



POLICY/STRATEGY

**STRATEGIC ASSET
MANAGEMENT PLAN**

Wellhouse - The Place To Be

Policy Created

December 2017 , Reviewed by Committee March 2019 at
business planning day.

Date of Next Review

March 2022

The policy is available on the Association's website. We will provide this policy in specific formats as requested, i.e. tape, Braille or another language.

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1. Vision and values

Wellhouse – the Place to Be.

This simple statement is our vision of Wellhouse as an attractive place where people feel happy and safe, benefit from having a good home and an attractive environment and feel proud to be part of a vibrant community.

We believe that our values of Trust, Honesty, Integrity, Excellence, Accountability and Sustainability supported by a comprehensive policy framework will help make our vision a reality.

2. Governance

Wellhouse HA is a community controlled registered social landlord and is managed by a group of local people who are elected onto the Management Committee. We may co-opt other people onto the Management Committee from time to time where we feel we need specialist support. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people.

The Management Committee appoints senior staff, agrees all the Association's policies and takes all the key decisions. The Director and the senior team support the Committee in these responsibilities.

3. Policy Aims

We are committed to doing all that we can to help our customers pay their rent and to help them when things go wrong. The rents our customers pay are the main income that we receive. Making sure that all our customers pay their rents on time and in full is vital for us to keep delivering excellent services and providing high quality and affordable homes. When a customer does not pay their rent it impacts on all our customers. We ask our customers to tell us as soon as there is a problem so that together we can agree an arrangement to keep their account clear.

Because our customers' rents are our main income and loss of income impacts on all our customers, we are committed to using all the powers that we have to support and encourage our customers to pay their rents. If customers consistently do not pay their rents we will take legal action; this could mean the tenant will lose their home.

4. Equal Opportunities Statement

We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.

We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

5. Scottish Housing Charter

The Scottish Government's Social Housing Charter came into force in April 2012. The Charter sets out the standards and outcomes that Registered Social Landlords should achieve.

There are 6 outcomes under the Charter that are especially relevant to our asset management policy, these are:

Outcome 2 Communication

Social landlords manage their business so that:

- tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides

Outcome 4: Quality of Housing

Social landlords manage their business so that:

- Tenants' homes, as a minimum, meet the SHQS when they are allocated; are always clean, tidy and in a good state of repair and also meet the EESSH.

Outcome 5: Repairs, Maintenance and Improvements

Social landlords manage their business so that:

- Tenants' homes are well maintained, with repairs and improvements carried out when required and tenants are given reasonable choices about when work is done.

Outcome 6: Estate Management, etc.

Social landlords, working in partnership with other agencies help to ensure as far as reasonably possible that:

- Tenants and other customers live in well-maintained neighbourhoods where they feel safe

Outcome 11: Tenancy Sustainment

Social Landlords ensure that:

- Tenants get the information they need on how to obtain support to remain in their homes and ensure suitable support is available, including services provided directly by the landlord and other organisations.

Outcome 13: Value for Money

Social Landlords manage all aspects of their business so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

6. Legislation

The following legislation is relevant to this policy:

- The Housing Scotland Act 2001 & 2010 & 2014
- Scottish Secure Tenancy and Short Scottish Secure Tenancy;
- Data Protection Act 1998;
- Human Rights Act 1998;
- SHQS;
- EESSH;
- Gas safety.

This policy also uses the SHR document Strategic Asset Management Recommended Practice (August 2012) as a reference document.

7. Our principles and standards

Asset management is a core business objective, integral to Wellhouse HA's business resilience and we commit ourselves to:

- Use our assets to enhance financial viability;
- Invest in our assets to meet current and future customer needs;
- Ensure our people are equipped to deliver the strategy;
- Have homes and neighbourhoods that are well-maintained and cared for;
- Use assets to support growth and diversity.

“Asset management is about ensuring that a landlord's homes are affordable and attractive to tenants and are financially viable in the medium to long term.

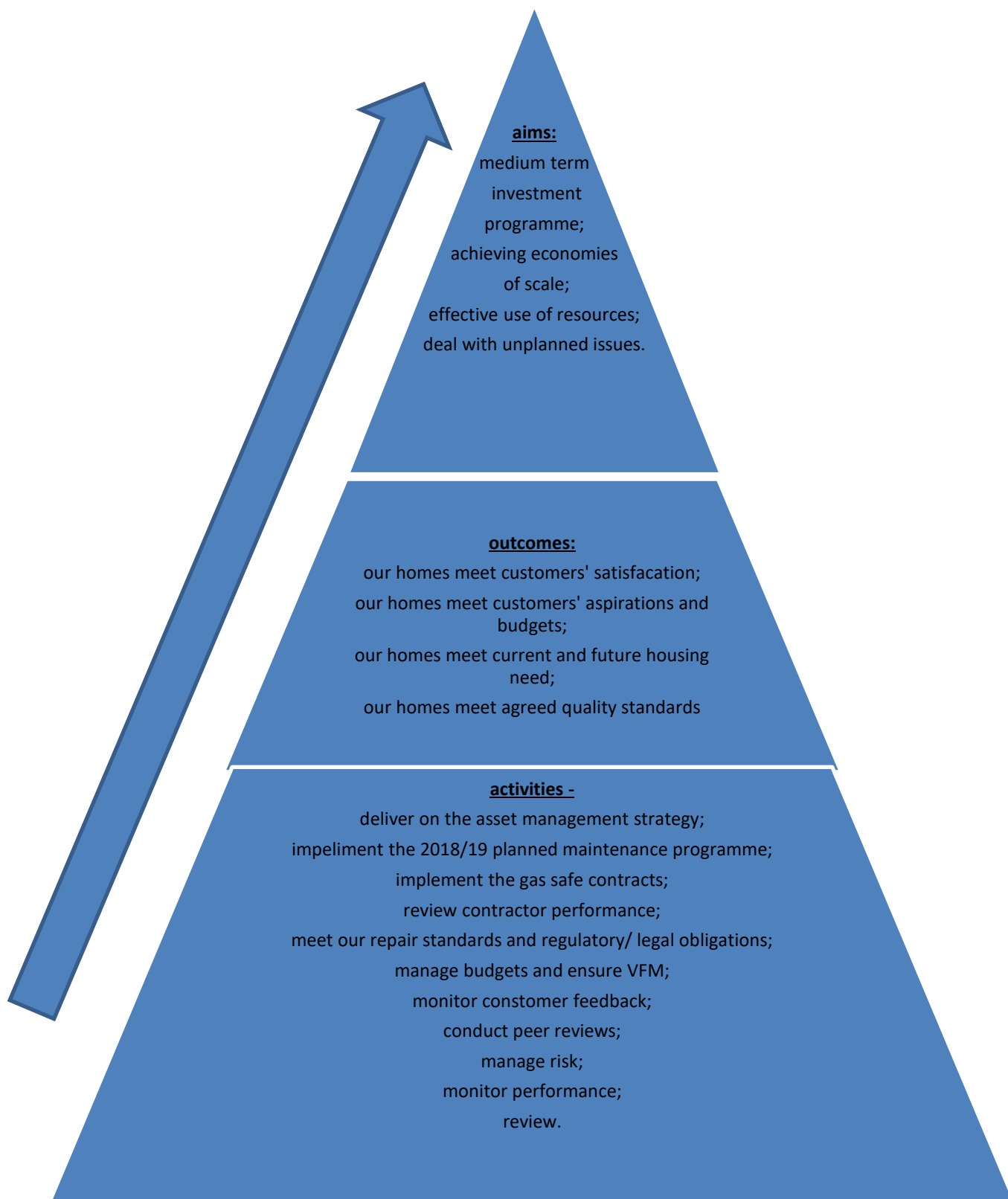
Managing assets is partly about investing in, maintaining and upgrading properties and partly about understanding the needs and aspirations of your customers.

A major part of asset management for housing associations and co-operatives is investing in energy efficiency in order to keep homes affordable and to comply with Scottish Government standards - firstly the Scottish Housing Quality Standard (which was to be met by 2015) and now the Energy Efficiency Standard for Housing (to be met by 2020).

Asset management includes a wide range of activities that housing associations undertake to ensure their homes are of good quality and are affordable to tenants.

Managing assets generally involves building, managing, maintaining and investing in homes.” (SFHA).

**OUR APPROACH 2018/2019
PLANNING TRIANGLE**



ASSET MANAGEMENT POLICY

INTRODUCTION

Our Strategy and Plan

Asset Management is the process by which we ensure that the assets that we need to operate our business are managed effectively and provide value for money. It covers a range of activities that are in place to protect these assets.

Our assets consist of:

- Housing stock we own to support our main business i.e. provision of quality, affordable accommodation to people in housing need;
- Land that is 'banked' for future development;
- Our office accommodation;
- Skilled staff - the people resource that is in place to ensure that our physical assets are effectively managed and that the required services are offered to customers;
- Voluntary Board members who govern the organisation, take strategic decisions to influence the direction and ethos of the Association;
- Other assets that support the above such as IT systems, stock information, equipment;
- Financial strength that underpins the organisation to ensure that we achieve our strategic objectives;
- We rely on all of these to deliver our key objectives. We have an Asset Management Strategy and an Asset Management Plan to ensure deployment of the strategy. Quite simply, we want to ensure that we 'make the most of what we have got'.

This Asset Management Plan focuses primarily on the **stock assets** as the management of our other assets is covered elsewhere in our other strategic documents.

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

Purpose of our Asset Management Plan:

An asset management strategy, put simply, is a process that monitors and maintains things of value to an organisation. In Wellhouse HA's case, it is the practice of managing the Association's physical assets which consist of tenants' homes, common parts of buildings that it owns in conjunction with owner occupiers, its office and its community building, the Hub. The purpose of our asset management plan is to set out the framework for our approach to managing our assets in order that we achieve our aims and objectives both now and in the future and to propose a working document to assist with continual improvement in the efficient and effective delivery of the Asset Management Strategy.

In order to ensure that the housing stock meets our needs and standards now and in the future, the Strategy either contains or relates to the following elements:-

- a short to medium-term stock investment programme; etc.
- a planned maintenance programme, based on achieving economies of scale by replacing components before they fail;
- the replacement of components within groupings to ensure effective use of resources;
- a responsive maintenance service to efficiently deal with unplanned failures;

- an efficient and effective void repairs process to ensure that essential upgrades or previously missed investment is carried out with the minimum of delay to protect Association revenue
- to comply with legislation.

We are committed to working within our operating environment, monitoring trends in greater Easterhouse and Glasgow and to reviewing the policies of Scottish Government and Glasgow City Council, this includes, but is not limited to:

- Local Housing Strategy;
- Housing Needs Assessments;
- Strategic Housing Investment Plans;
- SDFP's;
- Developments in local markets;
- Demographics;
- 'Addressing the Gaps' and other EHRA supported publications;
- Analysis of CBL system and CHR locally.

The objectives of the plan are as follows:

- To produce an asset profile of the housing stock and ensure it is in good condition; is in the right location; is designed to fit modern purpose and is sustainable;
- To state the value of the stock;
- To review the findings of the most recent stock condition survey against the current and future repairs and maintenance requirements including the requirement to meet the Scottish Housing Quality Standard & EESSH;
- To set out our approach to asset investment and maintain property in a cost effective way that delivers on Value for Money objectives;
- To evaluate the Association's housing stock against existing housing needs and demand information, ensuring that it meets (current and forecast) local housing need as well as lettings, development and disposal considerations;
- To clarify Wellhouse HA's understanding of customer needs and detail how we ensure we keep abreast of changing needs of current and potential customers and deliver homes and services accordingly;
- To provide an integrated understanding of the 30 year financial plans for the organisation and how asset management impacts upon this;
- To set out the risks acknowledged in relation to asset management and identify actions that we will take to mitigate against the effects of these risks;
- Produce an action plan detailing how we will challenge ourselves to continually improve and remain effective and efficient in supporting our strategy.

