



**Drumchapel  
Housing**

Co-operative Limited

# **Asset Management Plan**

**2022 to 2024**

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## 1. Introduction

- 1.1 The aim of asset management is to guide the future shape and direction of the property assets of the organisation. Tenants are at the heart of the organisation and it is important that the housing stock continues to meet their needs and aspirations.
- 1.2 The asset management plan outlines how Drumchapel Housing Co-operative will manage and maintain its housing stock to ensure the continued provision of good quality, well managed properties for its tenants.
- 1.3 The plan covers a 3-year period from 2022 – 2024 and informs the Business Plan and cash flow assumptions.
- 1.4 In developing the Asset Management Plan, a whole organisation approach has been taken, involving staff from all departments and in consultation with the Co-operative's financial services provider, FMD Financial Services Ltd.

## 2. Context

- 2.1 The Co-operative was established in 1987 as a fully mutual housing Co-operative with the transfer of 313 properties from Glasgow City Council. The fully mutual aspect of the Co-operative is a distinctive element of the business and something that the Management Board are eager to maintain. In 2015, the Co-operative gained charitable status and an option appraisal was completed in 2021 to determine the future shape of the organisation.
- 2.2 The Co-operative is situated within the Drumchapel area, to the north west of Glasgow. Over the last 25 years Drumchapel has been transformed by:
  - transfer of existing stock from Glasgow City council to smaller Registered Social Landlords
  - large scale demolition
  - rehabilitation and new build development programmes that have helped to reduce density and improve the quality of available housing
- 2.3 The social rented sector accounts for the majority of housing within Drumchapel, although private and shared ownership exist within small pockets. Due to the Co-operative's fully mutual status, it has no factored owners and is solely focused on delivering services for its tenant members.

2.4 The Co-operative is a member of Drumchapel Community Ownership Group (DRUMCOG) which is an umbrella organisation created to share information, develop good practice and facilitate collaborative working within the area. The members are Drumchapel Housing Co-operative, Cernach Housing Association, Kingsridge Cleddans Housing Association, Pineview Housing Association and Wheatley Homes Glasgow (previously GHA). Working collaboratively, DRUMCOG has helped to deliver a range of initiatives, including:

- wider role activities
- training programmes for Board and staff
- partnership tenders for large contracts such as reactive maintenance and gas servicing.

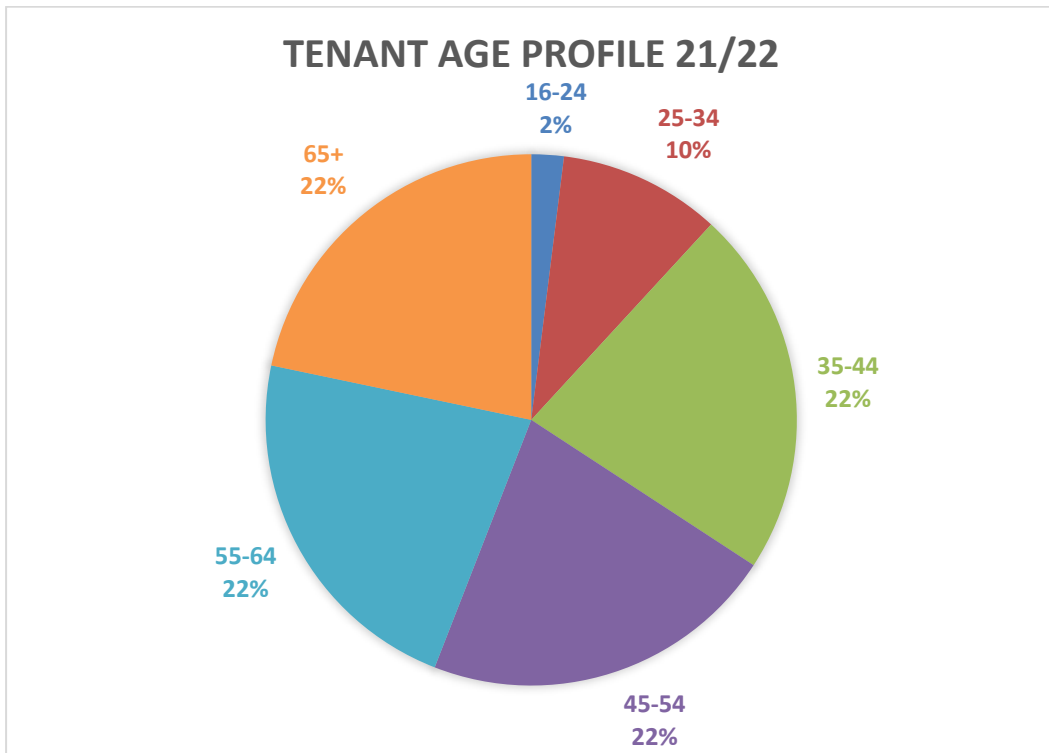
### 3. Our Customers

3.1 The Co-operative's stock is in an area which exhibits features of multiple deprivation as detailed within the Scottish Index of Multiple Deprivation (SIMD) 2020. The organisations tenants are:

- amongst the 5% most deprived data zones in Scotland for Current Income Rank.
- living within the 10% most deprived data zones for Employment Rank with 75% of tenants within the most deprived 5% data zones in Scotland and over two thirds of tenants in receipt of full or partial housing benefit
- more likely to suffer from long term health conditions or a disability - SIMD figures indicate that 36% of tenants are likely to be in receipts of Disabled Living Allowance, Attendance Allowance, Incapacity Benefit or Employment Support Allowance and Severe Disablement Allowance
- more likely to suffer from anxiety or depression - estimated to be 28% in accordance with SIMD figures

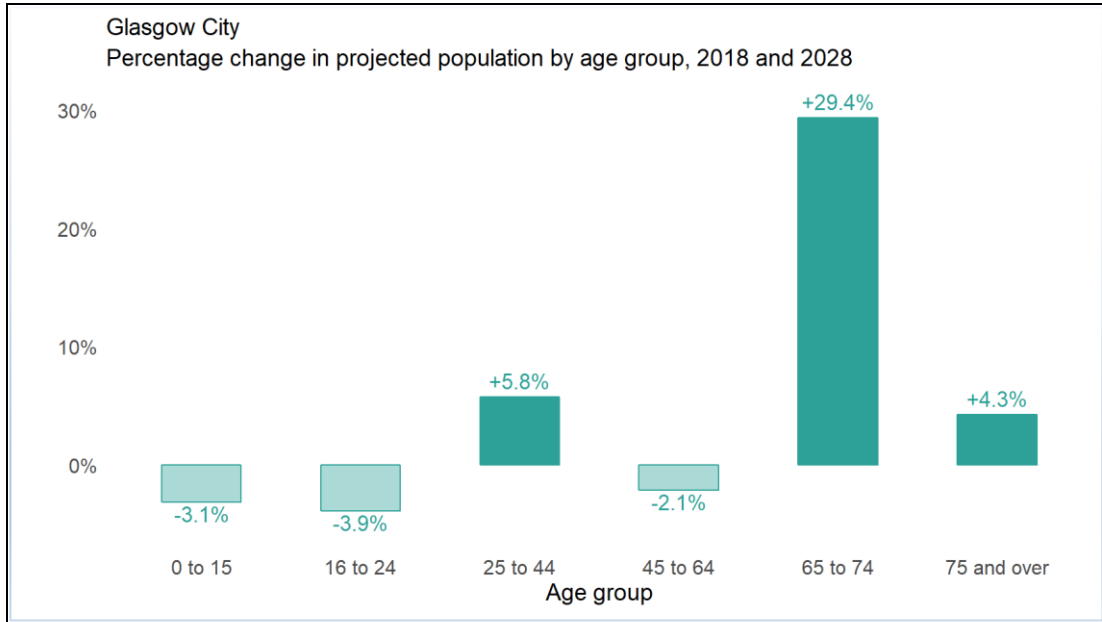
3.2 Figure 1 illustrates the age bands for tenants. Two thirds of the Co-operative's tenants are over 45 years of age, and those aged over 55 account for more almost 44% of the organisations tenant base.

**Figure 1** TENANT AGE PROFILE 2021/22



3.3 The National Records of Scotland forecasts that Glasgow's population - in line with the rest of Scotland - will become older. The proportion of 65-74 year olds is predicted to increase by over 33% by 2028 and proportion of 75 year olds by over 4% as illustrated below:

Figure 2 POPULATION AGE PROJECTION FOR GLASGOW 2018 -2028



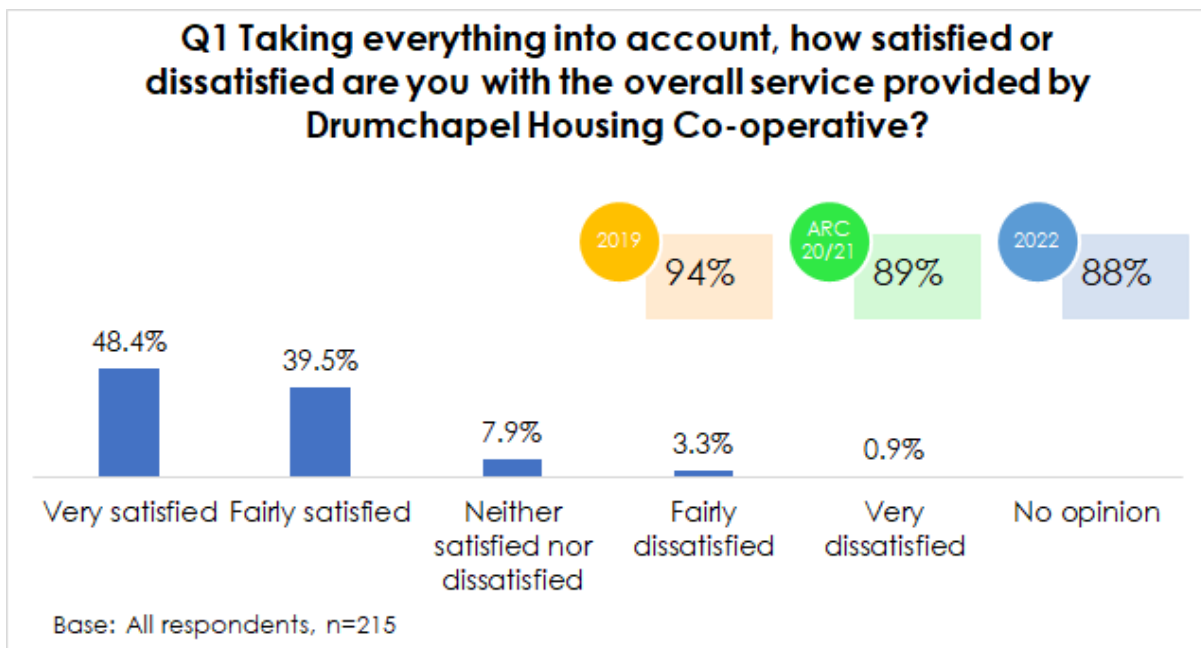
3.4 The above demographics highlight some of the challenges facing the organisation. To ensure that the Co-operative's properties meet the changing needs of tenants and their families, the organisation must provide:

- homes that are affordable and energy efficient
- suitably adapted accommodation to meet tenants varying and changing needs
- houses of a type and size that meet tenants' requirements and expectations

