



Cassiltoun

Housing Association

Asset Management Plan

October 2015

FOREWORD

Chair's Foreword, Cassiltoun Housing Association

It is vital that the Association sets out how it will manage and maintain our Assets to ensure that we sustain our business plan goals but also to ensure that we create a community environment where people want to live and are satisfied with Cassiltoun's property maintenance and environmental services.

This plan clearly sets out how we intend to manage our Assets, when we will invest, how we will monitor, review and involve tenants in the process.

Cassiltoun wants to achieve high standards and secure the best value for money. We believe our approach will deliver both. We fully intend to monitor our performance and to seek tenant's views on how we perform.

Cassiltoun is committed to investing large amounts of money over the period of this 5 year plan which will ensure our properties retain their value and contributes to the sustainability and long term viability of Cassiltoun Housing Association.

I would like to thank the Board for having the vision to create this strategic plan and for our staff team and advisor who have worked hard to create the Plan and who will now implement the Asset Management Strategy.

Anna Stuart MBE

Chairperson

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1 INTRODUCTION

1.1 Our Strategy and Plan

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:

- Housing stock we own to support our main business i.e. provision of quality, affordable accommodation to people in housing need
- Land that is 'banked' for future development
- Our office accommodation
- 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 ethos of the Association
- Other assets that support the above such as IT systems, stock information, equipment
- Financial strength that underpins the organisation to ensure that we achieve our strategic objectives

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

We have an Asset Management Strategy and an Asset Management Plan to ensure deployment of the strategy. Quite simply, we want to ensure that we 'make the most of what we have got'.

Our Plan focuses primarily on the stock assets as the management of our other assets is covered elsewhere in our other strategic documents.

Our Asset Management Strategy is to manage the asset base in such a way that it supports the wider organisational objectives and contributes to the long-term sustainability of the organisation.

1.2 Strategic Linkages

Asset management is a key part of our strategic approach towards delivering our organisational objectives, and includes a number of aspects:

- Recognising that asset life should be maximised to obtain best value
- Appreciating that property assets must be held to meet our objectives and in line with the constraints of charitable status
- Linking between the strategies for management and maintenance of existing assets and any future procurement of new stock
- Ensuring that in-house staffing and governance policies and procedures complement the asset management strategy
- Committing to meet regulatory and statutory requirements in respect of equality and diversity
- Ensuring that we can adequately fund the strategy through our business plan

- Recognising that although our main aim is to retain stock, understanding that in the long-term in some exceptional circumstances it may be good business sense to sell assets to achieve on-going financial viability, or where those assets are no longer fit for purpose
- Identifying stock where tenants have the preserved Right to Buy so identifying potential loss of stock through this
- Integrating the asset management strategy into the risk management framework

1.3 Purpose of our Asset Management Plan

The purpose of our asset management plan is to

- Set out the framework for our approach to managing our assets in order that we achieve our aims and objectives both now and in the future.
- Propose a working document- an action plan- to assist with continual improvement in the efficient and effective delivery of the Asset Management Strategy

The objectives of the plan are as follows:

- To produce an asset profile of the housing stock
- To state the value of the stock
- To review the findings of the most recent stock condition survey against the current and future repairs and maintenance requirements including the requirement to meet the Scottish Housing Quality Standard by 2015 and the Energy Efficiency Standard for Social Housing (ESSH) 2020.
- To set out our approach to asset investment
- To evaluate the Association's housing stock against existing housing needs and demand information
- To clarify CHA's understanding of customer needs and detail how we ensure we keep abreast of changing needs of current and potential customers
- To provide an integrated understanding of the 30 year financial plans for the organisation and how asset management impacts upon this
- To set out the risks acknowledged in relation to asset management and identify actions that we will take to mitigate against the effects of these risks
- Produce an action plan detailing how we will challenge ourselves to continually improve and remain effective and efficient in supporting our strategy

1.4 Governance

The Board of Management at Cassiltoun has the experience, training and support to be effective in discharging its role of ensuring good governance of the organisation.

We use a corporate planning cycle to ensure there is effective monitoring of progress towards our aims and objectives. This assists the Board in maintaining clear control of the strategic direction of the organisation and also having a clear picture of on-going operational performance. A traffic light monitoring system of review is embedded into the planning cycle along with financial performance reports and updates on service delivery activity.

The introduction of this Asset Management Plan and its on-going review will be integrated into the planning cycle, aligning with the other key strategic documents such as the Business Plan and the Internal Management Plan.

1.5 Key Stakeholders

We recognise that there are a number of key stakeholders who have a vested interest in our asset management strategy and plan.

These include:

- Our tenants, factored owners, local stakeholders and the wider community
- Our Board of Management and staff
- Funders and lenders
- The Scottish Housing Regulator and OSCR
- Partners such as GCC, contractors, other RSLs, agencies and community groups

Through the following reporting and engagement mechanisms we will ensure that our stakeholders are kept informed of our strategy and plan:

- Annual Return on Charter (ARC) Tenants' Focus Group, which will meet quarterly to monitor our performance (commenced August 2013)
- Newsletter articles
- Website updates
- Annual General Meetings
- Board of Management and staff briefings and away days
- Monitoring of loan covenants and on-going engagement with lenders
- The SHR regulatory, reporting and inspection processes

1.6 Organisational Commitment

Our first formal Asset Management Plan was produced in 2013, however a strategic approach to asset management was not new to the organisation. We already had a successful and engaging process of annual strategic planning. However, by formalising and regularly reviewing our plan we are giving ourselves the opportunity to challenge ourselves further in our approach to developing, maintaining and preserving assets so that we can secure the value of them over the long term, contribute to business development, sustainable communities and meet the needs and protect the health and well being of our key stake holders, the tenants.

It is not a static document; it contains an action plan that will be subject to regular review to ensure that it remains relevant to the needs of CHA and its stakeholders. The development and review of the plan and the establishment of a specific improvement plan embeds into CHA the 'whole organisation approach' and reiterates that asset management is not merely a technical matter to do with 'bricks and mortar'.

Through our asset management plan we are committed to ensuring the following:

- Quality- that we meet continually improving standards, now and in the future
- Purpose- that the property stock is available for letting and appropriate to current housing needs
- Sustainability- that quality and demand are sustained in the long term
- Economic viability- that we can afford to manage and maintain our stock long term
- Engagement- that we actively involve our key stakeholders in our approach to shaping and monitoring of service delivery

In carrying out asset management we are committed to the principles of equality and diversity, details of which are outlined in our Equality and Diversity Policy.

1.7 Structure of the Plan

The Plan supports the overarching strategy of *'making the most of what we have got'*.

Firstly, we set the scene by looking at the wider context in which we are operating, focussing on the responsibilities of CHA as a landlord registered with the Scottish Housing Regulator.

The plan goes on to describe our asset base, its current condition and future stock projections. We look at our current and anticipated performance in relation to the Scottish Housing Quality Standard and EESSH.

The focus then moves to our approach to investment: how we secure value for money, how we develop partnerships and procure services and seek to ensure 'added value' from our activities.

In line with our 'whole organisation approach' to asset management, demand management and service delivery play a key role in our plan. Section 5 details our understanding of the needs of current and potential customers and how this is integrated into the strategic and operational direction of the organisation.

Linkages between asset management and wider financial forecasting and business planning for Cassiltoun are outlined in Section 6.

Although the issues of challenges and risks are mentioned throughout the plan, section 7 specifically draws these together.

Section 8 is the 'working' section of the document. It details our [Improvement Plan](#).

Our Plan concludes with how we will monitor and review our strategy and plan and confirms that we have the capacity to deliver our strategy.

2 THE WIDER CONTEXT

2.1 Landlord Responsibilities

As a landlord, CHA has a critical role in protecting the physical environment in which its tenants live. Our ability to provide excellent services and quality housing is at the core of what we do. How we manage our assets is at the heart of the success of the organisation and the long-term sustainability of the organisation as well as the community.

We are a registered social landlord with the Scottish Housing Regulator, which exists to safeguard and promote the interests of current and future tenants. Our engagement with them is currently 'low', reflecting our good governance, prudent financial management and above-average performance results.

2.2 Charitable Status

As well as regulation by the Scottish Housing Regulator, the governing members of CHA are required as charitable trustees by OSCR to:

- Act in the interest of the charity
- Seek, in good faith, to ensure that the charity operates in a manner that is consistent with its objectives and purposes
- Act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person
- Ensure that we comply with the Charities and Trustee Investment (Scotland) Act 2005 and other relevant legislation

2.3 Housing (Scotland) Acts

Our responsibilities as a registered social landlord are set out in the Housing (Scotland) Acts 1988, 2001, 2006 and 2010. As a registered social landlord, we are required by law to keep properties wind and watertight and 'reasonably fit for human habitation'. We seek to go well beyond this.

2.4 Scottish Secure Tenancy Agreement

Our obligations are set out in our Scottish Secure Tenancy Agreement and include:

- (a) A duty of care to carry out repairs relating to water penetration, rising dampness and condensation dampness. This duty of repair includes a duty to take into account the extent to which the property falls short of the current building regulations by reason of disrepair or sanitary defects
- (b) To keep in repair the structure and exterior of all properties and communal areas
- (c) To keep in repair and proper working order installations that we have provided for space heating, water heating and sanitation and for the supply of water, gas and electricity
- (d) To publish and inform tenants of their, and the Association's, responsibilities in respect of repairs and maintenance.

2.5 Scottish Social Housing Charter

The Housing (Scotland) Act 2010 established the Scottish Social Housing Charter which sets the standards and outcomes that social landlords, such as Cassiltoun, are expected to achieve.

For each year ending on 31 March, we are required to:

- Measure and assess our performance in progressing towards or achieving the Charter outcomes and standards;
- Provide the Scottish Housing Regulator with some key performance information on our achievement of the outcomes and standards; and
- Report our performance to their tenants and other service users who use their services.

