



# SBHA ASSET MANAGEMENT STRATEGY 2021-26



[www.sbha.org.uk](http://www.sbha.org.uk)

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# 1. Executive Summary

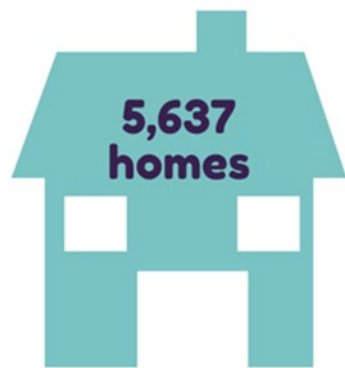
The 2021-26 SBHA Asset Management Strategy (AMS) provides an overview of how Scottish Borders Housing Association's (SBHA) Asset vision, aims and objectives will be delivered over the next 5 years. It demonstrates strategic alignment with SBHA Strategic Business Plan 2020-25 and provides the framework for future decision making and a clear process for achieving commitments made in an Action Plan. It has been developed with the involvement of the Board of Management, Scottish Borders Tenants Association (SBTO), Customer Board, the Executive Team, and all Budget Holders internally.

These future commitments have been developed in the context of and are consistent with SBHA's Strategic Business Plan and 30-year Business Plan, the guidance on Strategic Asset Management published by the Scottish Housing Regulator in 2012 alongside feedback from its review, Scottish and National Government Regulations and targets and the local and national plans which will assist and support our vision and objectives and take account of a risk profile of SBHA and its operating environment.

The Asset Management Strategy is key to SBHA's Treasury Management Strategy moving forward.

This strategy will be operating over the next 5 years which are at best likely to be uncertain as global and national economies settle after the impact of the COVID-19 pandemic and Brexit. In 2019 the Scottish Government declared a global climate emergency and the Climate Change Emissions Reduction Targets setting a new net zero emissions target for all greenhouse gases by 2045. In 2020, South of Scotland Enterprise (SOSE) was created to establish the South of Scotland as a centre of opportunity, innovation, and growth. This strategy has been developed with these challenges, targets and partnerships as part of SBHA's assets journey, particularly economic and inclusive growth.

The SBHA AMS Action plan (**Appendix 1**) will be monitored and reviewed every six months by SBHA's Executive team, with an annual progress report provided to SBHA's Customer Board.