Wellhouse Housing Association takes a whole organisation approach to asset management and recognises that the management and maintenance of its housing stock does not just require a good asset management strategy, it also requires that tenants and other owners look after their properties. Sustainable neighbourhoods also require to be safe and secure and that the environment in general has to be an attractive and desirable place to live. The Association therefore adopts industry standard best practice in housing management which cover the following main areas:-

- tenancy management, to ensure the tenants are living in their homes in accordance with their tenancy agreements;
- lettings to support the establishment of balanced communities;
- estate management to ensure that open spaces and common areas are respected, maintained and safe.

Asset Value

As at 31 March 2018 the stock is valued as follows;

- Rental properties - £18,225.000
- Office Premises 49 Wellhouse Crescent - £1,048.000
- Shop units - £315,000

OUR STOCK

Context

In 1989, a tenants steering group was set up to seek the transfer of 335 homes from Glasgow City Council to community ownership. Their success led to the creation of Wellhouse Housing Co-Operative, registered as a social landlord in 1994 and becoming Wellhouse Housing Association in time for our 10 year anniversary. A second successful stock transfer from Glasgow Housing Association in 2010 resulted in all the social rented homes in Wellhouse being owned by the housing association. The association has worked hard to transform the local area and build new homes. We now own 793 good quality rented homes and factor a further 56 on behalf of other owners.

Over the years, we have developed innovative approaches, particularly in our wider role activities. We have been ambitious to transform the local area and the physical and social improvements are obvious. Statistics show that since 1994, and 2010, the community is more stable, there is little anti-social behaviour, and the level of deprivation has improved.

In 2015, we embarked upon a major review of our governance and financial management arrangements. We agreed with and responded to requirements from the Scottish Housing Regulator, with a comprehensive Governance Improvement Plan. In 2016 we significantly strengthened our organisation in critical business areas. We have robust business planning and risk management arrangements. We reviewed the investment needs in our tenants' homes and provided for a more appropriate upgrading programme based upon a refreshed Sustainable Community Strategy. We have enhanced our management reporting systems and this has already helped to identify efficiencies and improve our performance. We will continue to implement and develop these improvements. We recognise through this, that there are substantial developments required in our operational management. In 2018, we are ensuring an explicit link between our business plan and our asset management plan.

During the duration of the organisation strategic plan, 2015/16-2018/19, it is not anticipated there will be an increase in the stock.

The stock is a mix of tenement rehab and new build and varies in size from 2 apartments to 6 apartments. The stock is generally in good condition and of high demand. In March 2016, our tenants' satisfaction survey stated that 90% of our tenants were satisfied with the overall service supplied by Wellhouse.

Table 1 below provides a list of the housing stock for social rent by housing type, age and apartment size.

| | Number | Percentage (%) |
|---------------------------------|--------|----------------|
| House Type – Non Self Contained | 2 | 0.25 |
| House | 233 | 29.5 |
| Flat | 422 | 53 |
| Four in a block | 134 | 17 |
| Total | 793 | 100 |
| Detached | 2 | 0.25 |

| | | |
|---------------------------|-----|-------|
| Age | | |
| Pre 1982 | 314 | 40 |
| Post-1982 – 1999 | 88 | 11 |
| Post 2000 | 391 | 49 |
| Total | 793 | 100 |
| | | |
| Size – Non Self Contained | 2 | 0.25 |
| 1 apt | 0 | 0 |
| 2 apt | 52 | 6.5 |
| 3 apt | 497 | 62.75 |
| 4 apt | 156 | 19.5 |
| 5 apt | 86 | 11 |
| Total | 793 | 100 |

Central to a landlord being able to make plans for the continued good management of its assets is having good quality information on those assets. This information will provide a framework for analysing the performance of stock and its components. It is key that we maintain excellent information in respect of our assets, through:

- Asset Register;
- Outstanding security;
- Loan security valuation;
- Letting Demand.

Non-Housing Units

The Association owns 5 non-housing unit properties. Four are shop units, let on a full insuring and repairing basis. One is the Association's office at the Hub, 49 Wellhouse Crescent, which we share with Connect Community Trust and Treasure Tots nursery. The Hub is excluded from the Asset Management Strategy meantime, being subject to a separate business plan to be developed in 2018.

Stock Condition Surveys

The stock condition survey forms the basis of the database of information in respect of our properties our last survey was carried out in 2016 by independent surveyors, Reid Associates. This survey has informed our revised investment programme.

Our next stock condition survey will be carried out in November 2019, this will involve 10% of our stock being assessed with an even split of units within all our phases.

Property Database

Our core property database enables us to record all of the information relevant to the property. By linking the property database to the stock condition survey we have a sound basis on which to develop our Asset Management Strategy. This is principally used to plan investment and other activities to ensure the sustainability, both environmental and social/economic, of the stock over time.

It allows us to:

- Forecast the demand for major repairs and improvements over 30 years or more for business planning purposes;
- Identify properties that do not comply with our standards;
- Calculate indicative ratings of energy efficiency;
- Plan the most cost effective ways of delivering investment programmes;
- Prioritising stock that is performing poorly.

We are presently exploring the use of Real Asset Management software to further improve our approach to this core business area.

OUR BUSINESS PLAN

Business Plan Strategic objective 2: Deliver Good Quality Homes

As a social landlord we take our responsibilities for looking after our properties very seriously. We are also acutely aware that these properties are peoples' homes and as such, their quality has a major impact of the lives of those who live in them.

The outcomes we seek:

- Our homes deliver customer satisfaction;
- Our homes meet customers' aspirations;
- Our homes meet current and future housing needs;
- Our homes meet agreed quality standards.

Key projects to deliver:

- Adopt a more strategic approach to asset management;
- Review our procurement options;
- Introduce a Wellhouse Quality Standard;
- Identify opportunities for future development;
- Ensure value for money.

How we will deliver:

- By developing & implementing an asset management strategy and delivering on it;
- By maintaining a comprehensive and accurate property database;
- By continuing to invest in our properties to meet quality standards;
- By reviewing contractor performance;

Performance measures;

- 100% of our homes meet EESSH & SHQS by the regulatory deadlines;
- 100% of our homes meet all safety requirements on time;

- Improved customers satisfaction levels year on year;
- Improved contractor performance year on year.

The asset management strategy is a key document in this context, as it outlines how Wellhouse will manage its housing assets and resources to achieve this objective.

Strategic Planning

Asset Management strategies are a key part of delivering our overall business strategy. It is essential that asset management links with our overall vision and strategy. The Management Committee, staff and service users must recognise the intended outcomes of the strategy.

The business plan sets out the direction of the organisation in the short to medium term and the resources, including staffing and finance, needed to meet these objectives.

The asset management strategy is a vital part of delivering the business plan and should be designed to both reflect and help deliver the objectives and business strategy.

Such plans will have to be reviewed regularly to take into account changes in market conditions and the policy agenda.

The asset management strategy needs to be closely linked with the business plan, financial plan and risk management strategy. These planning tools interact in a complex way and any changes in one could have a significant impact on the other. In order to maintain confidence in the robustness of the business plan we will be required to continuously review the plan.

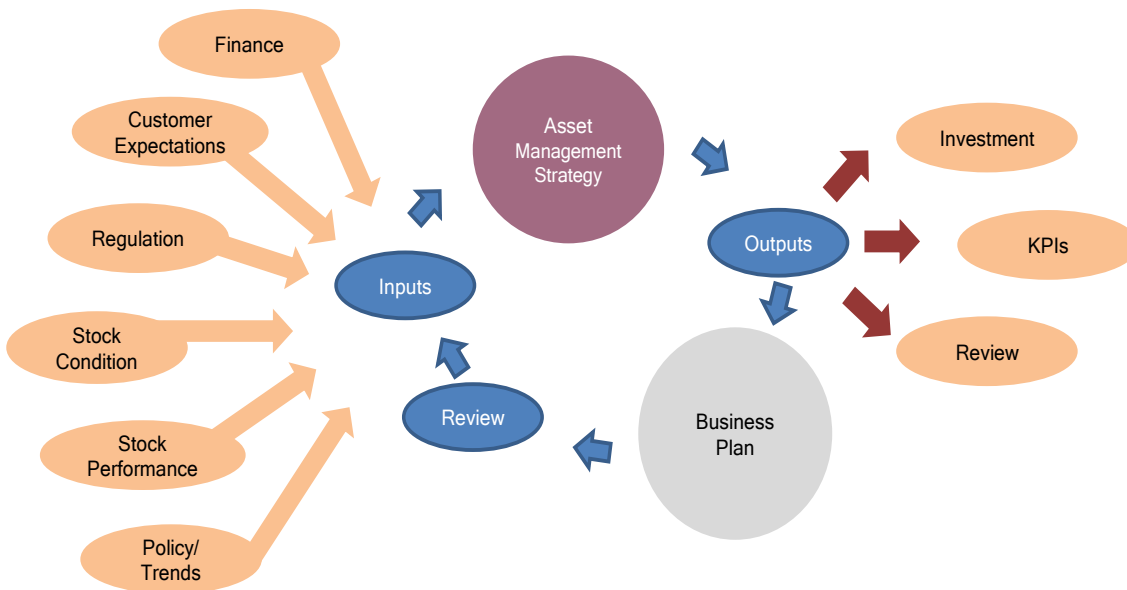


Table 1 planning process

It is important to recognise that it is not a case of simply developing the business plan and then constructing an asset management strategy. It is a process where the development of the asset management strategy is an integral part of business planning and each feeds from and into the other.

LEGISLATION AND REGULATION

Wellhouse HA's responsibilities as a Registered Social Landlord are set out in the **Housing (Scotland) Act**. As a Registered Social Landlord, we are required by law to keep the properties wind and watertight and reasonably fit for human habitation. These responsibilities are detailed in the Association's Scottish Secure Tenancy Agreement and include the following:-

- a) a general repair obligation to include a duty to carry out repairs relating to water penetration, rising dampness and condensation dampness. To repair includes a duty to take into account the extent to which the house falls short of the current building regulations by reason of disrepair or sanitary defects.
- b) to keep in repair the structure and exterior of the house, including:-
 - i) drains, gutters and external pipes (this does not include the clearance of blockages caused by the tenants' negligence)
 - ii) the roof
 - iii) outside walls, outside doors, window sills, window catches, sash cords and window frames, including external painting and decoration
 - iv) internal walls, floors and ceilings, doors, door frames and internal staircases and landings (but not including painting and decoration)
 - v) chimneys, chimney stacks and flues (but not including sweeping)
 - vi) pathways, steps or other means of access
 - vii) plasterwork
 - viii) integral garages and stores
 - ix) boundary walls and fences
- c) to keep in repair and working proper order, any of the installations provided for space heating, water heating and sanitation for the supply of water, gas and electricity, including:-
 - i) basins, sinks, baths, toilets, flushing systems and waste pipes, showers, water tanks,
 - ii) electric wiring, fireplaces, fitted fires and central heating installations, door entry systems, T.V. aerials and extractor fans.
- d) to publish and inform tenants of their own and the Association's responsibilities in respect of repairs and maintenance.

