



Drumchapel Housing

Co-operative Limited

3 Year Asset Management Plan

2019 – 2022

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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 2019 – 2022 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 in early 2016, completed an options appraisal 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 group covers all five registered social landlords within Drumchapel and accounts for approximately 2,500 houses. 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 scale contracts such as gas servicing, environmental maintenance and close cleaning.

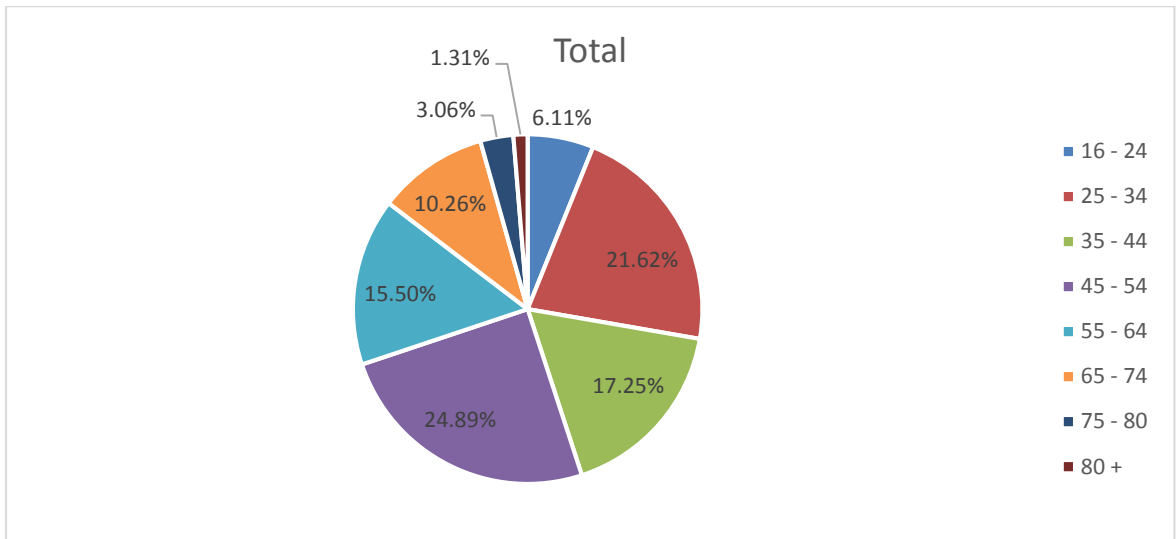
3. Our Customers

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) 2012. 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 two thirds of tenants are in receipt of full or partial housing benefit
- more likely to suffer from long term health conditions or a disability - SIMD figures indicate that 40% 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 26% in accordance with SIMD figures

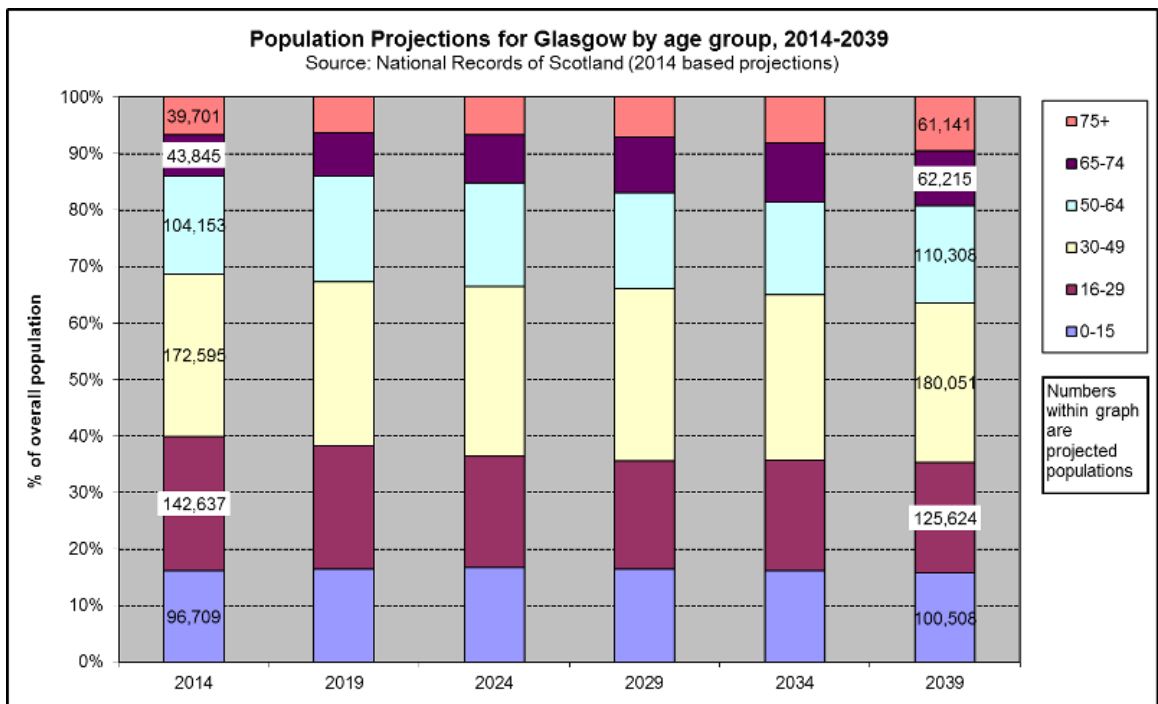
3.2 Figure 1 illustrates the age bands for tenants. Over half of the Co-operative's tenants are over 45 years of age, and those aged over 55 account for more than 30% of the organisations tenant base.

Figure 1 TENANT AGE PROFILE



3.3 The National Records of Scotland forecasts that Glasgow’s population - in line with the rest of Scotland - will become older, with the proportion of over 50 year olds increasing to 37% by 2039. The proportion of 65-74 year olds and over 75’s will increase by 42% and 54% respectively over this period as illustrated below:

Figure 2 POPULATION AGE PROJECTION FOR GLASGOW 2014 -2039



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 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 last survey was carried out in 2016 and the results are illustrated below:

Figure 3 SATISFACTION WITH OVERALL SERVICE

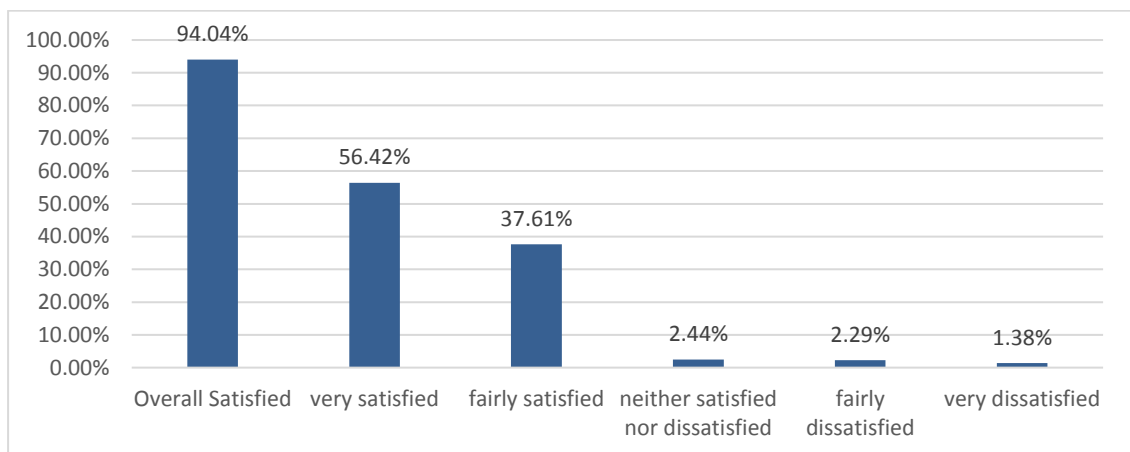


Figure 4 SATISFACTION WITH QUALITY OF HOME

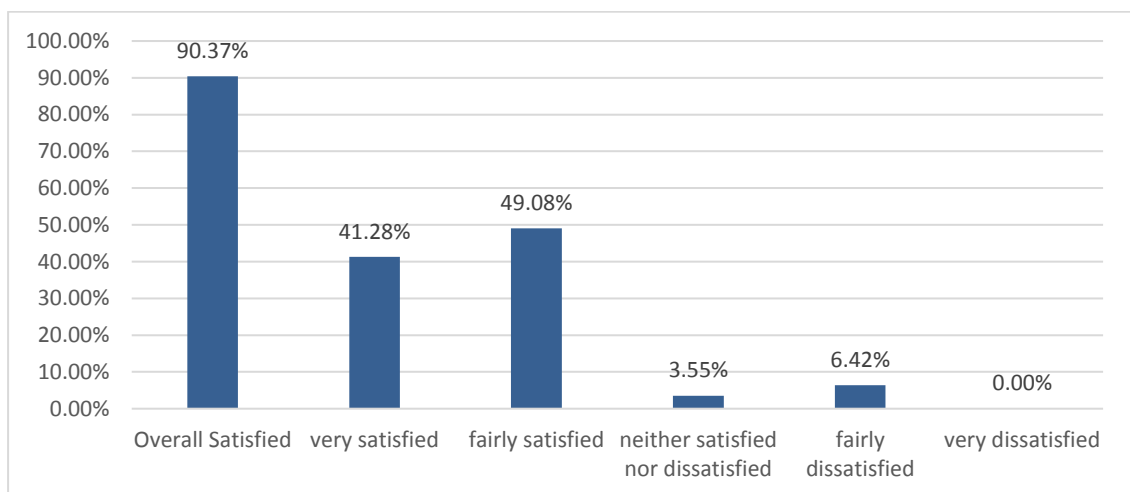
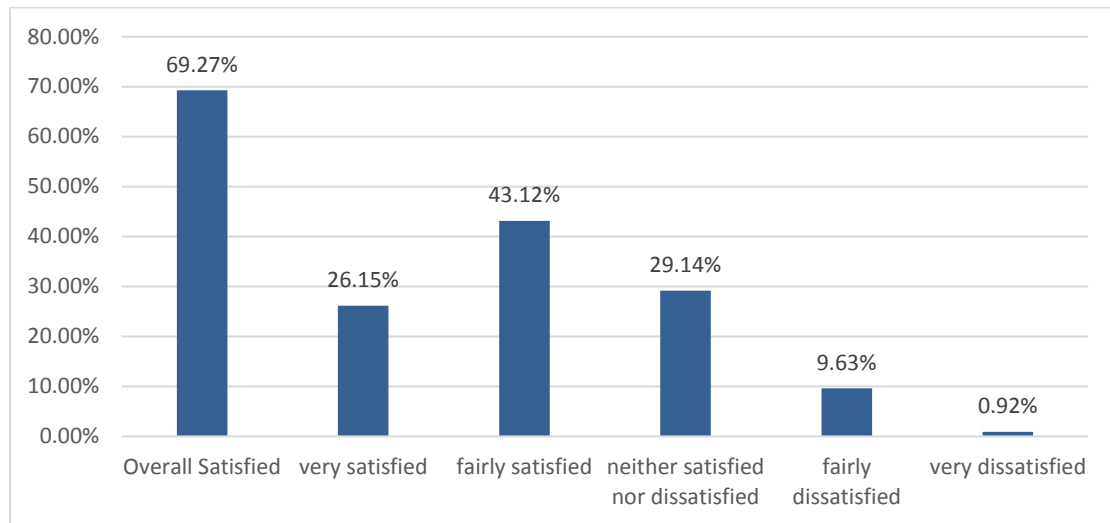


Figure 5 RENTS REPRESENT VALUE FOR MONEY



4.2 The results from the survey were largely positive. Satisfaction with the overall service and quality of homes compared favourably when benchmarking against Drumcog partners. There is, however, still scope for improvement and this remains a focus for the organisation.

4.3 The percentage of tenants who felt that rent for their property represented good value for money was lower than that of other local housing providers. Through analysis of comments and further consultation, it is apparent that key factors influencing responses were:

- a perceived lack of investment within the Co-operative's older rehabilitated stock
- rent levels which are generally higher than those charged by other housing providers within the local area

4.4 It is anticipated that planned maintenance activity and limited rent increases (CPI only in 2018/19 and 2019/20) will have improved this position.

4.5 Increasing value for money across all services is a key priority. A value for money statement was approved by the Board in January 2018 and updated in January 2019. The statement incorporates a range of actions to:

- enhance tenant engagement/consultation relating to rents, service charges and investment
- reduce overheads and operating costs while continuing to deliver high quality services

- develop and embrace opportunities for collaborative working and shared services

4.6 A further customer satisfaction survey is due to take place in 2019. This will gauge current performance and gather tenants views and priorities to inform service improvements and decision making.

