.7	10 20.8
Foxbar	Gryffe Cres	50's Traditional tenement	16	17	3 18.7	6 37.5	2 12.5	2 12.5	4 25
Town Centre	Johnston St	CTI sandstone tenement	12	16	5 41.6	0 0	3 25	4 33	4 33
South	Stock St	CTI sandstone tenement	107	133	27 25.2	34 31.7	27 25.2	20 18.6	25 23.3
South	Barterholm Rd	Built 1993 tenement	45	47	13 28.8	11 24.4	11 24.4	3 6.6	9 20
West	Argyle St	CTI sandstone tenement	68	72	14 20.6	18 26.5	19 27.9	14 20.6	7 10.3

As noted in Section 5 there is also low Housing list demand for Orchy Crescent, Findhorn Ave and Gryffe Crescent. Making turnover in these streets a particular risk.

Reasons for Terminations and where former tenants are moving to

In analysing terminations in our areas over the last 5 years to 31/3/2016, where given, the main reasons for ending a tenancy, not including transfers, were:

Table 4 Reasons for Termination of Tenancy

Reason for termination	Area & number of end of tenancies				
	Foxbar 357	Glenburn 11	West 107	Town Centre 105	South 292
Abandoned/Evicted	10.4%	0%	14.9%	7.6%	13%
Didn't like some aspect of property or area	8.1%	0%	9.3%	4.8%	12.7%
Not able to afford rent	2.8%	0%	5.6%	7.6%	3.1%

While the above can be used as indicative, it has to be noted that for many terminations we do not have data on reasons. In 2015/16 we had 17 abandoned tenancies and 14 evictions, the latter all for rent arrears and so potentially for rent/affordability issues.

Similarly for the Housing list, having monitored Housing list refusal reasons in low demand areas we have not found patterns emerging.

Abandonment and short duration tenancies are looked at in Section 10 Failure to Sustain Tenancies.

We also have limited information on where people are moving to as people chose not to tell us. Despite seeking forwarding addresses for all tenants leaving with a debt, most cannot be traced. It is noted that very few termination reasons were given as moving to private renting. Although other sources indicate this may be more significant, we cannot draw any firm conclusions.

To rule out some possible termination reasons, we analysed our extensive data on Estate Management issues across our areas, four sandstone tenements closes in Broomlands Street in the West are most consistently below standard and would flag as red or amber. One close in Stock Street would be designated red.

Amber stock currently is

- two closes in Heriot Ave and Orchy Cres in Foxbar
- one close in Argyle St in West
- four closes in Neilston Rd and Stock St in South

We also cross reference complaints of anti social behaviour to establish if there are any underlying causes for people not wanting to move into areas or to move out of them. See **Appendix 6** which gives ASB information by street within each of our areas-Foxbar, Glenburn, South, West and Town Centre. Information is for 2015/16 with 2013/14 as a comparison. The vast majority of cases are in the less serious category C (e.g. noise, loud music, neighbour disputes). Although over three years there has been an increase from 8 to 11 cases of the most serious ASB (e.g. assault,

drug dealing), this is not concentrated in any area. Across the whole stock there has been a significant reduction from 30 to 12 of category B cases (intimidation/assault).

There is no evidence from this analysis of significant issues, apart from in one street in the West, to trigger terminations.

Overall despite processes in place to try to gather this information, we do not have very definitive information on why customers move and where they move to. We continue to benchmark locally on reasons for terminations to determine if trends are similar across areas. Section 10 looks at Sustainability of Tenancies.

Low demand is considered to be a Risk to the Association. We look at Risk in Section 15. Property condition is looked at in Section 13.

7. UNDERSTANDING OUR CUSTOMERS -DEPRIVATION NEEDS ANALYSIS

In addition to general information provided in Section 4 and **Appendix 3**, we have used statistics from the Scottish Index for Multiple Deprivation (SIMD) 2012 and the Census to provide baseline information on the demographics and deprivation levels for the areas in which we have stock. We operate across 20 data zones in Paisley and have significant multiple deprivation. See **Appendix 7**.

The **Headlines** on the underlying needs of our communities are:

67.44% of our stock falls within the areas categorised as the 12% most overall deprived in Scotland.

- Most of Foxbar-41.09%
- South-Stock St/Neilston Rd/Barterholm Rd/St Ninian's Rd-14%
- Town Centre-Storie St-6.63%
- West-Queen St/Broomlands St-5.72%

The above, plus additional stock in Neilston Rd are within the most deprived 15% for Income. That is the number of people receiving or dependent on benefits related to income or tax credits.

Most of the above plus the following are within the most deprived 15.5% for Employment and/or Health. Making up 97.12% and 81.46% of our stock respectively.

- Glenburn-4.41%
- Foxbar-10.27%
- South-Orr St/Causeyside St/Stock St/Neilston Rd-12.76%
- Town Centre-High Calside-1.33%

Our approach to our service delivery addresses these needs. Half of our Housing Officers have a designated role to assist in sustaining tenancies. We have a staff member to assist with fuel poverty issues. We employ a Welfare Benefits Officer to assist tenants with the increasing complexity of the benefits system. All of whom Technical staff liaise with when vulnerable tenants are identified through annual gas safety inspections, reactive repairs and planned maintenance contracts.

Housing Benefit

The number of our tenants who receive housing benefit has remained steady over the last 3 years at just under 60%.

The impact of Welfare reform to date has been minimal with Discretionary Housing Payment mitigating arrears being created through the Under occupation Tax. There is no information at this time on the impact of the Smith Commission on the devolution of welfare powers. It is however looking reasonably likely that the bedroom tax will be removed.

Universal Credit has been introduced for new claims and change of circumstances and these are being managed. We expect the phased roll out to reach us in 2017/18 although we are already being affected by universal credit and benefit cap cases, see below. The risk is however that with the full implementation of Universal Credit from 2018 of increasing rent arrears and a decrease in tenants sustaining their tenancies due to this.

A further concern is the potential impact on our tenants of the level of rent that can be paid via Housing Benefit and its links to the Local Housing Allowance.

This is not retrospective and will take effect in 2018, unless the Government puts in place mitigation, but affects all new tenancies from 1st April 2016. The households particularly affected are singles under 35. The maximum housing benefit payable for this group is £260 per month.

Affordability is therefore going to be a significant issue, exacerbated for any who are under occupying. This could be made worse by our rent structure for certain groups, affecting turnover.

Currently we have 27% of our tenants aged under 35.

It is noted that Housing List applicants under 35 will be affected. The impact on them being that they will have fewer choices where the full rent will be covered by HB/ UC housing cost element. While we know that at 31/3/16, 107 of applicants are under 35, unless they are on full Housing Benefits we do not know their circumstances e.g. whether working and therefore not dependant on benefits.

Finally, our new rent structure and restrictions to increased benefits over the next 4 years, this will also impact on sustainability.

8. UNDERSTANDING OUR CUSTOMERS –BARRIERS TO SUSTAINABILITY

As noted in the preceding sections, it is not just the physical nature of the property and its location that will affect new demand or whether current tenants want to stay in our stock. Often external factors such as legislative changes, affordability and employment opportunities will play a role.

This section looks at a range of areas to assess their potential or actual impact on sustainability.

We aim to provide a quality customer service that encourages and assists people to remain in their tenancies for as long as possible. Both stage 3 adaptations and a transfer policy operate to assist tenants who wish to remain as tenants either in their existing home or in alternative housing due to a change in circumstances.

There are no concern over the age spread amongst current tenants. This may change by 2018 with changes to Housing Benefit.

Table 5 Age profile of our tenants as at 2015

Age band	Number of tenants	% of all tenants	
16-20	22	1.9	9.2
21-25	86	7.3	
26-40	376	32.2	75.7
41-50	299	25.6	
51-60	209	17.9	
61-70	101	8.6	15.1
70+	76	6.5	

Table 6 Duration of Tenancy of Current Tenants as at 2015

Length of Tenancy	Number of tenants
Over 20 years	20
15-20 years	154
10-14 years	203
5-9 years	294
3-4 years	227
1-2 years	141

Our tenant base is fairly stable with 55.6% of tenants having been tenants for 5 or more years (31% for 10 years and over).

In 2015/16 the Scottish average for tenancies not sustained for at least a year was 11.65%. Our performance over the last three years has improved. Although in 2015/16 it is over the Scottish average, this was by one tenancy.

Generally our problem with sustainment is with those tenants coming through Section 5 allocations.

Table 7 Failed to Sustain Tenancy for 1 year

13/14	14/15	15/16
17.19%	11.49%	12.23%

Tenancies that have failed in less than a year and the reasons for this are analysed in Section 10.

Rent and Affordability

We completed a rent structuring exercise in 2015. We recognise that our rents must be affordable to the majority of tenants to ensure comparability with other landlords and preserve demand for our stock, minimise rent loss through non payment of rent and maximise sustainability of tenancies. **To mitigate the risk of our new rent structure resulting in our property being unaffordable we have phased it in over 10 years.** Similar risks apply to service charges although the severity of any resulting loss is much smaller.

Our average percentage rent increase was 2%. There is stock that is already at target rent or above and these residents will benefit from the restructure. Some higher rent increases for 16/17 of around 5-6% are in a) our smaller studio 1apt flats-these are a very small proportion of our stock and the majority are let through leases to Renfrewshire Council b) our older Foxbar stock-this has had substantial investment and its rents are being brought into line for the same type and size of property elsewhere.

Looking at our 15.16 average weekly rents (including services) in comparison with other local social landlords all our properties, except 1apt, have higher rents than the Scottish average. Anticipated 16.17 average weekly figures are also shown below.