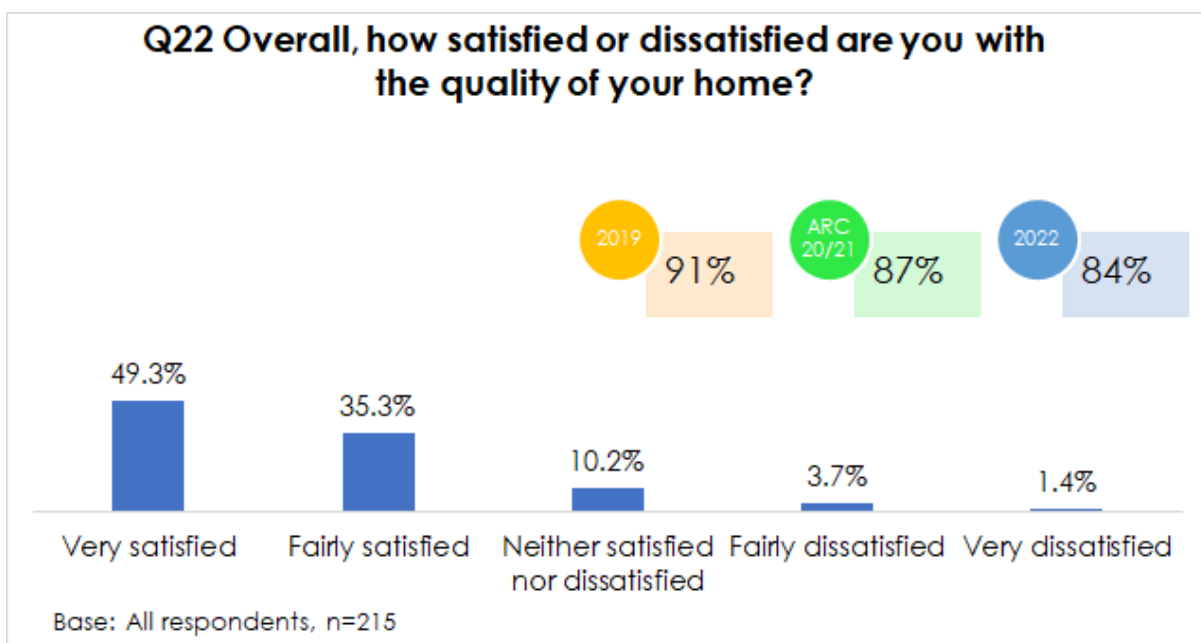
## 4. Customer feedback

4.1 The Co-operative carries out independent customer satisfaction surveys every 3 years. The latest survey was carried out in July 2022 and key results are illustrated below:

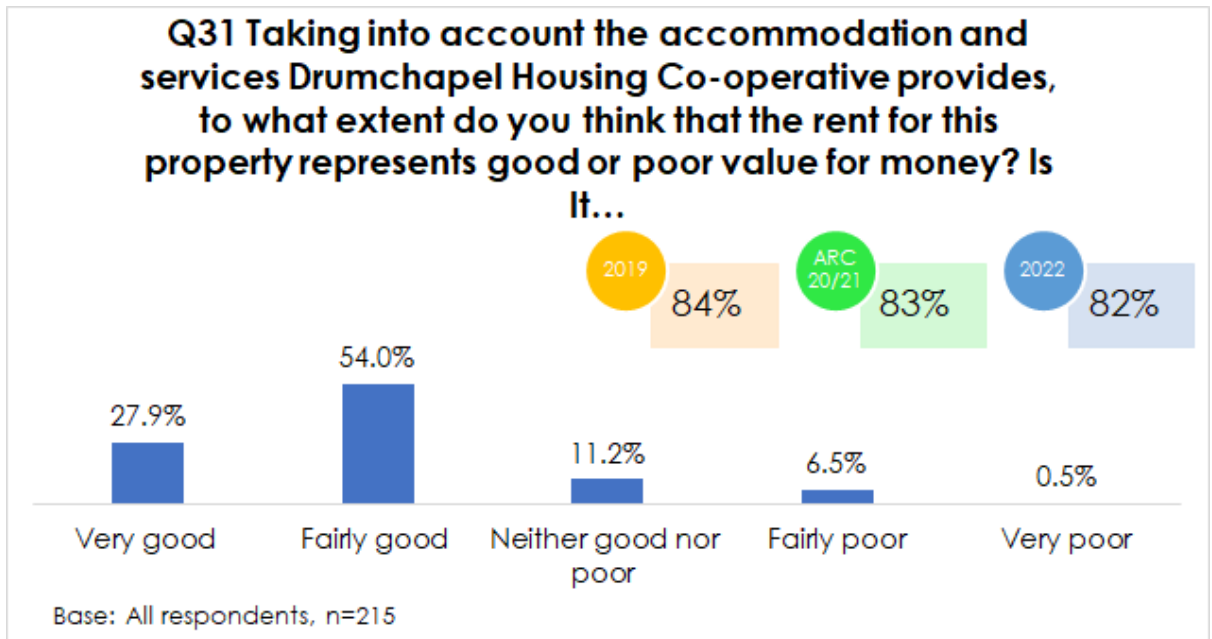
Figure 3 SATISFACTION WITH OVERALL SERVICE



**Figure 4 SATISFACTION WITH QUALITY OF HOME**



**Figure 5 RENTS REPRESENTING VALUE FOR MONEY**



4.2 The results from the survey were largely positive for all key indicators, Satisfaction levels have remained consistent or have decreased slightly over the period from 2019 to 2022. Decreases can be seen regarding satisfaction with the overall service, the repairs service and the quality of the home. Comparison to the Scottish Average from the 2020/21 ARC reveals that generally Drumchapel Housing Co-operative is performing in line with or better than the Scottish average. In particular the Co-operative is outperforming the Scottish average in relation to their contribution to the management of the neighbourhood, participation opportunities and keeping tenants informed.

There is, however, still scope for improvement and this remains a focus for the organisation. We will use the July 2022 survey results to form an action plan to address those areas highlighted by tenants to improve and enhance our customer service delivery.

4.3 The percentage of tenants who felt that rent for their property represented good value for money remains fairly consistent and is in line with the Scottish average reported in the ARC for 2020/21.

4.4 Over the last few years, considerable progress has been made within these areas, confirming that the strategy and steps taken have had a positive impact. These include limiting rent increases (CPI only in 2018/19-2020/21, rent freeze in 2021/22 and for 2022/23 rent increase was restricted to half



October's cost price index inflation (CPI) and delivering planned maintenance programmes within the Co-operative's older, tenements, modernising facilities and improving housing quality.

4.5 The organisation's rent levels are still slightly higher than some other local housing providers and improving value for money across all services remains a key objective. A value for money statement was approved by the Board in October 2020 and incorporated the following key actions:

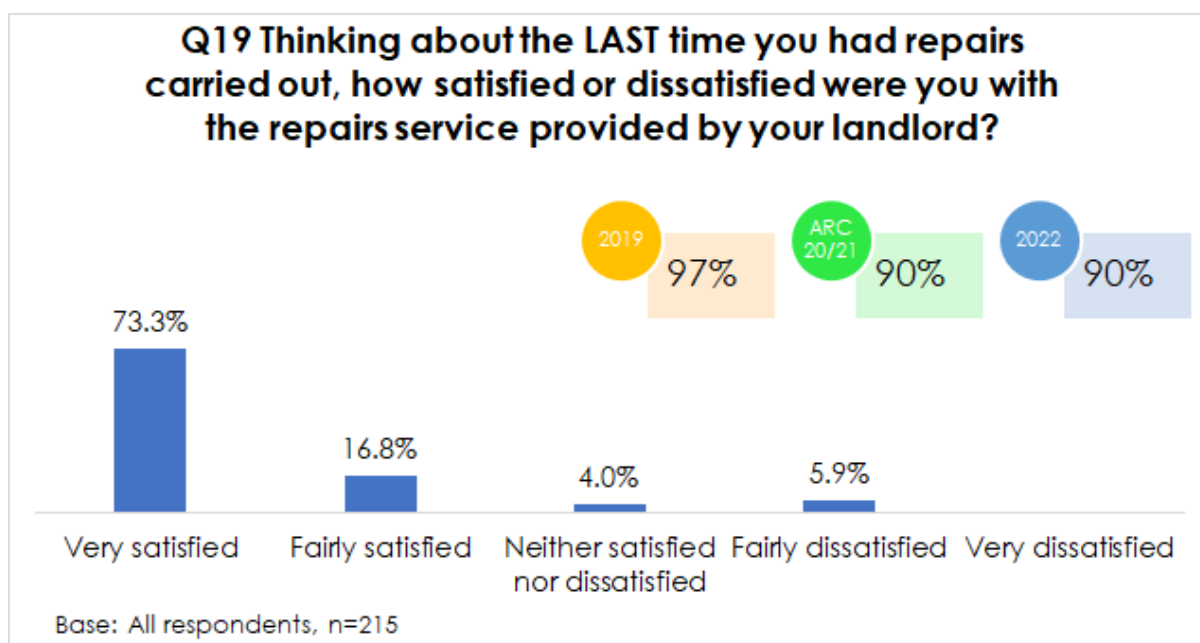
- analyse information relating to tenancy terminations to establish if reasons for leaving are linked to value for money
- have meaningful dialogue with tenants around rent levels and value for money
- carry out a value for money exercise on the rents and services charges
- evaluate variations on spend in void properties
- review the Procurement policy and provide training on procurement
- involve tenants in defining what value for money means to the Co-operative and how this can be measured

4.6 An independent Affordability Assessment of rents and service charges was carried out in the last quarter of 2020/2021. The assessment was carried out to gain greater depth of information and assurances around affordability through scenario analysis and testing the affordability of tenures by housing market area, property type and property size. The assessment considered the Co-operative's rents and service charges with the wider housing market, including private rented sector rents and owner occupation. It also considered the income of tenants and the local context including:

- Scottish Indices of Multiple Deprivation
- Incomes
- Income by Occupation

4.7 The outcome of the assessment demonstrates that most of the Co-operative's properties are affordable to our tenants, however, identifies that 24% of tenants are single person households and that 26.7% of their income is required to afford a one-bedroom property. To help address this and ensure that rents are affordable across all property types, a rent and service charges restructuring review is currently taking place using the services of North Star Consultancy.

**Figure 6 SATISFACTION WITH REPAIRS**



4.8 Just under half of tenants had repairs carried out by the Co-operative in the last 12 months. Of these individuals, nine in ten respondents (90%) were either very or fairly satisfied with the repairs service provided by their landlord, 4% were neither satisfied nor dissatisfied and 6% were fairly dissatisfied. Overall satisfaction with the repairs service has decreased from 97% in 2019 and is consistent with the Scottish average reported in the ARC for 2020/21.

## 5. Stock

5.1 The Co-operative has a total stock of 480 residential properties. This comprises 479 self-contained properties, together with a supported accommodation unit, comprising 4 bed spaces and an office. This is currently leased to the Scottish Association for Mental Health (SAMH).

5.2 Properties are a mixture of rehabilitated tenements, constructed in the 1950s and new build properties which were developed over several phases from 1999 to 2005.

5.3 The rehabilitated stock primarily consists of 3 apartment tenement flats of traditional cavity wall construction with a render finish. In comparison, new build properties are predominately of timber frame construction with a mixture of facing brick and render finishes. The new build programme has helped to

redress the stock balance with over 30% of the Co-operative's stock now comprising of non-flatted accommodation.

5.4 The configuration of the Co-operative's stock is illustrated below:

Table 1 BUILD TYPE (All STOCK)

Build Type	No	%
Rehabilitated	266	55%
New Build	214	45%
TOTAL	480	100%

Table 2 AGE OF STOCK (ALL STOCK)

Age Band	No	%
1945 – 1964	266	55%
1965-1982	0	0%
1983 – 2002	128	27%
Post 2002	86	18%
TOTAL	480	100%

Table 3 HOUSE TYPE/SIZE (SELF CONTAINED STOCK ONLY)

	2apt	3 apt	4 apt	5+ Apt	Total	%
Tenement flats	38	208	22	1	269	56%
Flats	15	1	1	0	17	4%
Maisonette	0	0	0	1	1	0%
4 in a block	40	8	0	0	48	10%
House	0	46	64	34	144	30%
Supported unit	0	0	0	1	1	0%
Total	93	263	87	37	480	100%
%	19%	55%	18%	8%	100%	