4.7 The following feedback was obtained from tenants over the course of 2018/19:

Figure 6 SATISFACTION WITH NEW HOME

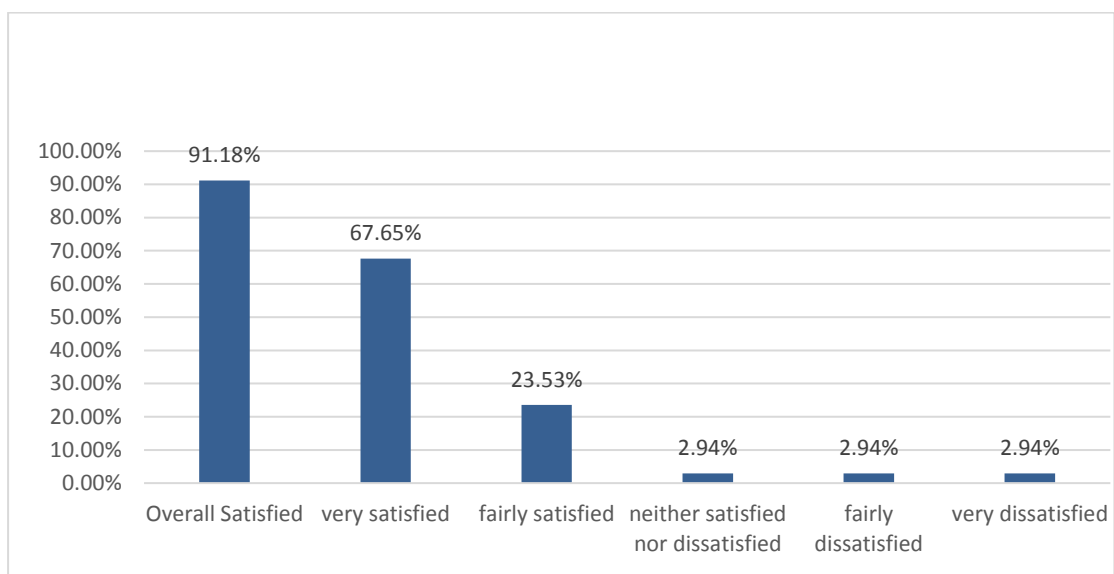
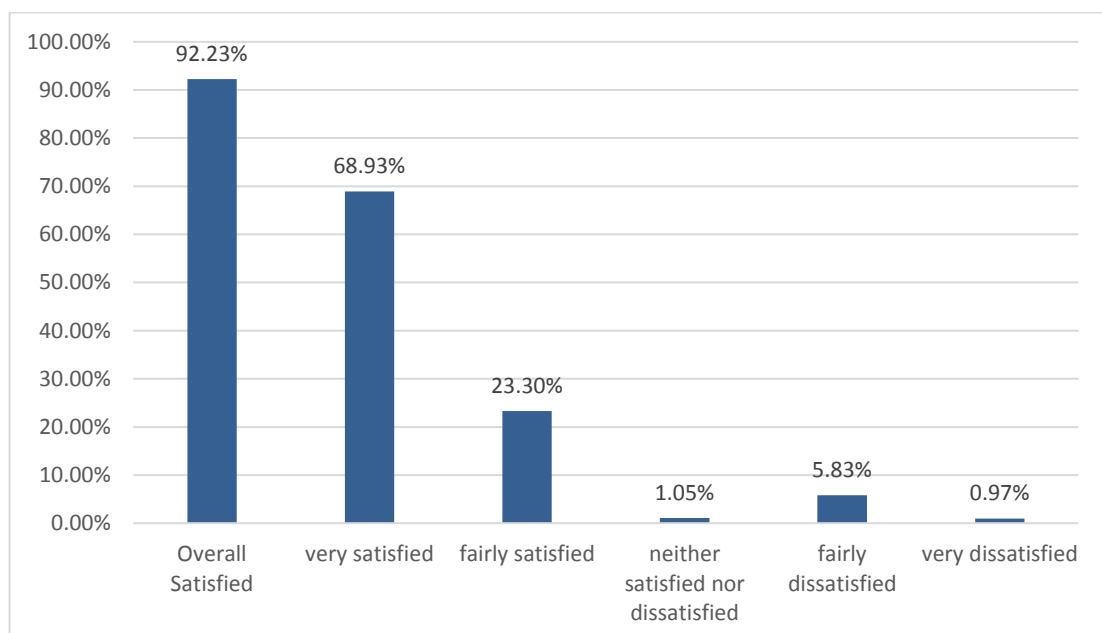


Figure 7 SATISFACTION WITH REPAIRS AND MAINTENANCE



- 4.8 Performance in both areas has reduced slightly from the previous year, when overall satisfaction was 97.06% and 95.09% respectively. We will focus on this during 2019/20 to identify any underlying causes and help improve our tenant experience.

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 houses 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 Flat	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 8 OVERALL HOUSE SIZE/BUILD TYPE

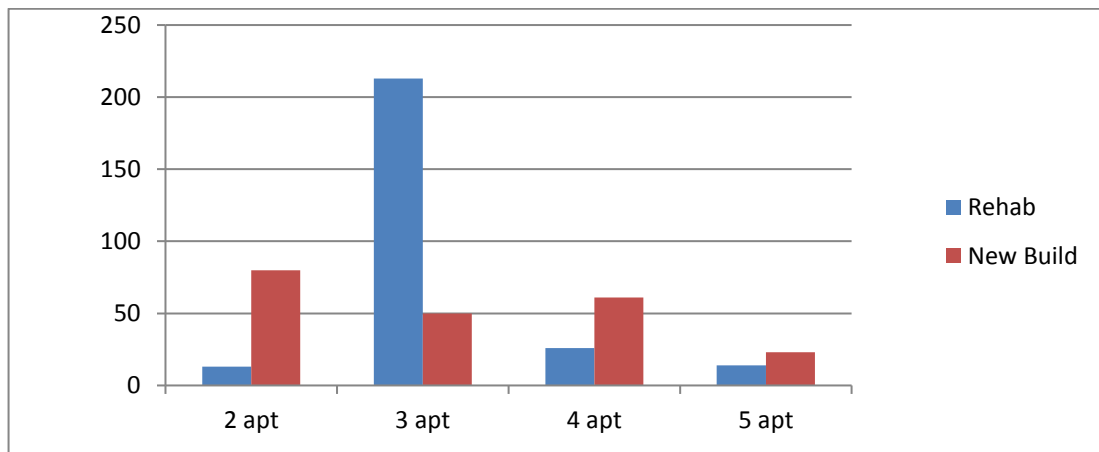
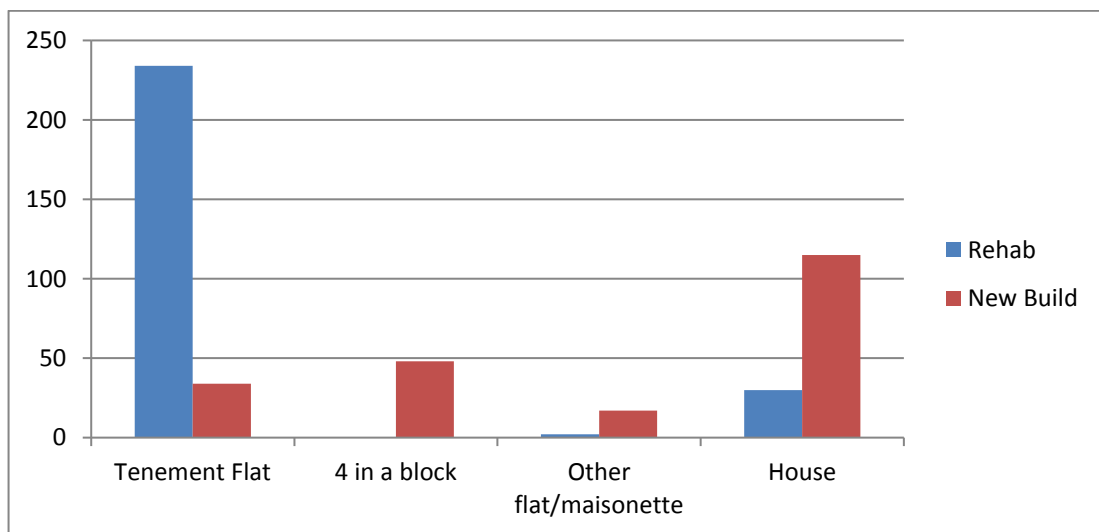


