

## KEY

### Housing Strategic Plan 2020-25

#### Appendix 4

### Asset Management Strategy

#### Aims and Objectives

Key is a Registered Social Landlord with ownership of over 700 properties across Scotland which are predominately allocated to people with disabilities.

We are committed to providing sustainable, affordable housing that meets the needs and requirements of our tenants.

The Asset Management Strategy is an integral component of the Housing Strategic Plan and at the heart of this approach is an understanding of our tenants and their current and future wishes and needs.

On this basis the Strategy seeks to demonstrate that we

- Have a strong asset base with the right type of properties to continue to meet existing and future demand
- Have a housing stock that will meet and continue to meet the requirements of the Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESH) and successor standards
- Have a 60-year investment plan in place to ensure that stock replacement and upgrade can be resourced
- Embed tenant engagement as a core feature of the Strategy
- Have a robust and balanced risk management framework in place to support decision making regarding investments and any disposals.
- Will procure contracts and services in a way that demonstrates openness, accountability and value for money
- Comply with all statutory requirements regarding Health and Safety.
- Take cognisance of all energy management and other 'green measures' potential.
- Have an appropriate staffing structure and business resources to meet these elements
- Take account of the existing *Practice for Strategic Asset Management* as published by the Scottish Housing Regulator (SHR) and recent associated publications which focus on the impending review of this guidance

## **Key's Housing Stock**

It is vital that we understand our stock, its viability and desirability, now and for the future, and seek to maintain and develop this understanding through continuous appraisal and review.

Our stock, spread throughout Scotland, is of a relatively modern construction. All properties, with the exception of two (rehabilitated) tenements and a small number of older individual properties which have been purchased, comprise new build development dating from the mid-1980s onwards. Individual properties (low rise flatted, two-storey flatted, terraced etc) are predominantly small in size, consisting in the main of one and two-bedroom flats. Further details are enclosed in appendix 1.

To ensure that our properties meet and continue to meet the needs and wishes of current and future tenants, we will:

1. Continue, where circumstances allow, with remodelling larger shared pieces of accommodation to create smaller flats which give independent, or mutually agreeable, living spaces. Since 2002, we have created 164 new units of remodelled housing at 31 locations.
2. Ensure that the stock is as energy efficient and comfortable as possible
3. Ensure that every opportunity is taken, either as separate initiatives or as part of the overall planned programmes, to improve the stock for accessibility and user friendliness.
4. Appraise the condition of any leased properties which are acquired, particularly in relation to the provision of additional features to address the needs and risk profile of our specific tenant group.

## **Scottish Housing Quality Standard (SHQS) and Energy Efficiency Standard for Social Housing (EESH)**

The Scottish Housing Quality Standard (SHQS) is the principal measure of housing quality in Scotland and our stock is compliant with all aspects of the 55 criteria outlined within the SHQS apart from one property which does not meet the specific criteria for energy efficiency and where it is not feasible/cost effective to provide an upgrade.

We continue to tailor our investment decisions to continue to achieve this outcome. SHR guidance suggests that at least 22% of stock should be inspected for compliance, with the outcomes for the remainder able to be interpolated. Given our small scale and specialised nature, we have been able to assess in excess of 90% of our stock to date, with minimal

requirement to clone information. This is enabled by a consistent approach to regular service visits/ inspection visits to all properties.

We provide each new tenant with an Energy Performance Certificate which gives information on current energy ratings, suggested energy efficiency improvements to the property (both low cost and higher cost options) and typical annual energy running costs. This allows us to monitor our compliance with the minimum SAP rating, both for SHQS and for the new requirement of EESSH.

The current incarnation of the Energy Efficiency Standard for Social Housing (EESSH) bandings take consideration of not only the heating type, but also the property type and location within the building.

Our compliance in meeting the specific EESSH compliance milestone in December 2020 is that at April 2020 we had 4 properties that fell below the standard. As at October 2020 works were underway at 3 of these properties with heating system replacements which are programmed to be completed by December. We have one remaining property where there are currently no economically viable options available in order to achieve compliance and where we will seek an exemption from the Standard.