Table 8 2016/17 Average weekly rent levels

	Williamsburgh	Linstone	Renfrewshire Council	Barrhead	Ferguslie Park	Paisley South	Bridgewater	Sc Average
15.16	69.37	72.65	73.86	79.21	80.31	79.31	87.98	72.90
16.17	69.86	72.67	82.81/83.63	80.79	80.87	82.83	89.74	

In reviewing our rents and service charges each year we take account of our viability, comparability, inflation, our projected draft budget, the views of our tenants and stakeholders and affordability. For services we take into account the actual cost of the services and any deficit income from previous years. We do not add any administration costs for service delivery.

Currently we have service charges for garden maintenance, bulk uplift, close cleaning, bin assistance and in our George Street development, a common heating system.

In our 2016 Residents Satisfaction Survey there was 90% satisfaction with our rent structure. 52% of tenants find it very or fairly easy to afford their rent payments.

The findings of a 2016 Council commissioned study Poverty and Social Rent: Affordability in Renfrewshire is awaited.

Affordability issues in relation to welfare reform are referred to above in section 7. SCORE no longer exists so there is no benchmarking information available on affordability for new tenants. In 14/15 our Welfare Benefits Service assisted 545 tenants and secured £160,762 in benefit award for them.

For those not receiving HB increases in rents above wage increases can result in affordability issues. From 12.13 when we introduced 'cannot afford to maintain the tenancy' as a reason for termination 34 have left to date citing that reason specifically. As previously noted, this figure may be an under representation. **For those on benefits where increases are being restricted to 1% over the next 4years, affordability will also be an issue.**

Ethnic Profile of tenants

There are no risks or concerns in this area.

Over 2010-2015 the proportion of white tenants has increased from 71% to 79.4%. Within this period Polish households have doubled, although still only 4.2% of tenants. Other ethnic groups have increased very marginally from 2.6% to 3.1%.

This is unsurprising as the number of non white applicants on our Housing list is virtually unchanged in 5 years, a total of 4.6% in 2015. White applicants are now at 87%.

Special needs

Over 2010-2015 the percentage of tenants who consider themselves disabled has risen from 10.6% to 14%

The number of applicants on the Housing list identifying themselves as having a disability has remained virtually the same from 2010-2015.

Demand for adapted stock is low-see Section 5. Turnover is not excessive. Demand issues may be a consideration for any future development that may be carried out. However we note the increase in mental health issues versus physical disability. As one requires specialist property the other specialist services/ partnership working and change to the management of the tenancies. The latter represents a bigger risk to us and a greater impact on sustainment.

Transfer List

At 31st March 2016 we had 161(13%) of our tenants on our transfer list. We allow applicants to queue for multiple streets. 57% of the demand for streets is from transfer applicants with no housing need.

The highest demand is for South-St Ninians and Thompson Brae (houses and main door new build properties), Glenburn (houses and main door new build properties), Town Centre-Gordon St sandstone tenement refurbished in 2012, Foxbar-newer stock (houses and main door) and 1950's houses.

There are low to virtually no transfer queues for flats in Foxbar or for refurbished flats in the West particularly Broomlands St.

Stage 3 Adaptations

From April 2010 to March 2015 we have carried out 90 adaptations for 76 PSHA tenants or family members at a cost of £144,576, funded by the Scottish Government. 12 properties have had multiple adaptations, 26 in totals.

A sustainability check done in January 2016 found that on that date 63 of the 76 (83%) of tenants were still in their home. This was at least one year after the adaptation had been done.

Of the remaining 13;

Table 9 Adapted Properties-Tenancy ended

7 had died	Tenancy sustained over a year-4
1 had transferred for other reasons than their health	Tenancy sustained over a year
1 moved into owner occupation	Tenancy sustained over a year
2 terminated-no info as to reason	Tenancy sustained over a year

The remaining two tenants terminated, one going to supported accommodation, because their home was still not suitable although both had sustained over a year. There is a limited supply of sheltered housing provision in our areas.

Adaptations appear to have contributed to sustainability. In order to try to future proof our stock, as a substantial number of previous adaptations have involved fitting over bath showers, we have addressed this need. Planned maintenance bathroom replacement from 17/18 will now fit over bath showers as standard. This means that future adaptations requested are more likely to be those that make a more significant change to a property such as a wet floor shower room.

Ongoing Government funding for adaptations is not guaranteed. Should Government funding be withdrawn there appears to be a strong case for the Association to continue to address tenant need. In doing so however consideration will require to be made as to the ongoing demand for the property once adapted from applicants with mobility needs, and the cost to reconfigure it if there was no demand.

Overall our conclusions on barriers to sustainability are that affordability is an issue, as is the concentration of flatted accommodation in Foxbar. Given a choice, tenants want a main door property.

9. UNDERSTANDING OUR CUSTOMERS -CUSTOMER FEEDBACK

Needs and aspirations/expectations

Our obligations as a landlord are set out in our Scottish Secure Tenancy Agreement. We are also required to meet our statutory responsibilities such as e.g. gas safety, Right to Repair, Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing.

However we are very aware of our customers increasing expectations of our services and of the quality of and type of stock we have. The use of various feedback mechanisms gives us good information to inform our service delivery. Termination and Demand information was looked at in previous sections.

Resident Satisfaction Survey

The **Headlines** of our 2016 resident satisfaction survey carried out by Research Resource were:

Table 10 Resident Satisfaction Survey Headlines

Satisfaction with	2016	2014
Quality of Home	95%	79%
Management of neighbourhood	95%	92%
Repairs done in last year	95%	78%
Rent being good value for money	90%	53.1%

While overall there was high satisfaction with our management of neighbourhoods in 2014, areas of concerns for tenants about problems in their neighbourhood were:

Dog fouling-7% Rubbish/litter-5% Car parking-4% Noisy neighbours-4%

In 2016, with an increased satisfaction rating, tenant neighbourhood concerns are now about the quality of services:

Close cleaning -3% Garden Maintenance-2% Bulk uplift-2% Open space maintenance- 1%

Reflecting our successful drive to increase the number of tenants receiving garden maintenance services to improve the look of our areas, in 2013.14 there were 410 tenants with individual gardens and 255 in shared gardens on the service. This has risen to 552 tenants with individual gardens and 475 in shared gardens in 2015.16.

Providing a good external environment has become a priority for the Association. As one part of this we re- tendered our Garden Maintenance service in 2016 to address contractor quality concerns.

Feasibility study 2015

It was recognised that there were a number of challenging asset management issues with the external environment of our stock and its neighbourhoods. We therefore procured the services of architect Urban Design to give us design options/costs and Community Links to look at potential levels of funding and how that might influence what we could do. Improvements were suggested across the stock and we intend to spread our actions to ensure that we can maintain good quality areas e.g.in Glenburn, as well as improving those that need more attention. The latter 'key sites' for action are:

- West-Broomlands
- South-Stock Street, Barterholm Rd
- Foxbar-Rivers, Hollows Avenue/Crescent, Mannering Road, Heriot Ave/Oliphant Cres

What tenants identified as a priority was dealing with bad neighbours, excess rubbish and dog dirt and bins on the street. There was a strong level of support for improvements to roads/footpaths, and from tenants in flats-additional parking and play provision and improvements to bin storage.

There was not a high level of tenant interest in environmental improvements and little community demand for radical change. However that does not mean that we cannot or should not take forward proposals and try to engage tenant interest.

Appendix 9 gives a summary of the Feasibility final report and recommendations which we can use as a starting point for our planning.

Actions and issues coming out of this study are referred to in section 13 and 16.

Tenant Participation

The Association has a Tenant Participation Strategy and has a well established Tenant Participation Working Group. Since the introduction of the Scottish Social Housing Charter we have developed tenant scrutiny with the group undertaking Mystery Shopping to test our customer service standards and identify areas for improvement. The TPWG, Management Committee and staff have all undergone training on tenant scrutiny and in 2016 the Tenant Scrutiny Group will be looking at our Letting Standard and this will inform a review of the Letting Standard. We also have information from new tenants on their satisfaction of the quality of their home.

10. UNDERSTANDING OUR CUSTOMERS –FAILURE TO SUSTAIN TENANCIES

Tenancy sustainment is the prevention of a tenancy coming to a premature end by providing the necessary information, advice and support to tenants to enable them to maintain their tenancy. It is a priority area of work for us. It reduces the financial loss of stock turnover and forms part of our joint Council working to prevent homelessness.

It should be noted that not all tenancies coming to a premature end are for negative reasons e.g. moving for a job. But the Regulator's definition, which we use, is based on duration.

We report annually through the ARC on our performance against the Charter outcome in sustainment. The Housing Manager analyses and reports to Committee annually on tenancies that have not sustained for more than one year. This is part of the ongoing assessment of whether our Allocation Policy is effective. It is also our mechanism for reassessing our current practices and identifying new preventative work.

Over the last 5 years there has been a significant improvement in tenancy sustainment over 1 year for new tenancies.

In 2014.15 88.5% of tenancies sustained compared to the Scottish Average of 88.8%. In 2015.16 there was a marginal decrease in performance to 88.2% against our internal target of 90%.

Source of lets

We analyse tenancies not sustained as a % of total let from each source of let. This allows us to establish if any one route into housing presents issues for tenancy sustainment. **Our analysis has highlighted that new tenants coming through the Council's Homelessness referral route are more likely to fail than any other source of let i.e. 28.1% failing and that this is an increasing trend.** To address this requires improved partnership work with the Council to get the correct property for their clients and to provide the support they need when taking on the tenancy.

It is noted that the Council has the same issue with their homeless lets.

As mentioned, not all tenancies that do not sustain end for negative reasons. Analysis of the negative reasons include; not liking the property, street, neighbours, not being able to afford to manage the tenancy, property unsuitable for the person's mobility needs. However there is no pattern.