Figure 9 HOUSE TYPE/BUILD TYPE



5.5 The Co-operative's housing stock have been developed over 9 phases and is 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 for over a decade. During the six years when the organisation was medium engagement with the Scottish Housing Regulator, the possibility of obtaining development funding was ruled out; however, having moved to low engagement this is now a consideration.
- 5.8 At the annual away day on 31 May 2019, the Board expressed an interest in developing and this was reaffirmed at the Board Meeting on 25 June 2019.
- 5.9 It should be noted, however, 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. In accordance with the standard, all social rented housing in Scotland was required to achieve SHQS compliance by 31st March 2015. 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 EESSH
- 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 Stock condition surveys were carried out by David Adamson and Partners in 2012, 2015 and 2018, providing stock condition data for 75% of the Co-operative's stock. To improve management information and reduce the organisations reliance on cloned data, a further survey was carried out in March 2019. This focused on gaps in previous surveys and increased 'full survey' coverage to 92% of stock. In addition, 100% of properties have now been surveyed externally.
- 6.4 Survey data has determined that the Co-operative is 97.9% compliant with SHQS and expenditure of circa £15.5 million (before inflation and real cost increases) is required over 30 years to ensure continued compliance. Two properties are exempt from SHQS due to their layout and the exceptional costs associated with reconfiguration. Eight properties failed on one criterion and these will be brought up to the standard during 2019/20.
- 6.5 The multiple occupancy unit is not included within the SHQS assessment as the compliance requirement only relates to self-contained properties.
- 6.6 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 review how this is managed as part of this plan.

7. Energy efficiency

- 7.1 The Co-operative's stock is currently 98.7% compliant with the Energy Efficiency Standard for Social Housing (ESSH). Six properties do not meet the current standard, due to the form and age of heating systems installed. These will be targeted for heating replacement during 2019/20 to ensure compliance by December 2020.
- 7.2 Energy efficiency surveys were included within recent stock condition surveys and the Co-operative now possesses energy performance certificates (EPC's) for 98% of its properties. This has improved the accuracy of information and reduced the organisations reliance on cloned data.
- 7.3 Energy ratings for stock are as follows:
- A Rated 0%

- B Rated 5.1%
- C Rated 94.5%
- D Rated 0.2%
- E Rated 0.2%

7.4 Looking forwards, the Co-operative will need to plan towards achieving the ambitious targets and milestones incorporated within EESSH2. The requirements of EESSH2 are still to be determined; however, are anticipated to include:

- minimum energy standards for homes let by 2025
- the introduction air quality and environmental factors
- maximising the number of social rented homes meeting an EPC B by 2032

7.5 Consultation on EESSH2 was carried out in 2018 and the table below shows the proposed measures and trajectory which formed part of the consultation.

Table 4 EESSH2: PROPOSED TRAJECTORY

2020	2025	2032	2040
Social housing to meet EESSH 2020 milestone (subject to temporary exemptions)	<p>Review progress towards EESSH2 2032 milestone.</p> <p>Consider introduction of additional requirements around air quality and environmental impact.</p> <p>No social housing to be below EPC Band D (subject to temporary exemptions)</p> <p>As far as possible, all hard-to-treat properties in rural and off-gas areas meet the 2020 milestone</p>	Maximise attainment of EPC Band B for social housing	<p>Poor energy efficiency removed as a driver for fuel poverty</p> <p>All social housing is carbon neutral, as far as reasonably practical</p>

7.6 The steps to achieve this will require careful consideration to ensure that tenants receive value for money as social housing moves towards a carbon neutral future.

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, close cleaning and a bulk presentation service. An in-house caretaking/handyman service supplements these activities, focusing on tenants' priorities to improve the environment.
- 8.2 Tenant satisfaction with the management of neighbourhoods is 93.58% and compares favourably with the Scottish average for housing associations which was 89.29% in 2017/18.
- 8.3 Bin areas within the rehabilitated stock were not designed to accommodate modern re-cycling arrangements and as such, alterations will be required within the near future.

9. Asset investment

- 9.1 The Co-operative plans to invest £2,816,979 on its assets over the period of the plan as summarised in Table 4 below

Table 5 SUMMARY OF ANTICIPATED EXPENDITURE

Works Programme	2019/20	2020/21	2021/22	Total
Reactive Repairs (including general repairs & voids)	£201,912	£207,995	£213,216	£623,123
Cyclical Maintenance	£235,447	£220,371	£229,521	£685,339
Planned Maintenance (non-capital)	£159,075	£108,035	£131,453	£398,563
Planned Maintenance (Capital)	£342,441	£381,506	£386,007	£1,109,954
TOTAL	£938,875	£917,907	£960,197	£2,816,979

- 9.2 The planned maintenance element has been developed from stock condition information and costs provided by David Adamson and Partners in 2019.

10. Reactive maintenance

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

Table 6 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 2018/19 includes:

- Average time to complete emergency repairs. This increased slightly from 2.10 hours the previous year to 2.12 hours. In comparison, the Scottish average for 2017/18 was 2.49 hours.
- Average time to complete non-emergency repairs. This increased slightly from 2.03 days the previous year to 2.12 days. In comparison, the Scottish average for 2017/18 was 4.74 days.
- Percentage of reactive repairs completed right first time. This improved slightly from 99.33 the previous year to 99.61%. In comparison, the Scottish average for 2017/18 was 95.16%.

- 10.3 As part of a DRUMCOG initiative, the Co-operative entered a framework agreement for reactive maintenance in April 2017. This increased the number of local contractors who carry out work for the Co-operative, improving opportunities for local businesses and the wider community. The framework has now entered its third year and despite a slight reduction in some areas of performance, overall performance continues to be excellent and is considerably higher than the Scottish average. Reactive maintenance costs have also reduced in 2018/19 by almost 9%.
- 10.4 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.
- 10.5 Reactive maintenance, including void works incur an annual expenditure of circa £200,000 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 7 CYCLICAL EXPENDITURE

Year	Expenditure
2019/20	£235,447
2020/21	£220,371
2021/22	£229,521
Total	£685,339

- 11.2 Elements of the cyclical programme include:

- Gas servicing and maintenance
- External paintwork
- Ground maintenance
- Gutter cleaning
- Stair lighting

- Legionella inspections and prevention measures
 - Roof anchor inspections
 - CO alarms/smoke detectors
 - Electrical safety surveys
 - 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 5% 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 2018/19 gas safety checks were carried out to all appliances within the anniversary of their previous inspection.
- 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.
- 11.6 The Co-operative maintains an asbestos register, informed from periodic sampling of its older rehabilitated properties. To date, four surveys have resulted in asbestos being detected and all incidents have related to remnants of asbestos contained within bitumen floor tiles. These are considered low risk and have been removed or encapsulated in accordance with surveyors' recommendations.
- 11.7 The Co-operative will continue to expand its register by conducting full, disruptive surveys within voids and within habitable properties during major works.

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 The stock condition information provided by David Adamson and Partners has resulted in a detailed programme for component replacement, together with 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 2019 and expenditure on planned maintenance over the next 30 years is estimate at £15.5 million (before inflation and real cost increases).