Scottish Housing Quality Standard (SHQS)

The Scottish Housing Quality Standard (SHQS) was introduced by the Scottish Government in 2004 and updated in 2012. It sets a national standard for the physical quality of rented properties that all local authorities and registered social landlords must have achieved by 2015.

The SHQS has 40 elements within 5 housing criteria. The standard requires all dwellings to:

- Meet the tolerable standard;
- Be free from serious disrepair;
- Be energy efficient;
- Be equipped with modern facilities and services;
- Be healthy, safe and secure.

The standard is based on a number of broad quality criteria and consists of five key categories which all social rented housing must meet:

| Broad area (or criteria) | Code | Element Numbers | Colour Code |
|---|------|-----------------|-------------|
| Must meet the Tolerable Standard(i.e. the basic legal minimum standard) | A | 1-12 | Orange |
| Must be free from serious disrepair | B | 13-30 | Green |
| Must be energy efficient | C | 31-35 | Pink |
| Must have modern facilities and services | D | 36-40 | Blue |

| | | | |
|----------------------------------|---|-------|--------|
| Must be Healthy, Safe and Secure | E | 41-55 | Yellow |
|----------------------------------|---|-------|--------|

Table 2 SHQS criteria

| | 2015-2016 | 2016-2017 | 2017-2018 |
|---|-----------|-----------|-----------|
| Stock failing SHQS | | | |
| Stock compliant with SHQS | 98.4% | 99.98% | 100% |
| % of stock failing the standard | 1.6% | 0.02% | 0 |
| % of stock failing the standard including abeyances | 4.4% | 2.7% | 2.0% |

Properties in abeyance – this can arise when work cannot be done for ‘social’ reasons relating to tenants’ or owner-occupiers’ behaviour (e.g. where owner occupiers in a mixed ownership block for common elements of SHQS such as roofs, hallways etc. do not wish to pay for their share.

The failure can be attributed to properties that were provided with electrical heating during the initial rehabilitation programme. Wellhouse Housing Association aims to replace all these systems with Gas Central Heating during this financial year, where tenants refuse to allow access we will upgrade as soon as practically possible that may mean at a change of tenancy or persuading tenants to join further investment programmes.

Wellhouse has a rolling programme of inspections to check SHQS compliance and inform investment needs. 20% of our stock has been externally assessed, in October 2016 examining stock condition and providing component life cycles.

The data from this exercise is analysed and subsequently integrated into the long-term financial forecasts.

Energy Efficiency Standard for Social Housing (EESH)

Standard Assessment Procedure (SAP)

The SAP is the Government’s preferred energy rating, initially introduced as a way to compare different energy levels being delivered within the UK. SAP Assessments are one way of assessing that homes conform to building regulations. SAP ratings are assessed using a score of between 1 and 100. A home scoring 0 would be very efficient whilst a home scoring 100 is considered very inefficient.

The energy rating is utilised within the Scottish Housing Quality Standards to establish if a property meets the Energy Efficient Standard. Properties heated by gas require a SAP rating above 50, with other forms of heating requiring a rating above 60. All our properties meet these criteria.

Energy Performance Certificates

On the 4th of January 2003 the Directive 2002/91/EC of the European Parliament and Council on the energy performance of building took effect. The objective of the Directive is to highlight awareness of energy use in buildings and is intended to lead to substantial increases in investments in energy efficiency measures. Both domestic and non-domestic buildings must comply with the legislation.

The directive prescribes that when a building is constructed, sold or rented an Energy Performance Certificate detailing its energy performance must be made available. This certificate can either be to the owner or by the owner to the prospective buyer or tenant. EPCs provide owners and tenants with better information about the carbon dioxide emissions from their properties and include simple cost

effective home improvements measures that will save energy, reduce bills and cut emissions. EPCs have been required for existing buildings since January 2009.

Energy Efficiency Rating

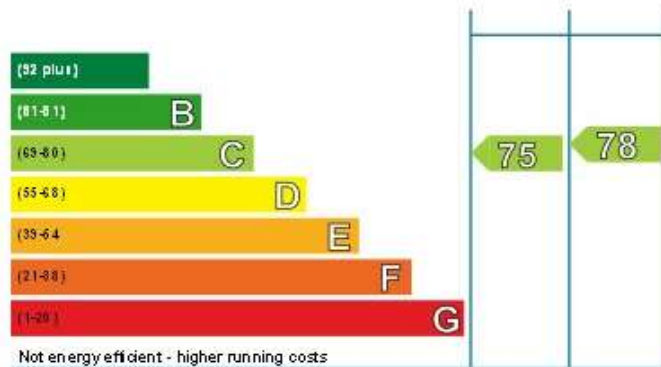


Table 4 - EPC example 27 Balado Road 2/1
Energy Efficiency Standard for Social Housing (ESSH)

The Energy Efficient Standard for Social Housing (ESSH) is a mandatory standard for Social Landlords to be met by 2020. ESSH is to succeed the energy targets and guidance in the Scottish Housing Quality Standard (SHQS). The ESSH targets will supersede the SHQS from 2015.

The Standard aims to improve the energy efficiency of social housing and reduce energy consumption, fuel poverty and the emission of greenhouse gases. Meeting this standard will help to achieve the Climate Change (Scotland) Act 2009 target of reducing carbon emissions by 42 per cent by 2020 and 80 per cent by 2050.

In September 2012 the Scottish Government consulted with social landlords and tenants on the development of minimum standards for energy efficiency in social housing in Scotland. The proposed standards contained within the consultation document are shown below. Although the timescale for adherence is 2020 we must be aware of the responsibility when developing planned maintenance programmes.

| Broad Type | Minimum EPC (EI) rating For the standard | Minimum EPC (energy efficiency) rating |
|--|---|---|
| Top floor flats heated by gas | C(70) | C(75) |
| Mid floor flat heated by gas | C(80) | C(80) |
| Ground floor flat heated by gas | D(65) | C(70) |
| Mid-terraced house heated by gas | C(70) | C(75) |
| End terrace/Semi-detached heated by gas | D(65) | C(70) |

| | | |
|---------------------------------------|-------|-------|
| Four in a block-lower heated by gas | D(60) | D(65) |
| Four in a block – upper heated by gas | D(60) | D(65) |
| Detached / Bungalow heated by gas | D(55) | D(60) |

Table 5 EESH standards

The EESH is based on a minimum energy efficiency rating, as defined within the Energy Performance Certificate (EPC) for a property. The energy efficiency rating is taken from SAP energy calculations and the EESH uses the 2009 version of SAP as its basis. Since January 2009 we have been obliged to provide an EPC for each of our properties at the time of re-let. The EPC gives an energy efficiency rating which will be used for EESH purposes.

The EESH sets a single minimum Energy Efficiency rating that must be achieved. The rating varies depending on fuel type and general dwelling type. It does not differentiate between construction types or age of properties:

| Dwelling Type | EE Rating required by EESH | |
|-----------------------|----------------------------|----------|
| | Gas | Electric |
| Flats | 69 | 65 |
| Four in a block | 65 | 65 |
| Houses (not detached) | 69 | 65 |
| Detached | 60 | 60 |

The Standard does not prescribe how RSLs are to achieve these minimum energy efficiency ratings but provides a list of 'reasonable measures' that we can consider when deciding what works we will undertake to bring properties up to the minimum rating. These measures are felt to represent a good balance of cost and benefit in the reduction of energy consumption:

- Condensing boilers;
- Double/secondary glazing;
- Heating controls;
- Storage heaters;
- Loft insulation top-up;
- Floor insulation;
- Compact fluorescent lighting;
- Solid wall insulation (external).

Wellhouse Housing Association has no properties which fall into the exemption categories on EESH. We have been proactive in this area and have been supported by our management committee on key decisions over the past few years.

We have invested 1.2m (excluding owner costs) on a program of new roofs, rainwater gutters and downpipes, external wall cladding and loft insulation to 27 of our tenement closes which were completed in February 2017.

The project consisted of 130 of our flats and 32 owner flats, being upgraded to meet EESSH standards 3 years ahead of the deadline. We secured Scottish Government 100% HEEPS funding for all owners for over-cladding and insulation and 50% Glasgow City Council grant contribution on all repairs which were carried out at the same time.

We will also invest 280k over the next 4 years replacing 140 central heating boilers with the new A rated Worcester 30i combination boiler.

We are now 98% compliant with EESSH 2020. This shows our management committees commitment to tackling fuel poverty, reducing our CO emissions and reducing utility bills. We will continue to be proactive in this area over the next five years.

Reactive maintenance

Repair and maintenance of our assets is essential to the proper management of our housing stock and is a key determinant of customer satisfaction. A good repair service can contribute to Asset Management in several ways:

- Life cycles can be stretched by good maintenance; tenants are more likely to accept older components if they are confident that if something goes wrong a prompt repair will be carried out.
- Hopefully if we provide a first class service tenants will be encouraged to look after and maintain their home.
- Feedback and analysis of all repairs will allow us to inform planned renewals and may also inform different design solutions.
- The service standards are set out in Wellhouse HA's Maintenance Policy and information sheets available to service users. In the last year, Wellhouse initiated a significant change in how the reactive gas maintenance service is delivered. Wellhouse moved from small specialist contractors to a single gas servicing and maintenance contractor commencing on 1 April 2018.

This change in strategic direction was predicated by a drive to control cost, improve performance and increase tenant satisfaction.

In 2017/18, we spent £220,000 on reactive repairs which equates to an average reactive maintenance spend of £278.00 per property.

A priority in 2017 was to procure a new reactive gas maintenance contractor and this new appointment was made December 2017 (subject to due diligence). The Association has used external support to assist in managing the procurement process to ensure that we adhere to regulations and achieves our objectives.

The key decision making criteria included providing competitive costs, improving response performance and resident satisfaction, and supporting the community development aspirations of the business.

Repair and maintenance of our assets is essential to maintain customer satisfaction levels and to prolong the life expectancy of the properties and their individual components. We aim to provide an efficient and effective service which meets our legal obligations, but is also responsive to the changing needs of tenants while providing value for money. The table below details our service standards in relation to repairs.

| CLASSIFICATION | TARGET RESPONSE TIME |
|-----------------------|---------------------------------|
| Emergency | Responded to within 4 hours |
| Urgent | Completed within 3 working days |

Routine

Completed within 10 working days

Right to Repair

The Right to Repair Regulations 2002 sets out repairs which are qualifying and gives the maximum time for landlords to complete these repairs. These definitions form our responsive repairs targets. The qualifying repairs and the completion times are shown in the table below:

| Repair Description | Maximum Period in Working Days after Date of Notification of Qualifying Repair or Inspection |
|--|---|
| Blocked flue to open fire or boiler | 1 |
| Blocked or leaking foul drains, soil stack or toilet pan where there is no other toilet in the house | 1 |
| Blocked sink, bath or drain | 1 |
| Loss of electric power | 1 |
| Partial loss of electrical power | 3 |
| Insecure external window, door or lock | 1 |
| Unsafe access path/step | 1 |
| Leaks or flooding from water or heating pipes, tanks, cisterns | 1 |
| Loss or partial loss of gas supply | 1 |
| Loss or partial loss of space or water heating where no alternative heating is available | 1 |
| Toilet not flushing where there is no other toilet in the house | 1 |
| Unsafe power or lighting socket, or electrical fitting | 1 |
| Loss of water supply | 1 |
| Partial loss of water supply | 3 |
| Loose or detached banister or hand rail | 3 |
| Unsafe timber flooring or stair treads | 3 |
| Mechanical extractor fan in internal kitchen or internal bathroom not working | 7 |

N.B.: CERTAIN CIRCUMSTANCES EXCLUDED FROM COMPENSATION

1. Repairs within a property's Defects Liability Period that are the responsibility of the main contractor.
2. Repairs that might involve an element of recharging to tenants.
3. Repairs that are not the Association's responsibility.
4. Where reasonable access was not given by the tenant.
5. Where the maximum response time had to be extended for reasons outwith the Association's or the contractor's control.