The implications for Cassiltoun of the Regulator's timetable for these actions is as follows:

<u>Key Dates</u>	<u>Outcomes</u>
May 2015	Cassiltoun Housing Association must produce an Annual Return on the Charter (ARC)
August 2015	The SHR will publish ARC information about all social landlords' performance including Cassiltoun Housing Association on its website and a report for tenants.
October 2015	Cassiltoun Housing Association must produce a report of performance against the charter for tenants.
March 2016	The SHR will publish regulation plans and a report on the performance of the Scottish Housing Sector.

Of specific relevance to the Asset Management Plan are the following:

- Standard 4- quality of housing
- Outcome 5- repairs, maintenance and improvement
- Standard 13- value for money.

The Scottish Housing Regulator is not prescriptive on how to involve tenants. However, its regulatory framework requires landlords like Cassiltoun Housing Association to:

- Agree our approach to self-assessment with tenants;
- Demonstrate our approach is being implemented;
- Produce a statement of how Cassiltoun Housing Association will involve service users, customers, homeless people, home owners and hard to reach groups in our self assessment activities.

Cassiltoun Housing Association has established a tenant and service users focus group which meets quarterly. This ensures that the views of tenants are at the heart of what Cassiltoun Housing Association does. We also want to provide value for money housing services based on tenant's views.

2.6 Scottish Housing Quality Standard (SHQS)

The Scottish Housing Quality Standard (SQHS), the national standard based on a minimum set of quality measures for all homes in the social rented sector, was announced in 2004. Revised guidelines have subsequently been issued (March 2011).

The five areas of assessment (or 'criteria' to use the SHQS terminology) have 55 elements and 9 sub-elements and are summarised below.

Criteria	Code	Element Number
Must meet the Tolerable Standard (the basic legal minimum standard).	A	1-12
Must be free from serious disrepair	B	13-30
Must be energy efficient	C	31-35
Must have modern facilities and services	D	36-40
Must be healthy, safe and secure	E	41-55

Organisations such as CHA have until 2015 to meet the standard and in recent years have been required to report to the Scottish Housing Regulator on performance towards achieving the standard.

2.7 Energy Performance

As noted above, energy efficiency is one aspect of the SHQS.

Alongside this, RSLs have been required since January 2009 to produce an Energy Performance Certificate detailing the energy performance of any unit that is built, sold or newly rented out. EPCs are provided to new tenants and owners (including former tenants who exercise their Right to Buy). They detail the rating of the property in relation to Energy Efficiency and the Environmental Impact (carbon dioxide emissions from their properties). Each EPC includes simple cost-effective home improvement measures that will help to save energy, reduce bills and cut carbon dioxide emissions.

Registered Social Landlords are eligible to seek funding to assist in making material improvements to the impact of their stock through such schemes as The Energy Company Obligation (ECO). This is the charge levied on energy companies by the UK Government to fund energy efficiency. ECO creates a legal obligation on energy suppliers to improve the energy efficiency of households. The scheme works to provide support for packages of energy efficiency measures. It also provides insulation and heating packages to low income and vulnerable households and insulation measures to low income communities.

ECO has been set at an estimated £1.3 billion per annum per year until the first review period in March 2015.

2.8 Energy Efficiency Standard for Social Housing (ESSH)

Arising out of the Climate Change (Scotland) Act 2009, an Energy Efficiency Standard for Social Housing (ESSH) is to be a standard that sets energy efficiency target levels for social housing. ESSH is to succeed the energy targets and guidance in the Scottish Housing Quality Standard (SHQS). The ESSH targets will supersede the SHQS from 2015 with targets to be met by 2020.

The key aims of ESSH are to:

- Ensure that housing helps to meet its share of the carbon emission targets set in the Climate Change (Scotland) Act 2009
- Help address fuel poverty by making Scotland's social housing warmer and more affordable to heat

2.9 Other Legislative Requirements

The other key legislative and good practice requirements in relation to asset management that RSLs such as CHA need to comply with are as follows:

Topic	Legislation/ Good Practice	How it impacts at CHA
Fire Safety	Fire Safety (Scotland) Act 2005	CHA is required to carry out Fire Risk Assessments for common areas (where required) to properties that it has responsibility for maintaining. Provision of smoke alarms in every property.
Asbestos	Health and Safety at Work Act 1974 & The Control of Asbestos Regulations 2006, 2012	Requirement to maintain an asbestos register. Follow in-house Asbestos Policy and Procedures.
Gas Safety	Gas Safety (Installation and Use) 1998	Annual gas safety check must be carried out on each appliance with a flue
Electrical Safety	Periodic Inspection of Electrical Installations	Inspection every five years
Legionella	HSE's Approved Code of Practice L8	Water testing for legionella bacteria (e.g. at water tanks in tenements).
General Health and Safety	CDM Regulations 2007	Fulfil 'Client' requirements under Regulations for larger projects. This includes appointment of a CDM Coordinator, retaining and providing access to the health and safety file
Procurement	European public contracts directive (2004/18/EC)	Follow advertising and timescale requirements for larger projects. (For smaller projects there is an expectation from the Scottish Housing Regulator, reflected in Cassiltoun's in-house Policy and Procedure, to attain value for money when procuring contractors and consultants).

3 CASSILTOUN'S ASSET BASE

3.1 Our Asset Base

CHA's main asset base of rented stock is within the Castlemilk area of Glasgow.

The stock is a mix of tenement flats, post-1989 new build flats, four in a block style cottage flats, town houses and terraced housing. We also have one care home. There is relatively little variation between house types. For example, of the 526 units transferred from GHA in 2009 there were only 6 different house types.

As at 31st March 2015 our stock profile of dwellings was as follows:

Size/type

	1 apt	2apt	3apt	4apt	5apt	6apt	7apt	TOTAL
Tenement flat	0	47	523	129	5	0	1	705
Flats- new build	0	5	29	0	0	0	0	34
Cottage flat	0	28	23	0	0	0	0	51
Terraced house	0	3	56	34	98	7	0	198
townhouse	0	0	0	0	0	0	0	0
Care home	40	0	0	0	0	0	0	40
	40	83	631	163	103	7	1	1028

Age Band built

	percentage
Pre- 1989: Stock built by Glasgow Corporation	75%
Post 1989: Stock that has been built by the Cassiltoun (including Buchanan Lodge refurbishment/new build)	25%

Classification

	Total	Percentage
Mainstream	936	91%
Supported	92	9%
Total	1028	100%

The supported accommodation is monitored by the following support group or managing agency.

Stock name	Number	Agency
Various locations throughout stock	18	SAMH
Barlia Way	28	Carr Gomm
70 Machrie Road	6	Fair Deal
Buchanan Lodge	40	Talbot Association
total	92	

Other assets

	Description	Year of construction/ refurbishment
Castlemilk Stables	Office	Refurbishment 2007
Castlemilk East Church	Building (demolished December 2014) and land. Due for redevelopment in 2017.	1956 Purchased by CHA in 2012

3.2 Stock Condition

We use survey information to inform our future maintenance planning and to determine our ability to meet the standards we aim to achieve.

Brown and Wallace Surveyors undertook a sample Stock Condition Survey on behalf of Cassiltoun in 2007 and again 2011. A further survey will be carried out in 2016/17, procurement of this will begin February/March 2016 to determine which company will carry out this work for the Association.

The purpose of the surveys was

- To ensure Cassiltoun had a sufficiently robust understanding of its housing stock so that it could meaningfully develop its 30 year investment programme
- To assess the stock against the requirements of the SHQS
- To identify areas of potential failure
- To incorporate remedial works into the life cycle costings to meet the requirements of the Scottish Government.
- To provide an energy efficiency rating for a representative sample of the stock

The stock base was 994 at the point of survey. In 2007, 52 properties were inspected internally and externally with a further 182 surveyed in 2011. This led to a total representative sample of 234 properties, equivalent to 23.54% of the stock.

In summary, the survey report concluded that **we are meeting the SHQS under all headings**. The current and planned investment programme, detailed in Section 4, will ensure our stock continues to meet the SHQS until 2015 and beyond.

SHQS Criteria	Sub-heading	Findings from Brown and Wallace stock condition surveys
A. Must meet the Tolerable Standard (the basic legal minimum standard).		No properties were found to fail this criteria
B. Must be free from serious disrepair	Primary Building Elements	No properties were found to fail these criteria
	Secondary Building elements	No properties were found to fail these criteria
C. Must be energy efficient		No properties were found to fail these criteria
D. Must have modern facilities and services		No properties were found to fail these criteria
Must be healthy, safe and secure		No properties were found to fail these criteria

The surveys in 2011 were undertaken prior to the following two projects coming 'off site'

- 70 Machrie Road refurbishment (6 units)
- Buchanan Lodge (40 bed care home)

Data for these two development projects is incorporated in to the 30-year projections.

It is our belief that recognition of the lifecycles across the entire range of building elements and maintaining a regular cycle of inspection allows us to refine our data and projections to facilitate more accurate reporting and forecasting over time. In order that the Association continues to hold relevant and robust data on its stock, a further sample stock condition survey will be carried out in 2015. This will help us to ensure that our programme of planned works continues to align to the SHQS and any successor standard.

3.3 Asset Value

As at 31st March 2013 the stock is valued at £43.6 million.

3.4 Storing, using and maintaining stock information

Stock information is held in various formats.

The Association's computerised Property Maintenance software (SDM) consists of:

- A property register, enabling the accumulation of comprehensive records of all units either owned or managed by the Association.
- A repair record for each dwelling, common property and scheme.
- A system to record all repair requests, inspections carried out, maintenance works instructed, completion dates, rechargeable repairs and insurance claims.
- A record of service and cyclical maintenance history and a record of the next due service/maintenance.
- Details of tenant satisfaction surveys
- Planned investment programme

Additionally, financial systems and SAGE software are used to record and process rechargeable repairs, factoring invoices and insurance claims.