12.3 The Co-operative intends to invest £1,109,954 on planned maintenance over the period of this plan as illustrated in the tables below:

Table 8 PLANNED PROGRAMME – EXPENDITURE

Planned (Capital) Programme	2019/20	2020/21	2021/22	Total
Window	£127,806	£118,401	£115,568	£361,775
Bathrooms	£133,900	£102,845	£103,414	£340,159
Kitchens	£47,557	£85,176	£96,547	£229,280
Boilers	£18,432	£75,084	£69,347	£162,863
Gas Heating	£14,746	£0	£0	£14,746
TOTAL	£342,441	£381,506	£386,007	£1,109,954

- 12.4 Works will also take place over the next 18 months to upgrade fire detection systems to comply with revised legislation.
- 12.5 The Co-operative's procurement policy was reviewed in October 2017 to take account of changes in legislation and best practice.
- 12.6 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 in partnership with DRUMCOG and or other registered social landlords. The following collaborative procurements are currently in place or in progress:
- Gas maintenance and servicing
 - Open space maintenance

- Close cleaning and environmental services
- Cyclical painterwork – in progress

12.7 To realise improved value for money the Co-operative is examining procurement opportunities via public frameworks and dynamic purchasing systems. The organisation joined the Scottish Procurement Alliance in May 2019 and is currently examining several other frameworks.

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. Funding has typically been circa £25,000 per annum; however, this was increased to £30,000 in 2019/20 due to increased demand for this service. In addition, the organisation has committed £5,000 to self-fund further adaptations and will also consider utilising reactive maintenance underspends, where necessary, to meet tenants needs.

13.2 Over the course of 2018/19 the Co-operative received 15 requests for adaptations and completed them within an average time of 22.6 days.

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 have transformed performance in this area as illustrated in the tables and figures below:

Table 9: VOID PERFORMANCE

Measure	2014/15	2015/16	2016/17	2017/18	2018/19
Number of Voids	42	36	36	42	30
Average relet time (days)	25	7.33	10.64	6.24	8.12
Lettable Stock	457	454	457	460	460
% Stock Turnover	9.2%	7.9%	7.9%	9.1%	6.52%
Rental Loss	£11,061	£3,417	£3,757	£2,908	£3,170

% Rental Loss	0.75%	0.18%	0.20%	0.15%	0.16%
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Figure 10 VOID RENTAL DAY LOSS PER YEAR 2014/15-2018/19

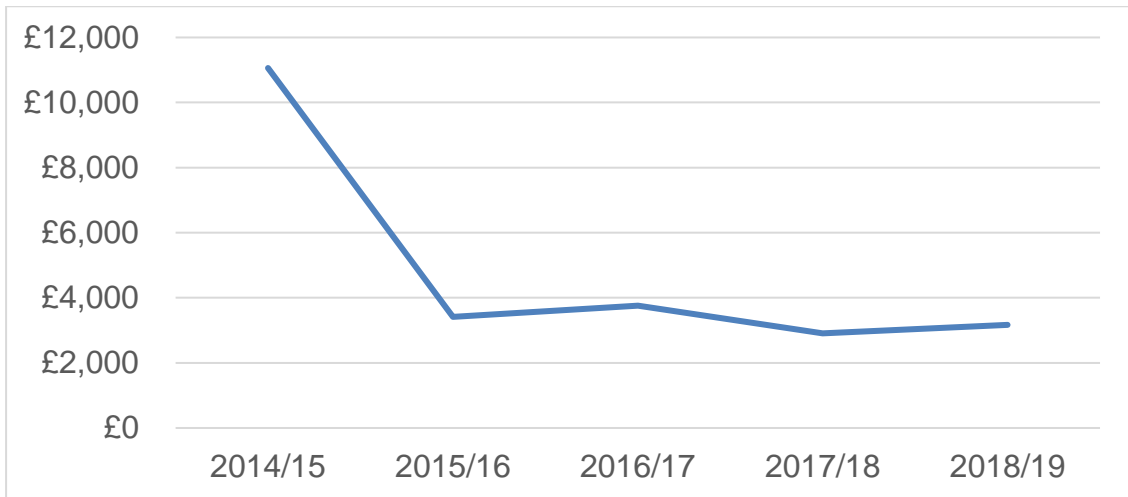


Figure 11 STOCK TURNOVER 2014-2018

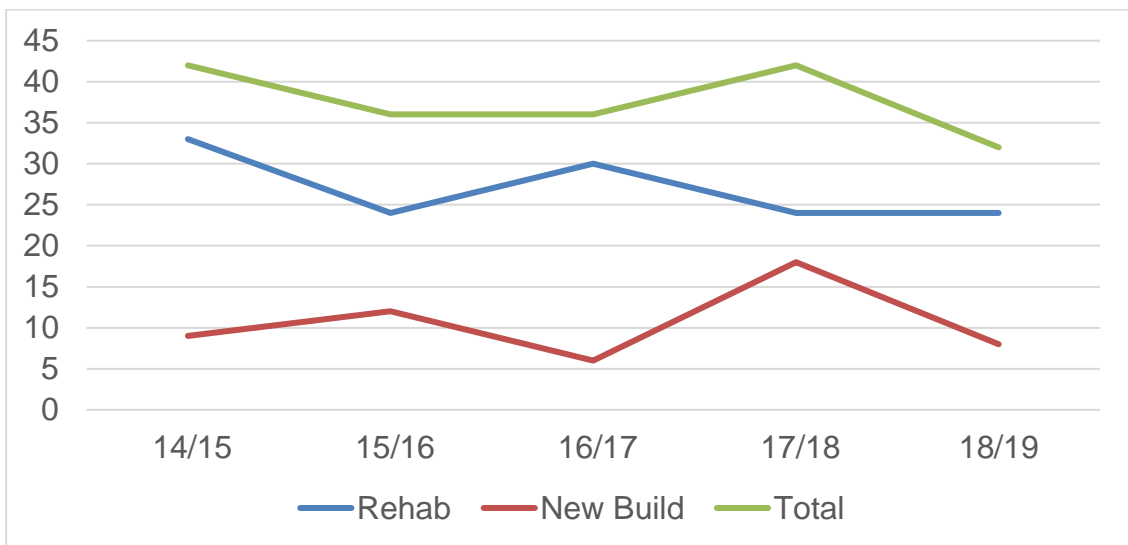
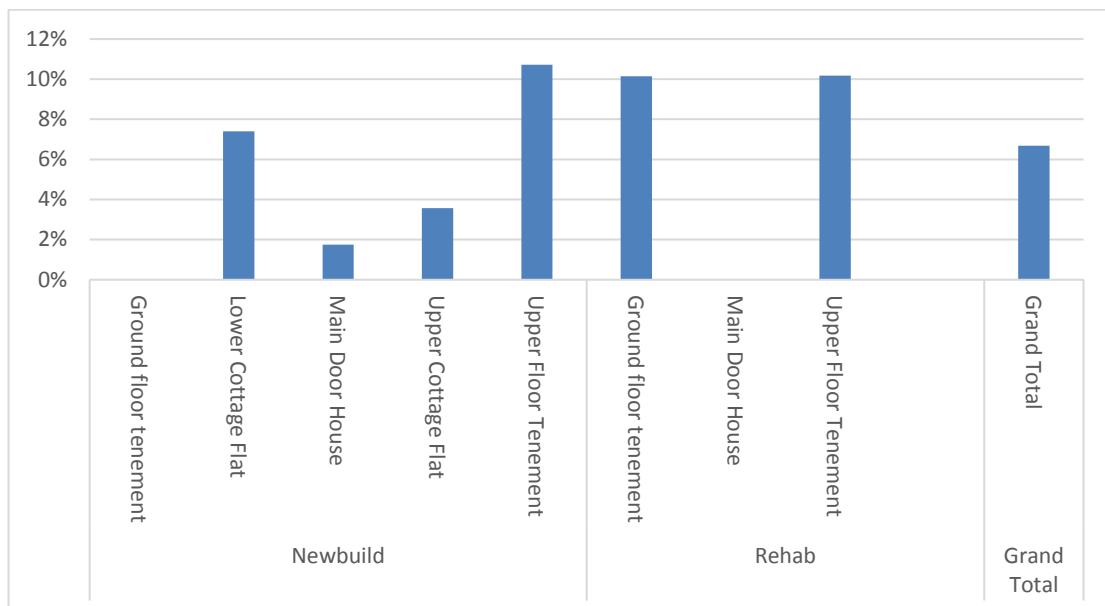