6. If the value of the repair exceeds £350.00.

Delivery of Responsive Repairs

The Association delivers its repairs service through a variety of contractors, the majority of which are locally based. It maintains a list of approved contractors which contains small independent single trades through to large multi-trades contractors. The emergency out of hours response contract is with City Building, the arms-length repairs contractor of Glasgow City Council. Repairs performance for the year April 2017 to March 2018 is detailed below:-

| Category | Target response time | No of repairs completed | No completed within target | % completed within target |
|--------------|----------------------|-------------------------|----------------------------|---------------------------|
| Emergency | 4 hours | 1094 | 1080 | 98.7 |
| Urgent | 3 days | 680 | 675 | 99.3 |
| Routine | 10 days | 918 | 910 | 99.1 |
| Total | | 2,692 | 2,665 | 99% |
| | | | | |
| Void Repairs | 5 working days | 347 | 330 | 95.0 |
| | 10 working days | 0 | 0 | 100 |

Customer satisfaction with the repairs service is also high. The Association's tri-annual Tenants' Survey, last undertaken in August 2017, found that 82% of tenants were satisfied with the reactive repairs service.

QUALITY & MAINTENANCE OF HOMES MET SCOTTISH HOUSING QUALITY STANDARDS

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 100% (99.6%) | 97.8% | 100% | 100% | 100% | 100% | 100% | 98% | 93.6% |

AVERAGE TIME TO COMPLETE EMERGENCY REPAIRS

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 2.4hrs (1.9) | 2.8hrs | 2.6hrs | 1.4hrs | 1.7hrs | 1.2hrs | 1.6hrs | 2.8hrs | 4.7hrs |

NON EMERGENCY REPAIRS

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|----------------|----------|----------|----------|----------------|------------|----------|-----------|------------------|
| 3.7 days (3.9) | 2.7 days | 3.8 days | 2.6 days | 3.4 days | 2.9 days | 3.1 days | 4.2 days | 7.1 days |

RIGHT FIRST TIME

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|---------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 87.5% (93.1%) | 94.1% | 91.6% | 98.7% | 97.1% | 98.8% | 98.9% | 98.1% | 92.4% |

SATISFACTION WITH MAINTENANCE SERVICE

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 97.8% (100%) | 94.1% | 97.1% | 100% | 99.1% | 96.8% | 96.8% | 80.2% | 90.06% |

Planned and Cyclical Maintenance

The delivery plan ensures that a strategy is turned into robust and effective plans for delivery. At the heart of the plans the following questions have to be answered.

- What work is to be done?
- Where is the work to be done?
- When is the work to be done?
- How is the work to be procured?
- What is the budget?

Our approach to asset management follows an elemental replacement methodology. A series of planned programmes. This approach aims to co-ordinate and concentrate activity in specific phases of development. Life cycle cost theory has been used to help formulate costs and predict future replacement programmes. When this process is viewed in conjunction with the stock condition survey data, it is possible to build a picture of potential future investment need and the related expenditure.

This will be a dynamic document as we actively manage the investment programme

| Kitchen | Bathroom | Boiler Upgrade | Heating Upgrade | Electrical rewire | Roof | Windows | Doors |
|---------|----------|----------------|-----------------|-------------------|------|---------|-------|
| 15 | 20 | 15 | 30 | 30 | 50 | 35 | 20 |

Table 6 component life cycle rates

The above table set out our life cycle rates which take into account building industry standards and component accounting depreciation levels

Cyclical

The term cyclical is used to refer to the regular maintenance and preservation of components. The main focus of cyclical work tends to consist of annual gas safety checks, external and common paint works. At Wellhouse the range of cyclical work has been extended to include smoke detector, heat detectors, carbon monoxide detector testing, electrical inspections, and gutter cleaning.

Our tenants will be involved in our cyclical contacts in particular with close painting colour choices.

As mentioned above in, we recently appointed a new gas maintenance and servicing contractor on an initial 3 year contract which may be extended for up to 5 years.

Any contract over the value of £15,000 is awarded after an open and competitive procurement process and placed on our New Website or the Public Contracts Scotland website.

Wellhouse anticipates spending approximately £632,000 on cyclical works in the 5 years between 2019/2020 – 2023/2024.

Planned

Planned improvement work consists of the replacement of components that are in need of renewal. The main areas of planned improvement work for Wellhouse will consist of kitchen & bathroom replacements, installation of boilers and the upgrade of central heating systems.

We carry out this work with full consultation with our management committee and our tenants. Tenants are involved in each stage of the programs.

Our management committee and tenants will have an input in the following:

- Our specification including product choice within budget constraints.
- Colour choices for kitchen and bathrooms.
- The procurement process and appointment of successful contractors.

Wellhouse anticipates spending approximately £4,100,000 on planned works in the 5 years between

2019/2020 – 2023/2024.

Examples of lifecycles:

| Component | Lifecycle (years) |
|------------------------|-------------------|
| Rewire | 30 |
| Close painting | 5 |
| Smoke detectors | 10 |
| Boiler | 15 |
| Central heating system | 30 |
| Bathroom | 20 |
| Kitchen | 15 |
| Replacement Windows | 35 |
| Door entry | 20 |

All lifespans are within the Building Cost Information Service (BCIS) maximum lifespans published in the "Life Expectancy of Building Components".

5 Year Planned Maintenance Plan

Please refer to appendix 1

Environmental Management

Greater emphasis has been placed on environmental works and estate management, with all staff and partners expected to play their part. We recognise the importance of forming good relationships with the following partners for the overall prosperity of the area:

Glasgow City Council

Pest control, Refused uplift, Bulk uplifts, Street Lighting, Fly tipping, Road defects, Playpark management

Scottish Water

Flood prevention measures

Connect Community Trust

Litter picks, Youth groups, allotments

Community Council

The Community Council brings together a range of supportive service such as, police, fire service, local councillors, members of Scottish and U.K Government.

E.H.R.A

Easterhouse Housing Regeneration Alliance brings together 7 local housing associations who work together for the best interests of the area.

Our own environmental management service is carried out by **our estate warden's team**. The estates warden team carries out a range of duties which includes:

- Clean backcourt, bin areas and paved areas weekly or more frequently as required
- Clean and maintain all landscaped areas including slabs, surrounds, removing and dumping furniture and rubbish as required
- Moss, weed and graffiti removal, as required
- Grass cutting ,hedging and shrub bed maintenance during summer months (April to September) and as required
- Clean and wash closes, stairs, windows as required
- Clearing out empty properties as required
- Cleaning empty properties as required
- Carry out duties to assist maintenance team with small handyman works
- Snow clearing and gritting paths (tenants requiring assistance only)

The estate warden's service is reviewed annually; duties can be changed to suit the needs of the association. We will relaunch the estate warden service in April 2019 taking into account the view of our tenants and our partners. The biggest change to the service this year, influenced by our tenants/owners will be:

- We will now carry out close cleaning to all our tenanted and factored closes.
- We will give tenants the option to have their front garden hedges removed from their gardens.
- We will have set days for each work task making the service more transparent to our service users.
- We will consult with our tenants/owners on changes to refuse uplifts from Glasgow City Council Environmental Services.

Our August 2017 tenants' satisfaction survey stated that 89% were satisfied with the management of the neighbourhood.

Gas Installations

The Association has a Gas Servicing policy that recognises the potential hazard that poorly or incorrectly maintained gas services and equipment can cause. The Association will ensure the correct servicing and maintenance of gas systems.

The Association has a legal obligation to ensure the continued safety of our residents in respect of gas installations. The Association employs a gas contractor that is Gas Safe registered. The Association has a system that ensures each property undergoes a gas safety check within 12 months of the previous check.

The appointed contractor will be audited by an independent specialist contractor to ensure all systems are being correctly serviced.

A separate policy applies.

Electrical Installations

BS 7671 recommends that all properties should be tested every 5 years and each time the property becomes void.

The Association will implement a testing regime 5 years after construction or full re-wire and for other properties on a 5-year rolling program. All void properties will also be tested and full records maintained.

Fire Safety

The Association recognises the risk posed to residents and to our assets by fire. To combat this risk all properties will be fitted with smoke detectors and an annual service regime will be implemented to ensure they are operational.

When undertaking any refurbishment works, we will ensure that passive fire prevention (work to building structure) will comply with the current Building Regulations and Best Practice guidelines.

We await any guidelines from the Scottish Government in relation to fire safety measures in tenemental properties following the Grenfell Tower incident and are collaborating in consultation at the present time.

Cladding

We have assessed our cladding for risk for loose paneling. We have no concerns at this time.

Asbestos

The Association has a legal requirement to provide information on the location and condition of any asbestos containing materials in its properties. The Control of Asbestos Regulation 2012 imposes a responsibility to check for asbestos in all properties where employees (including contractors) or others who may be at risk. The Association must know the location of, the exact type of and how to manage any sources of asbestos in our properties. The Control of Asbestos Policy was approved by the management committee in June 2017.

The disturbance of asbestos can release small fibres into the air and breathing in these fibres can eventually lead to a number of fatal diseases. Providing the asbestos material is intact and in a position where it cannot be easily damaged, it will not pose a risk to health.

In order to comply with legislation and best practices, we should as far as is reasonably practical:

- Prevent or, where this is not possible, minimise exposure to asbestos fibres;
- Manage asbestos in our premises and inform, where required, on location, state of repair and type of asbestos present.

There are three forms of asbestos commonly known as blue (Crocidolite), brown (Amosite) and white (Chrysotile) albeit they cannot be identified by colour alone. Blue and brown asbestos (the two most dangerous forms) have not been imported into the UK for nearly 20 years and their use was banned in 1985. White asbestos was banned, except for a small number of specialised uses in 1999.

It is unlikely that any property constructed after 2000 will contain asbestos. The most likely source of asbestos will be artex wall coverings installed by tenants. To improve our procedures in dealing with asbestos we will:

- Prepare an Asbestos Management Plan
- Review monitor and adjust the plan regularly
- Provide staff and contractors with an adequate level of information on asbestos –location and condition
- Provide regular and adequate training for staff
- Continue developing a programme of surveys and updating the register

Wellhouse has an asbestos policy and register and undertakes an annual programme of surveys. The register is provided to all contractors Wellhouse use on reactive and programmed maintenance. Asbestos identified has been minimal, low-risk and subsequently managed and left in-situ pending renewals of components.

Legionella

Wellhouse are in discussions with specialised companies with proven experience in this type of work to carry out inspections and maintenance of water tank

Adaptations

Wellhouse faces a challenge of meeting increasing demand for adaptations in a period of public expenditure constraints.