The Real Asset Management (RAM) system holds data on the stock, primarily for accounting purposes to assist with depreciation calculations. It is kept up to date by integrating with accounts through the SAGE system.

Further, interconnected Excel spread sheets developed by Brown and Wallace detail the most recent stock condition surveys and establish Life Cycle Costings for each area of stock.

It is critical to our success that the information we have is accurate, relatively recent and accessible to the staff team. It is also vital in terms of good governance that the Board of Management has external assurances that we are working from accurate data. To ensure that this happens, we have specifically incorporated an action within our Improvement Plan to ensure that our stock data is updated annually to take account of:

- any actual works undertaken in the previous year

- any changes in the stock profile e.g. through new developments coming off –site or through sales via Right to Buy
- any changes to the programme approved by the Board of Management¹

3.5 Legislative compliance

SHQS- As noted above at 31st March 2013 100% of CHA's stock was SHQS compliant² and is projected to remain that way until 2015 and for some time beyond.

EESSEH we are actively seeking to improve our baseline data on the energy performance of our stock. A project plan is in place for this from 2015/16 and sample EPC are being tested for accuracy. Thereafter, this information will feed into our investment program. Until this work is completed it is difficult to state how many EPC certificates that we currently hold are valid as those EPCs received from GHA for the units transferred have proved not to be accurate. EPCs are currently produced by an independent firm who specialise in this work.

Fire Safety- our duties as a landlord in terms of Fire Safety are discharged on our behalf by ECG, our Facilities Management contractor at Buchanan Lodge. Fire safety assessments at common areas of tenements was undertaken in 2013.

Asbestos- We have carried out surveys of our stock and no evidence of asbestos has been found. That said, we hold a register and operate a procedure should any ACMs be identified in the future.

Gas Safety- as at 31/3/15 100% of our stock had a valid annual Landlord Safety Certificate.

Electrical Safety- All our stock will have an Electrical Safety Inspection carried out within the next 5 years

Legionella- Legionella testing is included in the Facilities Management Contract for Buchanan Lodge. For tenemental stock, ECG are also engaged to carry out testing at water tanks every 2 years. In terms of the this on-going liability, future decisions on replacement and upgrade of heating and hot water systems within the tenemental stock will consider more modern and energy efficient systems that do not require water storage.

¹ The programme may change as a result of such factors as new legislative requirements or evidence from reactive repair analysis of premature failure of components.

² Notwithstanding two abeyances identified

3.6 Future stock profile projections

The Association aspires to further address the unmet housing need in the area through development of new build or refurbishment opportunities.

In 2012, Cassiltoun purchased the Castlemilk East Church site from the Church of Scotland. The site will not be developed until 2017 at the earliest. However, for this site and any others that the organisation pursues, the Association will be mindful of future stock profiling when considering the housing mix. This is particularly relevant with the introduction, via the Welfare Reform Act 2012 of under-occupancy charges for some people receiving support with their housing costs. Whereas previously smaller units were less popular, it is anticipated that a shortfall for 2 and three apartments may emerge over time and will need to be addressed in future development scheme mixes.

The Association also acknowledges that it will require to engage fully with the 'green agenda' when developing the design and specification of any new units.

In terms of loss of stock, there has not been a significant uptake in the Right to Buy- with only 12 sales in the history of the organisation. It is also anticipated that in due course the Right to Buy may end as a result of legislative changes.

The following table shows the 'movements' in stock for the last 2 years and our predictions for the coming years:

	Opening stock number	Additions through new stock	Sales through RTB	Closing stock number
2014/15	1029	1	2	1028
2015/16	1028	Nil	3	1025
2016/17	1025	Nil	1	1024
2017/18	1024	17	0	1041
2018/19	1041	Nil	0	1041
2019/2020	1041	17	0	1058

Our Business Plan assumes that the stock will remain above the 1,000 level until well beyond 2025. This is achievable due to RTB ceasing in 2017 and two new build sites that have been acquired with developments planned for approximately 17 units on each site.

3.7 Demolitions, amalgamations and sub-dividing

We do not have any short or medium term need to consider demolition or amalgamation/ sub-dividing of current stock due to the high levels of current demand. However, as a matter of good practice, we have included this heading in our plan to ensure that at each review we re-examine this issue.

4 OUR APPROACH TO ASSET INVESTMENT

4.1 Securing Value for Money

We acknowledge that our main source of income, namely rental income from our stock is finite and it is therefore vital that we secure value for money for the investment that we make. It is also critical that we protect the investment already made.

We have a clear understanding of the nature, number, value and condition of our stock as detailed in Section 3 as well as the legislative and good practice obligations on us as an RSL. We segment our approach to investment in the stock through the following:

- a responsive repairs service and void repairs service
- a cyclical maintenance programme
- a planned investment programme

Furthermore, we actively seek ways to ensure efficiencies in the procurement of contractors and consultants through the nature and length of contractual obligations that we enter into, while still protecting the interests of our tenants and the business and acting within the legal parameters to which we are bound.

Our anticipated investment over the coming three years is as follows:

	2015/16	2016/17	2017/18
Planned Maintenance	£960,100	£1,402,150	£1,289,093
Responsive Repairs including voids³	£251,400	£313,460	£321,760
Cyclical/ Estate Maintenance⁴	£696,900	£523,295	£581,564
Medical Adaptations	£18,000	£20,000	£20,000

³ Business Plan assumptions were uplifted in January 2013 to reflect negotiated adjustments with City Building

⁴ Figures show a 'dip' in 2014/15 reflecting reduced painterwork in that year

4.2 Responsive Repairs service

It is recognised that day to day repairs are essentially reactive, curative and demand driven, arising from reports by tenants and issues noted by staff during the stock/void inspection process. We categorise reactive repairs as follows and set ourselves target timescales for completions.

Category of reactive repair	Target timescale	Brief description
Emergency	Response within 6 Hours, Completion within 3 working days	These are problems which put at risk the health, safety or security of the tenant, or when delay would likely result in significant damage to the property. An after- hours telephone service is in operation.
Urgent	Response within 3 working days	These are problems that cause a loss of facility to the tenant or likely cause further deterioration to the structure, fabric, fixtures, fittings, appliances or services to the building.
Routine	Within 10 Working Days	These are problems that can be deferred without serious inconvenience to the tenant and without any further adverse effects on the property.
Right to repair	Per legislation	In line with the Housing (Scotland) Act 2001, the Association operates a 'Right to Repair' scheme within the existing repair and response times. This gives tenants the right to have certain small repairs carried out within a given timescale.

The following tables detail our performance relative to the targets that we set ourselves and show our positive results when benchmarked against our peers. Not only is our emergency target more challenging than our peer group and the Scotland-wide average, our performance is in the top quartile.

CHA performance against own targets

	Percentage of repairs completed within target timescale			
	CHA Target timescale	2012/13	2013/14	2014/15
Emergency/ right to repair	6 hours	100%	100%	100%
Urgent and routine	3 days/ 10 days	98.8%	99.1%	99.3%

CHA emergency repairs performance against targets and Scotland wide

	2013/14		2014/15	
	CHA	Scotland	CHA	Scotland
Target timescales for emergency repairs	2 hours	10 hours	6 hours	9 hours
Average length of time taken to complete emergency repairs (Indicator 11)	1.8 hours	6.9 hours	1.97 hours	5.9 hours

Our customer-focussed responsive repairs service is delivered in partnership with our contractors, City Building. We entered into a three year fixed price reactive maintenance contract in 2009 with City Building following a 'Balancing Quality and Price' procurement exercise. Which was extended for a further 2 year period. In 2014 we carried out a similar procurement exercise with City Building again being our successful preferred contractor. This has enabled us to have cost-certainty for the area of repairs that is demand-driven and has thus assisted in our overall business planning and risk management.

Effective working relationships have developed through the fixed price contract which has been successfully delivered with regard to KPIs such as response times, customer satisfaction and community benefits.

The advantages to Cassiltoun of this approach are as follows:

- Cost certainty on delivery of this aspect of our service
- Efficiencies in project management and invoicing processes
- Elimination of time-consuming annual procurement processes
- Continuity of tradespeople
- Commitment to our response timescales and void turnaround targets
- 'Buy in' to the Cassiltoun Standard and understanding by our contractors of the service required
- Community benefits through 6 Apprenticeships for local people
- City Building support for community events through sponsorship and donations.

The advantages to our tenants are as follows:

- An efficient and effective reactive repairs service
- Continuity of tradespeople
- Ability to have follow up works carried out within their home without having to wait for a further 'line' to be issued

Tenant satisfaction with the repairs service is currently 99%, which is 32% increase from the GHA survey in 2006

Our staff take a role in quality assurance through 10% inspection sample of completed works.

Performance of the contractor and the success of the partnership continues to be monitored and reported on via regular KPI reports to the Board of Management.

4.3 Cyclical maintenance and environmental management

An annual cyclical maintenance programme takes place as follows to ensure the safety of our residents and the appearance of the local environment:

- Gas Safety checks
- Close Cleaning
- Environmental/ Landscape maintenance
- Gutter cleaning

Additionally, every two years, water testing for Legionella is carried out. At 10-year intervals, each unit of stock undergoes an electrical safety inspection.

The Association has contracts with City Building, Nurture and CAS to deliver the above cyclical services.

In terms of annual gas safety checks in our properties, the Association has in the past sometimes experienced problems with some tenants failing to give access as required. To mitigate against the risk of a property failing to have a safety check carried out at least every 12 months the Association works on a 10 month cycle and pursues a rigorous no access procedures and will make special access arrangements for example evening or weekend appointments.

We also go beyond the basic requirements as landlords by providing value added services. For example, a weekly bulk uplift service is provided as is a Skip Service for Bulk where we arrange for skips to be available in the estate at peak periods such as Christmas. Flexibility within the estate management function allows staff to undertake on the spot remedial action to ensure the communities in which we operate are attractive places to live.