Figure 7 OVERALL HOUSE SIZE/BUILD TYPE

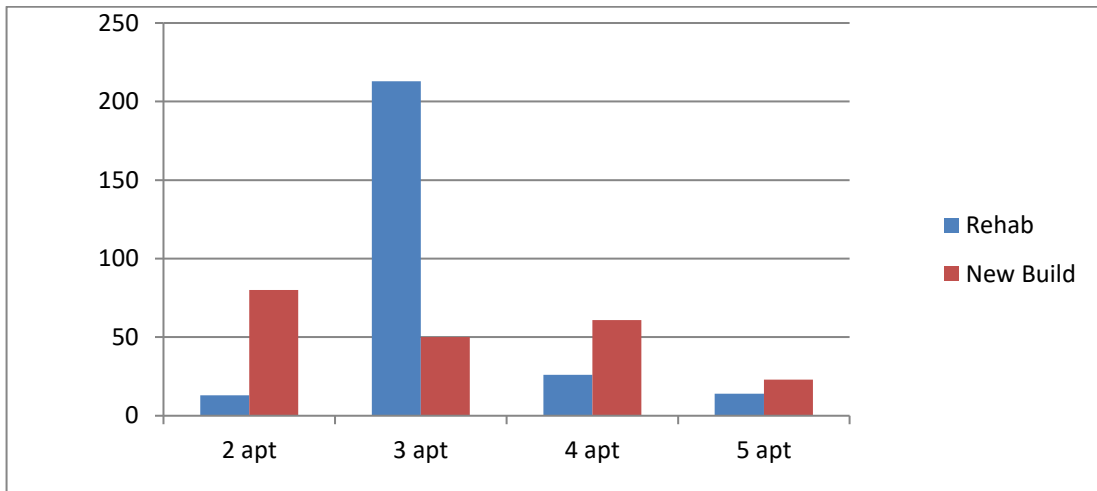
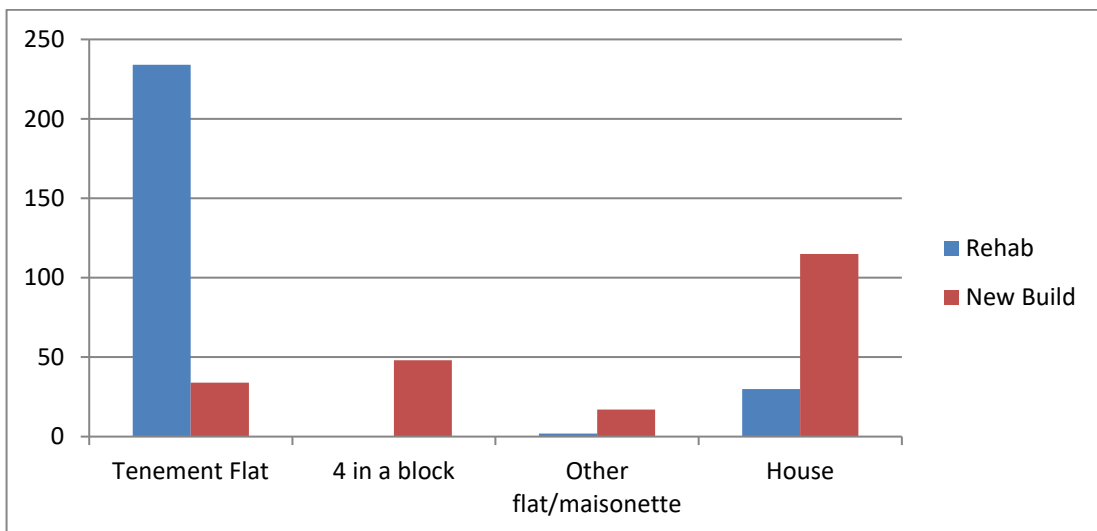


Figure 8 HOUSE TYPE/BUILD TYPE



- 5.5 The Co-operative's housing stock was developed over 9 phases and these are detailed in Appendix 1.
- 5.6 The organisation has its own purpose-built office, located on Kinclaven Avenue which was completed in 2003.
- 5.7 The Co-operative has not carried out any development activity or acquisitions since 2005. It should be noted that any decision to progress new build development would have to be preceded by an appropriate demand and impact study, together with a scheme appraisal and risk assessment on the specifics of any proposed project.

## 6. Scottish Housing Quality Standard (SHQS)

6.1 The SHQS was introduced in 2004, establishing a minimum condition standard for social rented housing. This was amended in 2020 to incorporate changes to the provision of smoke alarms and carbon monoxide detectors, inspection of electrical installations, and removal of energy efficiency elements, in favour of the Energy Efficiency Standard for Social Housing (ESSH). The SHQS has 5 housing criteria with 52 elements. To achieve the standard properties must:

- meet the tolerable standard
- be free from serious disrepair
- be energy efficient
- be equipped with modern facilities and services
- be healthy, safe and secure

6.2 The Co-operative undertakes stock condition surveys every three years, incorporating a 20% representative sample of its stock. The purpose of the surveys is to:

- assess stock compliance against the SHQS and ESSH
- assess the performance of components against their anticipated life cycles
- provide 30-year component replacement data and cost modelling, to inform planned maintenance programmes and investment assumptions for business planning purposes

6.3 The last stock condition survey was carried out in March 2022 by David Adamson Group and 58% of our properties have been fully surveyed in the last 5 years. This has improved the Co-operative's management information and reduced the organisations reliance on cloned data. In addition, 100% of properties have now been surveyed externally.

6.4 In accordance with survey information and subsequent works in 2021/22, 98.75% of our properties currently meet the Scottish Housing Quality Standard (SHQS) with the remaining properties being exempt or in abeyance. Two properties are exempt due to their layout and exceptional costs associated with reconfiguration and four are in abeyance for social reasons, as tenants have refused to facilitate the installation of new heating.

6.5 The Scottish Government earlier this year wrote to all Registered Social

Landlords to confirm there was a need for clarity with regards to the second Energy Efficiency Standard for Social Housing (EESH2) given that the current milestones do not fully align with net zero, and it also confirmed that Housing Associations and Local Authorities need long-term certainty to plan investment.

The letter confirmed that the review of EESH2 will be brought forward to commence this year, for completion in 2023. The review will consider both energy efficiency upgrades and the deployment of zero emissions heating systems together in order to build understanding of the impacts on outcomes for tenants. This will provide certainty to the sector to guide their retrofit and investment planning.

- 6.6 While the review is underway, the current EESH2 2025 and 2032 milestones have been put on hold temporarily to ensure that any investment is targeted towards long-term solutions that deliver net zero and support the eradication of fuel poverty. Social landlords should continue to invest in energy efficiency measures to help reduce running costs, and in zero emissions heating systems where appropriate
- 6.7 The multiple occupancy unit is not included within the SHQS assessment as the compliance requirement only relates to self-contained properties.
- 6.8 Life Cycle Costs were updated by David Adamson Group in March 2022 and fed into the 30-year projections. Estimated expenditure for planned maintenance over the next 30-years to be £21.5m. These assumptions form the basis of the costs included within this plan.
- 6.9 Information relating to assets and their performance is currently stored on a combination of systems and spreadsheets - systems include Real Asset Management (RAM) and the organisations housing management system SDM. The organisation recognises the importance of retaining accurate and accessible information and will continue to review how this is managed.

## 7. Energy efficiency

- 7.1 The Co-operative's stock is currently 99.2% compliant with the Energy Efficiency Standard for Social Housing (EESH). In 2021/22 the number of properties not meeting the standard reduced from five to four due to the installation of an electric heating system. The remaining four properties do not meet the standard and are exempt for social reasons as tenants have refused to facilitate the installation of new heating.

- 7.2 Energy efficiency surveys were included within recent stock condition surveys and the Co-operative now possesses valid energy performance certificates (EPC's) for 83% of properties. Our stock is 99.2% compliant with the Energy Efficiency Standard for Social Housing (ESSH). Four properties do not meet the standard and are exempt for social reasons as tenants have refused to facilitate the installation of new heating
- 7.3 Energy ratings for stock are as follows:
- A Rated 0%
  - B Rated 5.0%
  - C Rated 94.0%
  - D Rated 0.6%
  - E Rated 0.4%
- 7.4 Both heating systems and windows in our tenemental properties have been upgraded in previous years and future programmes for boiler replacement will ensure that the Co-operative's properties become increasingly energy efficient.
- 7.5 The Energy Efficiency Standard for Social Housing (ESSH) aims to improve the energy efficiency of social housing in Scotland by helping to reduce energy consumption, fuel poverty and the emission of greenhouse gases. The Scottish Government intends that the standard will also contribute to reducing carbon emissions by 56% by 2020, 75% by 2030, 90% by 2040 and netzero emissions of all greenhouse gases by 2045, in line with the requirements set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act. The ESSH was introduced in March 2014 and set a first milestone for social landlords to meet for social rented homes by 31 December 2020. Currently 99.2% of the Co-operative's homes meet this standard. A second milestone (ESSH2) was confirmed in June 2019, for social rented houses to meet by December 2032. The ESSH2 milestone is that: "All social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, by the end of December 2032 and within the limits of cost, technology and necessary consent." In addition, no social housing below EPC Band D should be re-let from December 2025, subject to temporary specified exemptions.
- 7.6 The Scottish Government commenced reviewing the ESSH2 this year for completion in 2023 to strengthen and realign the standard with the target for net zero heat in houses from 2040, as set out in the Climate Change Update,

the Heat in Buildings Strategy, and the Housing to 2040 Route Map. The review will consider both energy efficiency upgrades and the deployment of zero emissions heating systems together, in order to build understanding of the impacts on outcomes for tenants. This will provide certainty to the sector to guide their retrofit and investment planning. This is a priority area of work for the Co-operative for the foreseeable future and we will be examining options and any possible external funding sources.

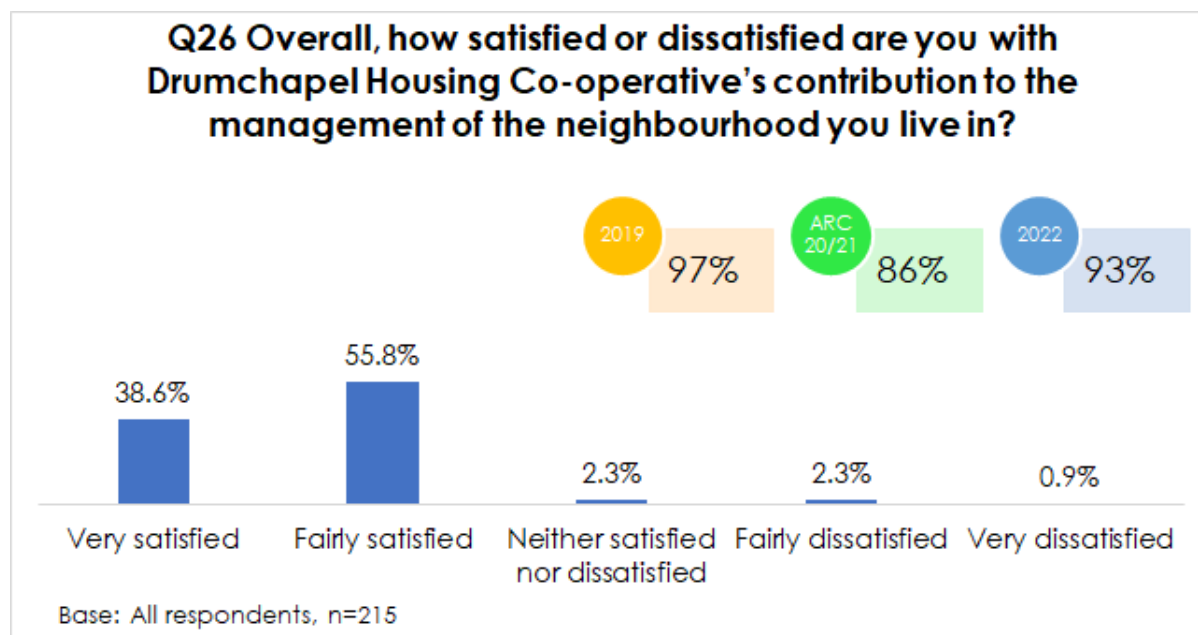
- 7.7 While the review is underway, the current EESSH2 2025 and 2032 milestones have been put on hold temporarily to ensure that any investment is targeted towards long-term solutions that deliver net zero and support the eradication of fuel poverty. Social landlords should continue to invest in energy efficiency measures to help reduce running costs, and in zero emissions heating systems where appropriate.

## 8. Environmental management

- 8.1 To ensure neighbourhoods are effectively managed and impact positively on tenant satisfaction, demand and sustainability, the Co-operative carries out a robust programme of environmental maintenance. This includes maintenance of open spaces, together with bin and close cleaning services. An in-house caretaking/handyman service supplements these activities, focusing on tenants' priorities to improve the environment.
- 8.2 During 2020/21 Glasgow City Council withdrew the bulk removal service to residents, creating a gap in service and increased bulk throughout the estate. Removal has been carried out at considerable expense to the Co-operative and consideration will need to be given as to how this can be effectively managed going forward.
- 8.3 Over 9 in 10 tenants (93%) were either very or fairly satisfied with the Co-operative's contribution to the management of the neighbourhood they live in compared to 2% who were neither satisfied nor dissatisfied and 3% who were very or fairly dissatisfied. Overall satisfaction in this respect has decreased slightly from 97% in 2019 (although not a significant change). It is however, more than the Scottish average reported in the ARC for 2020/21.



**Figure 9 Satisfaction with management of neighbourhood**



8.4 Rubbish and litter were identified as a top concern for tenants. Bin areas within the rehabilitated stock were not designed to accommodate modern recycling arrangements and consequently, alterations will be required within the future.