In order to maximise adaptations and address demand, Wellhouse have taken the decision not to fund certain adaptations of a specific nature and particular type such as wet floor showers in a second or third floor flat.

In 2018/19, we have received a funding allocation of £46,000 to carry out medical adaptations from the Scottish Government, via the Department of Regeneration Services at Glasgow City Council. Wellhouse HA also commit £12,800 to this budget.

Risk Management and Welfare Reform

A key risk for Wellhouse in the context of asset management is statute compliance, maintaining demand for our stock and ensuring we achieve high levels of resident satisfaction.

Wellhouse has to maintain SHQS compliance and adapt to potential enhanced energy efficiency standards. On-going external survey work supports the management and control of this risk.

Wellhouse has a comparatively low turnover of stock and demand exceeds supply. The financial challenge of welfare reform presents a significant risk to the organisation. This will increase pressure on operating costs and the scale of bad debt. This presents a risk in the context of maintaining demand and funding any new legal obligations the organisation has to meet.

Housing Demand & Tenant Satisfaction

Housing Demand

This section explains the type of allocation system we have adopted to ensure that we meet our policy objectives effectively.

Group plus points system

The group plus points system establishes a number of groups with individual applications placed into an appropriate group. Applicants in the group are then awarded points for any housing needs that they have.

The only exception to this are people who are placed in group 1 (homeless) and 8 (Aspirational).

For those placed in group 8 this is because people in this group have no housing 'need' element (in that their current home meets their housing needs), we do not award 'housing points' for aspirational applications. Instead, we add the person to the group, and when a suitable property becomes available for offer to someone from the aspirational housing group, it is offered to the person who has been on the list (for that property type) longest and has the longest length of tenancy.

Order will be as follows –

1. Date admitted to list
2. Length of tenancy

If applicants share the same points within the same group, applications will be prioritised based on their time in housing need. Accordingly, if two applicants have the same points, the applicant who has been in housing need the longest will be given priority.

Only tenants (of the four participating landlords of this policy) who have been living continuously within the same property for 5 years will be placed in the group. At times, however, individual landlords may use discretion.

Advantages of a group plus points system

The key advantages are it:

- Addresses housing needs specified in law (the reasonable preference groups), as well as other housing needs
- Facilitates monitoring of allocation practice, in particular how effectively we are meeting our legal responsibilities
- Ensures accurate identification of housing needs and allows us to respond quickly to changing patterns of need
- Provides for a wide range of housing needs to be tackled thereby promoting our objective of creating sustainable communities

Our groups and placing applications

We have established a total of 8 groups. These groups cover the main needs covered in housing law and good practice guidance. These groups are listed in order of priority.

Our groups are as follows:

- Group 1 Homeless
- Group 2 Urgent Needs
- Group 3 Overcrowded (or large families)

- Group 4 Unsatisfactory housing
- Group 5 Transfers/Under-occupation
- Group 6 General needs
- Group 7 Care and Support
- Group 8 Aspirational

Group 3 and 5 have sub groups.

We place applications into a group using the following method. Applicants are placed in the highest priority group reflecting their housing need.

Joint applicants with separate addresses are pointed at each address according to their circumstances. They are then placed according to the highest group, not the highest points. The applicant can appeal this decision if they are not satisfied with their placing and thereafter may be placed in a different group.

If an applicant has an urgent housing need, their application is placed in the urgent needs group (Group 2). This applies even if the applicant has other housing needs.

If an applicant is living in overcrowding conditions and not in Group 2, their application is placed in the overcrowded group (Group 3). In this group we have two separate sub-groups: overcrowding for waiting list applicants and transfer applicants.

If an applicant is not in Group 2 or 3 and is living in unsatisfactory housing, their application is placed in the unsatisfactory housing group (Group 4).

If an applicant is one of our tenants or a tenant of another RSL, Council or a private sector tenant, and not in any of the above groups, their application is placed in the transfer group (Group 5 – Transfers/Under-occupation).

All other applicants are placed in the general needs group (Group 6), care and support group (Group 7) or aspirational group (Group 8).

An annual letting plan informed by housing need and demand will establish indicative percentage figures of anticipated lets from each group. This letting plan is decided by each organisation individually.

Group 1: Homelessness

We recognise our statutory responsibility in the prevention and resolution of homelessness.

All applicants who the landlord has accepted as a Section 5 homeless referral will be placed in group 1.

Confirmation of homeless will be confirmed at the time of offer. Should confirmation not be confirmed we may withdraw the offer.

Only accepted section 5 homeless referrals are placed within this group.

Group 2: Urgent needs

The needs covered under this group are:

- Houses subject to demolition on regeneration
- Victims of harassment or domestic abuse
- People re-housed through care initiatives

Houses subject to demolition or regeneration

Applicants whose houses are subject to demolition or regeneration due to action taken by their own landlord and who require permanent re-housing are regarded as being in serious need.

We will consider on case by case basis requests by local landlords to assist their clearance programmes.

Points awarded: 250

People subjected to domestic abuse, harassment

This covers applicants who need to be rehoused as a consequence of harassment or domestic abuse.

Types of abuse and harassment we consider include:

- Domestic abuse
- Racial harassment
- Religious or sectarian harassment
- Homophobic harassment
- Transphobic harassment
- Harassment of disabled people, including those with a learning disability

Points awarded: 150 points

People re-housed through care and support initiatives

This covers applicants who need to be housed as part of community care initiatives. Applicants are referred through Social Work or other support agencies.

Examples of such groups are:

- Young people “looked after” and accommodated by Glasgow City Council
- Residents of hospitals and other institutions who are returning to the community
- Residents in supported accommodation now ready to move to other accommodation

Points awarded: 100

Needs not covered by policy

We apply this section of the policy only in **exceptional** circumstances if our present policy does not address the housing need in question. If this applies, we will award points only after each case has been fully investigated and evidence gathered.

In order to ensure accountability, each case must be approved a senior member of staff. The points awarded are withdrawn if the particular need is resolved before an offer is made. These cases will be monitored closely and, if unique circumstances occur, this will be recognised within the policy review.

Points awarded: 300

Group 3: Overcrowding (or large families)

When awarding points to applicants in this group, we use the below occupancy standard, Table 2. This standard is used to calculate if overcrowding (or under-occupation) exists.

Table 2: Occupancy standard

| Household size | Bedrooms required |
|-----------------------------------|-------------------|
| Single person | One |
| Couple | One |
| Same sex members who are under 14 | One |
| Two children mixed sex under 8 | One |
| Any other person | One |

Table 2 shows that, as soon as one child reaches 8 years of age, overcrowding points are awarded if the child does not have a separate bedroom.

We do not let houses to applicants if this creates statutory overcrowding. The size of houses that we let to applicants is based on our policy standard (See section 5.11, Table 1).

In the case of medical needs, extra room space may be required. This will be subject to confirmation and evidence provided by the applicant.

Overcrowding assessments include people who normally live in the house but who are temporarily absent. This could include family members working away from home for a short period or students.

Parents with shared access to children will be awarded with one additional bedroom regardless of how many children the applicant has access to.

In this group we have two separate sub-groups: overcrowding for waiting list applicants and transfer applicants.

If it is deemed by Association staff that the applicant has deliberately created a situation of overcrowding to improve their position on the housing list, overcrowding points may be withdrawn.

| |
|--|
| Points awarded: 50 (for each extra room based on our occupancy standard) |
|--|

Group 4: Unsatisfactory Housing

We must give reasonable preference when letting houses to applicants living in unsatisfactory housing condition. This includes those:

- Living in housing below tolerable standard
- Living in other unsatisfactory housing that we refer to as accessibility or medical needs

Bearport08

Unsatisfactory housing is used in this policy to refer to housing needs relating to accessibility and medical needs.

Housing below the tolerable standard

Housing falls below the tolerable standard if it does not meet the relevant legal standard. A house is below the tolerable standard if it fails to meet any one of the elements within the tolerable standard.

For example, a house must be substantially free from rising or penetrating damp and must have a sink that has a supply of both hot and cold water.

This must be verified by a letter from Environmental Health or a home visit carried out by Association staff.

| |
|---------------------|
| Points awarded: 200 |
|---------------------|

Accessibility or medical needs

Where the applicant or a member of their household suffers from any medical condition where rehousing would alleviate the medical problem, points may be awarded in recognition of this situation. The applicant will be required to complete a medical assessment form which will enable a decision to be made on the suitability for rehousing. Evidence from a medical practitioner may also be required.

There are three gradings placed on an application for medical priority and these are described below:

Priority A: Where an applicants' current accommodation is potentially life threatening or causing severe aggravation to his/her medical condition and where re-housing is extremely urgent. This refers to housebound cases, applicants in hospital awaiting an offer of accommodation before discharge or cases where there is severe difficulty accessing the accommodation.

Priority B: Where an applicants' current accommodation is causing serious aggravation to an applicants' medical condition. This refers to cases where there is difficulty getting to and from the accommodation or the internal layout is unsuitable.

Priority C: Where an applicants' current accommodation is causing a significant degree of discomfort to the applicants' medical condition.

| Medical Grade | Points Awarded |
|---------------|----------------|
| A | 100 |
| B | 75 |
| C | 50 |

In the case of joint applicants who both have medical needs, two sets of points may be awarded.

An applicant where a move will not alleviate or address a medical problem, will receive no medical points.

Group 5: Transfers/Under-occupation

Tenants who do not have housing needs recognised within the first four groups have their applications placed in Group 5. A separate transfer list is important to meet policy objectives for the following reasons:

- It promotes households to move to other accommodation, in turn releasing stock for other applicants
- It addresses the preferences of existing tenants and this is important as preferences are a form of housing need. For example, tenants with no housing need points who don't qualify to be in aspirational group or support group
- In meeting the needs of tenants it is important to establish communities that are populated and sustainable

Under-occupation

Reducing under-occupation helps us to make best use of our housing. Tenants may wish to move to smaller houses as their present home is too large.

Tenants can apply to move to accommodation that reduces present under-occupation levels even if the house remains under-occupied. Such applicants would be awarded under-occupation points only if under-occupation is reduced.

Only tenants (including private rented sector tenants) will qualify for under occupation points. No points will be awarded to owner occupiers.

Two sub groups within this group exist. Group 5a includes existing tenants. Group 5b includes tenants from other Registered Social Landlords and tenants from the Private Rented Sector.

Internal applicants will be prioritised.

| |
|---|
| Points awarded: 25 (for each room under-occupied based on our occupancy standard) |
|---|

Releasing housing for let to other applicants

If two tenants want to live together and re-housing both households releases both their houses for let we award a fixed amount of points.

Points awarded: 50

Tenants with no housing need (zero points) may be placed within this group (and who don't qualify to be placed within the aspirational group (group 8)).

In this group we have two separate sub-groups: under-occupation for waiting list applicants and transfer applicants.

Group 6: General Needs

General needs include areas such as insecurity of accommodation and households who want to move into the social rented sector.

Applicants (non-tenants) with zero points would be placed in here (if you are a tenant with zero points your application will be placed into group 5). The only exception would be for those applications (from tenants of the four participating landlords of this policy) that qualify to be placed within the aspirational group (Group 8).

Insecurity of accommodation

Applicants from people living in insecure accommodation will be awarded points in this group.

