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Related Documents	Strategic Plan Treasury Management Policy Financial Regulations Risk Strategy & Policy Procurement Strategy & Policy Allocations Policy Void Policy & Relet Standard Repairs & Maintenance Policy Rent & Service Charge Policy
Location of Electronic Copy	F:\LIVE POLICIES

1. Executive Summary

Viewpoint has developed this strategy to align its Asset activities with its Strategic Plan ensuring full considering of all financial aspects of its stock whilst considering value for money. The asset strategy ensures that the organisation's focus is to meet current and future demand of both tenants and residents, ensure that the stock is fit for purpose whilst ensuring longer term viability.

The Strategy is initially for a one year period and will be reviewed in line with changing operational and market conditions and linked to the next Strategic Plan for 2022-25.

2. Introduction

Viewpoint Housing Association is a Registered Social Landlord and Scottish Charity and is a key provider of homes for general needs and older people. It has 1,340 properties across Edinburgh, Fife and the Lothians and 3 Care Homes.

It is therefore essential that these assets are protected and receive the necessary investment to ensure that all its homes are safe, secure and fit for purpose.

Viewpoint has adopted the definition of Asset Management outlined in Working Together to redefine asset management' Chartered Institute of Housing (CIH) (2015), which is:

"managing and maintaining the housing stock in a way that delivers value for money by optimising the return to the organisation through achieving the right balance between cost, quality and timing of works; also using homes in a way that contributes to neighbourhood sustainability all within the organisation's own context".

Accordingly, this Strategy seeks to underpin how this will be achieved.

3 Purpose and Scope of the Asset Management Strategy

The main aim of the strategy is to:

- Understand the condition and profile of the assets; prepare to collate further stock condition data
- Understand the suitability of the assets to meet current and future demand both in a local and national context

- Meet the current legislative requirements and plan for the future in relation to prevailing standards; EESSH and EESSH2
- Evidence the investment required over 30 years linked to stock condition data and life cycle costings to maintain the assets and the approach required to manage the rolling investment
- Continue to gather information and understand tenant and resident priorities ensuring that organisational investment priorities reflect these
- Establish methodology for evaluating future viability of stock
- Where appropriate consider disposal of stock in line with the Disposal Strategy

The Strategy will align with the organisation's strategic objectives and will be directly linked to the Strategic Plan.

The key actions that Viewpoint will deliver over the next year will be:

- **Invest a minimum of £5 million during the year in stock to ensure provision good quality homes. This will include a programme of planned and routine works including internal and external painting together with capital expenditure e.g. heating systems, roofs, bathroom and kitchen replacements**
- **Review and appraise ongoing performance and viability of stock to provide a greater understanding of future options available**
- **Keep rents affordable**
- **Demonstrate strong financial management and value for money**
- **Make sure properties continue to meet the prevailing Energy Efficiency Standard for Social Housing (EESSH,EESSH2) and invest in measures that will help to reduce energy bills**
- **Work collaboratively with other partners, agencies and volunteers to help increase the activities and support offered to customers**
- **Reduce carbon footprint and develop a Sustainability Strategy**
- **Involve tenants and residents in key decisions (see section 9 below)**

Within the current Strategic Plan there are also a number of specific deliverable targets to be achieved through the Asset Management Strategy:

- Deliver the energy efficiency work programme together with certification, and deliver the planned and cyclical maintenance work programmes to demonstrate compliance with the Standards
- Heating replacements – consider low carbon heat technologies when replacing existing systems whilst looking at the most cost effective system for both the organisation and customers
- Develop a Viewpoint Home Standard – this standard will reflect the highest standards for the condition of the homes rented to all customers
- Ensure all properties meet the requirements of the Dementia Strategy (see *Living with Dementia* section below)
- Map out the work required to complete the asset profile and carry out work with investment priorities
- Ensure compliance with the Scottish Government Fire Safety Guidance; replace all fire alarms to LD1 standard by February 2022
- Review internal procedures on fire safety and evacuation; implement changes as required
- Continue to use best procurement methods to secure quality contracts while ensuring value for money

Scope of the Strategy

This strategy covers 1,340 properties and 3 care Homes. The strategy is supported by a Stock Condition Review carried out by Michael Dyson Associates Limited and a mechanical and electrical stock survey by EDP Limited, both in 2018 which considered the condition of the stock and the profile of their components at that time.