## 9. Asset investment

9.1 The Co-operative plans to spend £2,958,404 on its assets over the period of the plan as summarised in Table 5 below:

Table 4 SUMMARY OF ANTICIPATED EXPENDITURE

Works Programme	2022/23	2023/24	2024/25	Total
Reactive Repairs (including general repairs & voids)	£183,184	£208,749	£219,233	£611,166
Cyclical Maintenance	£273,415	£222,512	£304,063	£799,990
Planned Maintenance (non-capital)	£84,841	£34,070	£35,781	£154,692
Planned Maintenance (Capital)	£450,789	£512,798	£428,969	£1,392,556
<b>Total</b>	<b>£992,229</b>	<b>£978,129</b>	<b>£988,046</b>	<b>£2,958,404</b>

9.2 The planned maintenance element has been developed from stock condition information and costs provided by David Adamson and Partners in 2022.

## 10. Reactive maintenance

10.1 The table below outlines the Co-operative's categories and targets for reactive repair work.

Table 5 REACTIVE REPAIR DESCRIPTIONS

Category of reactive repair	Target Timescale	Brief Description
Emergency	Made safe within 4 hours	These are problems which put at risk the health, safety or security of the tenant, or when a delay could result in significant damage to property. An out of hours emergency service is in operation for tenants.
Urgent	Complete within two working days	These are problems that cause a loss of facility to the tenant or could cause deterioration to structure, fabric, fixtures, fittings, appliances or services to a building.
Routine	Complete within five 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 Co-operative 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.

10.2 Key performance indicators for reactive maintenance are submitted annually to the Scottish Housing Regulator and reported to tenants via an annual report card. Key performance for 2021/22 includes:

- Average time to complete emergency repairs. This increased slightly from 2.66 hours the previous year to 2.73 hours. In comparison, the Scottish average for housing associations in 2021/22 was 3.01 hours.

- Average time to complete non-emergency repairs. This reduced from 4.5 days the previous year to 4.37 days. In comparison, the Scottish average for housing associations in 2021/22 was 6.97 days.
  - Percentage of reactive repairs completed right first time. This increased from 88.56% the previous year to 94.96%. In comparison, the Scottish average for housing associations in 2021/22 was 89.02%.
- 10.3 Although performance improved in two out of the three KPI's, these areas continued to be directly affected by the COVID-19 pandemic. In accordance with Government guidance all non-essential repairs within tenants' homes were put on hold during periods when level 4 restrictions were in place. Over these periods requests for non-essential repairs were recorded and jobs released to coincide with restrictions being lifted. The time to complete these jobs has been calculated from the initial report date and as such, a number of non-emergency jobs have exceeded target time scales, impacting upon the average days to complete non-emergency repairs and right first time. Additionally in 2021/22 shortages in materials and labour adversely affected performance as the impact of Brexit and the war in Ukraine impacted labour and material supplies.
- 10.4 Over this period, we have maintained effective communication with our tenants, keeping them informed of changes to services and restriction levels. We have also worked closely with our contractors to adopt new ways of working and ensure that services were primed to commence upon restrictions being lifted.
- 10.5 As part of a DRUMCOG initiative, the Co-operative entered a new framework agreement for reactive maintenance in June 2021. This has increased the number of local contractors who carry out work for the Co-operative, improving opportunities for local businesses and the wider community. Reactive maintenance has been operating via a framework since 2017 overall performance continues to be excellent and is considerably higher than the Scottish average.
- 10.6 To enhance reporting, the Co-operative appointed a consultant to develop a suite of be-spoke performance reports. This has improved reporting on an individual contractor basis in relation to job type, frequency and cost, helping to ensure that tenants receive high quality services that represent value for money.

10.7 Reactive maintenance, including void works incur an annual expenditure of circa £185,000 and through effective programmes of cyclical and planned maintenance, reactive costs should remain relatively constant.

## 11. Cyclical maintenance

11.1 A programme of cyclical maintenance takes place annually to ensure the safety of tenants, preservation of building components and the provision of clean, attractive environments. The Cyclical Maintenance budget for the period of this plan is detailed below:

Table 6 CYCLICAL EXPENDITURE

Year	Expenditure
2022/23	£273,415
2023/24	£222,512
2024/25	£304,063
Total	£799,990

11.2 Elements of the cyclical programme include:

- Gas servicing and maintenance
- External paintwork
- Ground maintenance
- Environmental/close cleaning
- Gutter cleaning
- Stair lighting
- Legionella inspections and prevention measures
- Roof anchor inspections
- CO alarms/smoke detectors
- Electrical safety checks
- Asbestos surveys

11.3 Gas servicing and maintenance is a key element of the cyclical programme. The Co-operative carries out servicing of all gas appliances on an annual basis to ensure the safety of tenants and compliance with legislation. Independent quality audits are also carried out on a 10% sample of gas properties to ensure that relevant standards are achieved.

- 11.4 The Co-operative has a robust system to ensure gas appliances are serviced timeously and works collaboratively with our contractor, City Building, to ensure that legislative requirements are met. In 2021/22 gas safety checks were carried out to all appliances within the anniversary of their previous inspection, despite the challenges associated with the pandemic.
- 11.5 The Co-operative has progressed the removal of cold-water storage tanks in favour of a direct cold-water supply and only a small number of tanks remain. This will continue over the next year, to reduce the risk of legionella and eliminate costs associated with annual inspections and treatment of tanks. A risk assessment of legionella was carried out in 2019/20 by specialist consultants (ACS Risk) and management arrangements revised to ensure compliance with legislation.
- 11.6 The Co-operative maintains an asbestos register of the organisations pre 2000 stock. This is informed by:
- periodic sampling, in accordance with consultants' recommendations
  - conducting full, disruptive surveys within voids
  - conducting surveys prior to planned improvement works
- 11.7 During the last two years, additional surveys have been progressed to communal areas and selective phases of development, to improve data intelligence and ensure compliance. We have also progressed the opportune removal of previously encapsulated asbestos containing materials (ACM's), when properties have become void or are subject to investment work.
- 11.8 This has reduced the number of properties known to contain ACM's to just two. Both relate to low-risk ACM's which are contained within bitumen floor tiles and are being managed, in accordance with surveyors' recommendations.
- 11.9 In addition, our asbestos management arrangements were reviewed by Consultants to ensure continued compliance and best practice.
- 11.10 Electrical testing and inspection is carried out every 5 years. This has been reviewed in accordance with revised legislation that came into effect on 31 March 2022.

## 12. Planned maintenance

12.1 Planned maintenance relates to the programmed replacement of component parts of a building. All building components have an estimated lifespan and individual condition is verified during stock condition surveys. Examples of component life spans are as follows:

- gas heating boilers - 15 Years
- gas heating radiators - 30 Years
- kitchen units - 20 Years
- bathroom sanitary ware - 25 Years
- windows - 25 Years

12.2 Stock condition information provided by David Adamson and Partners has resulted in a detailed programme for component replacement, together with updated cost projections for the next 30-years. This information is used by the Co-operative's financial services provider, FMD Financial Services Ltd. to update the Business Plan. Life cycle costs were reviewed in 2022 and expenditure on planned maintenance over the next 30 years is estimated at £21.5m (from 30 year projections)

12.3 Despite contracts being in place, the planned maintenance programme for 2020/21 proved difficult to progress due to the Covid-19 pandemic and associated restrictions. Board made the very difficult decision to move the 5-year plan back by one year.

12.4 Historically our planned maintenance programs take place in the latter half of the year. Board had made the very difficult decision to move the 5-year plan back by one year in the previous year. In an attempt to negate the impact this had on tenants we ensured our 2021/22 program commenced in the first quarter of the year and all programmes for window replacement, bathroom replacement and kitchen and boiler replacement were complete before the turn of the year.

12.5 The Co-operative intends to invest £1,222,894 on planned maintenance over the period of this plan as illustrated in the table below:

Table 7 PLANNED PROGRAMME – EXPENDITURE

Planned (Capital) Programme	2021/22	2022/23	2023/24	Total
Windows	113,910	110,683		
Bathrooms	108,231	99,042		
Kitchens	110,371	92,466	276,461	
Boilers	56,991	60,881	184,391	
Gas Heating systems	7,293			
Doors - Dwellings	1,091	1,083		
<b>TOTAL</b>	<b>£397,887</b>	<b>£364,155</b>	<b>£460,852</b>	<b>£1,222,894</b>

- 12.6 Fire detection systems were upgraded in all of our properties prior to the February 2022 deadline.
- 12.7 The Co-operative's procurement policy was reviewed in October 2020 with a small amendment agreed by Board in November 2021. To realise improved value for money, select procurements have been progressed via frameworks, including the Scottish Procurement Alliance and Scotland Excel. Planned maintenance contracts have also been procured over multiple years and or include options to extend, improving flexibility and value for money. This may prove advantageous, during the Covid-19 recovery period as prices have been agreed and programmes can be primed for early commencement in subsequent years.

### 13. Adaptations

- 13.1 The Co-operative endeavours to support tenants in their own homes when affected by age, illness, disability or deteriorating health. To accommodate this, the organisation is allocated funding by Glasgow City Council to carry out major adaptations. Over the last few years, funding has been increased to £30,000 to meet the demand for this service and this has been replicated in 2021/22. In addition, to meet tenants changing needs, the organisation has committed to self-fund further adaptations, where possible, by utilising reactive maintenance underspends.
- 13.2 Over the course of 2021/22 the Co-operative carried out 11 adaptations totalling £20,956 and completed them within an average time of 35.27 days.

The number of adaptations completed reduced and time to complete increased compared to the previous year which can be attributed to the continuing impact of covid on all agencies/contractors involved.

## 14. Void analysis

- 14.1 Prior to 2014 the Co-operative's void performance was a cause for concern. A void improvement plan was subsequently implemented, embracing best practice and developing partner arrangements with support agencies.
- 14.2 The revised practices transformed performance in this area as illustrated in the tables and figures below with average re-let times reducing to under 5 days in 2019/20. During 2020/21 the Covid-19 pandemic extended the average timescales to re-let properties to 12.55 days. This was due to a combination of factors, including restrictions on allocations, availability of contractors and difficulties relating to labour and materials. Over this period, we sourced alternative contractors, adapted to new ways of working and worked closely with the homeless persons team to provide accommodation for homeless persons/households.

Table 8: VOID PERFORMANCE

Measure	2017/18	2018/19	2019/20	2020/21	2021/22
Number of Voids	42	30	34	31	25
Average re-let time (days)	6.24	8.12	4.82	12.55	15.16
Lettable Stock	460	460	460	460	460
% Stock Turnover	9.1%	6.52%	7.39%	6.47%	5.22%
Rental Loss	£2,908	£3,170	£1,930	£4,825	£4,323
% Rental Loss	0.15%	0.16%	0.09%	0.23%	0.21%