Insecurity of accommodation covers a range of situations, including applicants who live in:

- Private sector accommodation
- Private sector accommodation with limited security
- Tied accommodation
- Armed forces personnel
- People of no fixed abode
- Temporary homeless accommodation

Private sector accommodation

Applicants who reside in privately rented accommodation will be awarded housing need points to reflect lesser security of tenure compared to that offered by social landlords and the realisation that affordability is a legitimate housing need.

Points awarded: 20

Private sector accommodation with limited security

This covers private rented sector accommodation that is ending due to actions by the landlord or agency to seek recovery of repossession. For instance, this might apply in cases where the landlord is terminating either an assured or a short assured tenancy through the correct legal procedures.

Insecurity of tenure points may also be awarded to owners whose home is threatened because of mortgage default. This may happen if owners cannot afford to maintain mortgage payments and lenders have taken court action to recover the property for sale. Points are awarded once the owner has a date to leave accommodation. In processing applications, we carry out checks as required to confirm details.

Points awarded: 75

Tied accommodation

This applies to applicants living in accommodation as part of their employment duties. We award points under this category when the accommodation is ending due to termination of employment. Points are awarded six months before the person leaves employment.

Points awarded: 75

Armed forces personnel

This applies to Armed Forces personnel who occupy service accommodation and want to be re-housed in our community. We encourage applicants to apply as soon as possible before discharge. Applicants are required to provide a copy of their certificate of discharge. Points are awarded six months before the person leaves the services.

Points awarded: 40

Temporary homeless accommodation

This applies to applicants who are living in temporary homeless accommodation and are not entitled to any other points.

Points awarded: 75

Relationship Breakdown

This applies to partners in a relationship breakdown who now want to live separately. As applicants for housing, they now form a separate household.

Points awarded: 20

Shared amenities

We also award points to applicants who are living with other households if they share key amenities. The amenities for which points are awarded are kitchen, bathroom or toilet. Applicants need to only be sharing one of these amenities to qualify for the points.

| Household type | Points awarded |
|---------------------------|-----------------------|
| Single person and couples | 20 |
| Families | 30 |

Applicants who sublet part of their home or take in lodgers do not qualify for these points.

No fixed address

Applicants with no fixed address are in this group.

For clarity, this would cover those applicants whose applications are registered c/o a Government agency such as the Job Centre or Social Work Departments.

Points awarded: 30

Applicants (non-tenants) with no recognised housing need may also be placed in this group.

Group 7: Care and Support

Where a person requires support from a friend or relative and the applicant is either the carer or the person requiring support points may be awarded.

Because of the individual nature of this type of application, each application will be assessed on its merits. A number of factors will be taken into account:

- The current distance between the two individuals involved and whether there are other carers

- The dependency of one person on the other any associated health/emotional problems
- The type and frequency of care being provided
- The recommendations of health/social work professionals in relation to care and support.

Once the information has been gathered an assessment will be made.

| Support Grade | Points awarded |
|---------------|----------------|
| A | 20 |
| B | 10 |

Further evidence may be requested before points are awarded. There requires to be a fully justifiable reason for the support need, for example, child-minding in order to allow someone to retain employment.

Group 8: Aspirational

The aspirational group is for tenants (of the participating landlords of this policy only) who have been living continuously within their tenancy for a period of 5 years and over and wish to move to another property in the area that they currently stay. It could be that you live in a flat, and would like to move to a house. Discretion can be exercised by each landlord participating within this policy in relation to length of tenancy.

As there is no housing 'need' element (in that your current home meets your housing needs), we do not award 'housing points' for aspirational applications. Instead, we add the person to the group, and when a suitable property becomes available for offer to someone from the aspirational housing group, it is offered to the person who has been on the list the longest and has the longest length of tenancy.

You can't be in any other group as well as the aspirational group at the same time; if you require a bigger house, or a smaller house, or another property because of a medical condition, then you have an element of 'housing need' and will be placed within another group.

Appeals and Complaints

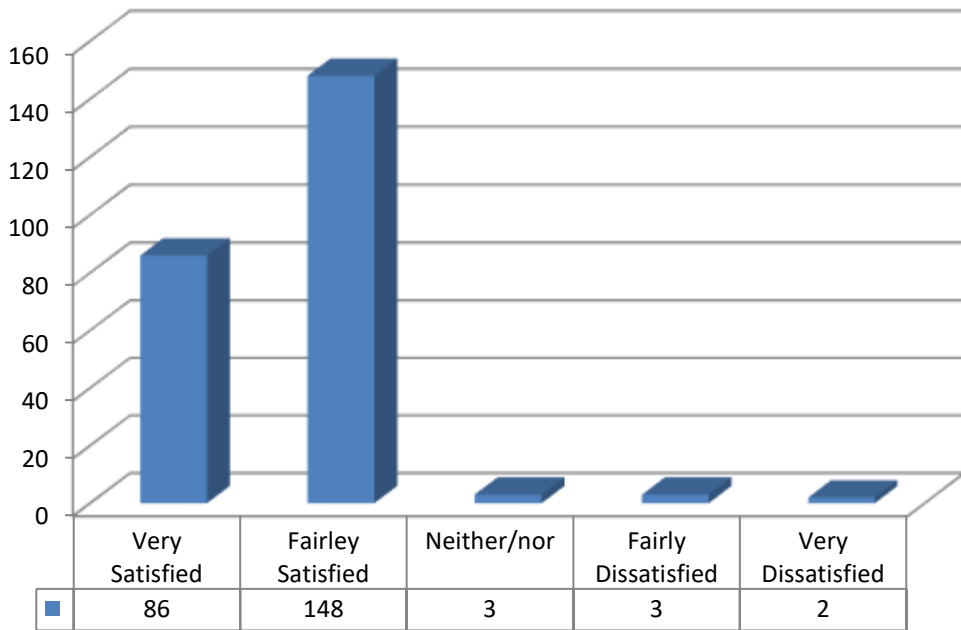
Appeals

If you disagree with the group your application has been placed in or the points you have been awarded you should contact the office in which you handed in your form to and discuss this matter. If you remain dissatisfied you can appeal this decision. At this point your application will then be passed to another landlord participating within this common policy to review. This decision will be final and no further review of your points or group will take place.

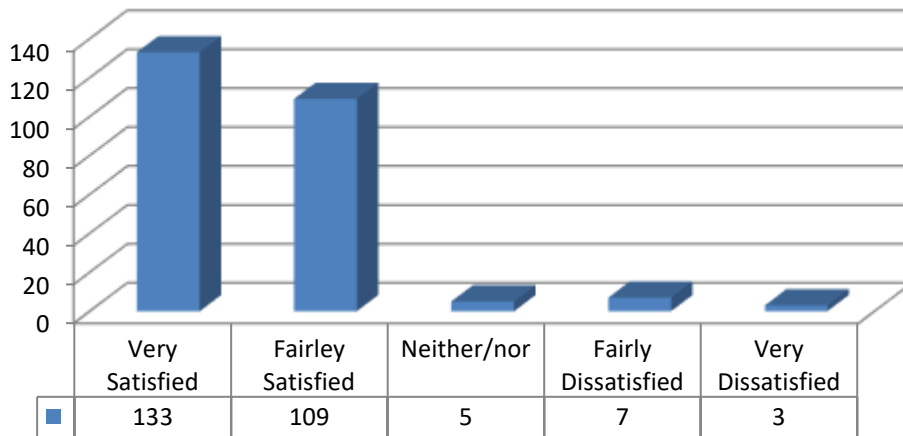
Tenant Satisfaction

From April 2018 a survey was carried out with 332 of Wellhouse HA's tenants with the following results.

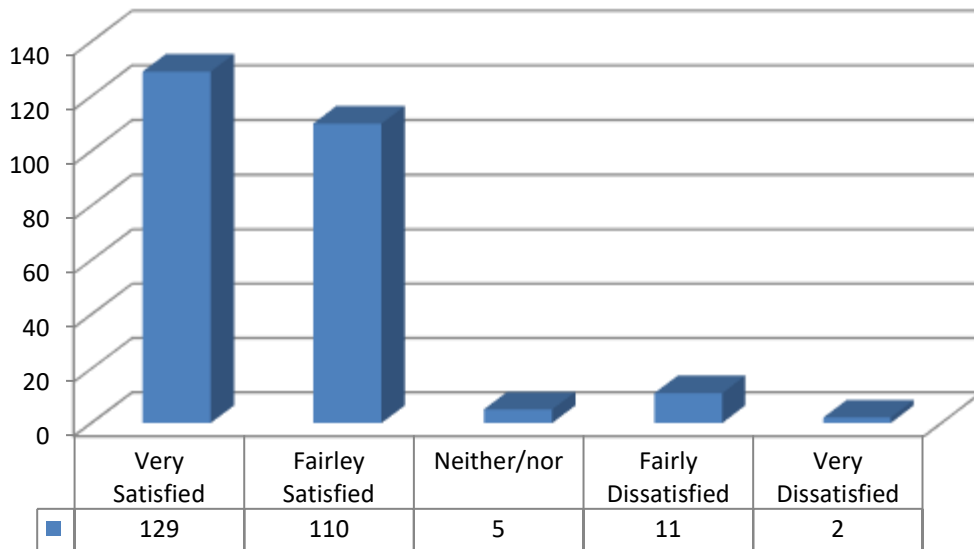
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by your landlord?



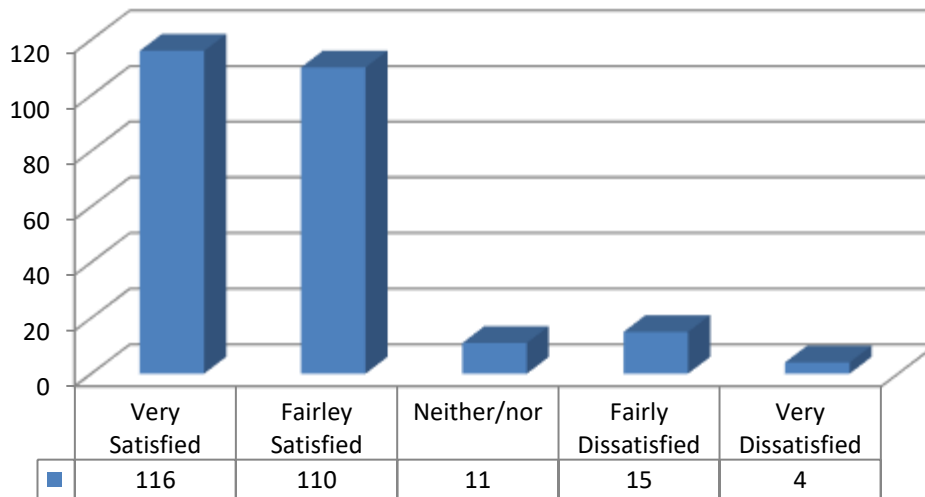
How good or poor do you feel your landlord is at keeping you informed about their services and decisions?