Following on from the 2020 standard there are further milestones for EESSH at 2032 and beyond. We will continually review and compare our stock with these standards and endeavour to meet or exceed these where practicable.

Key has an interest in renewable energy sources and has piloted the installation of an air source heat recovery pump into ascertain whether this is a worthwhile investment in areas which are 'off gas' and likely to remain so. In other areas where gas is available, we have undertaken 'fuel switching' to remove electric heating as far as possible, as gas is currently less expensive and more controllable. Fuel poverty for tenants on low income continues to be a key issue to address. Work is ongoing in these areas and consideration will be given to any green measures that are viable.

### **Asset Investment**

Key has a continuously revised investment programme, which guides the annual Planned Replacement Programme. This is based on a 60-year life cycle projection, which sets out recognised replacement intervals and places properties in the programme based on age criteria only.

Revisions to this programme come via a year on year investment programme which looks critically at both condition and age. This is guided by regular stock condition visits by in house staff with each property visited within a 4-year period. We aim to operate a 'just in time' replacement programme, which is the most cost-effective process, but does so in a measured approach to ensure customer satisfaction. This process is embedded in our annual rent setting process, which is co-ordinated by a team of employees from various disciplines, thus ensuring that this activity dovetails with all other activities and strategies within the organisation.

This replacement programme is based on the following life cycle assumptions for the 5 main elements.

Heating Systems – 15 Years

Kitchen Replacements – 18 Years

Bathroom Replacements – 20 Years

Window Replacement – 25 Years

Roof Coverings – 60 Years.

At the time of writing this updated Strategy (October 2020) we are still dealing with the impact of the covid pandemic and as an immediate priority, to coincide with the annual rent setting process which considers rent levels from April 2021, we will review the impact of the lockdown since March 2020 and any impact this may have had on repairs and investments which have not been carried out during this period.

Our initial assessment is that any impact has been limited to date as we were able to carry out essential works during the period. In recent months the limited backlog in response repairs and servicing has been addressed. There will be an impact on our planned replacement programme which will be assessed but some aspects (eg external works and other activities which can be planned in a covid safe manner) are now being taken forward.

In addition to the Planned Replacement Programme other asset investments are:

- Response repairs – these are reactive and maintain properties in good working order and safe.
- Void Works – properties are brought up to a standard for re-let. This can include decoration, repairs, improvement, opportune element renewal, and adaptations to suit new tenant(s).
- Cyclical Maintenance – servicing of health and safety items (Gas Heating, Smoke Detection, Blender Valves etc).
- Environmental Maintenance – hard and soft landscaping (gardening).
- Medical Adaptations –funded through stage 3 grant funding from the Scottish Government. These adaptations are critical in allowing tenants with changing needs to remain safe and comfortable within their home.

- External and Common Area decoration and Maintenance

## **Procurement**

Key's stock is dispersed widely in small developments through large areas of Scotland and this presents issues in terms of providing an effective and value for money responsive repairs service and in delivering an investment programme. This has been a particular influence in developing our procurement processes and procedures to establish that Key is achieving best outcomes in these areas. We continue to employ specialist consultant input to assist our compliance in these areas.

During the period of this Strategy we will finalise our transition over to procuring all but the most minor, singular or specialist items of work through the Public Contracts Scotland portal.

## **Innovation**

KEY continually seeks out innovative measures in many fields – energy efficiency, material technology, and renewable energy sources etc. Where applicable these are incorporated in design briefs, tender documentation and contractor instructions, with the intention of providing safer, more comfortable, more durable properties.