Figure 10 VOID RENTAL DAY LOSS PER YEAR 2017-2022

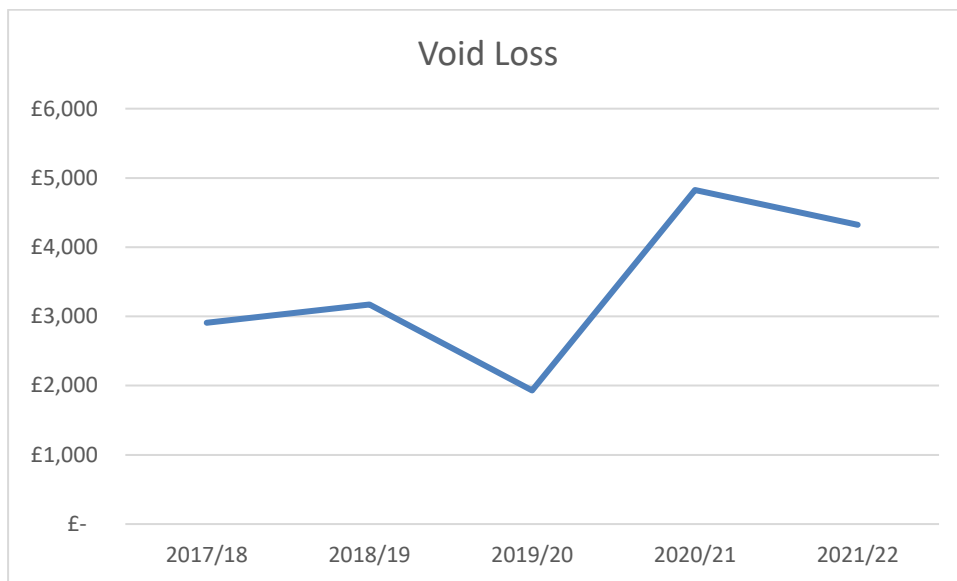
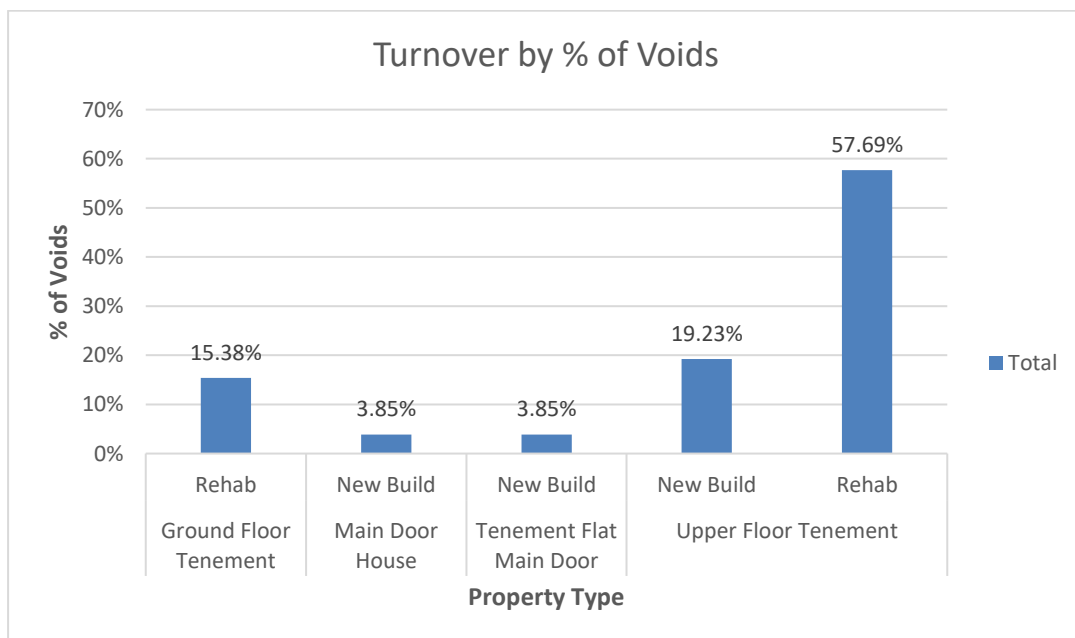


Figure 11 TURNOVER BY % OF VOIDS 2021/22



14.3 In the last few years void levels have fallen but this is likely due to the impact of the pandemic. Figure 11 shows variations in turnover between build and property types and shows that tenement flats are more likely to become void, especially within the older rehabilitated stock. Despite this, properties continue

to be allocated quickly with minimal rent loss as illustrated in table 8 and figure 10, although impact of the Covid -19 Pandemic is evident in 2020/21.

- 14.4 The organisation also collects information on termination reasons, via exit surveys to identify trends and establish if other measures can be taken to help sustain tenancies and reduce turnover.

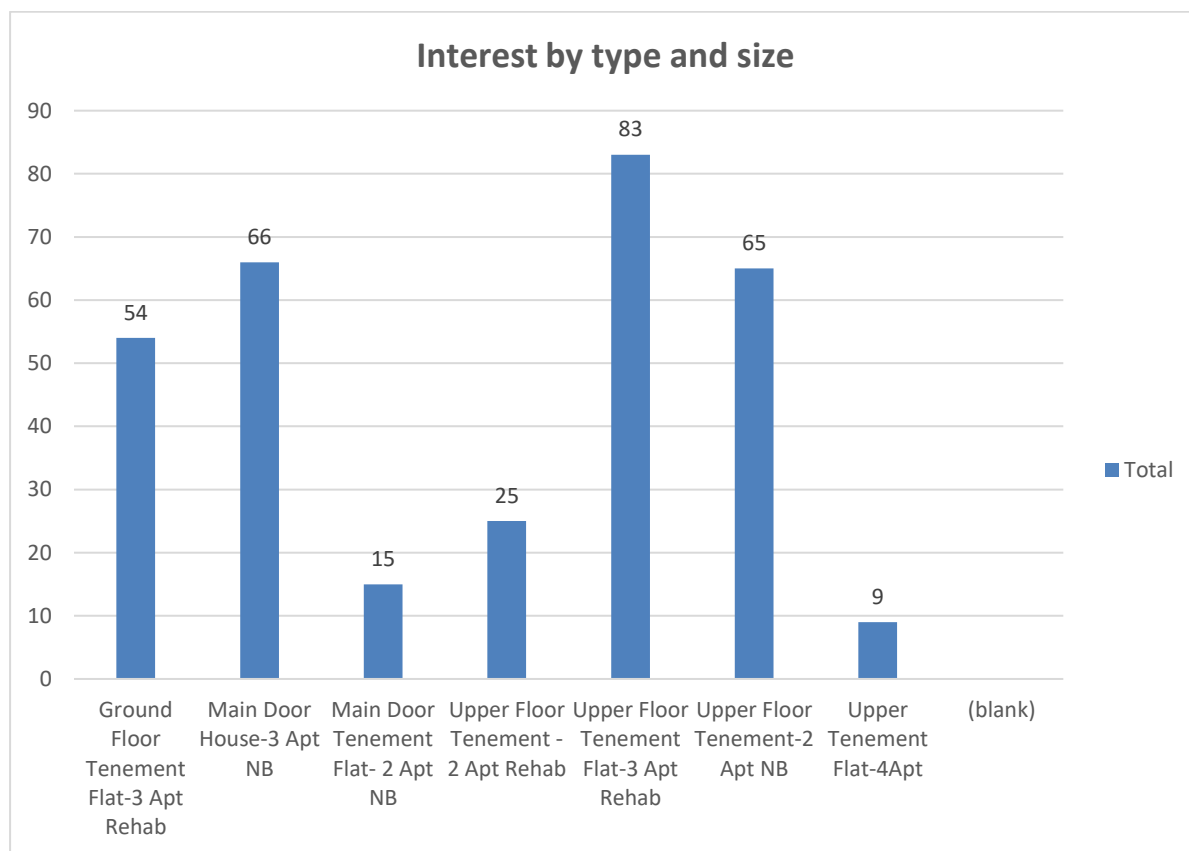
## 15. Demand

- 15.1 The Co-operative operates a choice-based lettings/allocations policy, which allows applicants to express an interest in properties that become available. This provides a realistic picture of demand, eliminating speculative applications which are sometimes associated with waiting lists.
- 15.2 Table 9 below shows properties let during 2021/22 by apartment size and type, and figure 12 illustrates corresponding registrations of interest.

Table 9 PROPERTIES LET 2021/22

Property Size & Type	New Build	Rehab	Total
<b>2 Apartment</b>			<b>8</b>
Main Door Tenement Flat	1		1
Upper Floor Tenement	5	2	7
<b>3 Apartment</b>			<b>16</b>
Ground Floor Tenement Flat		4	4
Upper Floor Tenement Flat		11	11
Main Door House	1		1
<b>4 Apartment</b>			<b>1</b>
Upper Tenement Flat		1	1
<b>Grand Total</b>	<b>7</b>	<b>18</b>	<b>25</b>

Figure 12 INTEREST BY TYPE AND SIZE



15.3 Figure 12 highlights the preference that exists for main door houses and the Co-operatives newer stock, in general.

15.4 During 2021/22, there were 30 offers of housing made to potential applicants, 8 of which were refused (26.67%). Despite this, all properties were subsequently accepted by other applicants, with minimal delay and or rent loss.

## 16. Stock performance

16.1 Stock turn over and demand analysis demonstrates that that main door houses - which most families aspire to - together with the Co-operative's newer properties are in highest demand and less likely to become void.

16.2 The older re-habilitated stock is less favourable; however, due to revised management arrangements, recent investment programmes and robust estate management, occupancy levels have improved and there are no long-

term voids. Where turn over does arise, properties are allocated quickly with minimum rent loss.

- 16.3 In 2015, prior to the introduction of the void improvement plan, a feasibility study examined options for the Co-operative's older, rehabilitated stock. The study looked at a range of possibilities to enhance stock performance, including:
- remodelling
  - environmental improvements
  - options to enhance energy efficiency and improve the aesthetic appearance of the blocks
- 16.4 The costs associated with this work proved restrictive and the Co-operative has subsequently focused its attention on:
- delivering planned maintenance programmes that focused on tenant's priorities
  - providing effective cyclical maintenance, including 5 yearly painting programmes
  - robust estate management, including close cleaning, open space maintenance, bulk presentation and bin cleaning services
  - provision of an estate caretaker/handyman service to compliment the above and ensure communal areas are well maintained
- 16.5 Bathroom and window replacements have had a positive impact upon our older properties and approximately £800k will also be invested in this stock over the period of the plan.
- 16.6 It will be important to continue to engage with tenants who reside within these properties to ensure that:
- emerging issues are identified and responded to quickly
  - their views are recognised and incorporated within the Co-operative's future plans
- 16.7 The development of new houses for social rent has commenced in close proximity to the Co-operative's stock and there is a possibility that this could impact on future demand. This will need to be monitored closely and steps taken to mitigate any potential risk.

- 16.8 Following our move to low engagement and completion of the recent option appraisal, the opportunity exists to explore the viability of developing new homes.
- 16.9 Information relating to stock performance is currently extracted from the housing management system (SDM) via a range of separate reports. To improve business intelligence and enhance decision making, the Co-operative will review how this is managed during the period of the plan.

## 17. Rents

- 17.1 Affordability of rents and related services is critical if the Co-operative is to remain a landlord of choice and assist tenants through the current economic climate.
- 17.2 The Co-operative’s rents are slightly higher than some local housing providers and to improve affordability, rent increases have been kept as low as possible. In 2019/20 the rent increase was restricted to CPI only (1.5%) followed by a rent freeze in 2020/21. The rent increase of 2.1% in 2021/22 reflected half of CPI in response to the impact of the pandemic and to bring our rents more in line with other providers.
- 17.3 An independent Affordability Assessment of rents and service charges was carried out in 2020/2021 and a review of charges is scheduled to take place over the next 12 months.
- 17.4 Effective rent collection and minimising arrears is essential to our business and performance in this area has been very strong. In 2021/22 there was a change in the way in which we calculated gross rent arrears % due to improvements in our IT. This provides a more accurate position as we are now able to separate housing benefit due but not paid for tenants in arrears rather than a total due for all tenants. This is reflected in the performance recorded for 2021/22 and is shown in the table below:

Table 10 RENT ARREARS/COLLECTION POSITION 2017-2021

	2017/18	2018/19	2019/20	2020/21	2021/22
Gross Rent Arrears	2.04%	1.96%	1.73%	1.94%	3.23%
% of Rent collected	100.39%	99.93%	99.32%	98.90%	101.06%

17.5 Performance in 2021/22 continued to be impacted by the Covid-19 pandemic, but perhaps the impact of increased cost of living, in particular utility bills have affected tenants and created financial hardship more so than covid in 2021/22, via reduced incomes, increased living expenses and unemployment. During this period, additional assistance was provided, including:

- access to welfare benefits advice
- assisted tenants to make grant applications to various organisations including the Scottish Welfare Fund
- sign posting and referrals to other organisations to access assistance and advice, such as food banks
- provision of sustainment fund to provide emergency financial assistance for food, utilities and basic household requirements
- securing financial assistance through Housing Associations Charitable Trust (HACT) for utility vouchers

17.6 By providing the above support and maximising income, it is anticipated that financial impact for both tenants and the organisation will have been reduced. As rents are our main source of income, looking forwards, income management will be particularly important over the next 12 months to support tenants during the cost of living crisis.

## 18. Performance monitoring and value for money

18.1 Performance against the plan will be monitored by a range of methods, including:

- feedback from tenants via customer surveys, consultation events and at the point of service delivery
- analysis of monthly KPI's in relation to responsive maintenance and quarterly reports to the Management Board
- regular progress reports on planned maintenance to the Management Board, highlighting progress against the programme, customer feedback and contractor performance
- benchmarking performance against peer groups - Quality and Efficiency Forum (QEF) and DRUMCOG
- internal audit of key areas and implementation of recommendations
- progress against the actions identified within the Value for Money Statement

18.2 To benefit from economies of scale, increased efficiency and enhanced value for money, the Co-operative will continue to seek opportunities to procure supplies, services and works collaboratively with DRUMCOG and or other registered social landlords and utilise public frameworks and dynamic purchasing systems, where appropriate. Listed below are the most recent collaborative procurements that have taken place:

- Gas maintenance and servicing
- Reactive maintenance
- Open space maintenance
- Close cleaning and environmental services

## 19. Risk management

19.1 Strategic risks relating to the Asset Management Plan are included with the Co-operative's risk matrix and monitored via an action tracker. Progress against the actions are reported quarterly to the Audit Risk and Staffing sub-Committee and the risk matrix is reviewed on an annual basis.