The data collection and analysis for this strategy has been subject to updates from financial and further condition data since.

In developing this Asset Management Strategy the following guidance has been used:

- SHR – The Standards of Governance and Financial Management (2019)
- CIPFA – Strategic Property Asset Framework (2018)

4. Current Situation

4.1 Stock Portfolio

Viewpoint is Scotland's oldest housing association being formed in 1947. It has as a result acquired properties over the years in various locations across east central Scotland. These properties are of varying ages, sizes, layouts and construction types and consequently there is no such thing as a "typical" Viewpoint complex. The geographical locations of properties is shown in Appendix 1.

Viewpoint provides services ranging from mainstream/general needs through to alarmed, sheltered and enhanced sheltered accommodation in its housing complexes. The three care homes deliver care and support to individuals with varying dependencies of care needs, ranging from early onset dementia to high levels of nursing required for more challenging behaviours to end of life palliative care.

4.2 Living with Dementia

This Strategy will support Viewpoint's commitment through its Dementia Strategy to the prevailing National Dementia Strategy.

4.3 Viewpoint's Assets

Property Portfolio

The breakdown of Viewpoint's current stock profile is included at Appendices 1 and 4.

The number of properties by complex is shown in Appendix 2.

Age of properties

The age profile of the housing stock is summarised in Appendix 3, and outlines the challenges in relation to future stock investment and component replacement relative to the varied age profile evident.

Stock Condition

Accurate stock information and good data systems are key components to the delivery of sound asset management with reliability of information absolutely critical to the operational deliver of improvements. To this end Viewpoint have commissioned the implementation of *Civica Keystone* asset management software in 2020/21. A 100% stock condition survey was carried out in 2018

together with a more specialist mechanical and electrical survey covering the heating systems in all properties. This data, which has been subsequently updated and further refined, will form the baseline data used to develop programmes and reinvestment plans for the stock based on standard elemental lifecycles.

Examples of components typically included in the planned maintenance programme would be:

- Replacement central heating systems
- Replacement central heating boilers
- Replacement kitchens and bathrooms
- Replacement doors and windows
- Renewal of electrical fittings

4.4 The Energy Efficiency Standard for Social Housing (EESH)

The Energy Efficiency Standard for Social Housing (EESH) aims to improve the energy efficiency of social housing in Scotland. It will help to reduce energy consumption, fuel poverty and the emission of greenhouse gases.

The deadline for Registered Social Landlords to meet the initial EESH standards was December 2020. This deadline was subsequently extended to May 2021.

Ambitions are extremely challenging and, for many properties, not technically possible. Most of the recommended measures are challenging to install in terms of tenant disruption and cost.

The standard is based on minimum Energy Performance Certificate (EPC) Energy Efficiency (EE) ratings. These are shown on the table below and vary depending on the type of property and the fuel used to heat it.

Minimum SAP ratings to pass the EESH	EE Rating (SAP 2009)		EE Rating (SAP 2012)	
	Gas	Electric	Gas	Electric
Flats	69	65	69	63
Four-in-a-block	65	65	65	62
Houses (other than detached)	69	65	69	62
Detached	60	60	60	57

Standard Assessment Procedure (SAP)

SAP works by assessing how much energy a dwelling will consume, when delivering a defined level of comfort and service provision. The assessment is based on standardised assumptions for occupancy and behaviour. This enables a like-for-like comparison of dwelling performance. Related factors such as fuel costs and emissions of carbon dioxide (CO₂), can be determined from the assessment.

The following are examples of retrofit measures which may help properties meet the EESSH ratings:

- Condensing boilers
- Double/secondary glazing
- Heating controls
- Loft insulation top up
- Floor insulation
- Heating controls
- Compact fluorescent lighting
- Solid wall insulation (external)

EESH2

The Scottish Government has now introduced new targets under EESH2 which would be applicable to all socially rented homes by 31 December 2032.