There is also no evidence of a link between property type, the planned maintenance programme & estate management for the property and tenancy sustainment.

Analysis of the tenancies by household and age show that of those tenants who did not sustain, the highest failure rate is for single people.

Overall the analysis of tenancy sustainment for 2014.15 lets and its comparison with previous year's shows that the people who are at risk of tenancy failure are:

- Those coming through the **homeless Section 5 referral route**, especially young people
- Single person households

As noted previously, if we could reduce our turnover the issue of low waiting list numbers for some areas becomes less of a risk. Staff spend considerable time finding ways to market our stock/tackle low demand and achieve a good performance on void rent loss.

Housing Management's approach is to try things and develop them if they work. If they don't work, to move on and look for new ideas. See Action Plan in Section 16.

Our conclusions on 2015 action are:

1. Services

- Streets identified as low demand in Foxbar (Orchy Crescent, Findhorn Ave, Gryffe Cres) receive a garden maintenance service and close cleaning services are being introduced. Orchy Crescent and Mannering Road have a bin assistance service (taking out full bins due to the number of stairs to the closes) although there remains issues with bins not being taken back in by tenants.

2. Advertising

It has been found that blanket advertising has not created demand with hits from our internet advertised property not being followed up

- While there was interest in our show flat, unless there is immediate availability people are not interested and do not want to put their name on a Housing list
- What has been successful is using our initial contact with people seeking housing to find out if they would be interested in low demand areas and fast tracking their Housing Options interviews
- On receipt of termination of tenancy notification for low demand stock, staff work through a process of targeted advertising and mail shots

3. Allocation Policy relaxations

- Age limit in Oliphant Court dropped to 30
- No children aged 14 or under in Oliphant Ct-parents with access to children now allowed
- Limited under occupation allowed where a child is within one year of needing an additional room and the applicant can demonstrate that this will not make the property unaffordable

4. Incentives

- Rent free periods
- Some decoration
- Carpets and blinds
- White goods
- Recycle furniture vouchers

To date from 2013 to 2016, incentives have been given for 26 lets, which is a small proportion of overall lets. 85% of which were in the lower demand Foxbar Rivers area or Mannering Road. 18 properties were the harder to let 4apt stock. These would appear to have had some effect with only 3 of the 26 new tenancies failing to last a year.

5. Information

- We provide fact sheets for all of our letting areas to detail what facilities and services are available

In conclusion, we know that we are in competition with the private rented market and other social landlords. We have not analysed any data on the previous tenure of our tenants/current tenure of our Housing list over time to see if there is any increase in applicants coming from the private rented sector.

Our focus to improve performance in sustainment is to develop better working processes with Council for positive outcomes for people coming through homelessness referrals, provide additional in house support for tenants and maximise referrals to support agencies to meet tenants specific needs. We also ensure that we invest in the fabric of our stock through planned maintenance and by looking at ways to improve the attractiveness and amenity of neighbourhoods.

11. BUSINESS AND FINANCIAL PLANNING

Stock Valuation

The Association has good information on our stock. Its overall valuation based on Existing Use Value for Social Housing (EUV-SH) is estimated at £31.6m (average value per unit £26k). Compared with a security requirement of £12.276m for our current lending of £7.798m

Of our 1206 units (as at 30/11/15) 302 properties (25%) are not secured against any loans. A further 402 properties (33.3%) (mainly older Foxbar units) are still held as security with the Clydesdale Bank against loan that have now been paid off, and could be released (at a cost) if required.

In 2015 we had all the stock held as security with the Clydesdale Bank revalued. This exercise indicated that there was also scope to release further security, if we required releasing additional security from loans currently still ongoing with the Bank, due to increased stock values and decreasing loan balances.

The latest valuation of our stock depends on lenders funding the loans for which this security is held.

Table 11 Stock Valuation

Lender	Latest Date of Valuation
Clydesdale Bank	2015
Bank of Scotland	2012
Co-op	2013
Other lenders	Date of original lending

Where stock has not been recently revalued it is because:

- 1) It is unsecured stock
- 2) Other lenders who are funding have not made a revaluation request

We have assumed the stock is valued at EUV-SH valuation based on the value for similar stock as per the valuations from 2012, onwards.

The stock profile is broken down as follows:

Table 12 Stock Profile

Stock Type	No of Units	Estimated EUV- SH
Unsecured stock	302	£ 7.258m
Security Held with CB on Loans Repaid	402	£ 9.294m
Security Held with CB now in excess of the remaining loan requirements	118	£ 3.050m
Remaining Secured Stock	384	£12.001m
Total	1206	£31.603m

*CB = Clydesdale Bank

The estimated EUV-SH valuation is the estimated value of the stock for lending purposes.

Generally the Association can borrow up to 85% of the EUV-SH value.

In summary the association has available to it a number of units to secure against significant sums of borrowing, if required.

Trend Analysis

The lowest valuations are **17-23 Argyle St** and the small 2 apt older Foxbar flats. Then increasing valuations generally follows the pattern of; older Foxbar flats, refurb flats, the new build flats and all houses

Generally new build flats and houses in particular have higher valuations, along with Westerfield House and our newest refurbishment (CTI scheme), Gordon St.

Insurance Valuation

The current reinstatement valuation of the stock used for insurance purposes is £163.748m.

This is the estimated costs to rebuild the properties and so is much higher than its security value which is based on net income value (excluding lending costs)

Trend Analysis

Generally the valuations increase with size, build type and property type.

- 5 apt are greater than 2 apts
- Refurb being higher than new build
- House generally of higher value than flats
- Oliphant Court and Westerfield House are the 2 schemes that are valued higher than would be otherwise expected for their size and property type.

Demolition Costs

It cost us approximately £137,702 to demolish 72 flats in the older stock in Almond Crescent and Gryffe Crescent in Foxbar. These are the only domestic properties we have required to demolish. This cost also included incidental costs such as Homeless payments and decanting.

It cost £12,120 to demolish the 11 garages in older Foxbar stock in Hollows Cres and Hollows Ave. These were in poor condition and the cost of renovation was not cost effective in relation to potential rental income. The land is now part of our land bank for potential re development.

Financial Performance – Stock Value

The Association produces a 5 year financial plan which it updates annually for March. (Copy held in PPKD Finance.)

The Association also produces an extended 30 year financial plan which includes sensitivity analysis. Repair inflation running above general inflation or reducing rent increases to 'inflation only' increases have the biggest negative effect on our cashflow,

The association also has a breakdown of the net contribution of each unit, based on the performance of each unit in terms of key factors such as rental income, arrear levels, repair spend (capital and revenue), void levels & estate management issues.

This highlights the key stock that performs badly. To date there has been little pattern to poorly performing units.

This analysis is carried out each year along with the budget – and is updated each September with the updated year-end figures from the annual accounts and relevant ARC information.

Investment

The key pressure point per the current financial plan is the short fall in available cash totalling £4.2m starting 2018/19.

We have sufficient security to meet this borrowing requirement, and the required borrowing has been incorporated into the longer term financial plan. Nonetheless this is a significant shortfall. For that reason finding **sources of grant funding** for, in particular, our environmental works, should be a priority.

12. VALUE FOR MONEY

We aim to manage our assets to create the optimum balance between cost and quality. The Association has a Procurement Policy which sets out our methods of ensuring value for money in the procurement of services, goods and works.

Price alone does not provide an indication of the value for money a service offers, but needs to be considered along with quality measures such as resident satisfaction. The Association has a number of Key Performance indicators to assess quality of service. For example in Reactive repairs these are, the % of repairs done right first time, the % of appointments kept, the % repairs done in timescale.

An internal audit of our repairs service was carried out in 2014 and one aspect of its findings was for us to increase the financial information given to our Audit Sub Committee and also to look at the cost/benefits of procuring a single contractor for reactive repairs in comparison to a range of smaller contractors using MEAT. An audit action plan is place, **Appendix 8**.

For planned and cyclical investment we award contracts on the basis of MEAT (Most Economically Advantageous Tender), evaluating both the price and quality of tenders.

The Association is now in its second **collaborative framework**, with 7 other RSL (collectively known as i-FLAIR), **to procure planned and cyclical maintenance and cyclical services** for a four year period. The framework was procured under E.U. rules. Its various Lots cover a range of work and services, for example, heating, kitchen, and bathroom replacement, rewiring, and gas heating safety and maintenance, landscape maintenance and painter work.

Although we committed to very significant staff resources in the setting up of the framework initially, this is offset by the mitigation of risk. In particular as lower procurement threshold levels have been introduced from April 2016 by the Scottish Government which would require additional and onerous EU tendering to be carried out by staff.

The framework gives us the option of procuring for a full 4 year term if appropriate and reduces staff time on procuring individual contracts. The Association employs its own Senior Clerk of Works to quality control contracts and buys in QS or other consultants as is required by the complexity of the planned maintenance work to be carried out. KPI are in place for ensuring quality, with the sanction of suspension from the framework for poor performance. The added value of community benefits for contracts over £100,000 has also been incorporated.

New Development is procured out with i-FLAIR. The Association is part of the Scottish Procurement Alliance (SPA) which not only gives it access to an alternative planned maintenance framework if needed, but a framework Lot that covers new build development.

The Association currently buys in Development services from Williamsburgh Housing Association for smaller projects. Our requirements will be reviewed for our planned CTI scheme, as it may be more cost effective for us to employ/ train Development staff and receive the added value of a resource within our own staff structure for other project work.

We recognise that the consideration of what value for money means to the Association and **embedding** this is an ongoing process. **From 2016 it is intended that the Senior Staff and Board revisit and reassess value for money in selected areas of operation.**

13. LOOKING AFTER CORE STOCK

The Association has good information on the condition of our stock. We hold this on a 100% stock data base which is updated when we complete planned maintenance work.