19.2 Key risks to the plan and organisation, together with mitigating factors are detailed in the risk matrix - Appendix 2.

19.3 The coronavirus pandemic resulted in unprecedented challenge to all sectors and organisations. The pandemic affected all areas of the Co-operatives business, including the provision of services to tenants and our strategic and operational activities.

19.4 As of April 2022 all covid restrictions were lifted and we are now well into the recovery period from Co-vid. Staff have returned full time to the office and all services have resumed. We will use the outcomes of our tenant satisfaction survey carried out in 2022 to improve our performance and to shape our future service delivery.

19.5 Although our performance was impacted by the pandemic, benchmarking with our peers has demonstrated that we have performed strongly throughout this period with void loss, average time to re-let, repairs satisfaction, rent collected, rent arrears all achieving top quartile performance.

19.6 The impact of Covid-19, reverberations from Brexit, a stagnant Eurozone, the Ukraine war, inflation volatility, worries of global economic slowdown and other world events - all contribute to the continuing financial uncertainty within the UK which itself continues to wrestle with a recently increased high level of

government debt, the deficit position and its own political events. RSL businesses are not immune from these events and impacts include high inflation, higher interest rates on bank loans, material & labour shortages amongst others may mean difficult decisions have to be made going forward. At the same time service level improvements are expected and these, along with changes in standards, bring potential for added risk.

19.7 Our financial consultant FMD Financial Services Ltd. have been carrying out additional stress testing to financial risks associated with the current economic climate in particular inflation rates to ensure that any negative impact can be accommodated within the Business Plan.

19.8 Internal audit is a key process in managing risk. The following areas have also been subject to internal audit in recent years:

- March 2018      Planned maintenance      Strong assurance
- Oct 2019        Responsive maintenance      Full assurance
- Jan 2021        Tenant Safety                      Reasonable assurance
- Oct 2021        Procurement                        Full Assurance

## 20. Stock valuation

20.1 The latest valuation carried out in March 2015 valued the Co-operative's total stock at £14,257,460.

20.2 The following tables illustrate the value of stock by phase and existing levels of loan security:

Table 11      STOCK VALUATION

Phase	Build Form	No Units	Valuation	Valuation per property
Phase 1	Rehabilitation	78	£1,698,000	£21,769
Phase 2	Rehabilitation	124	£2,375,000	£19,153
Phase 3	Rehabilitation	31	£717,000	£23,129
Phase 4	Rehabilitation	30	£776,000	£25,867
Phase 5	New Build	62	£2,118,000	£34,161
Phase 6	New Build	7	£346,000	£49,428
Phase 7	New Build	52	£1,975,000	£37,980
Phase 8	New Build	77	£3,372,000	£43,792
Phase 9	New Build	16	£573,000	£35,812
OFFICE	New Build	1	£250,000	£250,000
Phase 2	Rehabilitation – converted office	3	£57,460	£19,153



Table 12 COMPARISON OF SECURED/ UNSECURED STOCK

Total Stock Value	£14,257,460
Value of Secured Stock	£9,072,000
Value of Unsecured stock	£5,185,460
Loan Balance @ 31/03/2022	£1,864,458

20.3 The Co-operative currently has 237 unsecured properties (49% of its stock) and therefore has the capacity to borrow additional finance, if required.

## 21. Review

21.1 This plan will be reviewed in 2023/24 to take account of best practice and the anticipated publication of revised 'Strategic Asset Management Recommended Practice' by the Scottish Housing Regulator.

21.2 The following associated policies were reviewed in 2021/22:

- Asbestos Policy & Procedures

21.3 Both the Health & Safety Control manual and Health & Safety Landlord Safety manual were adopted. These has been developed by Employers in Voluntary Housing (EVH) in conjunction with ACS Risk and provide a comprehensive health and safety management system for Registered Social Landlords (RSL's). The manuals embrace best practice and incorporates policies, procedures and reference documents.

## 22. Conclusions

22.1 The stock condition survey carried out in 2022 demonstrates that the Co-operative's stock is in good general condition. 98.75% of properties meet the Scottish Housing Quality Standard (SHQS) and 99.2% are currently compliant with the Energy Efficiency Standard for Social Housing (ESSH). The recent stock condition survey means 58% of our properties have been fully surveyed in the last 5 years. This has improved the Co-operative's management information and reduced the organisations reliance on cloned data. In addition, 100% of properties have now been surveyed externally.

- 22.2 Life Cycle Costs were updated by David Adamson Group in July 2022 and estimate expenditure for planned maintenance over the next 30-years to be £21.5M (from 30 year projections).
- 22.3 Effective estate management has a considerable impact upon the quality of housing that the Co-operative provides, positively influencing existing and prospective tenants' choices.
- 22.4 Continued delivery of the planned maintenance programme is essential to:
- safeguard the organisations assets
  - positively influence demand, together with tenants' perceptions relating to value for money
  - keep reactive maintenance costs to a minimum
  - ensure that properties meet SHQS and EESSH requirements
  - meet tenants' expectations
- 22.5 The review of EESSH2 has been brought forward to commence this year, for completion in 2023. The review will consider both energy efficiency upgrades and the deployment of zero emissions heating systems together in order to build understanding of the impacts on outcomes for tenants. This will provide certainty to the sector to guide their retrofit and investment planning. Careful consideration will be required to ensure that tenants receive value for money as social housing moves towards a carbon neutral future. This will be informed by sector thinking, Government strategy, Local Heat and Energy Efficiency Strategies (LHEES), together with advances in technology.
- 22.6 Over the course of the plan, the organisation will continue to review the way in which asset performance information is obtained and managed, to improve business intelligence and identify emerging issues at an early stage.
- 22.7 More than ever demonstrating value for money is of utmost importance to ensure that properties are well maintained, affordable and attractive to tenants. Progressing the actions included within the organisations value for money statement will be key to achieving this.
- 22.8 To realise economies of scale, increased efficiency and enhanced value for money, we will continue to seek opportunities to procure collaboratively and consider public frameworks and dynamic purchasing systems, where appropriate.

- 22.9 The Co-operative will continue to maintain a holistic view to sustainability, recognising the positive influence that service excellence, housing quality and environmental management have upon the allocation of less desirable stock.
- 22.10 Effective engagement with tenants is vital to ensure that their views, needs and aspirations are recognised and incorporated within the Co-operative's plans. This will be especially the case where negative trends in demand are identified, to facilitate early intervention.
- 22.11 There is a possibility that the provision of new housing within Drumchapel could influence demand and this will need to be closely monitored, to ensure that we can respond positively to any changes.
- 22.12 Following the move to low engagement and completion of the recent option appraisal, the opportunity exists to explore the viability of new build development. This would be welcomed by tenants; however, will require careful consideration and appropriate risk analysis of any proposed development.
- 22.13 The coronavirus pandemic and now the cost of living crisis has resulted in unprecedented challenge for the organisation and affected all areas of business. Although we have responded positively to the challenge thus far, further obstacles may arise and ensuring our stock is maintained and improved whilst still supporting tenants through the challenging period ahead will be critical. The development of new ways of working provides an opportunity to learn from our experiences and consider how services could be shaped and improved.

## Development phase information

### PHASE 1

Addresses	86 – 98 Southdeen Avenue 15 – 31 Southdeen Road				
Date Built/Rehabilitated	1988			Rehabilitation	
	Closes			Flats/Houses	
Property Numbers	15			78	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	0	69	9	0	<b>78</b>
4 in a block	0	0	0	0	<b>0</b>
Other Flat/ Maisonette	0	0	0	0	<b>0</b>
House	0	0	0	0	<b>0</b>
<b>TOTAL</b>	<b>0</b>	<b>69</b>	<b>9</b>	<b>0</b>	<b>78</b>

### PHASE 2

Addresses	110-118 Linkwood Drive 3 – 21 Merryton Avenue 76 - 82 Southdeen Avenue 3 – 7 Southdeen Road  NB: flats 0/1, 0/2 & 0/3 at 3 Merryton Avenue were created in 2016 via the conversion of a former office.				
Date Built/Rehabilitated	1989/90			Rehabilitation	
	Closes			Flats/Houses	
Property Numbers	19			127	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	11	107	8	0	<b>126</b>
4 in a block	0	0	0	0	<b>0</b>
Other Flat/ Maisonette	0	0	0	1	<b>1</b>
House	0	0	0	0	<b>0</b>
<b>TOTAL</b>	<b>11</b>	<b>107</b>	<b>8</b>	<b>1</b>	<b>127</b>

### PHASE 3

Addresses	12 – 18 Merryton Avenue				
Date Built/Rehabilitated	1993			Rehabilitation	
	Closes			Flats/Houses	
Property Numbers	4			31	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	2	26	2	0	<b>30</b>
4 in a block	0	0	0	0	<b>0</b>
Other Flat/ Maisonette	0	0	0	1	<b>1</b>
House	0	0	0	0	<b>0</b>
<b>TOTAL</b>	<b>2</b>	<b>26</b>	<b>2</b>	<b>1</b>	<b>31</b>

**PHASE 4**

Addresses	2 – 72 Southdeen Road				
Date Built/Rehabilitated	1996			Rehabilitation	
	Closes			Flats/Houses	
Property Numbers				30	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	0	0	0	0	<b>0</b>
4 in a block	0	0	0	0	<b>0</b>
Other Flat/ Maisonette	0	0	0	0	<b>0</b>
House	0	10	8	12	<b>30</b>
<b>TOTAL</b>	<b>0</b>	<b>10</b>	<b>8</b>	<b>12</b>	<b>30</b>

**PHASE 5**

Addresses	41 – 63 Carolside Drive 105 – 115 Linkwood Drive Linkwood Gardens 4 – 10 Merryton Avenue 101 – 113 Tallant Road				
Date Built/Rehabilitated	1999			New Build	
	Closes			Flats/Houses	
Property Numbers	6			62	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	18	6	0	0	<b>24</b>
4 in a block	4	0	0	0	<b>4</b>
Other Flat/ Maisonette	10	0	0	0	<b>10</b>
House	0	10	8	6	<b>24</b>
<b>TOTAL</b>	<b>32</b>	<b>16</b>	<b>8</b>	<b>6</b>	<b>62</b>

**PHASE 6**

Addresses	1 – 7 Ledmore Drive				
Date Built/Rehabilitated	1999			New Build	
	Closes			Flats/Houses	
Property Numbers	1			7	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	4	0	0	0	<b>4</b>
4 in a block	0	0	0	0	<b>0</b>
Other Flat/ Maisonette	0	0	0	0	<b>0</b>
House	0	2	0	1	<b>3</b>
<b>TOTAL</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>7</b>

**PHASE 7**

Addresses	29 – 39 Carolside Drive 117 – 131 Linkwood Drive Linkwood Grove 52A – 70B Southdeen Avenue Southdeen Grove				
Date Built/Rehabilitated	2002			New Build	
	Closes			Flats/Houses	
Property Numbers	0			52	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	0	0	0	0	<b>0</b>
4 in a block	24	0	0	0	<b>24</b>
Other Flat/ Maisonette	0	0	0	0	<b>0</b>
House	0	8	16	4	<b>28</b>
<b>TOTAL</b>	<b>24</b>	<b>8</b>	<b>16</b>	<b>4</b>	<b>52</b>

**PHASE 8**

Addresses	Kinclaven Avenue Kinclaven Gardens Kinclaven Place 83 – 99 Linkwood Drive 55 – 75 Merryton Avenue Merryton Gardens				
Date Built/Rehabilitated	2003			New Build	
	Closes			Flats/Houses	
Property Numbers	0			77	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	0	0	0	0	<b>0</b>
4 in a block	12	8	0	0	<b>20</b>
Other Flat/ Maisonette	0	0	0	0	<b>0</b>
House	0	16	29	12	<b>57</b>
<b>TOTAL</b>	<b>12</b>	<b>24</b>	<b>29</b>	<b>12</b>	<b>77</b>