In summary the new standard requires that all social housing should meet, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent.

In very simple terms this means that to pass the needs to be in excess of 81 (c.f. 69/63 for a flat per SAP table above) so for Viewpoint and its current older stock this will be a very challenging, if not impossible task to make the properties sufficiently energy efficient.

Additionally the 2032 milestone will be supported by a formal review in 2025 to assess progress and confirm additional requirements of the 2032 milestone.

Air Quality and Environmental Impact will be included as part of the review.

No social housing is to be re-let below EPC Band D from December 2025, subject to temporary specified exemptions.

Viewpoint will have to consider, as part of its future viability assessments on each of its properties, the potential impact of EESSH2 in line with the timelines outlined above.

4.5 Demand

An increase in demand for social housing means a range of different factors is placing pressure on affordable housing. There has been a significant rise in demand for housing, a sharp fall in mortgage lending and house prices that remain out of reach for many people on average salary. The impact of Brexit on housing demand and supply is yet to be established.

There is currently no evidence however that the demand for Viewpoint's housing properties is likely to decline in any significant way over the coming few years.

In terms of demand for care home places there has been over recent years a considerable increase in the supply of new beds in Edinburgh.

5.0 Asset Investment Planning

Viewpoint's current investment planning relates to its Strategic Plan. It has a detailed breakdown of investment over a rolling five year period relating to the stock condition survey undertaken during 2018, with a more detailed operational plan and budget for one year ahead. Appendix 3 shows the total investment required in each of the complexes over the next five years.

Funding of the Asset Management Strategy requires appropriate financial resource being available to deliver the future investment plans. Viewpoint's 5 year and 30 year investment forecasts will be reviewed following analysis of data from proposed stock condition surveys and energy efficiency baseline data. The previous stock condition was carried out in 2018 so a new survey will be carried out no later than 2022.

This will allow Viewpoint to deliver key projects whilst complying with its 5 year business plan, 30 year financial plan, and bank lending covenants. Viewpoint will also explore alternative funding opportunities from external sources to assist in meeting the prevailing standards; EESSH, EESSH2 and investment in any future re-modelling of the stock portfolio.

5.1 Procurement

Sustainable procurement embraces environmental and social objectives, and can deliver long term economic benefits. Viewpoint recognises that effective procurement techniques need to be applied, particularly in areas of high value and risk such as care and housing. The Procurement Strategy includes objectives in relation to:

- Customer focus
- Value for money
- Raising standards
- Consistency
- Opportunities

Significant additional value may be created by delivery of services through good procurement practice and partnerships. Whilst tenants and care home residents will remain the primary focus for this value, this can also extend to the wider community, and can also benefit local and national government with their policy objectives.

Viewpoint currently uses Public Contracts Scotland (PCS) for the majority of its asset management procurement and is also a member of the Scottish Procurement Alliance (SPA) and Scotland Excel. The large membership of these bodies enables Viewpoint to achieve better value through bulk buying power. The advantages of membership in addition to lower prices also include improved performance management, benchmarking and access to procurement technology and expertise.

6.0 Growth (New Build and Acquisition)

6.1 Future Strategy Context

Viewpoint will continue to seek development opportunities wherever possible, and to progress these as specific projects if these meet the organisation's objectives. Any merger, acquisition or increase in business activity must have a positive impact on Viewpoint's net worth, revenue reserves, cash resources, market position and profile. Benefits must be financial and/or strategic and must be proven by thorough appraisal and risk assessment. These are essential to demonstrate that prudent decision making has taken place and to safeguard the interests of existing and future customers and stakeholders of Viewpoint.