How do we decide what work needs done and when?

In order to create our planned maintenance programme we look at a range of information: Stock Condition Survey, SHQS, the requirements for the Energy Efficiency Standard (EESH), Resident feedback such as the last Satisfaction Survey, Complaints, feedback from our annual consultation on planned maintenance, information that we gather in-house from reactive repairs, and any grant

availability e.g. from the Scottish Government. Then we plan out what should be prioritised for each year of the five year programme.

We carry out a Stock Condition Survey every 4 years. Our most recent survey carried out by Brown and Wallace, was completed in 2014. This provided us with the information required for our 30 year Life Cycle Costing investment profile. Firstly it gave us an understanding of replacement costs which, where possible, we update annually with actual tender cost information from our planned maintenance procurement framework. Secondly information on the dates that components are likely to need replaced and finally information on current stock conditions including specific areas of work needed so that we continue to pass the Scottish Housing Quality Standard.

Table 13

To create our 5 year planned maintenance programme



In considering the timing and scope of work we also take account of external factors.

For example we deferred some rendering work to see if the significant reduction in the value of carbon from 1/4/2014 (ECO' shock') would improve. It was prudent for the Association to wait and be ready to take advantage of any 'upturn' in the market. Although the situation had not improved in 2016, contractors have reduced the cost of EW1, making it more affordable for some stock. Consequently we have reconsidered carrying out external wall insulation to traditional tenement flats in the Rivers area of Foxbar because the benefits to these residents in terms of energy efficiency would be considerable. It has already been noted that we are increasingly having to manage our tenancies by giving welfare and fuel poverty advice to ensure that our properties are being adequately heated.

While energy efficiency is a factor in sustainability, we are also committed to the importance of improving the appearance of our estates to make them attractive places to live and to reduce turnover. Over cladding with external wall insulation has the added value of significantly improving the visual amenity of an area. This improvement has already been demonstrated in Foxbar in our only non traditional no-fines flats in Mannering Road which have been over clad and at our multi story block, Oliphant Court.

Grant Funding Opportunities

Given the collapse of opportunities to fund projects from carbon savings income, it is a priority to access grant funding from the Scottish Government. We have been successful in the competition to bid for resources in 2014/15 and 2015/6. In total we have received Green Homes grants of £289,000 which has been used to fit external wall insulation to our multi storey block in Foxbar and to fit internal wall insulation to a small number of sandstone tenement flats which at that time had electric central heating.

We were successful in obtaining means tested grant funding from Renfrewshire Council for owners whose buildings we improved by fitting door entry systems to comply with SHQS. However we have not previously had energy efficiency projects involving owners which would allow us to access the Scottish Government's grant assistance HEEPS (administered through Councils) for 'blockers' i.e. owners whose non participation would prevent the work. For 17/18 we have registered an EWI project which includes the owners in Foxbar Rivers stock and Renfrewshire Council will make the bid on our behalf for assistance for these owners.

In September 2016 the Scottish Government announced additional funding for energy efficiency work to bring properties up to EESSH. Again bidding was via the Council for new projects to be completed by March 2017. We submitted a new mixed tenure EWI project for Foxbar to allow the small tenement buildings in Heriot/Oliphant in Foxbar to benefit from this improvement. Unfortunately no Associations in Renfrewshire had a successful bid.

Updating our information and planning our programme

During the intervening years between Stock Condition Surveys we update the information we have on component condition by carrying out our own surveys. We also look at any new issues/patterns of failures that have arisen through reactive maintenance that may need to be prioritised in the programme. For example we found that kitchens in stock renovated in the 90's were causing concern from a technical and future letting perspective.

In the 2014 Resident Satisfaction Survey 57% of tenants felt their homes needed investment, with the majority prioritising a new kitchen.

Top Priorities:

1. Kitchen
2. Bathroom
3. Windows

Our current programme has us 'catching up' on investment in the older Foxbar stock in bathrooms and windows. **We have now achieved a standard replacement cycle for kitchens and heating across the stock.**

The condition of the stock

What was found in the 2014 Stock Condition Survey was that overall the stock is in reasonable condition, with windows, render, some roofs, door entry systems, and rewiring (in the older Foxbar properties) identified as the main focus for early investment. This has been addressed in our current 5 year planned and cyclical maintenance programme. **Appendix 10**

Our priority is for all our stock to reach the **Energy Efficiency Standard for Social Housing by 2020** and continue to meet, as a minimum standard, the **Scottish Housing Quality Standard**.

We have two SHQS abeyances and therefore require to continue to try to persuade owners to allow us to do door entry installation in one close in Foxbar.

Improving older stock

Considerable financial resources and priority have been committed to our older Foxbar stock, which was obtained in a stock transfer in 1998, in order to bring it up to the same standard as CTI and new build stock, in particular replacing inefficient heating systems and fitting modern kitchens. The current 5 year planned maintenance programme will take us to the end of the programme of refurbishment works in carrying out the last window replacements bathrooms and re-wiring.

In addition we are now in our fifth year of 'catching up' work in the early CTI schemes, with our current planned maintenance programme we have achieved a rolling programme of kitchen and central heating replacement. Bathrooms, particularly to buildings renovated in the early 90's, are now also programmed in and the last of the old electric heating systems in the sandstone tenements have been replaced.

Our bathroom replacement in all stock now includes fitting showers to reflect increasing tenant expectations and the fact that, as previously noted, a significant number of OT adaptation requests are for over bath showers.

Planned Maintenance Programme

Planned investment in the stock over the next 5 years is budgeted at **£7.5m**. It is anticipated that **virtually all work in the next 4 years will be procured from our new 2016 i-FLAIR framework**. The majority of framework lots require a mini competition. While this is considerably less work than a non framework tender it does require an adjustment to working practices to allow time for measurement and revision to specification and other standard tender documentation. Also it needs an increased involvement for QS and other consultants, particularly in complex work which now, under new CDM regulations, require a planning supervisor. Consequently from now on the procurement process will have to be completed in one financial year to be able to be implemented in the following one.

Table 14 Summary of planned maintenance works. See Appendix 10 for full programme.

<p>17.18 Foxbar-Bathrooms, Rewiring, External wall insulation, Render</p>
<p>18.19 Foxbar-Bathrooms, Rewiring, Kitchens South-Windows, Kitchens Town Centre-Kitchen West-Central heating</p>
<p>19.20 Foxbar-Bathrooms, Roofs, Internal doors, Multi storey mechanical/electrical work Glenburn-Central heating South- Kitchens, Central heating, Bathrooms, Door entry Town Centre-Door entry West- Kitchens, Central heating, Bathrooms, Door entry</p>

20.21**Foxbar**-Front doors**Glenburn**-Kitchens, Central heating**South**- Kitchens, Central heating**West**- Kitchens, Central heating**21.22****Foxbar**-Close lighting**South**-Kitchen, Bathroom, Windows**West**-Kitchen

From 2017 only one year's approved programme will be issued to tenants for consultation. This is to allow the flexibility of adjusting the programme e.g. if we obtain grant funding which allows us to pull forward or create new projects, or to allow us to react to new immediate priorities (although the latter is likely to be increasingly rare).

Owner Occupier involvement

See also Section 14. Factoring

Factoring is delivered by our subsidiary Paisley South Property Services. The Association's Factoring Officer liaises with owners over payment for common works and arranges voting on proposed works in accordance with each building's title deeds.

We will wherever possible try to access grant funds to assist owners with SHQS common works.

The EESSH targets we have to meet do not apply to owners although it is anticipated that the Scottish Government will introduce a minimum, albeit low, banding for private property over the next few years.

As Energy Efficiency work is a particular priority for the Scottish Government grant assistance HEEPS (as described above) can be bid for, via Renfrewshire Council, for ECO eligible works. For 17/18 we hope to receive approx. £60,000 for owners for phase two of an EWI project in Foxbar Rivers.

From 2018/19 the Scottish Government is changing HEEPS to SEEPS. We await details of what this fund will cover.

To date we have not become involved in enabling any energy efficiency work inside factored owners flats, only for external common works.

Unfortunately although Renfrewshire Council has carried out considerable energy efficiency work itself; this has not been on an area improvement basis i.e. involving all tenures and other RSL. Consequently there is obvious pepper potting where private/Association stock has not been improved. Traditional construction stock attracts very little ECO funding. As this is now primarily for solid wall/non traditional stock, it makes it difficult for us to address all of our own stock, and **very difficult to include non factored adjacent private stock in our areas**, despite wanting to both improve energy efficiency and enhance visual appeal across an area. It remains to be seen if SEEPS will facilitate this.

However in light of our concerns about the visual amenity of areas it is intended that in future we consider promoting the opportunity for owners to get involved where our flats in factored closes are getting non common works such as new windows or property front doors. This will be considered in the context of risk and continuing to minimise our factoring bad debt.

Environmental Concerns

We are aware that Stock Condition Surveys do not take into account any planned maintenance work that may be required to address issues such as low demand or changing needs by tenants e.g. in the way that they want to use outside space or the visual amenity of areas.

The Association carried out a separate Feasibility study in 2015 across the stock to identify issues with the external environment and make proposals for environmental projects to address these, Appendix 9. A separate budget provision has been made for environmental projects coming out of the feasibility study, although it is hoped that this will be supplemented by grant awards.