**PHASE 9**

Addresses	56 – 76 Merryton Avenue				
Date Built/Rehabilitated	2005			New Build	
	Closes			Flats/Houses	
Property Numbers	1			16	
	<b>2 apt</b>	<b>3 apt</b>	<b>4 apt</b>	<b>5+ apt</b>	<b>TOTAL</b>
Tenement Flat	3	0	3	0	<b>6</b>
4 in a block	0	0	0	0	<b>0</b>
Other Flat/ Maisonette	5	1	1	0	<b>7</b>
House	0	0	3	0	<b>3</b>
<b>TOTAL</b>	<b>8</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>16</b>

## Appendix 2 - Risk Matrix June 2022

Red indicates a high risk

Amber indicates a medium risk

Green indicates a low risk

No	Hazard area	Risk/consequence	Likelihood 1 to 6	Impact 1 to 5	Risk rank (1 to 30)	Mitigation in place	Risk owner (secondary in brackets)	Rank if mitigation successful	Budgetary implications (if included in budget then "none at present")
<b>Strategic risks – corporate, governance and finance</b>									
<b>S1</b>	Inflation/Cost of Living crisis	<ul style="list-style-type: none"> <li>Inflationary pressures leading to higher costs</li> <li>Cost of living increasing rapidly- utility bills, food, fuel all increasing- impact on tenants ability to prioritise and pay their rent and therefore arrears increase</li> <li>Increased costs for organisation for planned, cyclical and reactive repair programs.</li> <li>Impact of Brexit and Ukraine conflict on supply of materials/goods etc could delay planned maintenance programs</li> </ul>	5	4	20	a) SHR guidance b) FMD stress-testing <b>within budgets to allow ample headroom for uncertainty</b> c) Training staff to signpost tenants to agencies to support them if applicable d) Managing sustainment fund to help those in need e) Sourcing available funding streams to support tenants e.g. Aberlour, HACT (Energy Hardship Fund) Scottish Welfare Fund f) Maximising tenants' income by offering Welfare Benefit Appointments g) Early intervention in arrears to avoid escalation h) Monitoring budgets very closely to stay within budget levels i) Aiming to have planned maintenance procurement in place so that actual programs are on site and completed early in the year to allow time should any supply issues arise. j) To combat the impact of increasing costs the Co-operative continues to use procurement to ensure value for money with planned and	FMD/Dir	4x4 <b>16</b>	None at present

		Market uncertainty				cyclical maintenance. Reactive maintenance requires quotes are sought for applicable jobs.			
<b>S3</b>	Cyber fraud	<ul style="list-style-type: none"> <li>Data loss</li> <li>Hacking</li> <li>Financial loss</li> <li>Reputational damage</li> </ul>	<b>4</b>	<b>4</b>	<b>16</b>	<ul style="list-style-type: none"> <li>a) Appropriate protection in place</li> <li>b) Adequate insurance in place</li> <li>c) Disaster recovery plan</li> <li>d) All staff receive specific training on cyber-crime and cyber security</li> <li>e) New ICT consultant in place from July 2019 – review of cyber security ongoing – installed enhanced security i.e. LibraESVA and Webroot</li> <li>f) Paper to Board re: Scottish Housing Regulator letter dated 22 October 2019</li> <li>g) Updates from National Cyber security Centre being reviewed and implemented - issued 7 April 2020 by SHR.</li> <li>h) Two step authentication in place where applicable ie credit cards</li> <li>i) Review of Cyber security to take place in 22/23 – National Cyber Security Centre to be approached to carry out review</li> </ul>	<b>Dir/DD</b>	<b>4 x 4 16</b>	<b>None at present</b>
<b>S9</b>	Board capacity and prioritisation	<ul style="list-style-type: none"> <li>The scope and size of change place strain on the Board's capacity and ability to prioritise work reasonably, this resulting in delays and deferrals in implementing the changes with falling morale</li> </ul>	<b>4</b>	<b>4</b>	<b>16</b>	<ul style="list-style-type: none"> <li>a) Board effectiveness review conducted in December/January 2021 with positive outcomes and Action plan developed to implement recommendations Board numbers have been subject to fluctuation - continued focus on recruitment and succession planning is a priority</li> <li>b) At AGM 2021 thirteen members recruited onto the board</li> <li>c) At 2022 Strategy day it was agreed to form a working group of Board members/staff to actively recruit, carrying out door step visits</li> </ul>	<b>Dir</b>	<b>4 x 4 16</b>	<b>None at present</b>



		<ul style="list-style-type: none"> <li>• Low morale within Board may lead to resignations</li> <li>• The number of Board members reduces to the minimum seven Regulatory Standard Compliance</li> </ul>				etc and to look at strategies to attract and retain Board members going forward			
<b>S13</b>	Failure to comply with health and safety legislation	<ul style="list-style-type: none"> <li>• Threat of injury to individuals and associated costs</li> <li>• Damage to reputation of Co-operative Serious injury or fatality caused by failure to observe H&amp;S requirements. Criminal liability</li> </ul>	<b>3</b>	<b>5</b>	<b>15</b>	<p>a) DHCL have adopted both Health and Safety Control Manual and Landlord Safety Manual which have been developed by Employers in Voluntary Housing (EVH) in conjunction with ACS Risk and provide a comprehensive health and safety management system for Registered Social Landlords (RSL's). The manuals embrace best practice and incorporate policies, procedures and reference documents</p> <p>b) H&amp;S issues are reported to Board</p> <p>c) Biennial H&amp;S audit of Control manual - office and Staff carried out via EVH and conducted by ACS Risk in 2020/21 was positive, demonstrating compliance, and an action plan developed to progress recommendations</p> <p>d) Range of health and safety training was provided to staff in 2019/20, in accordance with audit recommendations, including job specific i.e. legionella, Asbestos, Gas and Electrical safety</p> <p>e) Review of tenants' safety carried out in 2020/21 to assess compliance and actions/activities required</p> <p>f) Legionella risk assessment and management arrangements were revised by ACS 2019/20 and Management of asbestos is currently being reviewed</p> <p>g) Audit of tenant safety, including fire, gas, asbestos, Legionella, and electrical safety</p>	<b>Dir/TM</b>	<b>3 x 4 12</b>	<b>None at present</b>

						<p>was carried out in 2020/21 - findings were positive, demonstrating compliance with minor recommendations</p> <p>h) Covid -19 Risk assessments have been carried out and new ways of working implemented, in accordance with government guidance. Home working DSE assessments have been conducted. Wellbeing considerations have been implemented with mindfulness sessions made available for all staff. Contractors are progressing works in accordance with Government guidance and risk assessments reviewed</p> <p>i) RF safety have been employed as competent person giving DHCL professional and technical assurance of compliance</p>			
<b>O9</b>	Failure to deliver planned maintenance programme	<ul style="list-style-type: none"> <li>• Stock fails to meet expectations of customers, and this leads to a drop in demand</li> <li>• Integrity and/or condition of stock is compromised</li> <li>• External factors such as material/labour shortages and increase in labour/material costs</li> </ul>	<b>4</b>	<b>3</b>	<b>12</b>	<p>a) Planned maintenance programme brought up to date in March 2019</p> <p>b) 5-year investment plan developed and communicated to tenants</p> <p>c) Stock condition surveys carried out every 3 years - Last surveyed in March 2019 - 98.5% of stock compliant with SHQS, with 38% of stock fully surveyed within the last 5 years</p> <p>d) 30-year life cycle costs are updated annually by David Adamson &amp; partners</p> <p>e) Projects on site in first quarter 2021/22, following pandemic lockdown restrictions</p> <p>f) Contracts procured over multiple years to accommodate early progression of work in subsequent years</p> <p>g) Ensuring best value by procuring for planned maintenance programs</p>	<b>TM</b>	<b>4 x 3 12</b>	<b>None at present</b>

<b>S12</b>	Internal fraud/ attempted fraud committed by staff	<ul style="list-style-type: none"> <li>Loss of operational stability and reputational damage. Regulator may invoke its statutory powers. Co-operative's autonomy threatened</li> </ul>	<b>2</b>	<b>5</b>	<b>10</b>	<ul style="list-style-type: none"> <li>a) Segregation of duties makes it difficult for one person to act alone; collusion would therefore be required</li> <li>b) Fraud register in place</li> <li>c) Staff and Board encouraged to "ask questions" – culture of openness and transparency being promoted</li> <li>d) Fraud policy</li> <li>e) Safeguarding updates for Board and staff on fraud.</li> <li>f) Staff and Board training carried out October 2021 on whistleblowing.</li> </ul>	<b>Dir</b>	<b>2 x 4 8</b>	<b>None at present</b>
<b>O7</b>	Gas servicing programme	Failure to maintain gas appliances could result in injury or fatality	<b>2</b>	<b>5</b>	<b>10</b>	<ul style="list-style-type: none"> <li>a) Annual gas servicing in place and progressed on ten-month cycle to ensure safety checks are completed within anniversary date and forced access progressed as required</li> <li>b) CO detectors are tested as part of the annual service</li> <li>c) Improved reporting via SDM dashboard has assisted validation</li> <li>d) Independent gas audits are carried out – 10 % of servicing</li> <li>e) Effective partnership working, contractor performance and communication with tenants have assisted servicing during the Pandemic – 100% compliance</li> </ul>	<b>TM</b>	<b>2 x 4 8</b>	<b>None at present</b>
<b>S6</b>	Staff restructure	<ul style="list-style-type: none"> <li>Service disruption/ failure</li> <li>Employment disputes</li> <li>Failure to meet budget reductions</li> </ul>	<b>3</b>	<b>3</b>	<b>9</b>	<ul style="list-style-type: none"> <li>a) Staff are now on full EVH conditions of service and this has been welcomed</li> <li>b) Culture of transparency and openness now in place</li> <li>c) Co-operation agreement ended by Cernach HA January 2020</li> <li>d) Option appraisal complete and new Director in post</li> <li>e) Review of roles and responsibilities prior to staff restructure</li> <li>f) Several staff are in temporary promoted posts to ensure business continuity</li> </ul>	<b>Board/Dir</b>	<b>2 x 3 6</b>	<b>Still to be established</b>

						<ul style="list-style-type: none"> <li>g) Using temp agency staff to fill vacant posts until restructure completed</li> <li>h) Staff have been advised there will be no redundancies as result of staff structure review.</li> </ul>			
<b>S14</b>	Failure to comply with the new data protection regulations (GDPR)	<ul style="list-style-type: none"> <li>• Breach leading to SHR or ICO involvement, potential fine and reputational damage</li> <li>• Loss of confidence from customers and other</li> </ul>	<b>3</b>	<b>3</b>	<b>9</b>	<ul style="list-style-type: none"> <li>a) Staff and Board training on GDPR and staff training on FOISA (Freedom of Information (Scotland) Act 2002)</li> <li>b) Fair Processing Notices issued to tenants, applicants, staff and Board by 25 May 2018 and ongoing for new customers/employees; FPN updated in November 2019 due to FOISA requirements.</li> <li>c) Internal audit of GDPR in 2020/21 concluded that a sound system of controls was in place with some improvements suggested – in progress</li> <li>d) DPO (RGDP) appointed and helped to develop a GDPR action plan. Also provide guidance and support in relation to all matters relating to GDPR/FOISA</li> <li>e) GDPR addendum contracts have been signed by Contractors</li> <li>f) Confirmation of PCI compliance (Allpay)</li> <li>g) Key GDPR actions completed and data retention/removal on-going - current focus on electronic data</li> <li>h) FOISA compliance achieved on Website</li> <li>i) Regular meetings with CSA/Dir in progress to keep on track with tasks for GDPR/FOISA</li> <li>j) Clear desk policy implemented</li> </ul>	<b>Dir</b>	<b>2 x 3 6</b>	<b>None at present -</b>
<b>S10</b>	Challenge is made against the Association under the Equality Act	<ul style="list-style-type: none"> <li>• Financial implications</li> <li>• Intervention from the Regulator</li> <li>• Prosecution</li> </ul>	<b>2</b>	<b>4</b>	<b>8</b>	<ul style="list-style-type: none"> <li>a) Staff and Board training and attendance at seminars</li> <li>b) The Co-operative has an up to date policy document and a “zero tolerance” approach to any breaches</li> </ul>	<b>SMT</b>	<b>2 x 2 4</b>	<b>None at present</b>