6.2 Developments at Risk

Ongoing performance and viability of stock needs to be reviewed and appraised to provide a greater understanding of future options available, this may include investment, dis-investment, or disposal if no satisfactory outcome is available. The following mechanisms will be used to aid assessment:

- Review and analysis of stock condition survey information
- Use of projected income and expenditure profiles to inform Net Present Value assessments (NPV); that being the sum of all revenues for the next 30 years less the sum of all costs for the same period, discounted back to present day value.
- Use of measures to calculate return on our assets, investment performance and 'value for money'
- Examination of socio-economic, demographic and neighbourhood sustainability factors

It is likely that review and appraisal of housing and care home stock will identify that not all current stock is sustainable for the long term. Some property types or individual properties may be of an age, design or type of construction which makes long term investment either uneconomic or inappropriate.

Stock will be categorised as follows:

Core Stock - stock which is sustainable for the long term based on its sound financial and non-financial performance e.g. lower than average repair costs; a higher than average NPV; above average investment performance in respect to yield; high demand and/or low turnover. Suitable for long term investment.

Medium Life Stock - stock which exhibits some issues in terms of its financial and non-financial performance but that may, through some targeted interventions, be potentially sustainable e.g. higher than average repair costs; a lower than average NPV; below average investment performance in respect to yield; some demand and/or turnover issues. Suitable for more limited investment.

'Cause for Concern' Stock - stock which gives cause for concern due to its poor financial and also possibly non-financial performance and where, due to its high investment needs may require more significant levels of investment such as re-modelling, demolition and redevelopment, or disposal e.g. very high repair costs; a low NPV; poor investment performance in respect to yield; some demand and/or turnover issues. Identified for further Options Appraisal/alternative investment.

6.3 Future Needs- Options Appraisal Process

A strategic approach to asset management is fundamental to future viability. Viewpoint will ensure consistency between its Strategic Plan and the Asset Management Strategy to ensure that it has a good understanding of the long-term value that individual properties and different groups and types of stock bring to the business. Informed strategic asset management decisions will help ensure that resources are used effectively and should reduce the risk of longer term inefficiencies occurring.

Stock identified as being 'Cause for Concern' will be subject to robust option appraisal work, including detailed financial analysis, assessment of future need, and analysis of local demand.

Developing effective, workable solutions will require joint working with other stakeholders e.g. lenders, regulatory bodies etc. Following review and appraisal of 'Cause for Concern' stock, stock

identified as not being sustainable for the long term will be considered for either redevelopment, replacement, or disposal.

6.3.1 Future Needs – Potential Outcomes

The aim of an options appraisal process is to identify any future need for housing, care homes, or other property under review. This may also include garage sites, car parking spaces, vacant land, non-core business activities such as kitchens and cafes, workshops etc., and other land assets.

Potential outcomes, following review and appraisal, will be:

- Future Need identified, consider changes in service delivery/operating environment and retain the asset
- Future Need identified, increased investment required to remedy key issues and retain the asset
- Future Need not anticipated over long term, initiate a programme of dis-investment, consider timescale for disposal and impact on stakeholders, consider impact on Strategic Plan
- Future Need not anticipated, and no suitable realistic options available. Consider disposal, reinvest proceeds

6.4 Disposal

Where the disposal outcome is reached, following options appraisal process, Viewpoint will adhere to its *Disposal of Land and Assets Policy*, which also takes account of Standard #7 of the Regulatory Standards of Governance and Financial Management published by the Scottish Housing Regulator in March 2019.

7.0 Health and Safety

7.1 Safety Checks

Viewpoint has a legal responsibility to ensure that all its tenants and care home residents live in properties which are healthy, safe and secure. In order to achieve this it undertakes the following as part of its annual cyclical works programme, these are also checked by the Care Inspectorate and unsatisfactory performance can affect Care Home grades.

These responsibilities are covered within the Landlord Health and Safety Policy.

8.0 Asset Management & Maintenance

8.1 Repairs Service

Viewpoint is committed to the provision and maintenance of high quality accommodation and neighbourhoods where people want to live and where they feel safe.

These objectives, together with contractor targets are covered in the Repairs and Maintenance Policy.

8.2 Voids

Viewpoint's approach to voids is included in the Voids Policy.