At our Care Home, Buchanan Lodge, we have also taken a longer-term approach to the delivery of cyclical maintenance and testing. Our contractors ECG provide a comprehensive facilities management service at the building providing a co-ordinated package of works. ECG are contracted for 2012-2015 with the option for additional 2 years depending on performance. The Board agreed to extend the contract for 12 months to September 2016. This contract will be re-tendered for 3-5 years, up to 31 March 2020.

4.4 Planned investment programme

The current programme of planned maintenance is directly linked to the stock condition surveys undertaken by Brown and Wallace Surveyors across the entire range of building elements and the resulting Life Cycle Costing charts.

We plan to invest **£61m over the next 30 years.**

Although the 30-year charts are a useful planning tool and allow a longer-term projection of investment requirements, in reality we tend to focus on a 5-10 year rolling programme. The Charts are reviewed to identify what major investment is planned for the coming year, 5 years and 10 years. Analysis of reactive maintenance is undertaken to establish if there are any elements in any phase of our stock that requires to be brought forward in the plan to achieve better value for money. Consideration is given to any new or impending legislative or good practice issues that may influence the programme. In this respect, we are

mindful of the Energy Efficiency Standard for Social Housing (EESH) that will be introduced in the medium term.

In 2012 the Association took the decision to actively seek efficiencies in delivering the planned investment programme for 2013-2018 by advertising for contractors for the full 5-year period.⁵

The Association is taking the approach of procuring 'partnership' contractors for each Lot of work for the following reasons:

- to minimise expenditure on annual procurement of Planned Maintenance contractors
- to achieve value for money by offering larger contract commitment over longer timescales than a traditional annual contract
- to develop efficient working relationships with qualified contractors
- to ensure that there is maximum scope to negotiate longer term community benefits from the investment in the stock

The work for the 5-year period was split into 7 'Lots' of work as follows:

Lot	Lot description	Years in which work is planned
Lot 1:	Renew close floors	(2015)
Lot 2:	Renew close window	(2013, 2017)
	Renew windows to flats	(2013, 2017)
	Renew entrance doors to flats	(2013, 2015, 2017)
Lot 3:	Renew complete kitchen	(2015, 2016, 2017)
	Renew complete bathroom	(2015, 2016)
	Renew showers	(2015,2016)
Lot 4:	Renew gas boilers	(2013, 2014, 2015, 2017)
	Renew radiators and pipes	(2013, 2014, 2015, 2017)
Lot 5:	Renew close access doors	(2014, 2015)
	Rewire communications	(2013, 2014, 2015)
	Renew common lighting	(2014)
	Entrance lighting	(2016)
Lot 6:	External decoration	(2013, 2015, 2016, 2017)
	Internal decoration	(2013, 2015, 2016, 2017)
	Close tiling	(2017)
Lot 7:	Metal fencing	(2014)

⁵ The cyclical painterwork programme was also included in this approach.

	Timber fencing	(2018)
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The planned investment over the next 10 years was communicated to tenants via a double page spread in one of our 2012 newsletters.⁶

We used the procurement services of Edwards Macdowall Consulting Ltd and Atkinson Partnership to facilitate the selection process.

The approach is summarised as follows:

- Advertise the planned works on <http://www.publiccontractsscotland.gov.uk>
- Assess Pre- qualification submissions by interested parties
- Shortlist to a maximum of 6 contractors per Lot
- Undertake standard checks (references, H + S compliance)
- Interviews
- Reduce tender list to a maximum of four firms for each Lot
- Issue formal Invitation to Tender (scheduled for April 2013)
- Assess tenders
- Complete Balancing Quality and Price assessment using 70/30 ratio⁷

Each contract will cover relevant work within the stock over a 5-year period.⁸

The Association is also aware of the following potential risks of taking a 'partnership approach':

- CHA could be tied into a long term contract with a contractor who fails to perform
- CHA could be tied into a long term contract that turns out not to be value for money year on year
- One contractor could win multiple contracts and while this might bring even greater efficiencies, it could expose the Association to financial and reputation losses, particularly if the contractor goes bust.⁹

In order to minimise the risks associated with the above the Association's approach is as follows:

- Rigorous checking during the selection process

⁶ 92% of our tenants have indicated that information through newsletter is their preferred method of communication

⁷ Incorporating a quality element to the selection process helps us to ensure that successful firms can be better aligned CHA's values and asset management objectives

⁸ Notwithstanding 'breakout' clauses for non- performance which will be included within the contract

⁹ This in reality is now considered a low risk as a result of rigorous financial checks undertaken to ensure that any contractor shortlisted in multiple Lots has the financial capability to deliver

- Set up each contract for a two-year period with an annual renewal up to a maximum of 5 years at CHA's discretion. Successful Completion of the 5-year programme may lead to negotiation of a further 5-year contract for similar work.
- Establish KPIs and reporting system from the outset
- Undertake quality control whilst on site
- Determine robust lines of communication
- Include market testing of prices at regular intervals using market indices and known data/ cost experience from our consultant Quantity Surveyor.

As a result of the tendering process the Association has achieved two of our objectives, firstly to secure the services of contractors who can deliver quality products and services. Secondly the prices achieved are protected for 4 years therefore controlling future costs.

The savings in consultant costs over the 10 year period is estimated to be in the region of £318,890.

As a result of the contractor selection process we have reviewed programming to make additional amalgamations of contracts to exploit further efficiencies and reduce tenant inconvenience.

5 DEMAND MANAGEMENT AND SERVICE DELIVERY

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 high demand in the future.

A vital aspect of the 'whole organisation approach' to asset management is therefore the way in which the needs of current and potential customers are understood and integrated into the strategic and operational direction of the organisation. A landlord could have excellent quality stock but without having residents to occupy the units, a strategy to support them through their tenancies and an efficient procedure to re-let voids it will struggle to sustain long term inward flow of rental income. Ultimately, the long-term viability of the business could be threatened.

Our sound housing management practices in relation to tenancy management, letting and estate management assist in this "whole organisation approach".

5.1 Staff Structure

One facet of our asset management strategy is the staff resource to manage the stock and deliver a quality of service to our customers.

We aim to be an employer of choice and ensure that we go beyond best practice to protect our staff as an organisational asset. We ensure pay and conditions contribute to this and balance the needs for a strong and motivated workforce with our organisational priorities. The Association proudly holds 'Gold Standard in Investors in People' and has recently achieved Healthy Working Lives Silver Level and is actively pursuing the Gold level.

Knowledge and skills are shared and developed at CHA. This is done through formal training and regular staff briefing sessions. Furthermore, a bank of policy and procedural documents are in place and are regularly reviewed to guide staff in the deployment of the strategic and operational objectives.

We take opportunities to review the organisational structure to ensure that it evolves to meet the changing demands for the services that we provide. The Association in early 2013 undertook a staff re-structure as a result of the Deputy Chief-Executive leaving the organisation after 20 years to take up a promoted post elsewhere.

It was a chance for CHA to take stock of any appropriate refinements that it could make to its structure to maximise benefit to both the business aims of the organisation and to the service delivery to tenants.

The role of Deputy Chief Executive was removed from the structure with the salary savings re-allocated at the operations level- both front line service delivery and support services such as finance.

Through the review process, CHA has continued its tradition of nurturing talent from within and has ensured a smooth transition to the new formation by promoting experienced staff within the revised structure.

The staff structure has changed slightly with the inclusion of some temporary posts to assist with the increased workload of Welfare Reform and the Social Housing Charter.

5.2 Regeneration Services including Welfare Rights and community development activities

It is not simply the physical nature of the property that will affect demand and tenancy sustainability. Often, external factors such as the local environment, amenities, employment, recreational opportunities and affordability/ ability to pay will play a role. A strong focus is put on Tenant Participation at Cassiltoun. This ranges from involving tenants in the decision making process, seeking their views on service delivery to providing a range of Community Events.

In line with the ethos of creating balanced neighbourhoods, we actively involve ourselves in community development and regeneration projects to assist in providing a sustainable neighbourhood and thereby facilitating the protection of our asset base for the future.

These initiatives range from an Advice Team which contributes to income maximization and reducing financial inclusion; projects which aim to increase health outcomes and prevent social isolation; training and work placements and also our Castlemilk Park Regeneration Programme. The Castlemilk Park Programme not only shows our investment in improving the wider environment but also meets many of the local and national priorities: to improve greenspace, create employment and training opportunities, promote education and lifelong learning and encourage increased levels of physical activity.

This approach allows Cassiltoun to effectively contribute to the overall wellbeing of the residents and vibrancy of the local community.

5.3 Approach to service delivery

The members of the operations team function in generic roles with the stock split into two distinct areas. As a result, staff are able to be a 'one stop shop' for customers. This assists with building up a rapport with tenants in the area and for staff to develop knowledge about their stock and their estate.

The two area teams work closely together under the Director of Operations and are able to provide cover to deal with any periods of holiday/ sickness and thus provide an uninterrupted service to tenants. A dedicated receptionist, Handyman and Technical Officer support them.

The Cassiltoun Standard of customer service delivery has been established to ensure that both those delivering the service and those receiving it are clear on what is expected.

We also look for innovative ways to ensure we are responding to identified needs of our customers. For example, a strong theme emerging from tenant satisfaction surveys in the past has been the importance of a clean physical environment. Through our Estate Action Group and initiatives such as Skip Service for Bulk, a zero tolerance approach to graffiti and stair cleaning service for all common closes Cassiltoun assists with maintaining fresh and vibrant neighbourhoods.

5.4 Performance management

Performance Management is embedded into CHA. Through Operational Service Plans targets are set to ensure delivery of the objectives set out in the business plan. A traffic light monitoring system is used to ensure the Board of Management can meaningfully monitor and review performance.

Our performance is also monitored and regularly reported on to stakeholders, showing 'actual' versus 'target' for various aspects of the business through our website, newsletters and annual reports.