		<ul style="list-style-type: none"> <li>Complaints to the Ombudsman</li> <li>Damaged reputation</li> </ul>				<ul style="list-style-type: none"> <li>c) Equality and diversity enshrined in all policies and equality impact assessments carried out as indicated</li> <li>d) Utilising Happy to Translate</li> <li>e) Staff training carried out in April 2021 with working groups established to develop ideas for improvement and action plan</li> <li>f) Action Plan approved October 2021</li> </ul>			
<b>S4</b>	IT Systems Failure	<ul style="list-style-type: none"> <li>Failure of IT systems or a critical element of them results in disruption to delivery of services</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>a) Business interruption plan in place, including complete system back-up to a cloud</li> <li>b) New providers in place from 1 July 2019 and performance/service monitored</li> <li>c) New server installed March 2020, now three servers supporting DHCL which gives improved capability should there be an IT Failure</li> <li>d) IT DRS System- installed by Brightridge October 2021</li> </ul>	Dir/SFO	2 x 2 4	None at present
<b>S5</b>	Policy review	<ul style="list-style-type: none"> <li>Policy review is not completed in reasonable timescales and new policies are not embedded in operational business</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>a) Best practice templates used to ensure adherence to good practice and improve efficiency in the policy review process</li> <li>b) Board will continue monitor adherence to revised policy work plan</li> <li>c) HR policy review complete</li> <li>d) Staff consultation taking place second quarter 2022 on HR policies</li> <li>e) A small amount of policy reviews delayed due to staff turnover but will be completed by year end</li> </ul>	Dir/DD	2 x 2 4	None at present
<b>S8</b>	Contracts and contract management	<ul style="list-style-type: none"> <li>Failure to establish contracts and contract management process results in failure to properly manage contract delivery and associated costs</li> </ul>	2	3	6	<ul style="list-style-type: none"> <li>a) Procurement training was carried out previously for all staff; additional specific training provided for senior management in April 2021</li> <li>b) Previous Internal audit of procurement practice gave “strong” assurance level with only two medium and two low priority recommendations – further audit due in July 2021</li> </ul>	DD/TM	2 x 2 4	None at present

						<p>c) Range of procurement has recently been progressed to including:</p> <ul style="list-style-type: none"> <li><b>a.</b> Environmental/close cleaning</li> <li><b>b.</b> Electrical inspection and testing</li> <li><b>c.</b> Gutter cleaning</li> <li><b>d.</b> Kitchen and boiler replacements</li> <li><b>e.</b> Bathroom replacements</li> <li><b>f.</b> Window replacement</li> <li><b>g.</b> Various consultants for capital projects</li> <li><b>h.</b> Gas maintenance</li> <li><b>i.</b> Reactive maintenance framework</li> </ul> <p>d) Procurement policy reviewed in 2020</p> <p>e) Contract register and approved contractors and consultants available on website</p> <p>f) Procurement audit completed September 2021 provided 'Full' assurance with one low level recommendation</p> <p>g) DHCL have employed the services of a procurement professional due to resignation of Technical Manager.</p>			
<b>O1</b>	Impact of Welfare Reform and changes to benefits	<ul style="list-style-type: none"> <li>• Changes in welfare reform results in loss of income and or greater tenancy support – bedroom tax, universal credit and shift to direct payments</li> <li>• Tax credit claimants- families are now migrating to Universal Credit</li> </ul>	<b>2</b>	<b>3</b>	<b>6</b>	<p>a) Effective information at sign up and communications to make tenants aware of requirements, options and support</p> <p>b) Under occupancy - Deficit currently paid by Scottish Government, assist tenants to move appropriately sized properties and consider incentives</p> <p>c) Provision of benefits advice from CAB (1 day per week) delivered from the office – effectiveness reviewed on regular basis</p> <p>d) Sustainability fund developed and other funding streams accessed i.e. Aberlour grants and Energy redress fund to maximise tenants incomes</p> <p>e) Effective monitoring and reporting</p> <p>f) Regularly publicise information regarding Universal Credit migration</p> <p>g) Keep abreast of changes, migration timetable</p>	<b>Dir/DD</b>	<b>2 x 3 6</b>	<b>None at present</b>

						h) Try to make suitable arrangements with tenants who end up in arrears due to switching to UC before applying for arrears direct as deductions can greatly impact tenants' income			
<b>O4</b>	Tenant expectation	<ul style="list-style-type: none"> <li>Tenants' expectations of service and housing quality increasing, leading to reduced satisfaction levels and increased pressure on resources /income</li> </ul>	<b>2</b>	<b>3</b>	<b>6</b>	a) Business plan updated August 2019 that continues to articulate vision/objectives with a strong focus on VFM b) Planned maintenance programme brought up to date in March 2019 c) 5-year investment plan developed and communicated to tenants – to be updated annually. d) Seek feedback on planned maintenance - 2019/20, 100% satisfaction with completed works. e) Ensure that stock is properly maintained - 99.1% of stock compliant with SHQS. Last surveyed in March 2019, with 38% of stock fully surveyed within the last 5 years f) Ensure that cost projections are up to date - 30-year life cycle costs were updated by David Adamson & partners in 2021 for inclusion in Business plan. g) SPSO complaints – monitor for trends. h) Seek regular feedback on services - satisfaction survey conducted in 2019/20 together with other feedback was positive: <ul style="list-style-type: none"> <li>a. 94.2% satisfaction with overall service</li> <li>b. 96.6% satisfaction with management of neighbourhood</li> <li>c. 99.2% satisfied with the quality of home</li> <li>d. rents reflecting value for money increased from 69.3% To 84.4%.</li> <li>e. 99.1% of tenants satisfied with repairs carried out</li> </ul> i) Seek tenants' views on how we can improve services and consultation via policy reviews j) Tenant satisfaction survey being carried out July 2022 by Research Resource Scotland	<b>DD/TM</b>	<b>2 x 3 6</b>	<b>None at present</b>

S7	Interest rate risk	<ul style="list-style-type: none"> <li>Bank interest rates increase results in higher costs of borrowing</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>a) Loans spread with one fixed rate, two base rate and the remaining four are Sonia compounded rate.</li> <li>b) LIBOR discontinued from 31 December 2021 – Four loans moved to Sonia compounded and two remained on base rate.</li> <li>c) Three loans were cleared in 21/22.</li> <li>d) Treasury management policy promotes effective management of loans and savings</li> <li>e) Ensure covenant compliance to avoid lender being able to re-negotiate rates – quarterly management accounts contain statement; monitored on an ongoing basis</li> <li>f) Bank of England base rate has increased from 0.25% in Dec21 to 1.25% June 2022 with experts forecasting interest rates will need to rise even higher to curb inflation</li> <li>g) In the event of higher-than-expected interest rate rises, the Co-operative could reasonably expect to repay some of the existing debt early from surplus cash. This would assist in negating in part the impact of increased rates.</li> </ul>	Dir/SFO/ FMD	2 x 2 4	None at present
O5	EESH 2 compliance/Carbon Neutral Agenda	<ul style="list-style-type: none"> <li>Failure to meet the deadlines for EESH 2 resulting in regulatory engagement</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>a) 99.16% of properties currently meet the EESH standard. Only 4 properties do not meet the current standard and are exceptions for social reasons - identified for heating replacement.</li> <li>b) EESH 2 2025 - no social housing is to be re-let below EPC Band D from December 2025, subject to temporary specified exemptions – 4 properties do not meet this standard, and they have been identified for heating replacement</li> <li>c) EESH 2 2032 - all social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible by the end of December 2032 and within the limits of cost, technology and necessary consent. Option</li> </ul>	TM	2 x 2 4	None at present



						<p>appraisals to be progressed with energy consultants over the next 2 years. This will be informed by sector thinking, Government strategy, Local Heat and Energy Efficiency Strategies (LHEES), together with advances in technology.</p> <p>d) Review of EESSH2 has been brought forward to commence this year(2022), for completion in 2023. The review will consider both energy efficiency upgrades and the deployment of zero emissions heating systems together in order to build understanding of the impacts on outcomes for tenants. This will provide certainty to the sector to guide their retrofit and investment planning</p> <p>e) While the review is underway, the current EESSH2 2025 and 2032 milestones will be put on hold temporarily to ensure that any investment is targeted towards long-term solutions that deliver net zero and support the eradication of fuel poverty</p>			
<b>S16</b>	Recovery from Pandemic	Change to service delivery model	<b>3</b>	<b>1</b>	<b>3</b>	<p>a) DHCL has made good progress on recovery from pandemic.</p> <p>b) All repairs temporarily postponed due to covid restrictions have all been actioned and complete</p> <p>c) Planned Maintenance program complete for 21/22 and 22/23 bathrooms on site with windows and boilers being agreed and going on site late summer/early autumn.</p> <p>d) All cyclical programs complete apart from Lot 3 fascia's and soffits which have been moved to Year 22/23 for completion</p> <p>e) Office now open full time</p> <p>f) WBA now back on site as per pre covid.</p> <p>g) Staff now able to complete home visits</p>	<b>SMT</b>	<b>3x1</b>  <b>3</b>	<b>None at present</b>


<b>S15</b>	Failure to meet new fire legislation	New fire legislation to be implemented by February 2022.	0	0	0	Removed due to fire legislation being met by February 2022	DD/TM	0x0 0	None at present
<b>S2</b>	Pension scheme deficit	Pension scheme deficit payment of £133.3k in 2021/22 due to historic scheme performance issues, which has resulted in an increase in higher than average deficit recovery contributions	0	0	0	The current deficit contributions will cease on 30 September 2022. This means that the final deficit contribution payment under the current Recovery Plan will be made to SHAPS as part of October 2022 contribution submission.	Dir/SFO/ FMD	0x0 0	None at present

**Table A**

<b>Management Tier</b>	<b>Role</b>
<b>Board</b>	<ul style="list-style-type: none"> <li>• To support the Co-operative and its service functions in the effective development, implementation and review of the risk management strategy</li> <li>• To agree the risk management methodology policy and risk matrices</li> </ul>
<b>Director</b>	<ul style="list-style-type: none"> <li>• To ensure that the Co-operative manages risk effectively</li> <li>• To develop, review and implement the risk management strategy and share experience of risk and risk management issues to the staff and Board</li> <li>• To ensure that staff and Board are aware of the key risks facing the Co-operative and the steps we need to take to manage these risks</li> </ul>
<b>Senior staff – Depute Director, Technical Manager Senior Finance Officer and FMD Financial Services</b>	<ul style="list-style-type: none"> <li>• To assist the Director by ensuring risk is managed effectively</li> <li>• To assist the Director in the review and implementation of the risk management methodology policy and matrices, and share experience of risk and risk management issues to the staff and Board</li> </ul>
<b>Department teams</b>	<ul style="list-style-type: none"> <li>• To ensure that risk is managed effectively in each service area within the agreed strategy</li> <li>• To provide support on the strategy development and implementation and to share experience of risk and risk management issues</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• To ensure that risk is managed effectively in each service area within the agreed strategy</li> <li>• To provide support on the strategy development and implementation and to share experience of risk and risk management issues</li> </ul>

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• If an individual employee considers there to be a key risk not noted in the current risk matrix, the employee should highlight this to his/her line manager</li></ul> |
|--|---|

## Risk matrix

<b>Likelihood</b> 					
	6 – very high/certain				
	5 – high				
	4 – possible			<b>S1</b>	<b>S3, S9, S16</b>
	3 – low			<b>S14, S6</b>	<b>S13</b>
	2 – very low		<b>S7, O5</b>	<b>S2, S4, S5, S8, O1, O4,</b>	<b>S10, O9,</b>
1 – impossible/negligible					
<b>Impact</b> 	1 – negligible	2 – marginal	3 – moderate	4 – critical	5 – catastrophic

<b>High risks – score 15 and above</b>		
<b>Rating 16</b>	<b>S3</b>	<b>Cyber fraud leading to data loss, hacking, financial loss and reputational damage</b>
<b>Rating 16</b>	<b>S9</b>	<b>Board capacity and prioritisation</b>
<b>Rating 16</b>	<b>S16</b>	<b>Recovery from pandemic</b>
<b>Rating 15</b>	<b>S13</b>	<b>Failure to comply with health and safety legislation</b>

<b>Medium risks – score 9-12</b>		
<b>Rating 12</b>	<b>S1</b>	<b>Brexit/Scottish independence leading to devaluation of sterling, inflationary pressures and market uncertainty</b>
<b>Rating 10</b>	<b>S12</b>	<b>Fraud/attempted fraud leading to loss of stability, reputational damage and intervention</b>
<b>Rating 10</b>	<b>S15</b>	<b>Failure to meet new fire legislation</b>
<b>Rating 10</b>	<b>O7</b>	<b>Gas servicing programme</b>
<b>Rating 9</b>	<b>S6</b>	<b>Staff restructure</b>
<b>Rating 9</b>	<b>S14</b>	<b>Failure to comply with Data Protection Regulations</b>