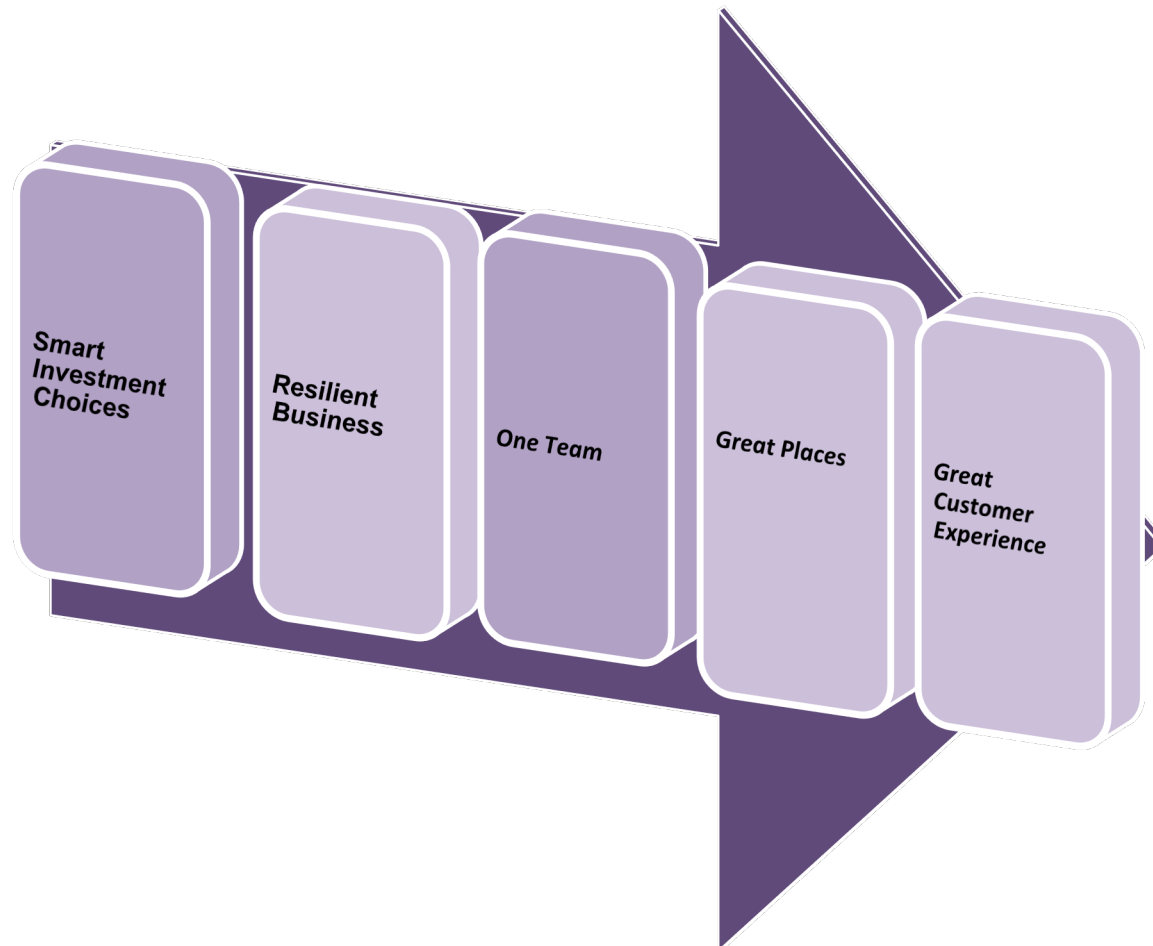


## 2. About SBHA

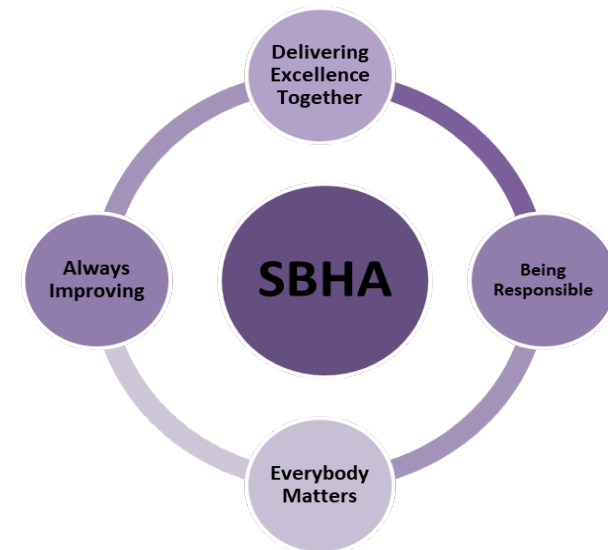
**“Created by Tenants for Tenants, we enhance lives and communities across the Scottish Borders. We shape our homes and services to meet changing needs and expectations.”**

SBHA is a Registered Social Landlord (RSL) which operates within the Scottish Borders area. The Association is a Scottish Charity and is registered under the Co-operative & Community Benefit Societies Act 2014. SBHA is governed by a Board of Management which is made up of 4 non-Tenant elected members, 4 Tenant elected members and 4 appointed members.

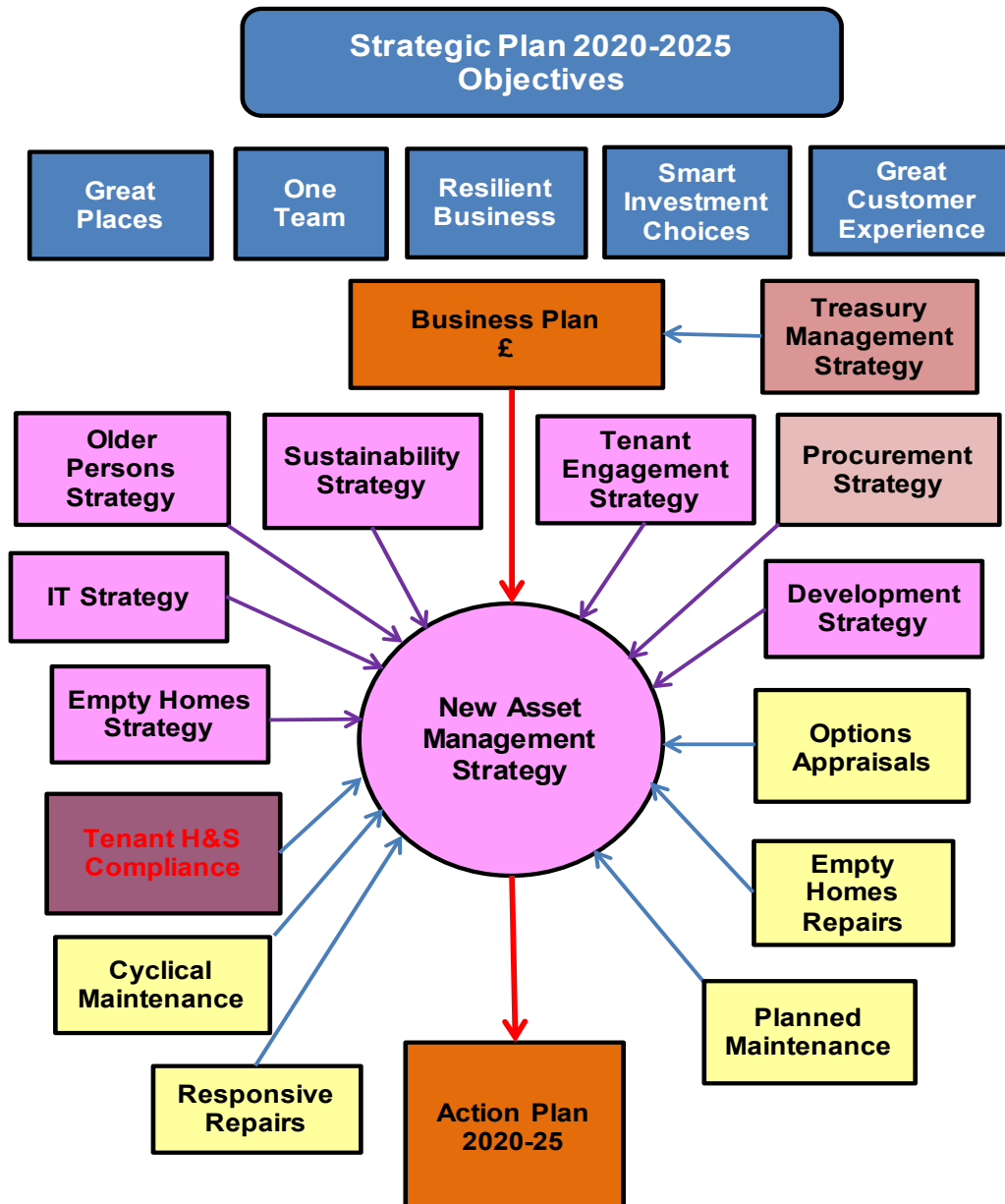
SBHA became fully operational in 2003 when it completed a stock transfer and took over ownership of 6,728 properties formerly owned by Scottish Borders Council. We currently have 5,603 homes and have an Annual Turnover of over £24million in 2019-20, providing homes in 49 settlements. Our main concentrations of stock are in Hawick, Galashiels, Peebles, Selkirk, Kelso, and Jedburgh.



SBHA is emerging as a completely different provider from the one created in 2003 in terms of services, investment, finances, governance, and engagement. Tenant engagement, performance improvement, customer service and community involvement remain underlying priorities for future success. This is reflected in the Association's strategic objectives, which are underpinned by SBHA's values.