In addition staff has an ongoing remit to identify issues and make suggestions where the amenity in their areas is not of the standard we aspire to. Some things will be dealt with through reactive repairs or slot into our cyclical and planned maintenance programmes. Currently we are also **piloting our in-house Estate Team**. In addition to carrying out some void property work, some bulk uplifts and bin assistance, they also carry out one off tasks that we would not do as a standard repair/service as identified by Housing Management such as to help older residents, or to improve a particular area e.g. weeding paths. **The ability it gives us to respond quickly, the recognition of the team in areas, and its positive perception by customers gives us added value to work carried out.**

We aim to be more creative in our approach to producing an environment that has impact as a good place to be. That is in making improvements, tackling blight in and around our stock while ensuring that good amenity areas do not slip in standard.

We recognise that we are a minority owner in areas and that, as with energy efficiency improvements noted above, the Council does not currently have cross tenure area regeneration plans. Consequently there are significant issues for residents that we do not control and may have limited ability to impact on such as the availability of street parking, street lighting, condition of roads and pavements, refuse services, and the condition of surrounding buildings.

Nonetheless in attempting **to improve our areas, it is our intention to pull together information on what needs to be done from;**

- environmental feasibility study
- planned and cyclical priorities, reactive repairs
- work not in any usual planned programme
- design/aesthetics issues identified
- estate management issues, joint inspections
- landscape and open space maintenance
- identification of neglected adjacent areas/buildings
- 3rd party neglected responsibilities
- tenant engagement , satisfaction surveys

- complaints

Given the scale of the environmental issues in Paisley, this is an ambitious plan. To start to put ideas into action, **the Association has committed £3m for environmental projects over the next 5 years, with additional staff resources being put in place in late 2016 to take projects forward.**

It is envisaged that we will tackle issues on a stock area basis, provisionally as follows.

Table 15 Environmental Programme Areas

Area	Year	PSHA stock numbers	Funding allocation £
Glenburn	16/17	50	124,400
West	17/18	140	348,320
Town Centre	18/19	141	350,808
South	19/20	346	860,848
Foxbar	20/21	529	1,316,152
		1206	£3m

In order to formulate a process for rolling projects out in other areas, a first small scale project called GREEN IN GLENBURN (GIG) is being carried out in Glenburn in 2017. Residents have been invited through our Magazine to participate in determining what they would like to see done.

In addition to the above, where we can, we are incorporating amenity enhancements into our planned maintenance programme. As noted we plan to fit external wall insulation to older tenement flats in the Rivers area of Foxbar. These buildings have poor aesthetic appeal. This will allow us to break up the monotony of monochrome buildings and add, as well as increased energy efficiency, some much needed variety to the streets. It will also allow us to remove numbers of unsightly satellite dishes and switch to a communal Sky satellite system for residents.

In the same vein we are currently working with Campbell and Kennedy to upgrade existing communal Sky systems in Oliphant Court and Mannering Road to Sky Q and also to investigate the best way we can utilise our common t.v. cabling in our own and mix tenure sandstone tenements to switch to a communal Sky system. The latter would potentially allow us to remove hundreds of individual dishes from the sandstone tenements thereby improving the appearance of these buildings. It would require considerable liaison with owners but if successful would remove a blight from many high profile buildings.

Community benefits

Our i-FLAIR framework was set up to ensure that we were able to obtain community benefits from contractors depending on the scale of planned and cyclical projects we undertake over the next 4 years. Some of this will be focused on employment; from our landscape contractor however we will focus their community benefit contribution to making improvements in Glenburn as part of our Greener Glenburn initiative.

As a founder member of the framework Scottish Procurement Alliance we will also have an allowance towards a project in 2017. While some members favour a joint larger scale project,

several others including ourselves wish to pursue local projects. For us this is likely to be an environmental improvement project.

Other Agency Projects in our areas

Currently through the Local Green Network two projects in the West end of Paisley have produced environmental improvements.

- The green space at Cross Street has had broken concrete slabs replaced with asphalt, steps into the site from Argyle St replaced and modern benches introduced
- Growing box allotments that can be moved to other sites if wished have been set up in Sutherland St

Energy Efficiency Standard for Social Housing- progress to 2020 target compliance

While the Association has a Fuel Advisor to assist tenants, as noted above, it also is a priority to maximise any Government grants that may be available to assist with our own energy efficiency measures in the stock to alleviate fuel poverty and meet EESSH

We have to date received **grants** totalling **£289,000** to over clad our multi storey block of 56 flats in Foxbar, and to fund internal wall insulation to 13 electric heated flats.

Previously under ECO funding we were able to do IWI to a further 71 sandstone tenement flats. We have 80 no –fines flats which by their construction have poorly insulated external walls. These blocks were over clad with external wall insulation in 2011/12 with the participation of the 4 owners.

We received an assisted connection grant to install gas meters in previously electric heated properties, thereby allowing us to switch them to gas central heating. Only our multi storey block still has electric heating, but upgraded from storage heaters to a wet electric system. Consideration is being given to differing types of heating in the block in the short and medium term with investigations, with the Council, into the possibility of a joint district heating scheme covering one of their care homes, a school and our block. The Council was successful in its application to fund a feasibility study on district heating and the outcome is awaited.

With the anticipated introduction of heat metering in Scotland, we will have to consider the cost/benefit of changes that will be required to our current common heating system in the George St development in the Town Centre.

The Association is working to ensure that 100% of its stock has an Energy Performance Certificate. We now have 3 Technical staff trained as EPC assessors.

Early EPC are no longer considered to be reliable by the Scottish Government. Numbers of 2005 EPC as a proportion of all EPC done have to be reported by Associations as part of their ARC.

Stock that has energy efficiency measures installed through our planned maintenance programme has an EPC done or re-done on completion of works to reflect the improved rating.

For other planned maintenance works we carry out an EPC if one is not in place or was done around 2009 or earlier. The computer modelling on which EPC are based has been refined since 2009 which generally has meant that more stock passes when re-done.

An internal target for a) stock with an EPC and b) stock meeting EESSH is set annually to ensure we meet the 2020 Scottish Government compliance target. Progress is reported quarterly to our Management Committee.

Currently we are at 71.3% of our stock with an EPC and can evidence 58% of our stock as meeting EESSH.

Our assessment of areas where investment to bring the stock up to EESSH is based on the broad cross section of the stock that have an EPC. Our findings is that with our no –fines stock dealt with, **there are limited areas of concern that might result in significant EESSH investment required in the period to 2020.** External funding will continue to be investigated, but it is not essential to our anticipated compliance with EESSH by 2020.

Given that we have switched all our flats apart from our multi to gas central heating, it was originally anticipated that we would have most difficulty with achieving EESSH in our sandstone tenement flats, which make up a third of our stock. This is because of the problems with insulating solid walls. However **upgrading heating systems has significantly improved energy efficiency ratings.**

The flats which may still have to have IWI or other forms of additional insulation are:

- the small numbers of sandstone tenements located on gable ends
- the top and bottom flats at Oliphant Court
- 12 small tenement blocks in Foxbar

Fuel Poverty

The Associations approach to assisting tenants through a Fuel Advisor has been referred to above and in Section 7. **It is expected as part of our EESSH commitment that we give advice to our tenants on fuel poverty issues.**

Following on from our IWI work in 2013/14, a grant was obtained for Glasgow University to carry out a study comparing sandstone tenements with IWI and without it, in Paisley South and Barrhead HA stock. The aim was to establish if the anticipated U values achieved would be the same as the theoretical calculations.

It was found that agreement between measured and calculated U-values were reasonable. This confirms that IWI does have the desired effect on thermal efficiency. see **Appendix 11 BRE Study.**

We do not have data on the effect on household income where a property becomes easier to heat and/or a more efficient heating system has been installed.

Reactive repairs

Our strategy to ensure that core stock and neighbourhoods are well maintained and stay that way, is to carry out, in addition to our planned and cyclical maintenance, good estate management and

a good reactive repairs service. The grading of areas and additional services provided is described in sections 6&8.

We know that for many tenants their experience of getting responsive repairs carried out is their principle experience of direct service to their landlord and the overall quality of that service is a big factor in their satisfaction with us as their landlord. Contractor performance in relation to a range of KPI is analysed using data from Universal Housing, our Repair package. Customer satisfaction is taken from our large scale Resident Satisfaction surveys and annually from complaint feedback.

An Internal Audit of the Repairs service was carried out by Arneil Johnston in 2014/15. From this an action plan was agreed with the Audit Sub Committee.

Our repair service contributes to our asset management by providing a prompt and customer focused service. It allows us to extend the life of some components by good maintenance and to identify where and when stock condition replacement dates may need to be changed.

Voids

Our void performance does not have significant implications for us in terms of turnaround and spend. Currently we are projecting a drop in void numbers to 130 in 2016/17.

Table 16 Void Performance

Voids	Number	Spend	Average Spend	Low demand additional spend
11/12	191	142,829	747.80	0
12/13	208	151,800	729.81	0
13/14	184	152,651	829.62	1,491
14/15	145	130,186	897.83	6,142
15/16	148	124,172	839	6,493

The first experience of a new tenant of the quality of our repairs service is the standard of the propert(ies) viewed and signed for. To ensure that customers know what to expect we have a Letting Standard for re-lets and we log and deal with as a complaint any report of a failure to meet that standard. **In 2016/17 our Tenant Scrutiny board will be looking at void properties and our Letting Standard. We recognise that some flexibility is required for properties that are in lower demand.** To address this, from 2013 onwards, Housing staff have had a **budget** to identify additional work or fixtures and fittings that would be appropriate on a property by property basis **to enhance the Letting Standard.**

As noted we are piloting our in house Estate Team which carries out some minor reactive works and void work, mainly cleaning and some clearance and decoration. This is an area that may be expanded.

Where a void property is in a current contract for planned maintenance work is carried out if possible while it is empty, particularly if the work is very disruptive. This is a judgement call between a slight increase in lost rent and the degree of inconvenience to a new customer, especially if the prospective new tenant is vulnerable.