## **Health and Safety**

We view Health and Safety as a critical responsibility, recognising that tenants are often very vulnerable to risks in their home. This is particularly relevant given the nature of our tenant group and we have comprehensive risk assessment processes in place, working alongside our support services, to determine the detailed requirements for individual tenants

We provide comprehensive servicing of appliances and fittings within our properties to ensure safety is maintained and this includes:

- Gas Servicing – mandatory requirement to service within 365 days of previous visit.
- Portable Appliance testing – yearly
- Fixed Wiring test – 5 yearly in line with relevant requirements (3 yearly in HMOs as required by licencing regulations)
- Smoke detector testing – quarterly for integrated alarms, two-yearly for independent detection systems, and yearly in HMOs
- Blender valves to hot water outlets – yearly
- Fire Suppression (sprinklers) – yearly

- Reactive repairs for these items are dealt with on a priority basis.

A particular recent focus has been our adoption of additional safeguards in relation to fire safety, which exceed the proposed statutory standards in this area (and Carbon Monoxide detection) which require to be introduced by February 2021. This has been driven by our recognition of the particular vulnerability of our tenant group. On this basis we have now completed a programme to install heat/smoke detection in all principal compartments within our properties (and have therefore exceeded the statutory requirement) and have agreed that over the life of the Strategic Plan we will (for supported tenancies initially) introduce a digital link of this detection to call monitoring centres.

All of Key's activities, which include some form of construction, are under the jurisdiction of The Construction Design and Management 2015 Regulations. We have worked towards full compliance for all our contractors (in all fields of work).

Key and its contractors work in compliance with the Control of Asbestos in the Workplace Regulations, The Control of Legionella Infection and all Lifting Equipment Regulations (the latter including independent inspection and LOLER testing by Key's insurers).

### **Energy Management and 'Green Measures'**

Due to the small-scale nature of the clusters of our properties, each location is considered in isolation for energy management. The factors of geography, local technology, fuel availability and availability of specialist contractors in that specific location are all considered. Measures are only applicable to individual properties as larger scale district heating, communal heating and shared larger scale green measures are not an option. We will continue to research and review all new innovations when they become available.

### **Tenant Engagement**

Tenant engagement and participation is an integral aspect of our function as a Registered Social Landlord.

Engagement comes from a number of measures:

- An annual tenant satisfaction survey – measuring general level of satisfaction on a range of indicators covering our property maintenance service
- Response repair satisfaction surveys – conducted yearly by postal send and return, covering quality of work, response and attitude of contractors.

- Remodelling scheme surveys – asking tenant their views on remodelled property to influence future design briefs
- Adaptation satisfaction surveys.
- Major repairs satisfaction surveys.
- The inclusion of asset management focussed items tabled at the My Home tenant engagement group.
- Regular face to face contact with maintenance officers.

We analyse all feedback information as a regular process and use the analysis to inform any changes required.

**APPENDIX 1**  
**STOCK PROFILE**

**Table 1 – Geographic Spread of Stock**

<b>Local Authority Area</b>	<b>Number of owned properties</b>
Argyll and Bute	29
Clackmannanshire	10
Dumfries and Galloway	40
East Ayrshire	17
East Dunbartonshire	24
Falkirk	71
Glasgow City	113
Highland	114
Inverclyde	28
North Ayrshire	14
North Lanarkshire	49
Renfrewshire	63
South Lanarkshire	106
Stirling	33
West Dunbartonshire	2
<b>Total</b>	<b>713</b>

**Table 2 – Age and Property Type**

<b>Property Type</b>	<b>Age Banding</b>						<b>Totals</b>
	Pre 1919	1919-1944	1945-1964	1965-1982	1983-2002	Post 2002	
Bungalow			1	1	13	1	<b>16</b>
Flat (Off a Close)	8			9	355	8	<b>380</b>
Flat (Main door)		1	1	3	59	17	<b>81</b>
4 in a block	1		1		8		<b>10</b>
House	5	1	5	5	69	1	<b>86</b>
Maisonette					1		<b>1</b>
Tenement flat	23				116		<b>139</b>
<b>Totals</b>	<b>37</b>	<b>2</b>	<b>8</b>	<b>18</b>	<b>620</b>	<b>27</b>	<b>713</b>