### 3. Development of the Asset Management Strategy



SBHA’s Strategic Business Plan 2020-25 is the foundation of all the organisations internal strategies, together with the Strategic Asset Management guidance from the Scottish Housing Regulator, Scottish Government and National Outcomes and the consultation on Homes Fit for 2040. The AMS has also been developed in the broader context of the Scottish Borders Community Planning Partnership and Local Housing Strategy that ‘every person lives in a home that meets their needs’.

The development of the Strategic Business Plan 2020-25 themes, objectives and actions are the culmination of consultation activities with Tenants, SBTO, the Customer Board, Board of Management and SBHA teams since 2018 to understand priorities. The draft AMS underwent a consultation process during October and November 2020 with SBHA Teams, SBTO, the Customer Board and the Board of Management in workshops to test and refine the approach contained within it.

In 2012 the Scottish Housing Regulator published its Strategic Asset Management Recommended Practise, with the 10 strands, to assist RSL’s to review and develop their approach to strategic asset management. Due to significant changes in the operating environment since its publication, this guidance is now under review. Due to the Covid-19 Pandemic; the publication of the revised guidance has been delayed.

The development of this strategy has considered both the current SHR guidance published in 2012 and the current findings and suggested recommendations made during the review of that guidance.

It is essential that the AMS is part of a coherent strategic approach that complements and is aligned with all SBHA strategic documents.

## 4. Aims & Objectives of the Asset Management Strategy

The Asset Management Strategy provides a framework for the strategic direction of SBHA Assets until 2026 and how the asset expectations and aspirations will be met. It is supported by the 30-Year Business Plan and has been prepared to be consistent with the Scottish Housing Regulators 2012 publication on Strategic Asset Management Guidance and feedback from the 2019-20 review of that guidance.

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

The aims are to develop a SBHA Homes Fit For 2040 standard that:

- ✓ Ensure Tenants are satisfied with living in an SBHA home and neighbourhood.
- ✓ Tenants can participate in the asset decisions in their homes and neighbourhoods.
- ✓ Tenants live in a home and neighbourhood which is well maintained.
- ✓ Tenants experience a positive journey when works and programmes are delivered and are delighted with the result.
- ✓ Tenants live in a home which is safe, meets required standards, is affordable to live in and contributes to the carbon net zero target.
- ✓ Tenants can live in their home for longer as their home meets a range of needs and is adapted for specific needs.
- ✓ Ensures assets which are cause for concern are option appraised and addressed through refurbishment, disposal, or demolition.
- ✓ Builds new homes which meet varying needs to address demand.
- ✓ Investment in homes is affordable and represents value for money and commissioning adds economic and social value.

The delivery of this Strategy will be achieved through the One Team ethos across the whole organisation. This is supported by the One Team theme in the 2020-25 Strategic Business Plan which will focus on engagement, attraction, and retention of the SBHA Team to be their best consistently. Aligning people, skills, and values to deliver this Strategy.



## 5. SBHA Assets & Operating Context

SBHA's housing stock contains a broad construction type and age profile. Property age ranges from a 500+ years old property in the historic area of Prior's Court, Jedburgh, to SBHA's most recent new build properties in Rose Court, Galashiels, built in 2018. Housing types vary from flats (61%) through to mid/end terraced (23%) and semi-detached (16%). Since 2015, £66.1million has been invested in maintaining and improving Tenant's homes.

SBHA's current stock holding stands at 5,603 as of 31<sup>st</sup> December 2020. Since 2003, 961 homes were lost through Right to Buy Sales. Projects have been undertaken to build, refurbish, demolish, and dispose of cause for concern assets. Development projects have resulted in 74 new homes built and a further 121 properties deemed as non-lettable refurbished and brought back into use. In addition to the housing stock, SBHA own 1,720 garages/garage sites, three offices in Selkirk (Headquarters), Hawick and Galashiels which will require ongoing management, maintenance, and investment.

SBHA's assets are valued at £107.5m as of 31<sup>st</sup> December 2020. As a Stock Transfer RSL, SBHA's rental income and loan facility are the main contributors towards the financial viability of the Association and consequently, the level of investment in Maintenance and Refurbishment programmes. SBHA's average rents are in the lowest quartile within the Scottish Social Housing sector. Considerable effort is put towards maximising rental income and reducing rent arrears to support effective asset management.

Key to effective asset management is systems and information. SBHA carry out stock condition surveys to continually gather information on the stock which updates the Strategic Asset Management system (SAM). This information is used to determine asset investment priorities and programmes. SAM is supported by an Energy Module which holds information on the energy performance of the homes. Repairs and Empty Homes are managed through the core Housing system integrated with a system which provides repairs scheduling and job costing. The team work remotely using mobile technology to provide greater efficiency and an improved service. SBHA Tenants have the benefit of My SBHA App which can be used to book non-emergency repairs at a time which is convenient for them.

In 2015 SBHA achieved the Scottish Housing Quality Standard (SHQS) and has maintained management of this standard at 95.6% as at the end of December 2020 with the remaining properties in abeyance. SBHA has delivered programmes of work to improve affordable warmth for tenants and as of the end of December 2020 has achieved 98.3% compliance with the Energy Efficiency in Scottish Social Housing (ESSH) standard with the remaining properties either in temporary exemption or awaiting planned works (temporarily halted due to Covid-19 restrictions). Further programmes of work are in place to achieve the LD2 standard for enhanced fire detection post Grenfell to strengthen fire safety and reduce risk. Tenant safety is a top priority for SBHA with routines of inspection in place with associated works covering gas, other heating types, asbestos, water management, fire, and electrical safety to ensure safety and meet required targets and legislation.