Cyclical Programme

Our cyclical maintenance programme consists of work to ensure our compliance with statutory and regulatory obligations, preventative work, and services and external/environmental works to look after our neighbourhoods.

Cyclical work covers a range of activities and is carried out with varying frequency. We do an annual review on cyclical work to check that we should continue carry out each of these activities, identify any changes in circumstances, or identify new work that should be carried out cyclically.

For example the inspection and treatment of water tanks to prevent Legionella was essential when we had back boiler heating systems. As these have been replaced in our properties we have increasingly been able to isolate some tanks. However this has led to us seeking legal advice on our role as factor where owners are still using tanks and we are not.

Table 17 Cyclical, Safety and Service work-Type and frequency

Safety/Service		Cyclical	
Electrical Safety	5 year programme	Veitchifloor maintenance	10-year programme
Roof anchor testing	5 year programme	Painter work closes/external/fencing	5 year programme
Independent Stock Condition Survey	Every 4 years	Mastic	5 year programme
Gas Safety inspections including CO/Smoke detectors	Annual	Extractor fan servicing	5 year programme
External Quality control on gas safety	Annual	Gutter cleaning	Annual
Roof anchor testing	Annual	Stonework	Annual programme
Asbestos safety	Annual	Landscape maintenance	Annual
Legionella preventative treatment	Annual where required	Lift Maintenance	Annual
Multi storey-emergency lighting, aircraft warning, lifts and other health and Safety inspections	Quarterly/Annual	Central Heating maintenance	Contract-repairs as notified
Stair cleaning	Weekly to stock with service		
Bins taken out			
Bulk uplift	Annual contract – uplifts as notified		

We also carry out annual inspections of supported accommodation leased to third parties and our only non domestic stock, garages.

Housing Management and Technical staff carry out joint estate inspections weekly in order to spot any requirement for immediate action. This ranges from unreported repairs, work carried out without permission, health and safety concerns, to identifying areas that need larger scale

remedial action e.g. dealing with gardens no longer fit for purpose. These inspections also feed into our planned and cyclical programme planning.

Gas Safety Compliance

Gas safety is a primary concern for us. An independent check of 10% of Landlord Safety Certificates is carried out annually and a member of staff confirms that any identified remedial action or training identified has been carried out. She also ensures that all planned maintenance new heating installations e.g. switches from electric to gas heating are added to the servicing data base.

Until 2015 all no accesses resulted in Court action. However the inherent time delay in this led us to change our policy on no access. With proper notification, after opportunities to co-operate, we now force access if required in order to ensure that our statutory timescales are met. This has resulted in **100% compliance in 2015/16**.

Table 18 2015/16 Action on no access for annual gas safety check

Number of 'forced accesses' arranged where access given on the day	27
Number of 'forced accesses' where tenant not present and access was forced	6
Legal action taken	0

Other Assets

Land-We have a Land Bank of potential development sites in Foxbar and South Paisley. See Section 17 New Development

Garages- We demolished garages at Hollows Avenue and Hollows Crescent due to their poor condition and lack of demand. The land is now part of our land bank.

The Association is currently considering how to increase its limited storage facilities. We have 2 remaining garage/large stores in the South and are reviewing whether it would be a more cost effective use of this asset to use them as storage, rather than continue to receive a modest rental income.

Office-We own our office at 64 Espedair Street. This is however no longer fit for purpose and we are planning a move to more suitable accommodation. See Section 17 New Development.

Our main conclusions on this section on Looking after Core Stock is that there are many **positive achievements**; we are now **achieving a planned and cyclical maintenance programme that addresses all the stock**, we **proactively seek grant assistance** and have had **reasonable success** at this, we have **met SHQS** and are **on track to achieve EESSH by 2020**.

However our big **challenge** is the **modernisation of the outside space in Foxbar's older stock**. This was designed in 50's and is no longer fit for purpose. The challenges to bring it up while **preventing 'better' stock and areas from slipping** are considerable These are not just financial, but are because we will have to operate in the context of **many factors not under our control**, but which **blight** the areas in which we operate, and Paisley generally.

14. FACTORING SERVICE

Owner Occupation-RTB

A total of 46 properties have been sold, mostly, as might be expected, houses from our 1950's stock. Only flats continue to be factored. Right to Buy ended in August 2016.

There are no significant risks identified with Right to Buy. We do not factor the sold houses but there is no area improvement planned that might be blocked by these owners. The factored tenement flats & 4 in a block flats are included in our planned maintenance programmes for external works. To date we have had co-operation from owners for the majority of work that we have carried out to the tenements.

We have Buying & Selling Strategy which is in place to assist in minimising risk for undertaking planned maintenance work e.g. to take account of potential 'blockers' to planned works by getting a majority in a close

Unlike privately owned sandstone tenement stock in Paisley, none of our RTB sales appear to be causing any area blight due to lack of maintenance. See Section 15 New Development Capital investment across the stock is discussed in more detail in section 13.

Paisley South Property Services

The Association has a subsidiary Paisley South Property Services (PSPS) which delivers a factoring service to 287 owners primarily in mixed tenure sandstone tenement stock in the South, Town Centre and West of Paisley. 34% of our stock is in mixed tenure sandstone tenements.

Paisley Housing Association delivers services on behalf of PSPS. Reactive repairs, planned and cyclical maintenance are managed by the Technical department. In order to liaise on various services that owners receive from both Housing Management and Technical departments, and to be the primary contact for communications with owners, the Association has appointed a Factoring Officer.

Owner co-operation is essential for planned and cyclical maintenance. 65% of owners are non resident. The Association is a minority owner in 18 closes. To date there have been very few planned maintenance works that have been blocked by owners. Most significant is the one close where we have been unable to install a door entry system as required by SHQS. Nonetheless to allow us to address this mixed tenure issue by achieving full or majority ownership we have a **Buying and Selling Policy** which was introduced in 2013 with a budget for acquisition set annually. In 16/17 this is £50,000. In addition to planned maintenance, other considerations are debt and area blight:

- the level of factoring debt to PSPS
- ownership of adjacent properties-e.g. where title deeds identify shared common area like a roof
- properties with no PSHA ownership and PSPS is not the factor but their maintenance or lack of it is blighting our nearby stock

Obviously if there is no demand for the size/type of property we will not proceed. To date we have only sold 3 properties and bought 1. It appears that this policy as it currently stands may assist

with planned maintenance 'blockers', but is unlikely to deliver any significant impact on any area renewal/mitigating blight.

We have not had any major works identified by owners as required that have not already been in our planned maintenance programmes.

In Foxbar there are a number of 1950's main door 'cottage' flats, the majority of which are in private hands and have no factor. For this stock the Association has no planned programme and pays for minor communal repairs from its reactive budget. While we have the main door flats in our ownership in our 30 year lifecycle, we have not budgeted for carrying out all works i.e. acting as 'factor'.

Taking a wider view whether we factor owners or not, there is **obviously going to be difficulties where we want to tackle environmental issues taking an area based approach**. Current Government **grants are targeted towards energy efficiency work ,not improving area amenity, therefore making it less easy to get 'buy in' by owners**.

Feedback

In our Residents Satisfaction Survey in 2013/14 resident and non resident owners whose properties PSPS factor were contacted. 59% of resident and 15% of non resident owners responded.

The main findings were;

Table 19 Outcome of Residents Satisfaction Survey for Factored Owners

Owner Satisfied (neither satisf nor disatisf) with	Resident	Non Resident
Overall service	75% (19%)	52% (20%)
Staff helpful/knowledgeable	82-81% (6-9%)	88-79% (8-4%)
Landscape service	77% (19%)	no info
Cleaning/upkeep common areas	65% (27%)	58% (16%)
Repairs internal close	84% (4%)	63% (17%)
Repairs external close	90% (4%)	60% (28%)
Value for money of factoring charge	45.3% (15.1%)	50% (25%)

Just under half of owners said that there was nothing that they would like PSPS to do differently.93% had no suggestions for additional services that PSPS could provide that they would be willing to pay for.

Owners have the same Complaints process as tenants except that their final stage is the First – tier Tribunal for Scotland Housing and Property Chamber. PSPS has not had any cases at this stage.

Internal Audit

In November 2015 Arneil Johnston carried out an audit of our factoring service and in May 2016 the SHR published its Thematic Enquiry "Factoring services in Scotland". Subsequent to this the Action plan to address the main areas raised by the auditor was finalised. These are, in addition to showing the strategic role and linkages between asset management and factoring, to:

- Develop an understanding of repairs performance in relation to factored properties
- Develop an understanding of the costs associated with the factoring service-staff time apportionment, - costs per unit and- be able to fully understand the extent to which it delivers value for money

15. RISK BASED AND PROPORTIONATE

The management of risk within asset management necessarily involves a very close relationship with business planning, particularly in financial management. We adopt a prudent attitude to risk.

The general principles that we base our risk management system on are:

- The Association will not undertake an activity with an uncertain outcome with the sole intended purpose to make a financial gain
- Where a proposed activity or venture has a residual risk that is unacceptable and there is no means of reducing the risk to an acceptable level, the project will be rejected.
- Major external threats to the Association will be identified and monitored and contingency plans made to effectively respond in the event of such a threat materialising

We undertake a range of activities to manage, eliminate or control risks. Asset management risks form part of our corporate risk register.

In order to ensure that we focus on risks that really matter to the business, and have a shared awareness of key risks, the Senior Management Team have an annual away day to comprehensively review our risk register. This is based on SWOT analysis.

To ensure that we can act quickly if required, the identification of new risk is an agenda item for monthly SMT meetings.