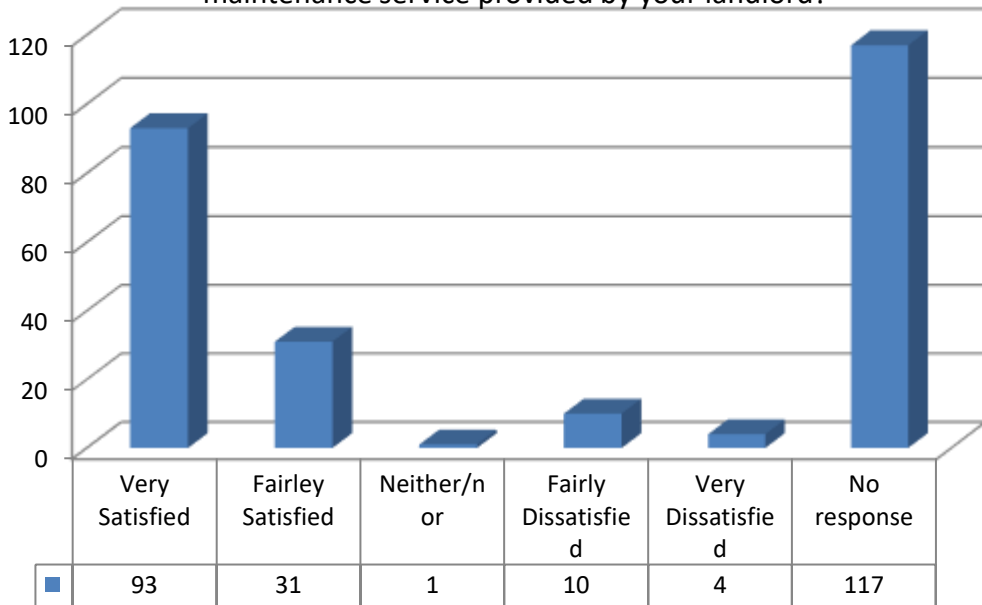
How satisfied or dissatisfied are you that with opportunities given to you to participate in your landlord's decision making processes?



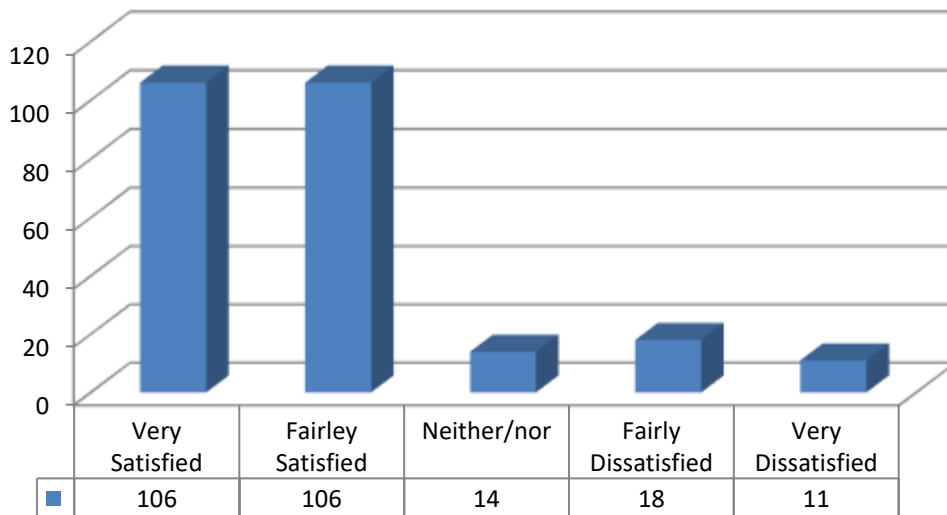
How satisfied or dissatisfied are you with the overall quality of your home?

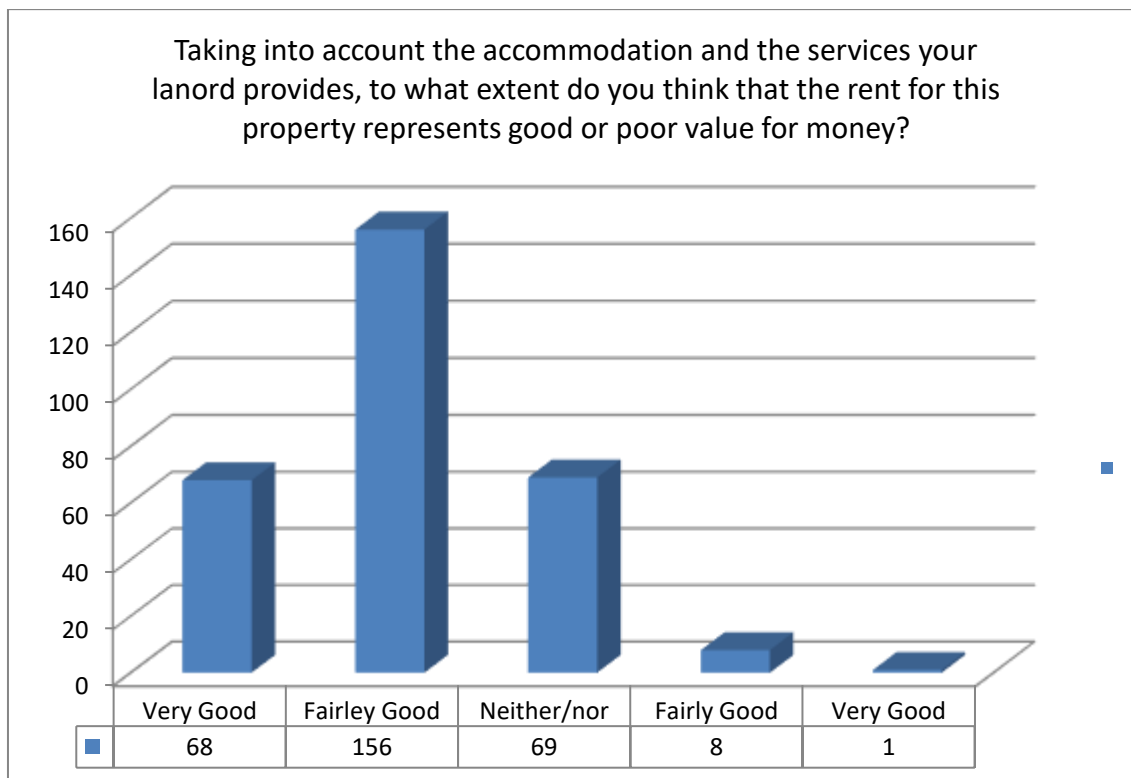


Thinking about the LAST time you had a repair or maintenance carried out, how satisfied or dissatisfied were you the repairs and maintenance service provided by your landlord?



Overall, how satisfied or dissatisfied are you with your landlord's management of the neighbourhood you live in?





Percentage of tenants who feel that the rent for their property represents good value for money

Our satisfaction survey from April 2018 onwards shows that 96.7% of our tenants were fairly or very satisfied with the overall service provided by Wellhouse HA and 94.2% feel Wellhouse HA are good at keeping tenants informed about services and decisions evidences our values of being honest and accountable to our tenants and customers.

This is also confirmed with 93% of our tenants being satisfied with opportunities for them to participate in decision making progress and we will continue to work on improving tenant participation and considering the best ways to get tenants involved through traditional methods of meetings and letters, to methods using Facebook surveys and text messaging.

Despite only 83.3% of new tenants in 2016/17 satisfied with the condition of their new home, the percentage of new tenancies to internal transfers sustained for more than a year is 100.00 %, the percentage of new tenancies to applicants who were assessed as statutory homeless by the local authority sustained for more than a year 90.00 %, and the percentage of new tenancies to applicants from the landlord's housing list sustained for more than a year 93.88 %.

This shows that we are working well at sustaining new tenancies for the first 12 months and must continue this good work to ensure community sustainability and making Wellhouse the place to be.

We have to work to improve our communication with tenants to find out what their expectations are as only 88.3% are satisfied with the quality of their home. With all but 1 of our properties meeting SHQS at March 2017 better communication of when boilers, kitchens and bathrooms are to be replaced in properties could improve tenant satisfaction of their homes if timescales are provided for improvements.

We have 83.1% of tenants satisfied with the management of the area and this can refer to people being unhappy with rental charges through the rent harmonisation project, people unhappy with the outcome of their anti-social behavior complaints, or historical issues some residents still have with Wellhouse HA as a landlord and previous practices. Without further investigation it is difficult to establish the issues the 16.9% who are not satisfied have in order to create a plan to resolve their issues.

Our Customer Opinion Panel:-

Our customer opinion panel (COP) will be relaunched in April 2019. The COP faltered in 2018, due to dwindling numbers over the last year with a few of our members moving out with the area and staff turnover in the support agency.. T.P.A.S will assist us in the last quarter of 2018-19 to relaunch very important service in the forefront on what we do.

The principles of the group are to :

- Agree the Association's approach to the self-assessment of its activities;
- Identify and focus on customer priorities and needs;
- Involve customers in setting policies and standards;
- Take customers' views into account before decisions are taken;
- Demonstrate our accountability to customers;
- Act as a "critical friend";
- Act as a voice for customers;
- Become customer-led and independent;
- Focus on improving services.

Our customer opinion panel have influenced our 30 year assets management plan by feeding back the view of tenants who do not normally engage with the association. They have achieved the following outcomes:

- Tidy up of open space controlled by Glasgow City Council Environmental Services Department (Torrans Road)
- Influenced the renewal date of the window renewal program in phases 1,2A,2B,3 and 4G
- Influenced the renewal date of the bathrooms in Phase 3
- Took a lead role in the rent harmonization project carried out by the association.

We are able to analyse the performance of our assets and subsequently determine a course of action to sustain our assets. We are fortunate as a relatively small organisation we are close to our customers and our neighbourhoods, failures or poor performance will be recognised in a short time. Our local knowledge recognises that certain types are more popular than others – houses more popular than flats and that in some streets certain closes are less popular such stock requires close scrutiny. Our Customer Opinion Panel will be involved in these assessments in 2019.

TENANT SATISFACTION

OVERALL SERVICE

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 97% (86%) | 99% | 95.3% | 93% | 93.9% | 96% | 84% | 96.7% | 89.7% |

KEEPING TENANTS INFORMED

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 99.1% (95%) | 100% | 99.3% | 94.7% | 94.6% | 100% | 98% | 94.2% | 91.10% |

Tenant Consultation

We recognise the importance of the statutory framework for tenant participation set out in the Housing (Scotland) Act 2010 which requires that we consult with tenants either individually or through a registered tenants' organisation on policies and standards of service for repairs and maintenance. The Association has a Tenant Engagement Strategy which highlights how we enter dialogue with our customers, these include:

- Quarterly newsletter;
- Tenant satisfaction surveys;
- Gala Day;

- Annual General Meeting;
- Telephone surveys.

One of the key resources we have at our disposal are the view of our customers. Our residents have detailed knowledge and clear opinions on their homes and neighbourhoods. As an organisation we need to tap into this knowledge and use it to develop and implement our asset management strategy.

Our tenants and owners played a key role in our recent external wall insulation project. We facilitated meetings at our office, and arranged a one to one meeting for anyone who could not make it along on the night.

We very much valued the opinion of our tenants and owners. On this particular project owners and tenants were the driving force of specification changes. Some example of the changes made are listed below:

- Communal satellite dishes to include an option to receive Euro Satellite Streams as well as Sky.
- The roughcast finish on all blocks to remain the same choice with the majority of tenants/owners making the final decision.
- Front gardens and back courts to be photographed before works started and after work are completed.

However we must realise that these views are dependent on age, ethnicity and family type and other circumstances, they are dynamic and liable to change over time and influenced by changing aspirations and expectations.

We still face the same challenges of many other associations in encouraging as many tenants and owners to attend our consultations events. We have recently introduced a number of new ideas to encourage as many people to attend our events as possible. They include:

- Food and soft drinks at all our events.
- Free prize draw for everyone attending the meeting.
- Childcare
- Transport

As part of our community benefits clause in all our new external contracts, most events are sponsored by one of our external contractors.