SBHA has well-established ways of listening to, and consulting with Tenants which include service surveys, roadshows, and topic-specific tenant engagement. A key method of understanding our Tenants includes the tenant satisfaction research carried out independently by a customer insight research company providing robust information, since 2013 on satisfaction, perceptions and service preferences and usage. The importance of good quality homes and well maintained, safe environments is essential to all communities but especially in areas of high deprivation. Tenants have told us that affording to meet heating costs is a concern and tackling fuel poverty has been a key objective for SBHA by energy efficiency investment in homes and working with Changeworks to provide support and advice for our Tenants on managing costs.

The large majority of SBHA homes are in good demand and achieve levels of satisfaction which are consistent with previous years. Overall satisfaction reports that 79% of Tenants are satisfied, with 14% dissatisfied which remains consistent with previous years, this satisfaction also correlates with age, with older Tenants having higher levels of satisfaction. Satisfaction with the neighbourhoods in which SBHA Tenants live is showing relatively high at four out of five Tenants satisfied with their neighbourhood as a place to live, a consistent growth over the last 4 years. This is strongly correlated with the comparison levels of deprivation across the Scottish Borders. Tenants report less satisfaction with the management of the neighbourhood, currently 69% and this area has proved challenging to shift satisfaction levels with factors including mixed tenure and delivery of consistent programmes of work as well as non-asset related issues e.g. anti-social behaviour impacting on this. This area is a focus for SBHA moving forward. Value for money indicates that there is a broad concept of views relating to value for money amongst SBHA Tenants with three in four Tenants rating their rent as good value for money with the younger demographics demonstrating less positively.

The Repairs Service remains a key driver for Tenant satisfaction for the overall service provided by the Association. A strong performance, currently 88% satisfaction, puts this service performance in line with the Scottish Housing Regulator benchmark for providers who have more than 5,000 tenants, at 90% and shows a significant trend improvement over the last 3 years. On quality of the home, the total satisfaction score of 78% demonstrates a small upward trend since research began in 2013 with Tenants reporting the need for modernisation, issues with damp and mould, and issues not being addressed or fixed as the main reasons why they are dis-satisfied. SBHA has seen a rise in neutral satisfaction survey responses from Tenants (neither satisfied or dis-satisfied), further work is being undertaken to strengthen information and communication with Tenants on services so that Tenants can be more informed to form future opinions.

The Association has expanded on the satisfaction research through the delivery of real-time responses to repairs carried out with Tenants contacted by an independent research company following a repair and this data is available to SBHA in an almost live insight-dashboard. This allows emerging themes to be identified and rectified as they arise.

Asset Management has the largest impact on procurement within SBHA. There is a clearly defined Procurement Strategy and Plan. While in recent years larger and longer contracts have been awarded to support delivery and value for money, SBHA is mindful of its impact on the local economy and where practical undertake procurement in a way that offers local contractors the opportunity to tender for works. In 2020 SBHA implemented the use of the Scottish Borders Council Repairs and Maintenance Framework to supplement our in-house Property Services team when required.

### **Repairs Service**

To maintain our assets, SBHA undertakes approximately 15,000 repairs in tenants' homes per annum, including an out of hours emergency repairs service. Repairs numbers have been reducing since 2015-16 from approximately 20,000 per annum through the introduction of cyclical programmes and planned maintenance investment. There is an agreed and communicated Repairs Standard and the performance of the service is closely managed and monitored against agreed repairs priority timescales and performance is published annually to Tenants through the Annual Report. It is clearly understood that the repairs service is a key driver for overall tenant satisfaction and there is an emphasis on achieving Right First Time as a priority. Most repairs are delivered by SBHA's in-house Property Services Team, apart from gas servicing and repairs. The team are supplemented by external contractors during peak periods or where specific skills are not held e.g., drain clearances. A focus moving forward is to analyse the customer experience to determine further service improvement particularly around communication and keeping tenants informed along with further efficiency improvements in the service delivery.

## **Empty Homes**

There are approximately 650 tenancies terminated per annum. Ensuring a quick and quality turnaround of empty homes is crucial to maximising rental income and meeting housing need. Empty homes are inspected and are repaired by SBHA's in-house Property Services Team, in line with SBHA's approved Lettable Standard for re-let. Where a property is deemed 'harder to let' additional works may be carried out to increase the properties letting appeal e.g., full decoration. Where an empty home requires major works before it can be re-let this is placed into an 'awaiting works' category. Where an empty home is awaiting option appraisal to determine its future or being held for demolition/disposal or held for decant purposes it is placed into a 'non-lettable' category.

## **Cyclical Programmes**

SBHA undertakes a range of cyclical programmes to maintain its assets. Some are mandatory e.g., gas and lift servicing and others are to prolong the life of the asset e.g., external painting, while others are to maintain neighbourhoods e.g., grounds maintenance. Further cyclical programmes are being piloted and developed e.g., gutter cleaning, tree management and a property MOT in rural areas.

## **Neighbourhood Management**

SBHA's Neighbourhood Maintenance Standard was agreed and communicated with Tenants. The Community Teams undertake estate walkabouts and tenants, and stakeholders are invited to join to assess the condition of the neighbourhood and progress repairs or improvement projects supported by the Estate Improvement Fund. The Great Places Fund contributes to funding an Environmental Programme and projects to improve the environment around homes and neighbourhoods. The Roads, Footpaths & Boundary Walls budget supports investment in the built environment. Improving the environment around homes is key to improving tenant satisfaction with the management of neighbourhoods working with key partners, including mixed tenure owners, to address issues to ensure a quality standard across all areas.

## **Planned Maintenance Programme (PMP)**

SBHA invests on average £9million per annum on upgrading properties as part of the PMP. This includes lifecycle replacement of elements at the end of their useful life e.g., kitchens and windows as well as improving standards and meeting legislative requirement and targets e.g., SHQS, EESSH, LD2 etc. In 2017-18 SBHA adopted a new innovative approach to delivering its PMP. This new delivery method is based on concentrating lifecycle replacements to 2 geographical patches per annum resulting in a 6-year cycle. Stock condition surveys determine which elements are required to be replaced in each cycle. This approach has increased tenant satisfaction with the quality of the home and contributes to value for money and improved efficiency by undertaking works in patches rather than geographically dispersed across all towns. The focus moving forward is, by technology and new materials, lengthen lifecycles of elements and increase affordable warmth.