8.3 Right to Repair

Viewpoint follows the Right to Repair scheme under the Housing (Scotland) Act 2001.

8.4 Right to Compensation

Under the Housing (Scotland) Act 2001 tenants of Viewpoint may be entitled to receive compensation for alterations and improvements they have made to their home on or after 30 September 2002.

9.0 Tenant Engagement

Viewpoint recognises the importance of consultation with its customers, this can influence the quality of our services through feedback.

- Listen to customers, involve them in the design and delivery of services, ensure that customer's views are taken into account when making decisions and explain why if taking a different decision

- Empower customers to set standards, monitor and challenge performance through customer scrutiny methods
- Actively promote a range of ways to get involved so that customers and others can influence the things that matter to them in a way that suits them
- Include customers at every level of organisational governance structure, including membership of the Board
- Encourage, support and help customers to form local groups by giving advice and financial assistance

Tenants and care home residents will be consulted via:

- Newspoint
- Annual Tenant Conference
- Viewpoint Tenant Groups
- Care Home Care Plans
- Care Home Surveys

Equality, Diversity and Inclusion are extremely important to Viewpoint, and it will meet its obligations under the Equality Act 2010.

It is anticipated that the Asset Management Strategy will have a positive impact for customers and for Viewpoint generally.

10.0 Monitoring, Evaluation & Reporting

10.1 Risk

Evaluation of risk is an important part of effective asset management. Major decisions taken about the future and utilisation of the asset base in the absence of a risk assessment may have a long-term detrimental effect on the sustainability of communities and financial viability of the organisation.

Viewpoint has a systematic approach to managing asset-related risks. This involves the regular review of impact and probability of specific risks materialising and evaluation of the control arrangements that are in place for managing and minimising current and emerging risks.

10.2 Monitoring the Strategy

A strategic approach to asset management is fundamental to future viability. Viewpoint will ensure consistency between the Strategic Plan and the Asset Management Strategy, and have a good understanding of the long-term value that individual properties and different groups and types of stock bring to the business.

Staff and governing body members will carry out reviews of the Asset Management Strategy at periodic intervals to ensure that it continues to support the Strategic Vision, Aims and Objectives. Impairment reviews will be undertaken annually by the Finance department to assess the economic viability of committing resources to particular stock.

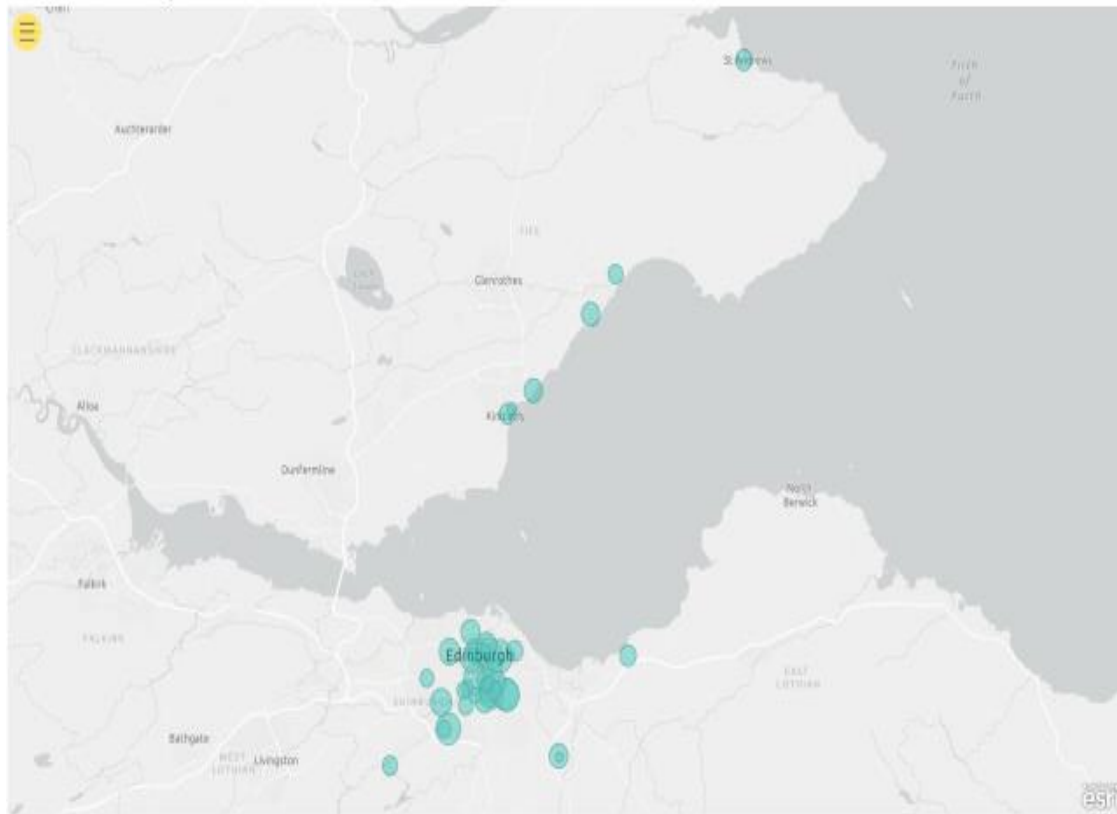
Viewpoint will not continue to invest in its buildings where it is economically unviable to do so.