Figure 12 PERCENTAGE TURNOVER BY PROPERTY TYPE 2018/19



- 14.3 The number of voids per annum has reduced over this period, particularly within the rehabilitated stock, as illustrated in Figure 11. Figure 12 highlights variations in turnover between build and property types and shows that tenement flats are more likely to become void. Despite this, properties continue to be allocated quickly with minimal rent loss as illustrated in table 9 and figure 10.
- 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 reduce turnover.

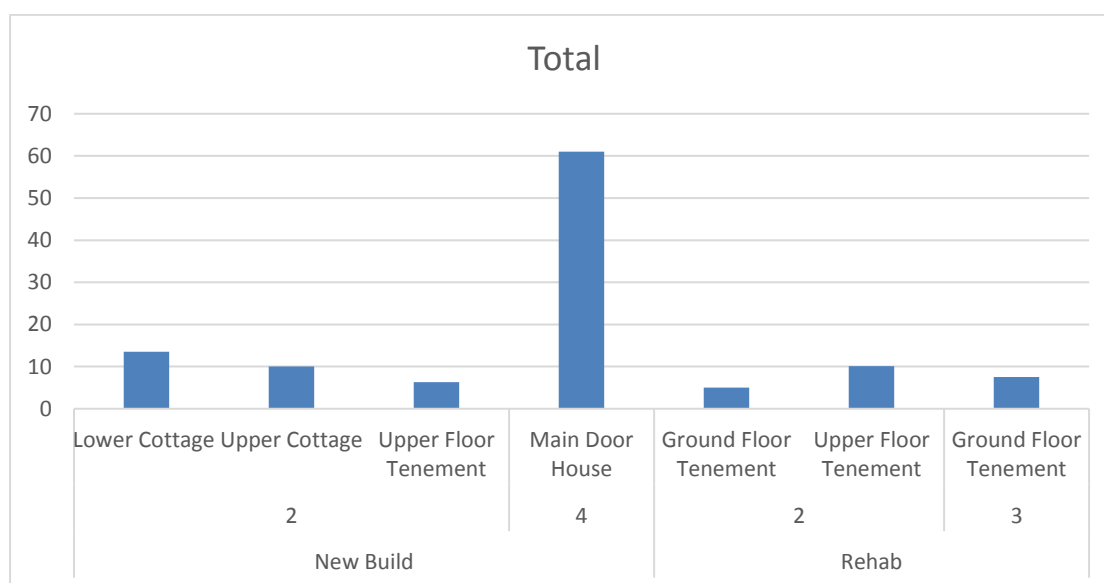
15. Demand

- 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 10 below shows properties let during 2018/2019 by apartment size and type, and figure 13 illustrates the corresponding registrations of interest.

Table 10 PROPERTIES LET 2018/19

	New Build	Rehab	Total
2 Apartment			9
Ground Floor Cottage	1	0	1
Ground Floor Tenement	0	1	1
Upper Cottage	2	0	2
Upper Floor Tenement	3	2	5
3 Apartment			21
Ground Floor Tenement	0	6	6
Upper Floor Tenement	0	15	15
4 Apartment	2		2
Main Door House	2	0	2
Grand Total	8	24	32

Figure 13 AVERAGE INTEREST PER LET BY TYPE AND SIZE



15.3 Figure 13 highlights the preference that exists for main door houses and shows that demand for other property types is relatively comparable between rehabilitated and new build stock. Joining the Glasgow Housing Register has had a positive impact in this respect, resulting in increasing interest for upper floor tenements within older properties.

15.4 During 2018/19, 38 offers were made to potential applicants, 31 were accepted first time. There were only 7 refusals (18.42%), all of which related to the older rehabilitated stock. Despite this, all properties were subsequently accepted by other applicants, with minimal delay and rent loss.

16. Stock performance

- 16.1 Stock turn over and demand analysis has demonstrated that that the Co-operatives newer properties are less likely to become void, especially larger, main door houses, which most families aspire to.
- 16.2 The older re-habilitated stock is less favourable; however, due to revised management arrangements 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 and demand, 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 to be restrictive and the Co-operative has subsequently focused its attention on:
- delivering planned maintenance programmes to address tenant's immediate 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 replacement carried out over the last 2 years has had a positive impact and £569,439 will be invested within this element of stock over the next 3 years.
- 16.6 It will be important to continue to engage with tenants who reside within these properties to ensure that:
- emerging problems 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 vicinity 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 The Co-operative has recently moved to low engagement with the Scottish Housing Regulator and consequently, new build development could become a consideration for the future.
- 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 in order to improve affordability, future rent increases will be kept as low as possible. In 2018/19 and 2019/20 rent increases were restricted to CPI only (3% and 2.5% respectively).
- 17.3 Effective rent collection and minimising arrears is essential and performance in this area has been very strong as illustrated in the table below:

Table 11 RENT ARREARS/COLLECTION POSITION 2014-19

	2014/15	2015/16	2016/17	2017/18	2018/19
Gross Rent Arrears	3.81%	4.89%	3.43%	2.04%	1.96%
% of Rent collected	99.35%	98.36%	100.75%	100.39%	99.93%

- 17.4 Income management will be particularly important over the next 12 months, to support tenants during to the roll out of Universal Credit.

18. Performance monitoring and value for money

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

- feed back 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
- planned maintenance is reported to the board on an ongoing basis, highlighting progress against the programme, customer feedback and contractor performance
- benchmarking performance, including cost information, against peer groups - Quality and Efficiency Forum (QEF) and DRUMCOG
- audit of key areas and acting upon recommendations – planned maintenance and procurement were both subject to internal audit in March 2018
- progress against the actions identified within the Value for Money Statement

19. Risk management

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

19.2 Key risks relating to the plan are detailed in appendix 2.

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 12 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 13 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 @ 31/03/2019	£2,735,194

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

21. Conclusions

21.1 The stock condition survey carried out in 2019 demonstrates that the Co-operative's stock is in good general condition. 97.9% of properties meet the Scottish Housing Quality Standard (SHQS) and 98.7% are currently compliant with the Energy Efficiency Standard for Social Housing (ESSH). The recent survey has improved stock data, increasing full survey coverage to 92% of properties. This has reduced the Co-operative's reliance on cloned data and revised investment requirements and life cycle costs for the next 30 years.

21.2 Effective estate management has a considerable impact upon the quality of housing that the Co-operative provides, positively influencing existing and prospective tenants choices.