## **Adaptations**

Adaptations make an important contribution to supporting older people and disabled people to live safely, comfortably, and independently at home. SBHA receives an annual grant from the Scottish Government towards the cost of providing adaptations for tenants which SBHA supplements with a further £100,000 per annum to help reduce waiting times for tenants. SBHA works in partnership with Border Care and Repair who manages the

adaptation process on behalf of all the Scottish Borders RSL's and completes an average 120 approved adaptation applications per annum. SBHA's aim is to take a pro-active approach to provide increased levels of current and new homes which meet a range of needs through connecting suitable stock with work programmes and innovative products which future proof homes and create safer spaces.

### **Cause for Concern Stock**

SBHA uses several methods to identify stock which is 'a cause for concern' including its Asset Insight Tool, properties categorised as low demand or non-lettable and through local team intelligence as well as assessing areas at risk due to other factors e.g., New developments by other Scottish Borders RSL's. Reviews of specific properties and/or streets/areas are undertaken and since 2015 have significantly reduced the number of 'cause for concern' stock by almost 50%. Option appraisals are undertaken to determine investment, disposal, or demolition to make way for new build. In the next 5 years the priorities for regeneration are:

- 8 bedsit properties in Whitefield Crescent in Newtown St. Boswells.
- A range of bedsits and flats in Allars Crescent in Hawick.
- Address one off property currently on the Non-lettable list e.g., bungalow in Denholm, 2 bedsits in Croft Street etc.

Beyond the life of this Strategy SBHA will develop regeneration plans for:

- Muthag Street area of Selkirk.
- Langlee area of Galashiels.
- Amenity housing at Westport in Hawick, Richmond Row in Jedburgh and Hazeldean in Galashiels.

### **Development & Growth**

Since 2013, SBHA has taken on the role of a developing housing association through regenerating Stonefield, Hawick and re-provisioning of smaller pockets of land already in SBHA's ownership. These have included the delivery of new build homes at in Earlston, Deanfield in Hawick and Torwoodlee Road and Rose Court in Galashiels. In total SBHA has built 69 new affordable homes to date and another 22 will be handed over in early 2021 in Oxton, Peebles and Kelso. SBHA's Development Strategy sets out SBHA's broad vision and strategic objectives relating to New Build Development and set these within the local and national operating context. In addition to outlining SBHA's approach to delivering new supply homes, the Development Strategy:

- Confirms the Governance arrangements in place to ensure that the Board of management oversees development activities.
- Highlights the Standards to which new homes will be built, to ensure that housing mix considers a range of type, tenure, and form.
- Considers the availability and affordability of land, including SBHA's landbank, land owned by statutory partners and land in private ownership.
- Clarifies the Project Appraisal process under which development opportunities can be assessed accordingly
- Sets out the financial strategy which enables delivery of the Development Programme in SBHA's Business Plan, relating to Funding, Financial Planning and Modelling.
- Summarises SBHA's Risk Assessment approach, ensuring that risks are identified and assessed in line with SBHA's corporate Risk Management

Strategy, to provide comfort to the Board of Management that relevant procedures and controls are in place and effective.

SBHA's Development Policy highlights general principles of good governance in acquisition and development, including entering into future partnership agreements, and these principles have been written into SBHA's first Development Procedures Manual.

The environment for building new homes has been positive, with the ending of the Right to Buy in Scotland providing greater certainty on future income and the Scottish Government increasing per unit grant levels to support achievement of the overall target of 50,000 new homes for Scotland by 2021. £3 billion of Scottish Government subsidy has been committed to enable delivery of this objective and the current early indication is that the programme will continue a similar basis in the next parliament, so that the delivery of new supply homes between 2021 and 2026 can meet the new 53,000 homes target that has been jointly identified by the SFHA, the CIH and Shelter Scotland.

Scottish Borders Council's Local Housing Strategy (LHS), 2017-2022, provides a strategic direction to tackle housing need and demand and it informs decisions on investment in housing. The LHS identifies a target of 128 affordable homes per year and identifies housing and the ageing population as a priority. SBC's emerging Scottish Borders Local Development Plan 2 (LDP2) will replace the current LDP and guide development within the Scottish Borders during 2021-2026. Understanding and operating within the LDP2 is essential to winning support for proposed development projects, both in planning and funding terms.

SBC's Strategic Housing Investment Plan is a key document for identifying housing projects which will support the delivery of the Scottish Government's objectives under "More Homes Scotland". The SHIP is a 5-year plan but is submitted to Scottish Government on an annual basis. The current SHIP covers period 2020-2025 and a project prioritisation assessment tool assesses which projects can be included. The project prioritisation tool looks at Housing Need, Deliverability, Strategic Fit and Impact. Any project which SBHA will seek grant funding for, must first be identified in the SHIP and undergo this assessment.

SBHA plans to secure additional borrowing opportunities of up to £50million, which will support a new Development Programme for sites and/or land not currently owned by SBHA. It is expected that this loan facility could sustain a Development Programme in the region of 300 homes over the next 7 years, depending on market conditions. SBHA's borrowing will be matched with appropriate levels of Housing Association Grant (HAG) for each development. SBHA's Development Programme is updated as opportunities are assessed and added to the Projects Pipeline or Landbank.

