



S O U T H S I D E
housing association

Asset Management Strategy

01/08/2021 – 01/08/2025

1.0 INTRODUCTION

- 1.1 Southside Housing Association (SHA) is a community-controlled housing association operating selectively across the south side of Glasgow.
- 1.2 Our voluntary Management Committee is mostly made up of local residents, and our housing is community-owned.
- 1.3 We employ approximately 80 office-based members of staff, and a further 30 staff members who work in our communities in concierge, housing support and direct labour roles.
- 1.4 Our annual turnover in 2020/21 was circa £13.5million (whole Group including subsidiary company).
- 1.5 First set up in 1971, the Association has built up its current stock of over 2,300 homes through tenement rehabilitation, new build and stock transfer. In addition, we factor approximately 1000 privately owned properties.
- 1.6 Our greatest presence as a landlord is in Pollokshields (including parts of Kingston and Tradeston), Cardonald and Halfway. These areas account for 90% of our housing, while we also own housing in Shawlands, Strathbungo, Ibrox, Kinning Park, Langside and Mount Florida.
- 1.7 The Association delivers a comprehensive range of services, all focused on the needs of our customers and communities. These services include tenancy and neighbourhood management; repairs and property management; property development; asset management; housing support services; concierge; environmental works; income advice; and community development and support.
- 1.8 The Association also works closely with our subsidiary company, Southside Factoring and Related Services Ltd (SFARS) which provides factoring services on our behalf and acts as managing agent for our growing portfolio of Mid-Market Rent Housing.
- 1.9 Southside Housing Association's mission is to provide quality, affordable and well maintained homes and work with communities and partners to maintain safe, popular and inclusive neighbourhoods.
- 1.10 The Association's Asset Management Strategy is a key aspect of the delivery of our mission and it is focussed on how SHA invests in its properties.

2.0 REGULATORY GUIDANCE

- 2.1 In 2012, the Scottish Housing Regulator (SHR) published Strategic Asset Management Recommended Practice (SAMRP).

- 2.2 In producing the practice guide, the aim was to assist RSLs and local authority housing services to review and develop their approach to strategic asset management.
- 2.3 Due to significant changes in the operating environment over the seven-year period since its publication, SHR commissioned Arneil Johnston in November 2019 to carry out a comprehensive desk based review of the SAMRP, identifying where existing material could be revised, supplemented, scaled back or withdrawn.
- 2.4 Key findings from the desk-based review concluded that recommended practice on asset management should be updated to offer greater relevance and more clarity on how to:

Asset management philosophy and approach

- execute an effective asset management planning and review cycle;
- achieve a more holistic approach to asset management detailing recommended tools, processes, systems, strategy and delivery planning techniques;
- bring the right people together from across each organisation to make holistic asset management decisions, detailing who typically could/should be involved in decision making and analysis.

Tenant and resident safety

- comply with the tenant and resident safety duties and obligations of social landlords including recommended practice advice on landlord compliance management, monitoring and quality assurance processes;
- enable Governing Bodies to ensure compliance with tenant and resident safety obligations including more clarity on duties and minimum assurance levels.

Assessing asset performance

- assess asset performance including details of how social landlords should assemble and integrate data to provide a more holistic view of asset performance;
- assess the performance of assets from a customer perspective, including good practice principles on how housing market assessments should influence analysis of asset demand;
- apply intelligence of asset performance to enable risk identification, management or mitigation.

Data management and analysis

- achieve effective data and information management, detailing the typical data inputs (i.e. indicators of asset performance) and analysis techniques which provide insight and information on asset performance.

Business planning and viability assessment

- integrate asset management scenario testing with 30-year business planning projections and analysis;
- assess the financial viability of property investment proposals (considering both planned and response maintenance) to review the viability of housing assets.

Option appraisal

- use asset management intelligence to identify and appraise of future options, including testing the long-term viability of investment aligned to analysis of housing market operation.

Strategic response

- utilise evidence to inform asset management delivery plans and priorities within a wider strategy aimed at improving the overall sustainability of housing assets;
- monitor and evaluate the impact of asset management improvement actions, ensuring effective delivery through successful procurement and contract management.

2.5 Key recommendations arising from the review findings that should inform an updated recommended practice guide, include a need to:

- set out a clear purpose and scope for the recommended practice guide focused on an asset management philosophy that ensures assets are sustainable and remain fit for purpose;
- provide a more conclusive and clear definition of what we mean by asset management; focused on the concept of taking a 'holistic' approach which aligns service planning, business planning and investment planning to assess asset performance;
- offer good practice principles for achieving a holistic approach by outlining typical partnership, planning, risk management, delivery tools and techniques;
- set out a principles-based framework to implementing a holistic approach to asset management structured around the following six recommended practice principles:

Principle 1: Building the intelligence: defining, measuring and classifying assets;

Principle 2: Asset performance analysis;

Principle 3: Integrated performance scoring;

Principle 4: Assessing integrated outcomes;

Principle 5: Option appraisal;

Principle 6: Strategic response.