21.3 Continued delivery of the planned maintenance programme is critical 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
- 21.4 With the completion of EESSH in 2020, the organisation will need to focus its attention to the challenges associated with ESSH2 and consider the most effective measures to enhance energy efficiency across its stock.
- 21.5 Over the course of the plan, the organisation will review the way in which asset information is managed to improve business intelligence and identify emerging issues.
- 21.6 The Co-operative will continue to seek opportunities for collaborative procurement to improve efficiency and value for money.
- 21.7 Demonstrating value for money is of upmost importance to ensure that properties are well maintained, affordable and attractive to tenants and progressing the actions included within the value for money statement will be key to achieving this.
- 21.8 The Co-operative should continue to maintain a holistic view to sustainability, recognising the positive influence that service excellence has upon the allocation of less desirable stock.
- 21.9 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 important where negative trends in demand are identified.
- 21.10 There is a possibility that the provision of new housing within Drumchapel could influence demand. This will need to be monitored closely, to ensure that that the Co-operative can respond positively to any changes.
- 21.11 The organisation has recently moved to low engagement with the Scottish Housing Regulator and as a consequence, is now considering the possibility of new build development.

Appendix 1
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	
	2 apt	3 apt	4 apt	5+ apt	TOTAL
Tenement Flat	0	69	9	0	78
4 in a block	0	0	0	0	0
Other Flat/ Maisonette	0	0	0	0	0
House	0	0	0	0	0
TOTAL	0	69	9	0	78

PHASE 2

Addresses	110-118 Linkwood Drive 3 – 21 Merryton Avenue 76 - 82 Southdeen Avenue 3 – 7 Southdeen Road				
Date Built/Rehabilitated	1989/90			Rehabilitation	
	Closes			Flats/Houses	
Property Numbers	19			127	
	2 apt	3 apt	4 apt	5+ apt	TOTAL
Tenement Flat	11	107	8	0	126
4 in a block	0	0	0	0	0
Other Flat/ Maisonette	0	0	0	1	1
House	0	0	0	0	0
TOTAL	11	107	8	1	127

PHASE 3

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

PHASE 4

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

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	
	2 apt	3 apt	4 apt	5+ apt	TOTAL
Tenement Flat	18	6	0	0	24
4 in a block	4	0	0	0	4
Other Flat/ Maisonette	10	0	0	0	10
House	0	10	8	6	24
TOTAL	32	16	8	6	62

PHASE 6

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

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	
	2 apt	3 apt	4 apt	5+ apt	TOTAL
Tenement Flat	0	0	0	0	0
4 in a block	24	0	0	0	24
Other Flat/ Maisonette	0	0	0	0	0
House	0	8	16	4	28
TOTAL	24	8	16	4	52

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	
	2 apt	3 apt	4 apt	5+ apt	TOTAL
Tenement Flat	0	0	0	0	0
4 in a block	12	8	0	0	20
Other Flat/ Maisonette	0	0	0	0	0
House	0	16	29	12	57
TOTAL	12	24	29	12	77

PHASE 9

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

Key risks

Blue indicates a newly added key risk (medium or high) or a medium risk whose rating has increased to high
Red indicates an ongoing high risk
Amber indicates an ongoing medium risk
Green indicates a previously high risk that is now considered low or medium, or a previous medium risk that is now low
Silver indicates a low risk that remains low

No	Hazard area	Risk/consequence	Mitigation in place – <i>Bold italics denote new actions</i>
S1	Brexit/Scottish independence Interest rate	<ul style="list-style-type: none"> Devaluation of sterling Inflationary pressures leading to higher costs Market uncertainty 	a) <i>Monitor impact of Brexit</i> b) <i>Consider whether to revise risk rating if a second independence referendum called</i>
S3	Cyber fraud	<ul style="list-style-type: none"> Data loss Hacking Financial loss Reputational damage 	a) Ensure appropriate protection in place b) Purchase appropriate insurance cover c) Disaster recovery plan d) Ensure that the findings from the SBRC report are taken into account when procuring ICT support services e) Ensure that all staff receive specific training
S4	IT Systems Failure	<ul style="list-style-type: none"> Failure of IT systems or a critical element of them results in disruption to delivery of services 	a) Business interruption plan in place, including complete system back-up to a cloud b) <i>New providers in place from 1 July 2019 – closely monitor performance/service, particularly during transition period</i>
S5	Policy review	<ul style="list-style-type: none"> Policy review is not completed in reasonable timescales and new policies are not embedded in operational business 	a) Comprehensive policy review undertaken in 2017/18 and ongoing work plan in place b) Best practice templates used where possible to ensure adherence to good practice and improve efficiency in the policy review process c) Alignment with Cernach where possible to further improve process efficiencies d) <i>Board will continue monitor adherence to revised policy work plan</i>

No	Hazard area	Risk/consequence	Mitigation in place – <i>Bold italics denote new actions</i>
S6	Staff restructure	<ul style="list-style-type: none"> • Service disruption/ failure • Employment disputes • Failure to meet budget reductions 	a) Positive staff survey carried out in house in 2017; independent survey conducted in March 2019 b) Overall staff costs have now been reduced and, importantly, the ratio of senior to non-senior staff has been much improved c) There has been positive feedback from staff on the joint working facilitated by the service sharing arrangement d) Staff are now on full EVH conditions of service and this has been welcomed e) Culture of transparency and openness now in place f) All job descriptions now reviewed (as per individual requests from staff) g) <i>Consider how the Co-operative can employ its own Director following discussion at away day</i>
S7	Interest rate risk	<ul style="list-style-type: none"> • Bank interest rates increase results in higher costs of borrowing 	a) Loans spread with one fixed rate, two base rate and the remaining seven are three-month LIBOR rates b) Treasury management policy promotes effective management of loans and savings c) <i>Need to ensure covenant compliance to avoid lender being able to re-negotiate rates – quarterly management accounts contain statement; senior staff monitor on an ongoing basis</i>
S8	Contracts and contract management	<ul style="list-style-type: none"> • Failure to establish contracts and contract management process results in failure to properly manage contract delivery and associated costs 	a) Joint procurement with DRUMCOG partners on gas servicing, reactive maintenance and open space maintenance, all with input by QS b) Procurement training carried out for all staff; additional specific training for staff involved in procurement c) Internal audit of procurement practice gave “strong” assurance level with only two medium and two low priority recommendations; these have now been implemented
S10	Challenge is made against the Co-operative under the Equality Act	<ul style="list-style-type: none"> • Financial implications • Intervention from the Regulator • Prosecution • Complaints to the Ombudsman • Damaged reputation 	a) Staff training and attendance at seminars b) Internal audit c) The Co-operative has an up to date policy document and a “zero tolerance” approach to any breaches d) Equality and diversity enshrined in all policies and equality impact assessments carried out as indicated e) Refresher training for the Board took place in October 2017 and for staff in March and May 2018 f) <i>Possibility of joint working in some areas of equality and diversity raised at senior officers’ meeting in April 2017; this has progressed, but slowly and Cernach and Drumchapel are progressing this separately</i>