## 6. Progress Since 2015

Significant progress has been made since the publication of the last Asset Management Strategy in 2015 and associated action plan in 2017. The information below highlights the projects in the 2017 action plan and progress:

### **Engage with Tenants to Inform Service Development & Investment Priorities**

- ✓ Delivered Tenant Scrutiny process outcomes from projects on Repairs, Empty Homes and Grounds Maintenance to strengthen services.
- ✓ Engaged with Tenants on their views and priorities for EESSH, Standards and PMP.
- ✓ Introduced the Community Team Model and introduced walkabouts in neighbourhoods and roadshows, providing greater visibility in local communities and a more developed understanding of what is working and needs to change at a locality level.
- ✓ Improved service access through the Solutions Team, the introduction of mobile working and self-service for tenants booking non-emergency repairs through the My SBHA App.

### **Understand the Changing Demand for SBHA Homes**

- ✓ Implemented a new Empty Homes Strategy including the implementation of a pre tenancy service.
- ✓ Introduced flexible approaches to investing in low demand areas.
- ✓ Reviewed and updated the Allocations Policy.
- ✓ Implemented the Asset Insight Tool to evidence low demand stock for review and action.

### **Maximise Construction Related Employment & Training Opportunities**

- ✓ Provided 10 Trade Apprentice opportunities within the Property Services Team.
- ✓ Created work experience opportunities within SBHA and employment opportunities with significant partners.
- ✓ Delivered schools and college sessions to support pathways into construction.

### **Homes are Well Maintained & Performance is Improved**

- ✓ The 6-year Plan for life-cycle replacement was established, connecting significant investment in neighbourhoods with the Community Model. The investment in Tenants homes since 2015-16 has ensured that SBHA has met and maintained SHQS compliance and established a clear journey to the EESSH 2020 target – currently at 98.3% compared to 31% in 2015-16. Clear plans are in place for current assets and new homes are being built to Silver Standard for energy efficiency.
- ✓ A greater emphasis on the built environment and open spaces through the Community Team walkabouts and expanded cyclical maintenance including gutter cleaning, non-gas servicing and a strengthened grounds maintenance contract. In 2016-17 the Great Places Fund was introduced through efficiencies in Property Services. In addition, resources for the Estate Improvement Budget have increased. Both projects are aimed at increasing the quality of the neighbourhood, reducing reactive maintenance, and establishing a focus on place at a local level.
- ✓ In 2018-19 the suite of Service Standards was introduced for repairs and improvements to homes, neighbourhoods, and communal areas. Accompanied by increased quality control of repairs with a more transparent customer journey and priorities for spend, this is driving up satisfaction with the repairs service.
- ✓ Enabled more older people to live safely by expanding the annual investment in Adaptations by £100k a year and built wheelchair adapted homes

and a specialist block in Stonefield for adults with learning disabilities in partnership with Ark Housing.

### **Embed a Health & Safety Culture in SBHA**

- ✓ The new Asset Safety Team has increased the focus on compliance and cyclical routines of safety have been strengthened and expanded, with new services and inspection routines introduced and adapted as standards change and best practice standards adopted. This includes areas such as gas, fire, electrical, asbestos & water management.
- ✓ H&S action plans and audit outcomes delivered strengthened tenant and team safety.
- ✓ New Gas & Other Heating Servicing & Repairs contract commissioned.
- The planned H&S accreditation has not progressed and has been built into the new plan.

### **Address Challenges from Stock Giving Cause for Concern**

- ✓ The Empty Homes Strategy has seen a significant shift in both non-lettable and low demand homes – it has led SBHA from reacting to long term empty developments to a pro-active approach where demand was reducing. In 2015-16 there were 99 non-lettable homes, and this currently stands at 23. Since 2015 the number of low-demand homes (which include non-lettable) has fallen from 233 to 115. The greatest reduction has been in Galashiels, Kelso and Selkirk with challenges remaining and increasing in Hawick. It should be noted that all low demand properties are all flats and 17% are bedsits and 51% 1 bed properties.
- ✓ Addressed the risk of Non-lettable empty homes through refurbishment, demolition, and disposal.
- ✓ Delivering a rural off-gas programme to 143 homes through insulation, doors, windows, Air Source Heat Pumps and Quantum electrical systems.
- ✓ Delivered the Rutherford Square project – providing 24 high quality refurbished homes for older people and addressed remaining hard to let former Sheltered Housing.
- ✓ Undertook a series of measures to modernise Amenity Housing, including upgrading the alarms, lifts and moving from district to individual controlled heating systems in two schemes.
- A review of Bedsits was not undertaken and has been built into the new plan.

### **Information Management & Analysis**

- ✓ A greater understanding of SBHA's assets has been achieved through strengthened Stock Condition and Energy Surveys, resulting in stronger asset performance and increased values.
- ✓ Asset information updated through more established routines for surveying since 2015 and with the introduction of new in-house team in 2019 enables a consistent approach going forwards.
- ✓ Strengthened the evidence base for Asset Management through full implementation of the Asset Management System, Repairs Finder and Asset Insight Tool, establishing the Net Present Value of homes, connecting people and property-based evidence to assess value.

### **Risk Management & Mitigation for Major Investment Programmes**

- ✓ Established a partnership approach with Eildon Housing Association as Development Agent for SBHA's gradual progress into new build.
- ✓ Development Strategy developed and assessed.

### **Ensure Effective Procurement**

- ✓ Procurement Strategy and Plan developed with community benefits delivered.
- ✓ Strengthened delivery and value for money through the commissioning of longer contracts.

### **Ensure Value for Money is Delivered by the Property Services Team**

- ✓ Implemented significant efficiencies in Property Services through resource changes and technology to improve both customer outcomes and value for money. This has enabled a shift to increased cyclical and environmental works.
- The development of a Property Services Business Plan, growth and sharing services were not progressed within the previous plan and have been built into this new plan.

### **External Partnerships**

- ✓ SHIP commitments agreed, updated, and expanded with new projects.
- ✓ Maximised access to Scottish Government grants for new build as well as securing disposal proceeds in lieu of grant.

### **Developing an SBHA Plus Strategy**

- SBHA chose not to pursue the selling of services externally by Property Services or around energy projects at this time to concentrate on delivering efficiencies in service delivery to SBHA Tenants.