KPI	2013/14		2014/15		2015/16	
	Target	Achieved	Target	Achieved	Target	
Rent arrears	7.00%	4.37%	4.7%	3.21%	3.40%	
Void loss	0.35%	0.35%	0.35%	0.21%	0.32%	
Repairs completed within timescale	98.9%	99.7%	98.9%	99.4%	98.9%	
Tenant satisfaction	90%	86%	90%	99.27%	90%	

5.5 Use of information technology

The Association uses the SDM software system to manage the rents, voids and repairs functions. In 2012/13, we purchased a further module and have now incorporated planned maintenance information to the database.

This allows staff to have comprehensive access to details of the investment programme. In terms of service delivery, staff are able to advise prospective tenants at void inspections of any imminent investment plans.

Enhancements to the system have been developed to allow setting and monitoring of KPIs. A 'dashboard' system has been introduced for an 'at a glance' picture of performance. It has been developed to meet the requirements of the Scottish Social Housing Charter (SSHC) and at any given time allows us to see how much we are on target to achieving the required outcomes. Ultimately, it provides the information and verification that we are required to submit to the Scottish Housing Regulator for the Annual Return on the Charter (ARC)

From 1st April 2013 we changed our recording, reporting and monitoring of our performance to that of the ARC format. We have now completed two ARC assessments and are constantly reviewing and tweaking our systems in line with the ARC to ensure that there are no areas of weaknesses or non-compliances.

5.6 External environment

The housing environment as well as the wider financial, economic and legislative environment is ever-changing.

In terms of Service Delivery and Demand Management one of the main issues facing Cassiltoun at present is the continued roll-out of benefit changes including the introduction and expansion of Universal Credit and the risk that the mitigation of the under-occupation charge by the Scottish Government will not continue.

The key challenges of Universal Credit/Under-occupation are:

- Tenants of working age who are eligible for support with their housing costs will no longer have that element of financial assistance paid directly to their landlord. Instead, it will be paid directly to the tenant.
- Tenants of working age receiving assistance towards their housing costs and who are deemed to be 'under occupying' their home will be required to make a contribution towards the costs of the rent (14% of the rent per bedroom, 25% of the rent for 2 bedrooms and above)

The potential effect that these will have on current tenants, future tenants, CHA and the wider community are detailed below although time alone will tell the full impact of the changes

	How this affects CHA tenants	How this affects prospective CHA tenants	How this affects CHA as a business	How this affects the wider community in which we operate
Housing Benefit no longer paid direct to HA	Potential debt problems if unable to adequately budget	Potential debt problems if unable to adequately budget	Financial risk of increased arrears. Potential for increased staff time chasing arrears. Potential increase in staff time assisting tenants to make claims for Universal Credit Potential increase in transactional costs Poor performance could increase the SHR engagement with CHA	Longer term effects on community yet to be quantified
Required contribution towards rent from tenants on benefits who under-occupy	Increased outgoings and hence potential debt problems. Possible threat to tenancy sustainment.	Less flexibility will be shown to new applicants in terms of allocations. For example tenants who have access but do not have custody of children will no longer be allocated an extra bedroom	Less flexibility to use allocations policy to ensure balanced communities. For example, ability to under-occupy properties to avoid over-concentration of children in one block will no longer be feasible. A mismatch between supply and demand may emerge with a lack of smaller units and an excess of larger units.	Longer term effects on community yet to be quantified

CHA identified at an early stage the implications of the proposed welfare reforms. As well as employing a highly experienced Welfare Rights specialist we also received a 5 year award from the Lottery to provide an Advice Team.

Since 2011 the organisation has taken a proactive approach to dealing with Welfare Reform by.:

- Visiting all our tenants in the summer of 2012 to explain about the proposed benefit changes to discuss the options and allow them to time to plan for the changes
- Repeated training for staff and Board members
- Regular updates in our newsletters
- Information on our website
- Financial and risk assessments
- Reviews of policies
- Putting in place additional resources to maximize benefits and promote financial inclusion

- Making best use of our IT suite to provide training and IT access
- Developing partnerships with other agencies

The Association plans to make use of mobile technology to assist with service delivery within the homes of our tenants. The IT suite is also available to assist tenants with on-line applications.

5.7 Retaining our tenants

An excellent 'customer journey' is at the heart of CHA's ethos. We aim to provide an environment that encourages people to remain in their tenancies for as long as possible. As detailed above, CHA's approach to service delivery and community engagement seeks to facilitate this.

We are committed to ensuring that the changing needs of our tenants are addressed in terms of any physical aids that maybe necessary to enable tenancy sustainment. On an annual basis, we apply to the Scottish Government, via Glasgow City Council, for grant funding to meet these needs and work closely with occupational therapists and the local authority to deliver best value for money in this respect.

Further, a Mutual Exchange Policy and Internal Transfer Policy operate to assist tenants who wish to remain as tenants but seek alternative housing due to changes in their circumstances.

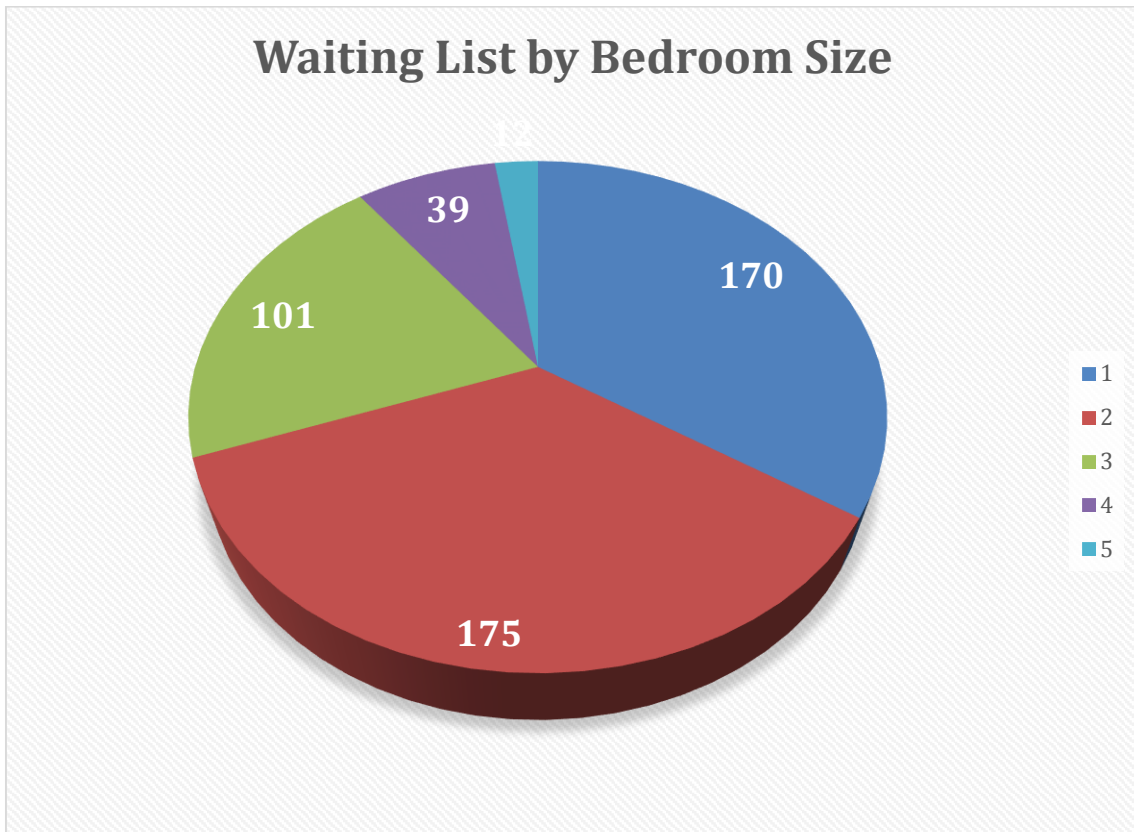
5.8 Potential customers

The Association has a relatively stable core of tenants. As at 31/3/15 more than 65% of tenancies were signed over 5 years ago. In 2012/13 there were 79 re-lets of which 89% were sustained for more than 1 year. This compares with 108 re-lets in in 2013/14 of which 90% were sustained for more than 1 year.¹⁰ A waiting list is held with applications assessed on the basis of need as detailed in the organisation's Allocations Policy.

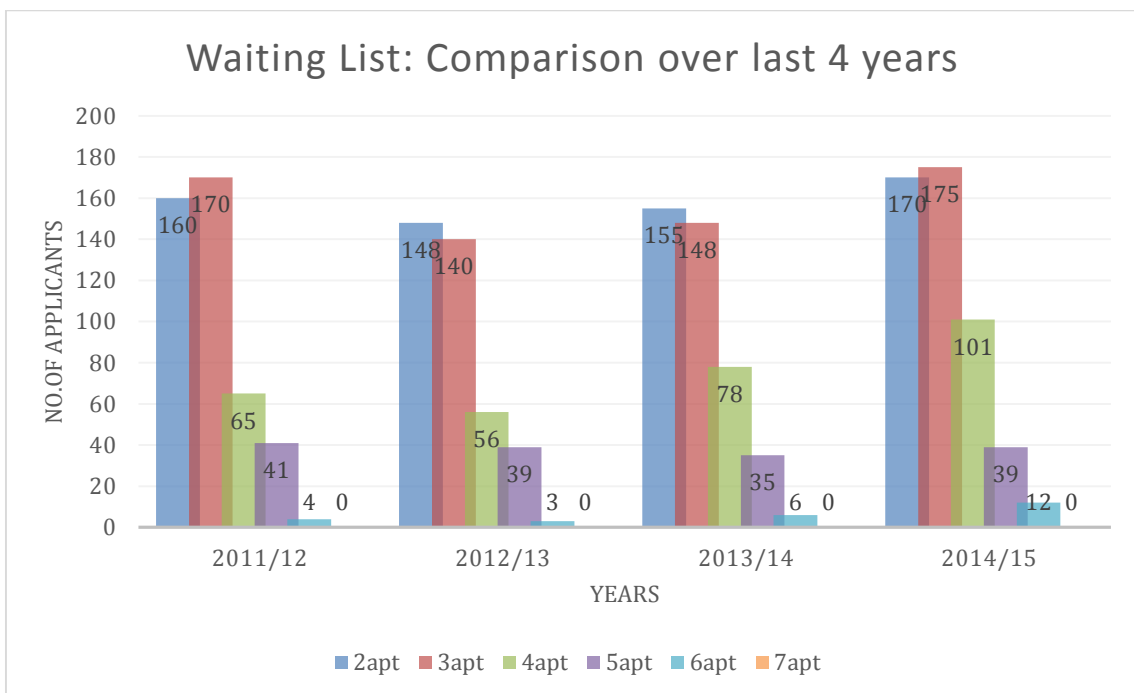
5.9 Waiting List

As at 31/3/15 the 497 applicants on the list were queuing for the following sizes of home:

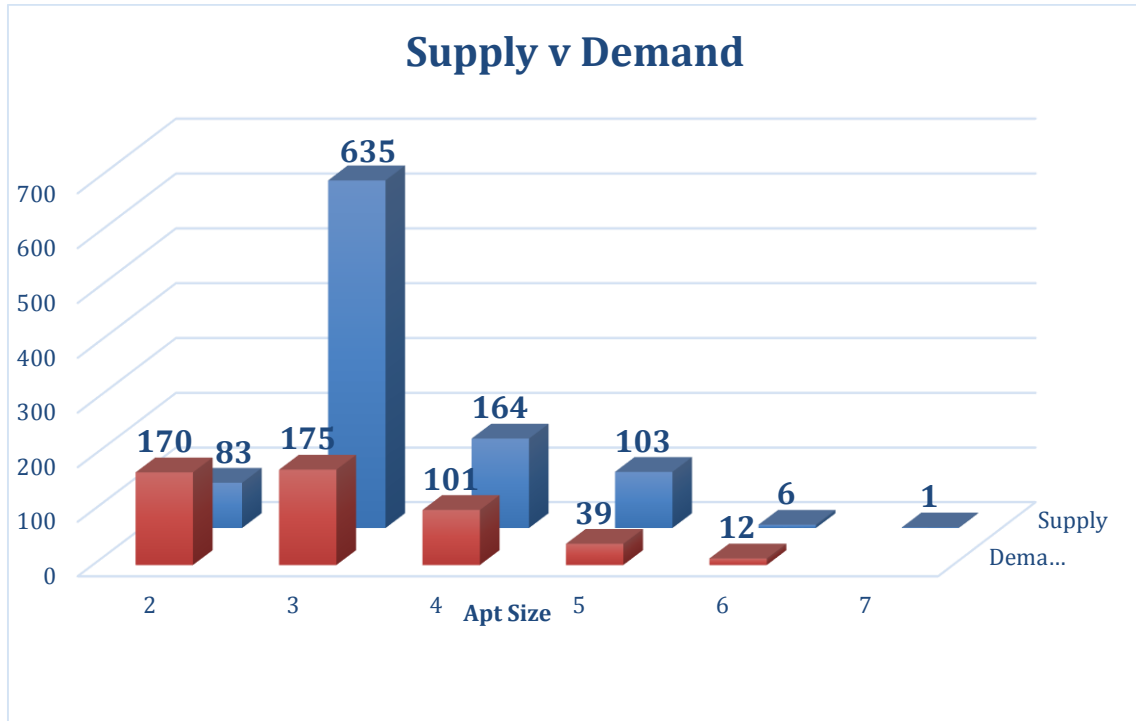
¹⁰ Source: *Scottish Housing Regulator Benchmarking tables*



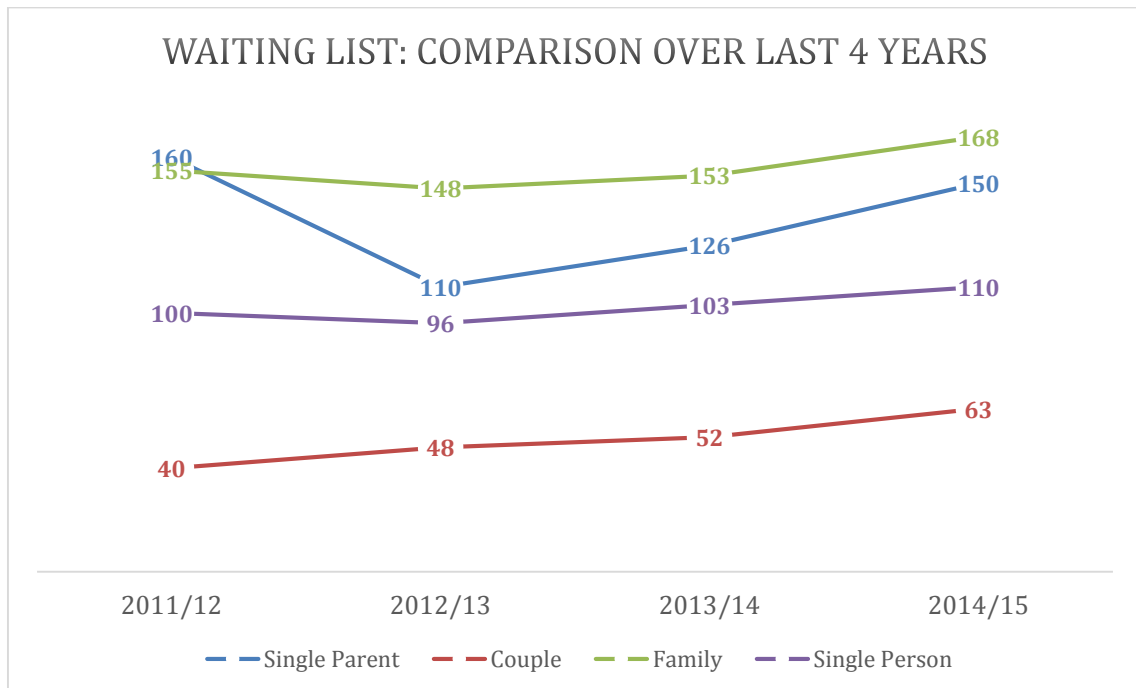
The following table shows the comparison of the numbers and breakdown over the last four years.



The following table compares the supply of stock with the current demand.



The household composition was made up as follows:



5.10 Void management

From a business point of view it is beneficial for Cassiltoun to have a low turnover of stock. The process of re-letting costs the Association in terms of

- Staff time in administration
- Maintenance expenditure on standard safety checks and other works required to make the property safe and attractive for allocation¹¹
- Lost rental income for the days of non- occupation
- Wider estate management risks associated with properties lying empty

Cassiltoun seeks to turn voids around as quickly as possible. The approach to void management is set out within the Association's Void Policy. Cassiltoun have strategies in place to assist in minimising difficult to let properties or improving take up of properties in low demand areas.

A comprehensive list of management steps used to address difficult to let/low demand property re-lets are outlined in the Procedures for Void Properties. Some examples include:

- Making physical, social conditions and environmental improvements in areas of difficult to let housing.
- Converting and improving unpopular properties to a higher standard.
- Allocating difficult to let properties to non-priority applicants where applicants with more housing points are not forthcoming.

Accompanied viewings have also significantly improved the success rates of lettings and reduce the possibility of refusals. They give applicants a chance to ask questions, Cassiltoun give the applicant realistic advice on their options, provide information on the property and explain about outstanding repairs.

Correct allocations and the condition of the property can all help to minimise the number of refusals, which in turn helps achieve sustainable communities, good estate management and reduces anti-social behaviour problems. We generally carry out all repairs prior to a tenancy commencing but on occasions will carry out follow up work after the new tenant has moved in. In 100% of cases, we follow up with a settling in visit 6 weeks after tenancy commencement.

We are aware that the Scottish Housing Regulator is keen to see that we have specific plans in place to protect 'core stock'. However, all stock at CHA is core to the business and while there are some properties that are slightly more challenging to let than others, there is no division between 'core' and 'non-core'.

¹¹ Although void costs are included within the fixed price reactive contract with City Building, it is acknowledged that significant increase in void works will affect future price negotiations

In terms of setting and meeting targets the Association has been successful in achieving the following:

	2012/13		2013/14		2014/15	
	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>
Average number of days for void turnaround	16	11.7	16	12.5	12	10.17
Lost rental income through voids	0.35%	0.26%	0.35%	0.35%	0.35%	0.21%

Source: Scottish Housing Regulator

In terms of Scotland-wide and peer group¹² performance the Association achieves above the average.

	2012/13			2013/14			2014/15		
	<i>Scottish RSL average</i>	<i>Peer Group average</i>	<i>CHA actual</i>	<i>Scottish RSL average</i>	<i>Peer Group average</i>	<i>CHA actual</i>	<i>Scottish RSL average</i>	<i>Peer Group average</i>	<i>CHA actual</i>
Average number of days for void turnaround	29	16	11.7	28.4	18.78	12.5	27.56	17.9	10.17
Lost rental income through voids	1.00%	0.4%	0.26%	1.0%	0.6%	0.35%	0.95%	0.44%	0.21%

Source: Scottish Housing Regulator Table A3 Void Loss by Peer Group and Table A2a All re-lets & re-let times by Peer Group

¹² Peer Group as defined by Scottish Housing Regulator. Cassiltoun sits in the category 'Urban 500- 1000 units'

5.11 Owners

An important part of looking after our own stock is ensuring that we effectively communicate with other owners in our estate, as there is a shared role in estate management and common works.

At present we have owners and sharing owners as detailed below.

	Tenants	Owners	Sharing Owners	TOTAL
Area 1	471	23	4	498
Area 2	517	113	0	630
Area 3	40	0	0	40
TOTAL	1028	136	4	1168

We have a clear approach to good engagement in mixed tenure blocks that is detailed in our Factoring Policy and Statement of Service.