Our risk register sets out main risks, rated high and medium. These have been assessed according to their likelihood and severity of impact and coded as red or amber. Each is supported by an action plan which sets out the agreed method of risk management, the assessment of controls and staff responsible for monitoring and review.

Quarterly, senior staff prepare a report to our Audit Sub Committee. It monitors the strategic and key operational risks faced by the Association as highlighted in the Business Plan on behalf of the Management Committee. The report sets out performance in relation to the risk triggers that we have set e.g. our current level of turnover, compliance with new legislation etc. Information is given on control action due to be carried out and completed that quarter and the identification of any new risks along with appropriate proposed actions to manage them.

The Management Committee receives an annual Audit Committee report. In addition, on an ongoing basis, the cover sheet to all reports to our Management Committee requires potential risk to be identified or confirmed as not applicable by staff. **Significant risks, e.g. such as the £2m private finance required for our forthcoming new development (CTI scheme) at Orchard St are reported separately to our Management Committee.** This type of strategic activity is part of our collectively agreed Business Plan.

Particular asset management risks identified for the context in which we currently operate are;

Low demand/Sustainability

Low demand presents a serious risk to the Association's viability as void rent loss increases and rental income decreases. Increasing empty properties blight an area, present security risks and most importantly impact on people's attitude towards staying in the area.

At present we are containing our low demand as although we have some properties taking longer to re let. Our average re let time is within our 20 calendar day's target.

Our turnover is lower than target and although our low demand areas have higher turnover than in our other areas, comparing 13/14 to 14/15 turnover has improved for low demand areas. To fund initiatives to address low demand we have a separate budget of £13,000 15/16.

Affordability

- Welfare reform
- Rent setting –the impact of our 2015 policy review on lower demand property in Foxbar

Energy Efficiency Standard for Social Housing

- Compliance by 2020

Procurement

- The Procurement Reform (Scotland) Act 2014 which came into effect on 18/4/16

New Development

- The level of grant available for CTI (Orchard Street)

16. DEALING WITH CAUSE FOR CONCERN STOCK

We recognise that a systematic approach is required to identify stock that for any reason is causing concern now, or is felt likely to do so in the future.

Our analysis in the preceding sections **confirms** that at present through our risk identification process and monitoring of risk triggers, **we have largely identified the areas where there is a cause for concern** even if the reason for this is not always clear cut. **In some cases measures have been put in place to mitigate these, in others we have action plans to do so.**

Overall the key messages we draw from our Asset Management analysis are:

- **We have a good mix of stock types with no significant undersupply and our supply of smaller properties fits with Government projections of an increase in smaller single person households.**
- **We no longer have concerns over our non traditional properties (i.e. Oliphant Court multi storey, and our no-fines flats in Mannering Road have been overclad).**

- **Turnover is fairly stable year on year. Tenancies failing in less than one year are primarily S5 allocations. We have demand for most of our areas.**
- **There are no long term voids. We actively seek feedback from customers e.g. the first Tenant Scrutiny investigation in 2016/17 will be on our Letting standard.**
- **Current and prospective tenants have increasing expectations. Where we have lower demand in Foxbar flats sustainability is being tackled through targeted investment in the external environment and improvement in the energy efficiency and visual attractiveness of these flats plus improving specifications for internal work.**
- **Planned maintenance no longer requires to focus investment mainly on sustaining our older stock in Foxbar but is spread across the stock.**
- **Meeting EESSH now only appears to require additional investment in a limited number of properties, and this may further reduce as we increase the number of completed EPC.**

While the above are **positives**, notwithstanding this, there are **aspects of the above** that have to be **designated as 'cause for concern'**. Part of our business planning is to test whether our response is proportionate and remains relevant. For some identified concerns, it is for us to determine where it is not viable or realistic for us to take action or where a 'wait and see approach' may be more appropriate.

Issues below require SMT consideration for a management or investment action and have a proposed **Action Plan for each of the 2 main areas of concern.**

ISSUE ONE: Low Demand and Turnover, Affordability and Sustainability

What are our conclusions on why we have low demand stock?

Demand in Renfrewshire is local to Renfrewshire. So we have a limited market and competition from a large private rented sector in Paisley.

The stock with lowest queues is in Foxbar. All are flats in Findhorn Ave, Orchy Crescent, Gryffe Crescent, Oliphant Court and Mannering Rd. But there is **no pattern** to Housing list refusals.

Transfer demand is also low for Foxbar. But there is **no evidence** of significant Anti Social Behaviour problems and **satisfaction levels** with our neighbourhoods has **increased** in 2016.

There is low demand for adapted/mobility stock particularly in the West.

Main termination reasons gathered would indicate that Foxbar should be more popular than the South and West.

In addition there are most problems with the allocation of 4 apt and 1 apt flats which are less popular. The cost of reducing numbers of 4 apt flats by combining a 4 apt with a 3 apt to create 2 x 2 apt was looked at when we had concerns about the impact of the bedroom tax. This did not proceed because on inspection by the Technical section into the construction type of the buildings being considered for amalgamation it identified that it would not be feasible to do this work.

It is not easy to definitively identify the specific aspects of the Foxbar properties that **make** them lower demand. It may be location, given the Council's findings on area stigma (Foxbar and Glenburn had bad associations for many people). Our Glenburn stock is high demand, but it is made up of main door properties.

It may be as simple as **rising expectations** in that people just want a house not a flat and where there is a reasonable number of landlords 'competing' for a restricted number of applicants, **areas with mainly flatted accommodation are less desirable.**

In our Foxbar Land Strategy we are planning to increase the number of main door properties we have.

But in addition, given the number of flatted accommodation we have, it is important that we promote what is good about us as a landlord.

Some things appear obvious **to increase demand such as the external look of buildings** or surrounding amenities. See ISSUE TWO. We have an agreed programme to overclad the tenements in the Rivers and a feasibility study giving suggestions of how we could improve the external environment in our areas.

However if we anticipate that planned investment will have a dramatic effect on demand, it does not appear to be a major factor for Mannering Road or Oliphant Court. It may be rather that we are **moving towards the quality of stock that is expected**, not that we will be seen as more desirable.

There is clear evidence planned maintenance reduces turnover, even if it does not necessarily increase demand. It has been found in a recent Renfrewshire study that existing tenants have a more positive attitude towards social renting and an attachment to their local area. **Better quality accommodation along with the quality of our services may reduce turnover, provide there are not affordability factors working against this.** As noted we do not appear to have any significant or localised estate management or anti-social behaviour issues.

Turnover

Our turnover is higher than the Scottish Average of 8.46% (15/16) and our peers, and has increased slightly in 15/16 from 11.5% to 11.94%. What is a realistic level for us (what does success look like) for the medium term? We aim for continuous improvement. Rent loss is being minimised due to the relatively fast turnaround being achieved.

We know that turnover is higher in single people and particularly tenants who were referred through Section 5 from Renfrewshire Council. Other than that information on termination *reasons* does not appear to be particularly useful. Either there genuinely is no pattern, or perhaps we are not asking the right questions or in the right way. It maybe that the tenure people move to is more relevant than what reasons they give us since a) we have no way of knowing how honest they are being b) we do not get information from everyone.

Sustainability

Appendix 5 set out the pattern of street level terminations over the last 5 years. The position changes slightly if we only look at turnover for 2015/16 in relation to our 20% risk trigger.

Foxbar's **Orchy Cres**, **Findhorn Ave** and Gryffe Crescent, South's Stock Street and Town Centre's Johnston Street remain over target.

West's Argyle St, Broomlands St and Town Centre Storie St have improved significantly.

Foxbar's Mannering Rd and Oliphant Cres, South's Barterholm Rd and Causeyside St and Town Centre's George St/Place are all at or close to 20%.

Those in bold also have low Housing list demand.

We have put in place WRO and a Fuel Poverty Advisor. We have our HO doing sustainability and how well that is working is looked at each year.

The potential issues with Section 5 referrals are known. The people who are at risk of tenancy failure are those coming through the homeless **Section 5** referral route, especially young people.

What seems to have had some effect is the increased support for this group from our Housing Officers to sustaining these tenancies.

Stage 3 adaptations appear to have had a positive impact in sustaining tenancies. The level of funding that the Association would be prepared to allocate to this if/when the Scottish Government stops grant aid, needs to be agreed. It has not been allowed for in the 30 year financial plan.

Affordability

As a consequence of Welfare reform, there will be issues with the Local Housing Allowance affecting single people under 35, and increasing comparability between rents in the social and private rented sector.

Our 2015 **Rent setting policy review will have an impact on lower demand property in Foxbar** whose rents are, following substantial planned investment, being brought up to be comparable with other stock of the same type and size.

For the **single tenants under 35** whose tenancies start from 2016, the **new rent structure will narrow the range of properties that this client group can afford**. This can be tackled by letting initiatives or changes to our Allocations policy to restrict under occupation. However this may also affect available Housing list demand for already lower demand stock.

It is noted that Renfrewshire residents have a lower than Scottish average income. In 2013 Renfrewshire Council estimated 1 in 10 of their tenants had affordability issues. We have not examined the trend for our tenants.

NEW ACTIONS PLAN 1

Letting Standard	Make our flatted accommodation as attractive as we can afford to do by increasing letting standard based on the outcome of the scrutiny carried out by our Tenant Scrutiny Group	
Sustainability	Staff member doing dissertation in 2018 on sustainability of Section 5 referrals	
Sustainability	Put new actions in place for 17/18 to reduce tenancies failing in less than 1 year	
Turnover	Determine realistic target turnover level for the business	
Promotion	Develop Social media to promote ourselves as a different, more responsive social landlord than Council	
Services	Implement new Service Charge Policy	
Adaptations	Agree ongoing commitment and budget for adaptations in 30 year budget if grant stops	
Allocations Policy	Investigate how best to match applicants to our adapted property As part of implementation of Housing Act increase focus on reducing under occupation in Allocation Policy review	
Affordability	Consider any relevant recommendations from Poverty & Social Rent: Affordability in Renfrewshire	

ISSUE TWO Planned maintenance

What are our conclusions on areas we need to address?