### **Ensure Suitable Financial Resources to Deliver AMS Objectives & Establish New Build Programme & Land Bank**

- ✓ Managed future Business Plan pressures and secured an emerging new build programme through additional borrowing, alongside establishing foundations for future borrowing.
- ✓ Grown the number of homes by building 69 new homes and established a programme to deliver a further 34 homes within the existing Business Plan. Received over £5.0m in HAG to support new build and refurbishment.
- ✓ Engaged specialist Development Consultant to assess potential future land banking sites with appraisals undertaken.
- ✓ Attracted £750k in Green Energy initiative grants and works to improve affordable warmth.
- Future approval for additional borrowing still being assessed and built into the new plan along with acquiring additional land.

## 7. 2021-26 Strategic Themes, Projects & Objectives

The projects outlined below, and their outcomes, will deliver SBHA's Asset vision for the next 5 years. How the objectives will be delivered are set out in the Action Plan at **Appendix 1**.

<b>GREAT CUSTOMER EXPERIENCE</b>	
<b>Transformed Outcomes &amp; the SBHA Offer</b>	
Ensuring the Asset service offer is getting the basics right consistently and building on the right first-time model – refining operations to maximise the quality of service and the customer experience.	
<b>Projects</b>	<b>Objectives</b>
<b>The Customer journey</b>	➤ Improved Tenant journey to prevent dis-satisfaction and complaints.
<b>Great Information</b>	➤ Enhance the asset related information to the customer via social media, the website and emerging technology.
<b>Reducing Inequality &amp; Personalising Services</b>	
Developing Asset services and projects to support tenants in need to improve the life chances of customers by developing targeted responses that pre-empt and support tenants through challenging times.	
<b>Projects</b>	<b>Objectives</b>
<b>Support an Ageing Population</b>	<ul style="list-style-type: none"> <li>➤ Contribute to the development of the 3 year Older People's Strategy and deliver asset related commitments.</li> <li>➤ Explore models of housing for older people that support them to remain in their community.</li> </ul>
<b>Prevent &amp; Sustain</b>	➤ From risk assessment outcomes, deliver asset related improvements to address and reduce risk to higher risk groups of not being able to live in their home or with changing needs e.g., people with degenerative conditions.
<b>Increased Community Participation &amp; the Channel Shift</b>	
Ensuring SBTO and tenants can engage and participate in asset decisions and expand on access to asset information.	
<b>Projects</b>	<b>Objectives</b>
<b>Tenant &amp; Community Engagement</b>	➤ Support engagement with hard-to-reach groups on asset related issues.
<b>Digital Offer</b>	<ul style="list-style-type: none"> <li>➤ Maximise the digital shift through self-service for asset related services and information.</li> <li>➤ Explore new methods of tenant interaction on asset related issues.</li> </ul>
<b>My SBHA – Neighbourhood</b>	➤ Explore, in partnership, participative and community budgeting and local improvement projects that meet varying needs in communities.

## GREAT PLACES

### Affordable Warmth and Homes Fit for 2040

Increasing affordable warmth through the evaluation of the impact of EESSH on the customer and establishing the long-term programme to reflect the changing standards and technology. Exploring the home, fit for the future, and converting existing suitable homes to meet demographic and demand shifts. Supported by a shift in the quality and quantity of accessible and adaptable homes.

Projects	Objectives
<b>Warmer Homes Investment</b>	<ul style="list-style-type: none"> <li>➤ Achieve a minimum 97% compliance with EESSH1 standards by December 2020.</li> <li>➤ Achieve compliance with the EESSH2 2025 target of no lettable homes below a Band D for energy efficiency.</li> <li>➤ Introduce energy efficiency advice as business as usual.</li> <li>➤ Work with SOSE &amp; Partners to ensure pipeline for energy transition meets future needs.</li> <li>➤ Develop EESSH2 and Sustainability Strategies.</li> </ul>
<b>Adapt Homes to Meet Need</b>	<ul style="list-style-type: none"> <li>➤ Increase the supply of wheelchair accessible homes delivering 5 in new build homes and 3 refurbished from existing stock.</li> <li>➤ Increase the supply of ground floor homes which meet the Varying Needs standard.</li> <li>➤ Introduce Homes for Varying Need design standards into lifecycle works.</li> <li>➤ Explore technological and design measures that deliver more adaptable and flexible homes.</li> </ul>
<b>Homes Fit for 2040</b>	<ul style="list-style-type: none"> <li>➤ Evaluate the Scottish Government 2040 proposals and develop the principles of longer-term plans to set out a 2040 standard.</li> </ul>
<b>Raise Demand</b>	<ul style="list-style-type: none"> <li>➤ Increase the popularity of low demand homes.</li> <li>➤ Identify homes at risk of being low demand and deliver appropriate programmes of work to increase popularity and prevent future issues.</li> </ul>

### Environmental Impact & Investment in Homes

A focus on building fabric and the quality of the environment, overcoming the challenges of mixed tenure. Escalating the move from reactive to cyclical routines – harnessing logistics, technology, sustainable and maintenance free materials with longer life cycles to improve homes and service experience.