There are on-going cyclical contracts that are billed out to owners on a pro-rata basis such as environmental contracts and communal painterwork contracts. We acknowledge the importance of giving the owners value for money service to ensure that they pay their bills to us and are 'on board' for any future major works. One advantage of the fixed price contract that we have with City Building is that many minor repairs are not billed out to the owners, as the efficiency savings in the partnership outweighs the administration cost of invoicing owners.

Additionally, we are non- majority owners in two blocks where GHA have retained the role of factor. We are confident that their approach to asset management will also protect our units within their factoring remit.

5.12 Links, networks and joint working

Staff throughout the organisation have developed a robust network of housing sector contacts with whom they can share best practice and where appropriate introduce mutually beneficial joint initiatives.

Significantly for prospective tenants, a common application form is used with other locally based RSLs in the Castlemilk area. The benefit to applicants is that they only need to fill in one form but have access to all of the areas that they wish to be considered for.

Other examples of some of the agencies that we regularly work with are as follows:

- Fair Deal
- Stables Studio
- Talbot Association
- Social Work Department
- Carr-gomm
- Urban Roots
- SAMH
- Glasgow Community Safety Service
- Land and Environmental Service at Glasgow City Council
- Police Scotland
- Homeless Service at Glasgow City Council
- City Building
- Nurture Landscapes
- CAS
- City Technical Services (GCH Installation Contractor)
- Clyde Contracts (Gutter Cleaning)
- Harveys (painterwork contractor)
- MCN (KBR installations)
- CMS (window and door installations)
- Glasgow Energy Link (EPC's)

Staff and Board Members attend various forums and conferences to ensure that CHA as an organisation is up to date with current issues in the sector.

- Glasgow and West of Scotland Forum of Housing Associations (GWSF)
- SHARE
- Chartered Institute of Housing (CIH)
- Scottish Federation of Housing Associations (SFHA) and their various staff forums

- Social Enterprise Network
- EVH
- Community Development Trust
- Wider Role Forum
- Castlemilk Housing Managers Forum
- Local Housing Forum
- Annual Joint Stakeholders Housing Event (GCC)
- SDM users group
- Police Liaison meetings
- Estate Action Group
- Castlemilk Park Group
- ARC Focus and Scrutiny Group

In terms of formalised tenant participation groups, there is a well-established Estate Action Group and in 2013/14 an ARC Focus and Scrutiny Group were set up looking at our performance and the Annual Return on the Charter particularly Tenant Participation, Gas Safety and repairs performance. They have also considered and input into our policy reviews including the Cassiltoun Standard and Garden Care policy and assisted in drafting our first ever Report Card published in October 2014.

5.13 Customer Satisfaction

We actively seek feedback from our tenants to gauge their opinion on the services that they are receiving. Ultimately, satisfied customers are necessary for our overall success.

High levels of tenant satisfaction with Cassiltoun as a landlord are demonstrated by the excellent results from our comprehensive tenant satisfaction survey which is now a requirement of the Social Housing Charter. The most recent of these was undertaken in August 2013 to coincide with our first ARC and demonstrated excellent satisfaction with both our own and contractors services to our tenants.

Examples of the positive results are as follows:

- 91.5% were either fairly or very satisfied with their home, compared to 89% in 2010
- 96% were either fairly or very satisfied with Cassiltoun as a landlord, compared to 94% in 2010
- 95% were with fairly or very satisfied with Cassiltoun keeping them informed about services and decisions with 96% in 2010.
- 99% were with fairly or very satisfied with the opportunities given to participate in Cassiltoun's decision making process compared with 91% in 2010
- 99.3% of tenants were fairly or very satisfied with the repairs and maintenance service carried out in their home compared to 85% in 2008, we have worked hard with our reactive contractor and improved this to 99.3%.
- 90% were fairly or very satisfied with the improvements that Cassiltoun have made to their homes.
- 92% were fairly or very satisfied with the quality of their homes compared to 89% in 2010.

Further, specific satisfaction is sought at the point of service delivery such as on completion of reactive repairs. We use feedback to tailor our service. We specifically link our tenants' opinions on contractor performance to future decisions on allocating work. For the year 2014/15 the overall satisfaction with the repairs service from tenants was 99% and this was a significant factor in the Board of Management re-

appointing City Building as our Reactive Repairs Contractor after a robust procurement exercise for the delivery of our reactive repairs service.

Furthermore, senior staff are actively engaged with the tenants- ensuring that visits take place during and after major investment works to find out face-to-face with tenants their opinions on the delivery of the service.

5.14 Augmented Tenant Participation

Cassiltoun has a long tradition in actively engaging with stakeholders. Our Internal Audit in August 2012 specifically highlighted our embedded and positive approach.

When the Scottish Housing Charter was introduced on the 1st April 2012 '*set the standards and outcomes that all social landlords should aim to achieve when performing their housing activities*'. The Charter is firmly embedded into the culture at Cassiltoun with tenants' views being at the heart of what we do. The view of the tenants is a key driver for us in shaping the services that we provide. This can be demonstrated with the work of the Tenant's Charter Focus and Scrutiny panel which has been meeting regularly since 2013.

The Focus Group is part of our increasing use of 'self assessment' to help drive forward improvements. We assess Cassiltoun's performance against legislative and regulatory expectations, business plan targets, objectives and tenant/service standards. We also compare our performance against other Housing Associations and the Scottish Average.

The aims of the Focus Group are as follows:

- To ensure continuous performance improvement.
 - Members will have unrestricted access to all service areas
 - An annual programme of work will be agreed.
 - Service quality and performance will be the main priority.
 - To help improve day-to-day services.
 - Focus group will create improvement plans.
- Ensure tenants views, aspirations and priorities are central to Cassiltoun Housing Association.
- To input in policy development
- To help base services on what tenants want **NOT** what Cassiltoun HA think they want.

The benefits that we hope to continue to achieve from this group are as follows:

- Improved tenant satisfaction
- Improve the standard of our day to day services.
- Provide improved value for money.

Staff from the Association will work with the focus group to help support the group and training will be provided. The Focus Group will also agree the content for the Annual Tenant's Report Card.

6 LINKS TO BUSINESS PLANNING

6.1 Financial management

Our asset management plan links closely to our business planning processes and assumptions where we seek to continually strengthen our financial stability and long-term viability.

6.2 Projections

We seek to optimise our investment income and do this through our Treasury Management Policy. We manage our borrowing arrangements to ensure that we are always in a position to meet our financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

We also report on our loan portfolio annually to ascertain if we are achieving best value in terms of condition of loan finance. Further, we appraise our assumptions on cost on an annual basis taking into account trends and statistical information about inflation and cost increases.

As outlined elsewhere in this plan, we constantly seek to drive greater efficiencies for our tenants and the business overall. Examples of this are in our approach to delivering the various tiers of the maintenance service. As well as a host of other benefits deriving from our approach, cost certainty has been secured on one of the most significant areas of annual expenditure- reactive maintenance- through our partnership with City Building.

We have taken advantage of good deals in the market to secure cost-certainty to mitigate against the changing economic environment and the potential future trend of rising costs.

We manage our general reserves in such a way that they consistently increase within the medium to long term. It is recognised that some years may experience a fall in general reserves compared to previous years due to planned maintenance investment. However, the medium to long-term trend remains upward.

There is a logical flow in our decision-making. Good information informs our 30-year life cycle costings which are integrated into our Business Plan. Our Business Plan projections take account of the external environment and the threats that may arise. For example, from 2013/14 we tested our expectations and have increased our Business Plan assumptions on void loss and bad debt from 1% to 2%¹³ in anticipation of negative implications on inward cash flow resulting from impending Welfare Reform.

We have drilled deeper into the effects of the Welfare Reform and for example have taken account of the likely increase in running costs of the business flowing from more intensive interface between staff and tenants and from the increase in the number of payment transactions.

¹³ Our Business Plan void debt/ bad debt and rent arrears assumptions are higher than our operational plan targets as detailed in Section 5.4.

6.3 Budgeting

Each year the Board of Management approves the annual budget and rolling five-year strategic plan. Key risk areas are identified and performance is monitored throughout the year with any relevant action taken. Approval procedures are in place in respect of major risk areas such as contract tenders, expenditure and treasury management.

Clear limits are set on delegated authority for expenditure.

The embedded reporting cycle monitors control of operating costs with variance to budget reported and forecasting both income and expenditure. This assists the Board of Management in approaching their governance function.

6.4 Cash flow

Regular and predicted inward flow on cash to the business is vital to our sustainability. Rent, as our main source of income, is efficiently collected with robust procedures in place to minimise arrears. Our performance in this respect is detailed in Section 5.4 above.¹⁴

As identified elsewhere in our plan, the payment of the new Universal Credit to direct to tenants, who then have to budget and pay Cassiltoun their rent, is an acknowledged threat to our cash flow. We have budgeted for the anticipated cost of staff time, legal costs and cash flow implications arising from this. We believe we have made adequate provision to deal with this and have a variety of measures in the wider business plan that will mitigate against the effects. For example, the fixed price reactive repairs contract with City Building helps give us some cost-certainty on our out-goings.

The Association's strategy of maximising the funding of capital developments from its own reserves has maintained a low level of mortgage interest repayments and low level of long term liabilities. The level of debt per unit at our stock is coming down each year and requires no additional borrowing to finance our planned works.

Furthermore, we have two schemes, namely 70 Machrie Road and Buchanan Lodge, where there is virtually nil collection costs associated with the rent as a result, both of these schemes the care partners pay the rent direct to CHA. Although the 46 units contained within these two schemes is less than 5 % of our total stock it still provides a secure income for that element of the business.

For the remainder of the stock, it will take time to see how this plays out and the full extent of the implications of the introduction of Universal Credit and it being paid directly to tenants.