10.3 Reporting on Progress of the Strategy

The progress of the strategy will be kept under continual review through internal meetings, performance reporting (including management accounts) to Board as well as analysis of tenant satisfaction data. Tenants and residents will be updated on the progress of this Strategy on an annual basis.

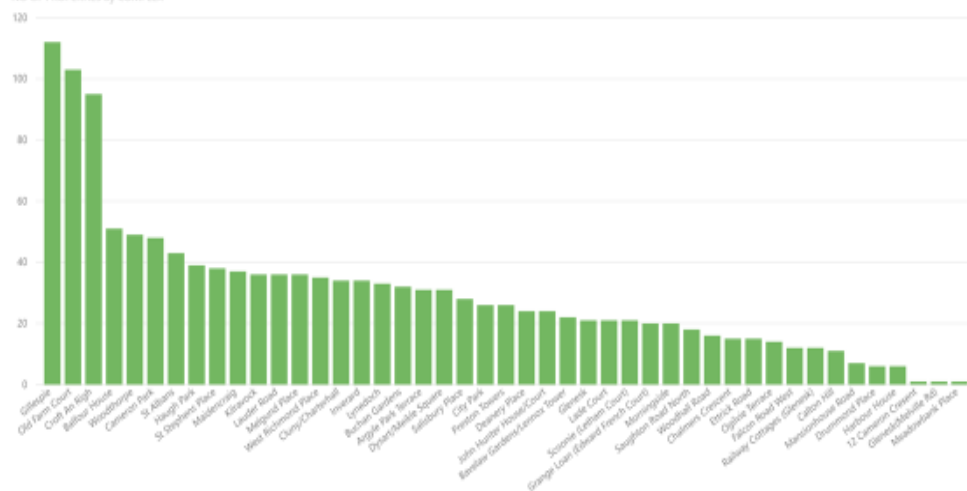
Appendix 1 – Number of properties by post code