No	Hazard area	Risk/consequence	Mitigation in place – <i>Bold italics denote new actions</i>
S11	Misreporting	<ul style="list-style-type: none"> Board, tenants, lenders, regulators and other stakeholders receive inaccurate information Regulatory intervention in serious situations. The Board's decision-making ability may be affected Reputational damage, even if misreporting is not deliberate 	<ul style="list-style-type: none"> a) Information gathered from electronic sources (for example, SDM) as much as possible to reduce risk of human error b) Internal and external audit test voracity of information reported to Board c) Use of SDM expert to create dashboards and report templates to further automate information extraction d) Independent audit of some ARC indicators carried out for previous ARCs; system in place considered robust so we have not repeated this exercise in the current year
S12	Internal fraud/ attempted fraud committed by staff	<ul style="list-style-type: none"> Loss of operational stability and reputational damage. Regulator may invoke its statutory powers. Co-operative's autonomy threatened 	<ul style="list-style-type: none"> a) Segregation of duties makes it difficult for one person to act alone; collusion would therefore be required b) Whistleblowing training for all staff in February 2017; 100% awareness reported in survey in September 2017 c) New delegated authorities in place d) Staff and Board encouraged to "ask questions" – culture of openness and transparency being promoted e) New policy on dealing with fraud/attempted fraud approved in April 2017
S13	Failure to comply with health and safety legislation	<ul style="list-style-type: none"> Threat of injury to individuals and associated costs Damage to reputation of Co-operative Serious injury or fatality caused by failure to observe H&S requirements. Criminal liability 	<ul style="list-style-type: none"> a) H&S policy and implementation of procedures b) Regular training and assessments c) Identification of a H&S administrator – supported by Depute Director d) Adequate insurance cover e) H&S reporting to Board f) Free biennial H&S audit offered to full members of EVH; last conducted in 2018/19 with a positive outcome g) Audit carried out by ACS and working towards aligning with Landlords Manual provided by ACS. Staff training identified has been scheduled 2019/20
S14	Failure to comply with the new data protection regulations (GDPR)	<ul style="list-style-type: none"> Breach leading to SHR or ICO involvement, potential fine and reputational damage Loss of confidence from customers and other stakeholders 	<ul style="list-style-type: none"> a) GDPR implementation plan agreed at April 2018 Board meeting; the Co-operative continues to implement this on schedule b) Staff and Board training on GDPR and staff training on FoISA (Freedom of Information (Scotland) Act 2002) c) Fair Processing Notices issued to tenants, applicants, staff and Board by 25 May 2018 d) BTO appointed to conduct initial audit and offer guidance e) Appointed DPO and working with this person on a regular basis – attended January 2018 Board meeting to provide progress report f) <i>Broaden GDPR work to include FoISA</i>

No	Hazard area	Risk/consequence	Mitigation in place – <i>Bold italics denote new actions</i>
New S15	Failure to meet new fire legislation	<ul style="list-style-type: none"> New fire legislation to be implemented by April 2021 	a) <i>Implementing the new standards on smoke alarms, heat detectors and COs detectors</i>
O1	Welfare Reform – reduction in benefit amounts	<ul style="list-style-type: none"> Uncertainty around pending changes in welfare reform results in loss of income 	a) Training of staff in the proposed changes to ensure understanding b) Detailed analysis of tenant circumstances to identify those at risk c) Information programme to make tenants aware of risks, options and support available d) Benefit cap e) Minimum tenants
O2	Welfare Reform – “bedroom tax”	<ul style="list-style-type: none"> Under occupation charge impacting on tenants resulting in income loss of business plan assumptions and greater need for tenancy support services 	a) Deficit is being made up by the Scottish Government at present but this could be withdrawn so ensure all tenants know that they are responsible for rent payment b) Tenants have been assisted to move to more appropriately sized properties c) Strategy aimed at reducing cash loss whilst supporting tenants d) <i>Benefits advice has been made available – staff to continue to promote this. Depending on the uptake of this and unmet demand for the service as UC rolls out in Glasgow, the Board may consider an increased service</i>
O3	Welfare Reform – direct payments	<ul style="list-style-type: none"> Shift to direct payment of benefit to tenants resulting in loss of income through non-payment of rent 	a) Ongoing communication to tenants to ensure all know that the responsibility for payment is with the tenant b) <i>One full day per week benefits advice has been made available – staff promote this service to tenants; as noted at O2, this may be increased in the future</i> c) <i>Staff training and attendance at SFHA/GWSF housing management meetings</i> d) <i>In house WBA to be considered as arrears are increasing</i>
O4	Tenant expectation	<ul style="list-style-type: none"> Tenants' expectations of service and housing stock quality increasing results in reducing satisfaction, increased pressure on resources and potential income effect 	a) New business plan created in 2016 (updated in 2017) that articulates vision/objectives with a strong focus on VFM b) Staff restructure has helped reduce operational costs c) <i>Planned maintenance programme was “caught up” on schedule by March 2019</i> d) <i>Ensure tenant consultation on policy reviews and planned maintenance programme</i> e) <i>Initial results from stock condition survey costings are currently being re-worked – this has the potential to impact specification and, therefore, tenant expectation. This may necessitate a review of this risk rating so we will keep it under review</i>

No	Hazard area	Risk/consequence	Mitigation in place – <i>Bold italics denote new actions</i>
O5	EESSH compliance	<ul style="list-style-type: none"> Failure to meet the deadline for housing stock to comply with EESSH results in regulatory engagement 	a) Stock condition survey complete and confirms will meet standard b) <i>Ensure timely update of SCS and integration of information on repairs into SCS to keep up to date</i>
O6	Poor performance in relation to peers	<ul style="list-style-type: none"> Performance against peers is poor affecting local and sector reputation of DHC 	a) Continue benchmarking with the QEF and DRUMCOG b) Staff and Board teams are committed to promoting a performance culture c) Performance good in relation to key performance indicators
O7	Gas servicing programme	<ul style="list-style-type: none"> Failure to carry out gas servicing and carbon monoxide detector testing could lead to faults being unnoticed. This could potentially lead to harm or to fatality 	a) Annual gas servicing in place and access rigorously pursued b) CO detectors tested as part of the annual gas servicing programme c) Programme is on a ten-month cycle to provide an access cushion and reduce the likelihood of expired certificates d) Co-operative forces access as a last resort prior to expiry of certificate e) Some Previous anomalies in paper trails ironed out f) New dashboard created by SDM consultant therefore there is automatic validation of gas servicing and inspection of CO detectors
O9	Failure to deliver planned maintenance programme	<ul style="list-style-type: none"> Stock fails to meet expectations of customers and this leads to a drop in demand Integrity and/or condition of stock is compromised 	a) The Technical Manager's key objective is to deliver on planned maintenance programme b) <i>Continue to review stock condition survey information and feed in to planned programme</i> c) <i>Continue to evaluate reactive maintenance for patterns emerging that may indicate components failing sooner than anticipated</i> d) <i>Ensure that the 2019/20 programme is delivered</i>
O10	Failure to let empty properties within required timescales	<ul style="list-style-type: none"> Loss of income Prolonged void periods leading to poor perception 	a) Good joint working between housing management and maintenance b) Prompt void inspection and quick turnaround time for repairs c) Prompt advertising of void properties d) Ensure all void works meet the re-let standard as a minimum e) Gather information on refusals f) New build adjacent to stock may have impact on offers and an increase refusal