We have not identified any stock where investment would be inappropriate, that is where we think that demolition is an option in the medium to longer term. This assumes ongoing demand or reduction in turnover –issues dealt with in Action Plan 1 above.

For the involvement of factored owners, although having majority in most blocks helps us, there is a bad debt potential as CTI stock ages (the first schemes refurbished in late 80's/early 90's).

We have stock in non factored blocks, mainly 4 in a block main door flats in higher demand streets (Foxbar Rd/Hollows Ave) in Foxbar. There are no significant planned maintenance investment issues here at present regarding component replacement but will be in the medium term, for example when re-roofing is required. This needs to be looked at as part of our Buying and Selling policy. In particular we need a longer lead in time to allow for budgeting.

Increasingly we are spending staff time on supporting vulnerable tenants through planned maintenance work, or identifying tenants not on our vulnerable list who need help, through planned and cyclical contracts, particularly gas servicing.

IT- We do not have a comprehensive housing asset management system, that is, our systems are not at present as integrated as they could be. But we do have plans to renew our housing package in the next 18months.

Area renewal –Environmental improvements

This, excluding the extensive need for CTI across Paisley, is the **largest issue facing the Association**. While we make plans for the maintenance of our own stock and the involvement of owners in mixed tenure stock, we recognise that for some areas, Foxbar and the West end in particular, an **area based approach is required that will take several years**. To date the Council does not have cross tenure area plans.

The Association had extensive plans prior to Xmas 2013 (the 'ECO crash') which would have involved owners, but these could not be progressed. Subsequently the Council has carried out external energy efficiency improvement works, but only to its own stock (pepper potting). Other Council initiatives which may have benefited us, such as a West end improvement study by Sanctuary HA, has not produced any firm plans nor has any Council/other funding to progress it.

While our Feasibility study on the stock identified issues for residents that would need Council co-operation to resolve; availability of street parking, lighting, condition of roads, refuse services etc. there is other **work that we can action ourselves to improve the visual appearance of our stock**. For example sandstone repairs have been ongoing and we have plans to try to deal with unsightly old satellite dishes.

Role of Buying and Selling Strategy

Some owners/landlords approach us to 'buy-back', or purchase their properties (some ex-RTB, others second hand sales in the general market), we have a stock acquisition policy and, in theory, a limited budget to purchase properties in the open market where it represents good value for money, and contributes to our asset management strategy (e.g. balancing its size and type of stock, gaining over 50% control in a block to ease common repairs). We also have carried out some MTR. In practice this has had an effect on individual closes.

Unfortunately our Buying and Selling strategy is not going to be more than marginally of use in its current form as we can have no control over who leaves properties or when people may sell.

There is no grant funding to acquire adjacent stock that blights ours. For instance 68 &70 Stock Street had previously had partial works and was therefore not eligible for CTI when the rest of the street was refurbished. We have no ownership in the closes. It is not factored and is in a poor state. Based on equivalent projected costs for our Orchard St CTI, it would take approx. £50,000 per flat to tackle these.

Even to take on factoring and bring closes up to a good standard would be a considerable and ongoing financial commitment. PSPS has been withdrawing from factoring closes where the Association has no ownership, and the Association has sold flats where it did not have a majority and the building was deteriorating because there was no factor in place.

Consequently as part of our area based approach, we need a strategy to deal with 3rd party stock that is a problem and what **realistically** we can do with it. Obviously a key driver is the funds that we have available to us.

NEW ACTIONS PLAN 2

Environmental Projects	Complete Green In Glenburn project Apply outcomes to working up project for next priority area	
Environmental Projects	Work up SPA community benefit project	
Environmental Projects	Complete technical feasibility investigation of switch to communal Sky system for flats	
EESHS Projects	Complete identification of stock requiring additional measures to meet standard Action stock already identified	
SEEPS	Prepare on the shelf project once criteria for funding is known	
SHQS	Complete work in abeyance due to non co-operation by 2 owners	
Planned Maintenance	Add to 30 year plan works to non factored cottage flat blocks	
Owners	Decide on degree of involvement for factored owners in non common planned maintenance	
Owners	Determine degree of involvement possible with non factored owners in environmental area renewal	
Owners	Review funding of Buying and Selling strategy	
Feasibility	Consider appropriate action from Council district heating feasibility proposals when available	
Feasibility	Investigate alternative to our common heating system v the cost of compliance with heat metering once legislation finalised	

17. NEW SUPPLY

1. CTI- Comprehensive Tenement Improvement

Section 17 looks at the particular issues around the blight caused by crumbling tenements in Paisley, though obviously this is a Scotland wide issue.

Background

Since its inception as a community based housing association in the 80's, the Association has increased its stock numbers through

- Comprehensive Tenement Improvement from 1986-2012 (495 flats)
- New build from 1993 (300 properties)
- Stock transfer-1998 (508 properties)

The Association aspires to further address the unmet housing need in Paisley through development of new build or tenement refurbishment opportunities. **However given the available grant funding issues, our stock projection for our 30 year plan assumes that apart from some small developments our stock will not increase significantly through building or improvement schemes.**

In the last 10 years the Association has had only two CTI schemes, both in Paisley town centre, Johnston St in 2008 and Gordon St in 2012.

There has been a sharp reduction in tenement refurbishment in the west of Scotland, with Paisley no exception. The **reasons for this** include;

- Lack of financial support for private owners
- A changed grant system from the Scottish Government , which has made CTI almost impossible
- A new law introducing Housing Renewal Areas (but these never been used) rather than Housing Action Areas
- A greater focus on new provision than on maintaining and making the best of the existing stock
- Increasingly complex ownership pattern with a rapid increase in the number of private landlords
- Reluctance from owners including private landlords to take a long term view and invest in their properties because the returns in terms of market value would take some time to materialise
- A lack of effective management of many tenements-and a lack of priority for local authorities to take enforcement action (in part because repair grants have been under severe pressure)

In their most recent study Renfrewshire Council estimated that about 1,200 properties, mainly sandstone tenement flats, did not meet the tolerable standard. With very little CTI having been done it is unlikely that these numbers have reduced. Our experience of the deterioration of private stock in Orchard Street would indicate that disrepair may have significantly increased.

Orchard Street

Despite the 5 closes in Orchard Street and Causeyside Street that make up this CTI development being part of a wider Council strategy to improve town centre stock, and a design team being appointed by the Association in 2007, only nine years later in 2016/17 did we get confirmation that the refurbishment of Orchard Street will go ahead at a cost of £6.6m.

This will add 49 sandstone tenement flats to our stock and two commercial properties.

Orchard Street is part of a wider Scottish Government case study on CTI. Appendix 12.

It illustrates the issues with the funding regime and the consequent difficulty of trying to carry out CTI.

2. NEW DEVELOPMENT

We are looking at the possibility of **building more specialist accommodation**, an extra care housing development in ground adjacent to our Westerfield supported accommodation. This **fits with Council priorities**. The Government is projecting an increase in older population.

3. OTHER DEVELOPMENT ACTIVITY

- **Buying and Selling Policy**

The Association has taken a positive, though cautious, approach to Mortgage to Rent opportunities to increase its stock. We have balanced local demand with our legislative requirements, in particular SHQS. To date we own three houses and one main door flat in Foxbar and South Paisley.

The use of this policy to purchase from our own resources i.e. as an area renewal tool requires further discussion at SMT level.

- **Land Bank**

The Association owns a number of pieces of land which it is retaining as potential development sites. One in the South acquired as part of a grant assisted purchase of Westerfield supported accommodation, and the remainder in Foxbar which came from demolition.

1. Westerfield
2. Garages – 2 sites at Hollows Ave/Hollows Cres
3. Rivers 1 – Findhorn
4. Rivers 2 – Almond/Gryffe
5. Rivers 3 – Pocket Park

The opportunity to progress our plans to develop a Land Strategy is impeded by us not having any in-house development staff and the lack of financial support from any external source to work up plans.

- **New Office**

As we are in office accommodation at 64 Espedair Street that is no longer fit for purpose, the Director has been exploring new rental options as well as considering any suitable options regarding a building to purchase. This has resulted in our February 2017 purchase of Assurance House in Paisley Town Centre. It is anticipated that we will move to our new office towards the end of 2017. **The future of 64 Espedair Street has yet to be determined.**

18. REVIEW

This document contains a set of basic information about our asset base to give us a common and clear understanding of our baseline position across the organisation.

It has been used:

- to identify any gap in our basic information that is not readily available
- as a basis for SWOT analysis and identification for action for improvement
- to promote discussion at senior staff and board level
- to communicate with the whole organisation through our regular monthly training shutdown afternoon

The views of tenants and factored owners have been fed into the document from existing feedback mechanisms.

The Asset Management Plan is a key part of the Business Plan as it details how we will invest significant financial resources to protect our stock. It is appended to the Business Plan. Actions from it will be incorporated into our annual strategic planning timetable.

It is intended that the Asset Management Plan has a three year life but will be formally reviewed each year as it is expected that the Plan will receive minor updates at each review.

The process for review will be for each Departmental Manager to refresh the base line information and for the findings to be considered at a senior staff/board away day. **Progress with Asset Management will be monitored by the Management Committee through formal quarterly Board reports on Planned Maintenance and Sustainability.**

An **Annual report** on overall progress with proposed changes to the Asset Management will also be presented to the board.