However, even with our prudent assumptions we can:

¹⁴ *The operational target that is set varies from the business plan target for void loss.*

- afford to deliver our planned investment and maintain our range of services without undertaking additional borrowing
- meet our Covenants with lenders
- Retain a cumulative cash position of at least £0.6m each year for the next 30 years
- Ultimately demonstrate to our tenants that Cassiltoun is a stable and sustainable business in whose hands their homes are safe

6.5 Financing Asset Investment

We plan to finance all our major repairs investment internally without the need to raise private finance on our asset base. Where possible, we seek to lever in external grant funding to assist with our work specifically to support increased energy efficiency measures. For example, we are also investigating the opportunities that may be available to Cassiltoun via the Energy Company Obligation (ECO) scheme.

6.6 Affordability

We endeavour to keep our rents affordable to our tenants. Although approximately two thirds receive assistance towards their rent costs through the benefits system, over 30% pay their rent without any support.

Rents are benchmarked via Scottish Housing Best Value Network (SHBVN) and we are comparable with our peers. In terms of the Scotland- wide picture the following shows that our recent rent increases have been below the Scottish average:

Annual rent increase

	2013/14	2014/15	2015/16
Cassiltoun	3.5%	3.6%	2.8%
RSLs and councils in Scotland	3.6%	2.7%	TBC

Source: Scottish Housing Regulator

6.7 Insurance

We ensure that our stock is comprehensively insured and that valuation of the stock for insurance purposes is regularly updated with index linking.

7 CHALLENGES AND RISK MANAGEMENT

Risk Ref	Risk category	Risk Description	Inherent Risk			Control measures	Residual Risk			Owner	Risk Score	Further required actions	Assurance
			P	I	R		P	I	R				
1	Financial Operational	Introduction of Welfare Reform : Increased rent arrears, voids, bad debt. Failure to achieve projected inwards cash flow Changes to the profile of demand Business cannot support the planned investment in the stock	40	40	80	Measures within business plan to take account of potential reduced income/ increase operational costs	20	20	40	Regen. Manager	120	On-going tenant engagement to minimise financial loss.	The Association has taken action to mitigate this risk however we must remain adaptable and monitor this risk
2	Operational External	Failure to deliver planned investment in stock- Stock falls below SHQS/ does not meet expectations of customers leading to a drop in demand	10	10	20	Cycle of Performance Management reporting to Board of Management	10	10	20	Director of Operations	40	On-going Performance Management systems to monitor progress	Stock currently complies with SHQS. Should future surveys find additional work it will be minimal
3	Operational External	Critical failure of building elements Failure to meet SHQS	10	10	20	Regular stock condition surveys by external consultants	10	10	20	Director of Operations	40	Engagement of Brown and Wallace to carry out annual update on LCC charts	Life Cycle Costing plan mitigates this risk
4	Operational External	Introduction of more onerous Energy Performance requirements	20	30	50	Staff awareness on developments relating	20	20	40	Director of Operations	90	Keep up to date with new requirements and plan accordingly	Appoint specialist consultants to assist

		Failure to meet new standards				to this matter from Scottish Government							
5	Financial Operational External	Failure (or insolvency) of key contractors/ breakdown of partnerships. Loss in continuity of service to tenants. Negative financial implications to organisation Loss of reputation	40	90	130	Robust financial checks On-going performance monitoring Payment in arrears	30	50	80	SMT	210	On-going performance monitoring	Potentially a major risk. We have accried out detailed financial checks and will monitor on an on-going basis
6	Financial Operational	Inaccuracy/ out of date information held Poor investment decision making	20	40	60	Regular stock condition surveys and systems of integrating information to current software packages	10	20	30	Director of Operations	90	Incorporate annual update requirements into corporate planning calendar	Implement procedures and review to ensure our records are robust. Continue to use external checks.
7	Financial Operational External	Failure to meet legislative and good practice requirements (asbestos/ Gas safety/ legionella) Personal injury, legal action against CHA, loss of reputation	20	60	80	Maintenance Policies and Procedures	10	30	40	Director of Operations	120	Review cycle of checks	Good practice measures in place. Experienced specialist contractor employed.
8	External	Failure to deliver requirements of Scottish Social Housing Charter Elevated engagement from SHR	20	50	70	Pro-active work at CHA to set up ARC Consultation Group and performance monitoring systems. Development of SDM system to provide 'at a glance' dashboard of performance	10	20	30	Chief Executive	100	Monitor performance through ARC Consultation Group Self-assessment 'trial run' prior to official submission	Association is preparing for the Charter and ARC. Set as a priority by SMT and Board.

8 IMPROVEMENT PLAN

Action	Outcome	Officer in Charge	Timescale
Continue actions to mitigate effects of Welfare Reform	Reduced negative effect on inward cash flow	Regeneration Manager	
Set up ARC Consultation Group with tenants	Appropriate monitoring of progress towards meeting Charter outcomes and ultimately deliver statutory requirements	Director of Operations	
Incorporate identified Asset Management Risks into Corporate Risk Management	Integrated approach to Risk Management to re	Chief Executive	
Review how asset information is stored and kept up to date	Improved accuracy of stock data to assist with robust investment planning	Director of Operations	
Incorporate annual update of Asset information into governance timetable	Improved accuracy of stock data to assist with robust investment planning	Director of Operations	
Incorporate 70 Machrie Road and Buchanan Lodge Life Cycle Costings into 30 Year projections	Improved accuracy of stock data to assist with robust investment planning	Director of Operations	
Identify profile of Energy Efficiency of stock from EPCs. Assess implications including resource requirements of climate change agenda for 2020 and cross reference	Clear understanding of the performance of our properties in relation to energy efficiency. Improved accuracy of stock data to assist with robust investment planning specifically	Director of Operations	

Action	Outcome	Officer in Charge	Timescale
with on-going investment plans to ensure future proofing of stock	in relation to anticipated Energy Efficiency Standard for Social Housing		
Incorporate Energy Performance considerations in development of component specification	Improved energy efficiency of stock contributing to reduced carbon emissions and Climate Change targets. Safeguarding tenants from fuel poverty	Director of Operations	
Review our approach to fulfilling our obligations under Fire Safety legislation at common areas of tenements	Alignment with legislative and good practice requirements	Director of Operations	
Review our approach to 10 year cycle for electrical safety inspections	Alignment with legislative and good practice requirements	Director of Operations	
Expand customer satisfaction surveys to include owners	Integration of owners' opinion into planning of future investment in common works	Director of Operations	
Incorporate annual update on progress in achieving this Improvement Plan into governance timetable	Achievement of our Asset Management Strategy	Chief Executive	

9 CONCLUSIONS

Our Asset Management Strategy and Plan have a strong relationship with the overall corporate objectives of Cassiltoun and link directly to our 30-year business plan.

Our systems ensure that we keep our stock in good condition and we are able to remain responsive to the changing environment, meet changing needs and rising standards and aspirations.

We base our decision-making on sound and robust information and remain aware of potential threats that could affect demand for our stock affect or our ability to deliver our range of services.

In line with good governance and effective performance management, robust reporting and monitoring procedures are in place to ensure we are meeting our targets.

We have well-developed arrangements in place for achieving value for money and maximising efficiency in delivering the asset management and repair service in a way which is customer focussed and treats equality as a priority. Our approach to date demonstrates a keen eye for achieving value for money by partnership working and innovative approaches to procurement. We find efficiency savings and exploit opportunities to bring wider benefit to the neighbourhoods we serve through the inclusion of community benefits within our contracts.

We go well beyond the basic requirements of a landlord and take a 'wider role' approach to our place in the community. Tenant participation and community engagement are at the heart of our goal to retain our tenants.

We are increasingly using self-assessment techniques and have identified some areas for improvement and have established an Improvement Plan that we will implement to drive forward even better results for the business and our customers.

We are clear on what assists us in getting the most out of our assets. Through prudent financial planning and careful risk management – and not forgetting the commitment and 'buy in' from staff - we have the capacity to deliver.

Monitoring and Review

Actions agreed within the Improvement Plan will be integrated to staff work plans.

Progress in achieving the Plan will be reported to the Board of Management on an Annual basis. Furthermore, the ARC Focus and Scrutiny Group set up to monitor our fulfilment of the Tenants Charter requirements will continue to play a pivotal role in performance management.

The Asset Management Plan as an individual document will be reviewed every 5 years as a minimum.

However, we acknowledge that our asset management is integral to the wider corporate planning process. If during the course of other corporate planning and reporting it becomes apparent that the Plan requires earlier updating, the review period will be brought forward accordingly.

10 APPENDICES

Appendix 1: Links to other key documents

Cassiltoun HA Business Plan

Cassiltoun 10 year Investment Programme and 30 year Life Cycle Costings

Cassiltoun HA Internal Management Plan

DTZ Barclays Stock Valuation Report

Tenant Satisfaction Survey

Brown and Wallace Stock Condition Report

Cassiltoun Housing Association <http://www.cassiltoun.org.uk>

APSR/ Scottish Housing Regulator <http://www.scottishhousingregulator.gov.uk>

Scottish Social Housing Charter <http://housingcharter.scotland.gov.uk>

Equality and Diversity Policy

Factored Owners Policy

Procurement Policy

Rent Arrears Policy

Void Management Policy

Repairs and Maintenance Policy

Tenant Participation Policy

Tenant Participation Strategy and Action Plan

Appendix 2: Glossary

ARC	Annual Return on Charter
CDM	Construction Design and Management
CHA	Cassiltoun HA
CIH	Chartered Institute of Housing
EESHS	Energy Efficiency Standard for Social Housing
ECO	Energy Company Obligation
EPC	Energy Performance Certificate
GCC	Glasgow City Council
GHA	Glasgow Housing Association
GWSF	Glasgow West of Scotland Forum
OSCR	Office of the Scottish Charity Regulator
RSL	Registered Social Landlord
WRO	Welfare Rights Officer
SFHA	Scottish Federation of Housing Associations
SHBVN	Scottish Housing Best Value Network
SHQS	Scottish Housing Quality Standard

Computer software packages:

SDM

SAGE

RAM