Projects	Objectives
<b>Environmental</b>	<ul style="list-style-type: none"> <li>➤ Establish a 6 Year Environmental Programme to improve satisfaction with the neighbourhood.</li> <li>➤ Increase targeted actions to address the quality of the environment and implement assurance standards.</li> </ul>
<b>Overcome Mixed Tenure Challenges</b>	<ul style="list-style-type: none"> <li>➤ Establish a clear mixed tenure offer and strengthen stakeholder partnerships with owners of adjoining properties and landowners to maintain and improve the environment and manage the risks of mixed tenure.</li> </ul>
<b>Reaction to Prevention &amp; Longer Life Cycles</b>	<ul style="list-style-type: none"> <li>➤ Delivery of the second 6 Year Plan and assess opportunities for longer life cycle elements.</li> <li>➤ Shift the ratio of repair, cyclical and planned investment to impact on overall satisfaction.</li> <li>➤ Review the Asset Management IT system to allow for more detailed asset information, analysis, and planning.</li> </ul>

<b>Safe Places</b>	
Tenant safety is a top priority. This strategic aim is focussed on moving from embedded compliance to pro-active management of risk. Using technology, systems, and the right safety culture to instil the trust and confidence of Tenants in the safety of their homes.	
<b>Projects</b>	<b>Objectives</b>
<b>Fire Safety Risk</b>	<ul style="list-style-type: none"> <li>➤ Achieve the LD2 Standard for all homes in 2021.</li> <li>➤ Implement a fire risk reduction programme.</li> <li>➤ Introduce new technology to pre-empt risks, targeting high risk environments.</li> </ul>
<b>Moving from Compliance to Best Practise</b>	<ul style="list-style-type: none"> <li>➤ Implement the best practice recommendations of the Cutler Report – Compliance Plus on assurance.</li> <li>➤ Expand the use of software for monitoring and evidencing compliance on Health and Safety.</li> <li>➤ Expand the range of safety information for Tenants.</li> </ul>

<b>ONE TEAM</b>	
<b>Developing the Talent Pool &amp; Equipping the Team</b>	
To effectively deliver this Strategy, the SBHA Team need to be equipped and committed to deliver. This strategic aim is focussed on engagement, attraction, and retention of people, aligning the culture, skills, and values for those who deliver this Strategy's outcomes to the aspirations it establishes.	
<b>Projects</b>	<b>Objectives</b>
<b>Equipping our Team to deliver</b>	<ul style="list-style-type: none"> <li>➤ Contribute to the development of the People Strategy – particularly around futureproofing skills, role flexibility and diversity.</li> <li>➤ Equip Team Member with the appropriate skills, knowledge and development opportunities to support effective delivery of this Strategy, particularly for planning, commissioning and delivery of the projects identified.</li> <li>➤ Enhance organisations and technical understanding of carbon reduction, sustainability and renewable technology.</li> <li>➤ Enhance SBHA's contribution to jobs and learning as a commissioner and employer through expansion of the Apprenticeships, placements and practical learning opportunities.</li> </ul>

<b>RESILIENT BUSINESS</b>	
<b>Financial Capacity &amp; Value for Money</b>	
This theme ensures asset activities represent value for money.	
<b>Projects</b>	<b>Objectives</b>
<b>Assets</b>	<ul style="list-style-type: none"> <li>➤ Increase the cost benefits and explore future delivery models for Asset Maintenance.</li> <li>➤ Expand the use of systems and technology to aid effective decision making.</li> </ul>

## SMART INVESTMENT CHOICES

### Mainstream New Build

This theme focusses on maximising new supply opportunities based on true demand - the right homes, in the right places, at the right price, and exploring opportunities across tenures. It aims to equip SBHA to be more flexible and to take opportunities for development as they arise, thus supporting a steady growth in assets. This has involved a review of the development appraisal process and the creation of a Projects Pipeline and Development Programme that empowers SBHA to make timely investment decisions.

Projects	Objectives
<b>Mainstream New Build</b>	<ul style="list-style-type: none"> <li>➤ Explore alternative construction and commissioning methods.</li> <li>➤ Explore mixed tenure development opportunities and emerging new models of housing and housing related developments.</li> <li>➤ Expand the land bank and strengthen the pipeline of new developments and audit existing land development opportunities.</li> <li>➤ Explore opportunities with statutory partners for development of new homes.</li> <li>➤ Delivery of 300 new homes over the next 7 years.</li> </ul>

### Ambitious Collaboration

Developing partnerships with deliverers and influencers in all sectors (public, private and third) on construction technology and investment – attracting partners who share a similar values and ethos.

Projects	Objectives
<b>New Solutions</b>	<ul style="list-style-type: none"> <li>➤ Pursue opportunities to work with stakeholders to progress stronger outcomes for Tenants and communities e.g., deliver the Disability Development Project in partnership with Aberlour and SBC.</li> </ul>
<b>Expanding Technology</b>	<ul style="list-style-type: none"> <li>➤ Identify and pilot potential new technology and solutions that increase warmth or lengthen the life of components e.g., smart filters, hybrid heating systems, storage batteries etc.</li> </ul>
<b>Shared Learning &amp; Supporting Employability</b>	<ul style="list-style-type: none"> <li>➤ Explore commissioning and delivery partnerships to maximise and target resources on asset quality and value.</li> <li>➤ Explore with SOSE &amp; Partners opportunities to stimulate the construction sector in the South of Scotland with inclusive growth, contributing to well being and a fair work economy.</li> </ul>

## 8. Monitoring, Review & Communication

As set out within SBHA's schedule of delegations, the Asset Management Strategy is approved by SBHA Board of Management and progress of its implementation will be monitored and reviewed six monthly by SBHA's Executive team, with a six monthly progress report delegated to the Customer Board.

As part of the annual 30-year Business Plan Review reported to the Board of Management, an assessment is made on the 30-year asset related budgets. Prior to annual asset budgets being approved consultation with tenants is undertaken through a variety of means e.g., Roadshows and rent consultations and SBTO considers and comments on the Planned Maintenance Programme principles for the following year. The PMP budget is approved in the prior December, to allow for early commissioning and engagement, with other asset related budgets approved in February each year. Asset related expenditure and forecasts are monitored monthly by the Executive Team and quarterly by the Board of Management. The delivery of the annual Planned Maintenance Programme is reported to and reviewed quarterly by the Executive Team. Key Performance Indicators have been developed to capture evidence of the effectiveness of this Strategy and will be monitored monthly by the Senior Leadership Team with the relevant KPI's reported quarterly to the Board of Management, Customer Board, and the Audit & Compliance Sub-committee.

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

A review of new Scottish Housing Regulator Asset Management guidance will be undertaken once published to ensure SBHA's approach is aligned and any gaps are reflected in the remaining period of the action plan.