3.0 STRATEGIC CONTEXT

- 3.1 The Asset Management Strategy provides the strategic and progressive framework within which SHA will manage, maintain, divest and invest in our residents' homes and communal spaces in both an economically and environmentally sustainable way that enables us to deliver on the aspirations of our current and future residents in the short, medium and long-term.
- 3.2 The Asset Management Strategy (Strategy) is effective from 1st August 2021 to 1st August 2025 and it identifies the required outputs and outcomes, whilst seeking improvements in the financial and physical performance of our properties whilst achieving value for money.
- 3.3 The Asset Management Strategy is aligned with the Association's most recent Business Plan which was approved by the Management Committee at its meeting on 29th July 2021.
- 3.4 The Strategy is underpinned by SHA's following key corporate objectives:
- To deliver excellent services.
 - To provide popular, affordable, well maintained and energy efficient homes.
 - To support inclusive communities and thriving neighbourhoods.
 - To maintain a resilient community organisation with strong local leadership

4.0 AIMS & OBJECTIVES OF THE STRATEGY

- 4.1 The Asset Management Strategy aims to ensure we provide homes that are decent, safe, energy efficient, affordable to both residents and the Association, and can be adapted to meet the changing needs of our residents, without having an adverse impact on our financial viability, the environment, the quality of residents' homes and their neighbourhoods.
- 4.2 The key strategic aims of the Strategy is to:
- understand the condition and profile of our assets
 - understand the suitability of our assets to meet demand now and in the future
 - meet and where possible exceed Scottish Quality Housing Standards and Energy Efficiency Standards
 - establish the investment required over thirty years to maintain our assets

5.0 WHY WE HAVE AN ASSET MANAGEMENT STRATEGY

5.1 An effective asset management strategy and asset management processes provide the following benefits for the Association:

- Will help the Association identify long term capital investment requirements
- Will help the Association achieve value for money in the procurement of contracts and services
- Will minimise the proportion of the Association's expenditure on day to day repairs and maximise that spend on planned maintenance
- Will help us maximise the Association's approach to financial planning through maximising external funding sources
- Will help the Association plan for the provision of affordable homes for our tenants that meet government targets in relation to housing quality and energy efficiency
- Will assess the long term viability the Association's stock which poses a challenge or risk to the Association and take the appropriate action

6.0 OUR STOCK

6.1 As at 31st March 2021, the Association currently owns 2384 properties.

6.2 The stock is made up of a range of property types with a variety of management and maintenance issues.

6.3 The Association spends approximately £2m a year on reactive repairs, cyclical maintenance, health and safety checks and works to refurbish void properties.

6.4 The table below give a breakdown of the Association's stock by house type, and age.

	Tenement	Deck Access	Main Door	High Rise - High	High Rise - Low	Houses	TOTAL
PRE 1919	378	0	4	0	0	1	383
1945 - 1964	57	0	1	203	0	0	261
1965 - 1982	123	215	0	358	310	19	1025
1983 - 2002	168	0	18	0	0	4	190
POST 2002	499	0	17	0	0	9	525
TOTAL	1225	215	40	561	310	33	2384

6.5 In summary:

- 88% of our housing consists of tenement flats and multi storey flats
- Houses account for a very small proportion of our housing – only 1%
- 43% of our housing was built during the boom years of council housebuilding between 1965 and 1982.
- Pre-1919 tenements housing accounts for 16% of our housing stock and homes built post 2020 have increased to 22%.

6.6 The main priority for the Association under its Asset Management Strategy is the continuous investment in our existing assets.

6.7 The Association will ensure that existing properties/neighbourhoods undergo timeous investment programmes that maintain and enhance the quality of the properties and surrounding environment.

7.0 ACTION PLAN

7.1 To manage the delivery of the Asset Management Strategy the Association will produce an Asset Management Report and Action Plan for Committee approval.

7.2 The Association will review and update each year the Asset Management Action Plan, which will identify the key actions to be carried out over the following 12 month period.

7.3 The action plan will identify the asset management priorities and timescales.

7.4 The plan will prioritise where the greatest attention should be focused in terms of short to medium term. In addition the plan will include a range of actions, targets and commitments that the association requires to implement over the next year to improve the sustainability of its housing stock.

7.5 The Plan will illustrate how actions will be taken forward, outlining responsibility for delivery. Estimated timescales for delivery will also be included.

8.0 RELATED DOCUMENTS

- Asset Management Report (October 2021)
- Asset Management Action Plan (October 2021)
- Stock Condition Survey (2020)

- Southside Housing Association's Business Plan (2021)
- Strategic Asset Management – SHR Recommended Practice (2020)