NO OF PROPERTIES by Post Code

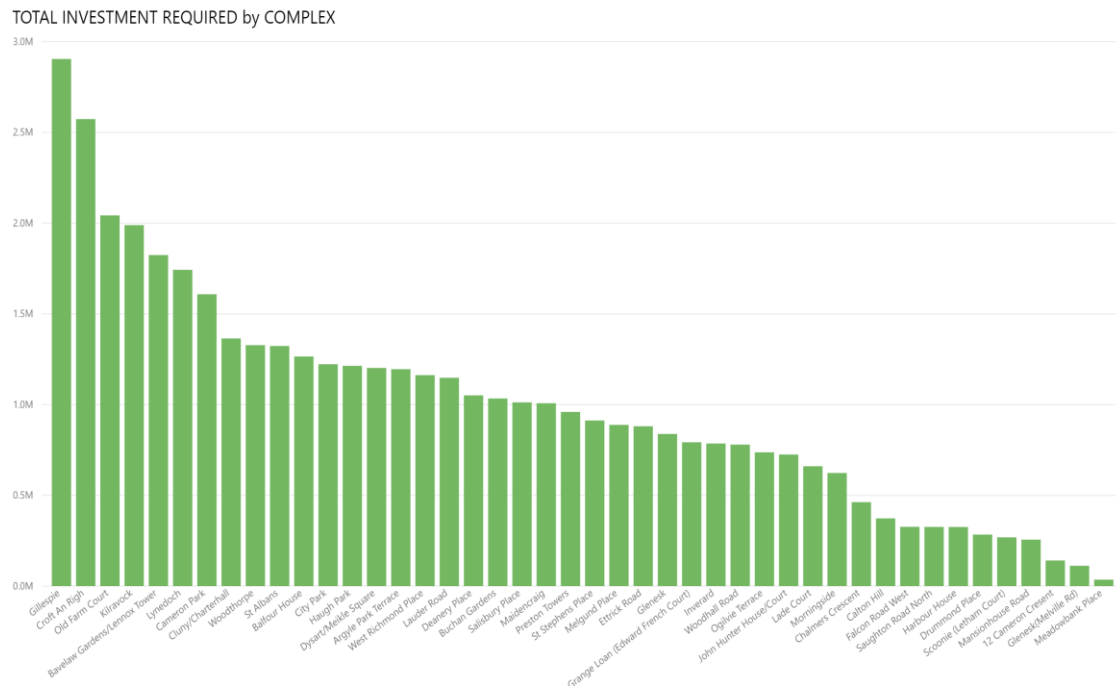


Appendix 2 – Number of properties by complex

NO OF PROPERTIES by COMPLEX

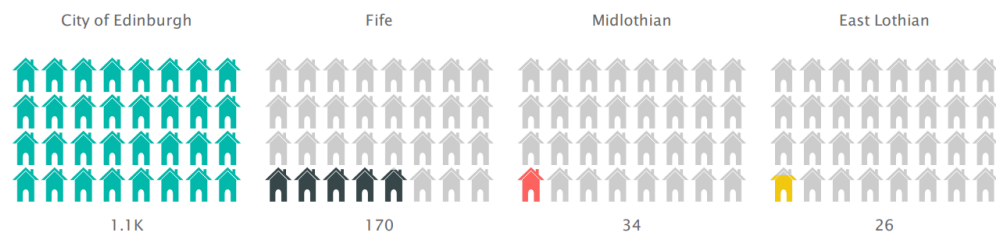


Appendix 3 – Total investment required by complex

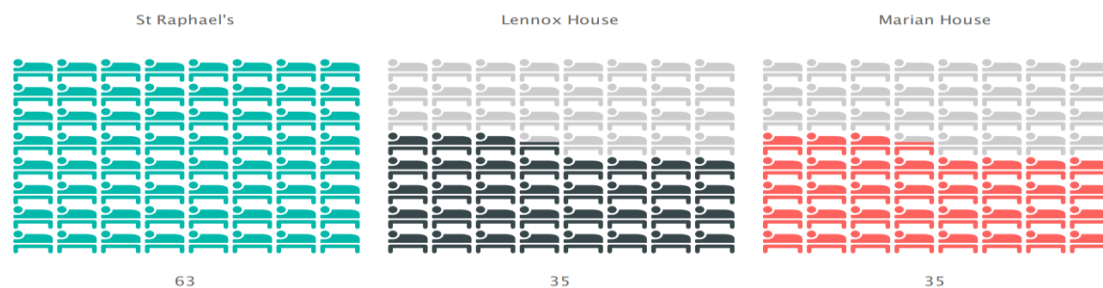


Appendix 4 – Analysis of stock types

Self-contained stock:



Additionally we own three care homes in Edinburgh:



Appendix 4 (continued)

Stock Profile by Housing Type