Average weekly rents

| Size of Home | Number Owned | Wellhouse HA | Scottish Average | Difference |
|--------------|--------------|--------------|------------------|------------|
| 1 apartment | 0 | - | £66.54 | -% |
| 2 apartment | 52 | £64.60 | £71.67 | 9.9% |
| 3 apartment | 497 | £68.96 | £73.13 | 5.7% |
| 4 apartment | 157 | £77.95 | £79.42 | 0.6% |
| 5 apartment | 86 | £91.20 | £88.02 | 3.6% |

The average weekly rents table above shows that for the 2, 3 & 4 apartment property types Wellhouse HA are below the Scottish average, displaying Wellhouse HA's determination to keep rents affordable and provide value for money.

There were 74.2% of tenants who felt their rent represented good value for money and this figure may have been affected by the rent harmonisation project that will run for 3 years from April 2017. Wellhouse aim to reduce the number if rent charges to the housing stock and create a fairer rental system

based on property size and type from a base rent charge. This resulted in some properties having a rent reduction, and some having a rent increase and then the annual rent increase applied also.

Without having details of why people felt their rent does not provide value for money it is difficult to determine the main concerns, although there was only 2.98% of the 302 respondents that were fairly or very unsatisfied.

As the Average weekly rents table above shows, Wellhouse HA is under the Scottish average for all the property types except 5 apartment homes. This shows Wellhouse continued efforts to keep rents at an affordable and fair level for all our tenants.

Wellhouse's 30 year plan is predicted on an inflation +1% annual rent increase. After extensive tenant consultation, the committee approved a CPI only increase, for 2018/2019.

COMPARISON WITH EHRA LANDLORDS & SCOTTISH AVERAGE

AVERAGE WEEKLY RENTS

| | Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|------|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 2apt | £59.94 | £63.90 | £61.90 | £56.42 | £65.91 | £56.58 | £63.36 | £64.60 | £71.67 |
| 3apt | £65.95 | £66.99 | £63.84 | £64.96 | £72.97 | £62.04 | £68.98 | £68.96 | £73.13 |
| 4apt | £76.56 | £73.56 | £77.25 | £69.96 | £81.77 | £74.93 | £71.60 | £78.91 | £79.42 |
| 5apt | £86.12 | £91.44 | £91.00 | £84.00 | £90.05 | £84.23 | £79.44 | £91.20 | £88.02 |

ANNUAL RENT INCREASE 16/17

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 2% (1.5%) | 2.20% | 2% | 2.5% | 0.50% | 3.5% | 2% | 2.5% | 2.3% |

VALUE FOR MONEY

RENT COLLECTED

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|---------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 99.2% (97.7%) | 102.1% | 100.2% | 100.7% | 99.6% | 103.3% | 99.4% | 99.8% | 99.6% |

VOID RENT LOST

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|--------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 0.2% (0.1%) | 0.2% | 0.2% | 0% | 0.2% | 0.1% | 0% | 0.4% | 0.9% |

AVERAGE DAYS TO RE-LET

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|-----------------|-----------|-----------|----------|----------------|------------|----------|-----------|------------------|
| 11.3 days (9.3) | 11.8 days | 14.4 days | 0.2 days | 19.7 days | 4.3 days | 0.8 days | 21.5 days | 31.5 days |

GROSS RENT ARREARS – 31/3/17

| Blairtummock | Calvay | Easthall | Gardeen | Lochfield Park | Provanhall | Ruchazie | Wellhouse | Scottish Average |
|------------------|--------|----------|---------|----------------|------------|----------|-----------|------------------|
| 3.67% (3.38%) | 2.99% | 3.02% | 0.80% | 7.3% | 2.78% | 3.74% | 5.17% | Not available |

* Figures in brackets 2015/16

Procurement

Wellhouse is committed to open and competitive procurement.

For works in excess of £15,000 the Association will place the contract on our New Website or Public Contract Scotland website to try and achieve best value.

All tenders comply with Wellhouse HA's financial regulations and current procurement legislation. Where applicable, procurement has a sustainability and local training and employment focus. The annual budget and financial forecasts include a sum for external consultancy support.

Value For Money

Value for Money for Wellhouse Housing Association means that:

- We are delivering our vision & values and objectives in our business and operational plans;
- We have a majority of very satisfied customers in a range of delivery areas;
- We are financially sustainable;
- Our costs compare well with other housing organisations;
- We are meeting our Key Performance Indicators;
- We are becoming more efficient, which means having the same outcomes for reduced resources applied or better outcomes for the same resources applied

In order to demonstrate value for money we must have metrics which can show that we are achieving the above. The goals of our strategy are to reduce our operating costs per unit on a year on year basis, improve our performance on costs compared to other associations operating in greater Easterhouse and to ensure that we are making the best possible use of our assets to meet our objectives.

In 2018, we will be:

- making use of the value for money matrix available through Scotland's Housing Network;
- carrying out peer comparisons;
- exploring better use of SDM and the purchase of Real Asset Management Software;
- embarking on at least one shared service project with EHRA which demonstrate value for money.

The Scottish Social Housing Charter April 2017

Charter outcome 13: value for money

Social Landlords manage all aspect of the business so that tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

We apply value for money to asset management by:

- Using our experience staff for most procurement exercises without outsourcing to external consultants.
- Working with our partners at E.H.R.A to carry out joint procurement exercises when we can.
- Applying community benefit clauses to all our new contracts.
- Creating employment opportunities for the local area within our contracts.
- Procuring materials separately on some contracts to reduce overhaul costs.

- Comparing our unit costs with our peers.

Development

Objectives of Wellhouse HA include:

- to meet housing need by providing quality housing at affordable rents;
- to develop appropriate housing solutions where there is housing need in an effective and cost efficient manner using a variety of methods of procurement;
- to meet all statutory and contractual obligations and;
- ensure equality of opportunity across its development function.



Statement

Wellhouse Housing Association has been an active developer for many years and has been instrumental in the physical regeneration of our community. We are now approaching maturity in that development phase and we -

Will:

- Continue to seek opportunities to support community cohesion and address housing need;
- Work constructively with Glasgow City Council and consider development which is consistent with the Strategic Housing Investment Plan;
- Ensure that staff and committee act within good governance, good financial management and within our vision and values;
- Ensure any valuation is undertaken by a suitably qualified professional and we will not pay more than the valuation so assessed;
- undertake sufficient due diligence to reasonably assess the development constraints and costs associated with any subsequent development (contamination, drainage, utility connections, bearing capacity, mineral stability, planning constraints, essential work required to existing buildings) and;
- consider the business plan impact of the proposed development.

Will not:

- Be involved in overly risky development;
- Take decisions which adversely impact on business viability or the best interests of our tenants;
- Seek to develop outside our geographic boundaries.

The Management Committee will be responsible for overseeing the development process. This involves:

- Identifying possible acquisitions
- Consider options appraisals and risk assessments of possible purchases/transfers
- Administering the acquisition process.

- Procurement of design teams
- Briefing the design teams
- Overseeing design development and cost control
- Procuring a contractor
- Delivering projects on site

The Director is the chief officer in delivering these ambitions and other staff will be:

Development Agent, who will be responsible for:

- Identification in consultation with the Director, of acquisition opportunities
- Consulting with owners.
- Drafting reports to the Management Committee
- Preparing of briefs where required.
- Negotiating price
- Preparation of options appraisals
- Preparation of risks assessments
- Appointing and briefing professional consultants, solicitors and valuers.
- Briefing the design teams
- Overseeing design development and cost control
- Procuring a contractor
- Delivering projects on site
- Applications to the City Council, including funding applications and all related responsibilities.

Finance Manager, will:

- contribute information for the preparation of briefs and risk assessments, manage costs and report to committee and SHR as required.

Opportunities and Threats

There are three prominent, vacant sites within the Wellhouse core area. All are good sites for housing development and capable of delivering housing identified as required through a housing needs/demand assessment.

Undeveloped, these represent a threat to desirability of the area and therefore to historic investment. The sites are unsightly and subject to variable qualities of landscape maintenance. One of the three sites is a recurrent fly tipping site.

There is a risk that the sites not owned by Wellhouse H.A. could be sold to 3rd parties and developed for alternative uses not complimentary with a desirable housing environment.

Wellhouse vision

After our period of business consolidation, we will explore development opportunities with the local authority from 2019/20 onwards. To support this ambition, we need to submit annual SDFP's and HNDD's. Following this process is consistent with our vision of making Wellhouse *the Place to Be*.

Current Options

- Phase 8. Owned by Wellhouse HA. We have now formally expressed our desire to develop and explained this to DRS and the Scottish Housing Regulator as part of our recent business plan conversation with them. They are supportive of this.
- Phase 9. Owned by the Archdiocese of Glasgow. DRS have agreed to provide £20,000 HAG for Wellhouse to carry out feasibility studies – this is excellent news and a real step forward in our ambitions. Our development agent is presently arranging a meeting with the Archdiocese of Glasgow and we will continue the dialogue.

- Phase 10. Owned by GCC, marketed by City Property. We have completed site investigations and feasibility studies. We, in effect, have first refusal on purchase of the site.
- All phases are dependent upon a firm response from the statutory authorities who are dealing with foul and ground water flood mitigation issues and we await further information.
- In addition, we will need a conversation with our lenders in relation to these plans. Preliminary discussions have been positive and we have financing capacity.

How we meet the local context

Wellhouse contextualises our ambitions in asking how projects meet the priorities identified in the Strategic Housing Investment Plan and Glasgow's Housing Strategy. In particular, how we can contribute towards the identified need for larger family housing in the city and also whether there is any specialist provision that could be provided e.g. housing for older people. Community engagement and sustainability are crucial considerations for us too.

Wellhouse Housing Association's current business plan explicitly recognises the significant success we have had as a developer in the past and acknowledges that between 2016/17 and 2018/19 we are in a period of business consolidation and re-orientation, following a difficult period. Within our business plan, we do have a commitment to completing the regeneration of Wellhouse and boosting our community cohesion, essentially being in the position to begin developments in our 2019 - 2022 period. Our business plan includes sections explicitly noting we will support the local authority's SHIP and meet the increasing and developing housing need in Glasgow.

We are content that our vision, values and the SDFP, contextualised within our business planning -

1. Supports area based regeneration, by completing the neighbourhood, removing three derelict sites, eliminating problem issues associated with those sites and boosting community confidence.
2. Will provide high quality social rented housing in an area where there is demonstrable need – you will see that need outlined in the other data mentioned above.
3. Phase 8 and 9 will accommodate NESSE units in an area where there is a demonstrable demand for affordable housing for sale, offering housing options to existing community. This worked well in phase 7.
4. Phase 9 to be developed for specialist provision for the elderly, the design of which is to be agreed with the Council. Wellhouse is a suitable area, as we have an established relationship with a local development trust who can help integrate an elderly community, we have multi use community hub on site, local shops (and possibly a pharmacy in the near future) and we are well connected to transport. We are within the Baillieston ward, which we know has a high proportion of older residents, many of whom in unsuitable housing.
5. Wellhouse will design a minimum of 10% of houses on suitable sites so they are capable of being easily adapted for wheelchair users and will seek to allocate these houses to wheelchair users where possible. Note that Phase 8 is on a steep slope and not well suited for housing for wheelchair users.
6. Phase 8 and Balado Road will incorporate a significant number of 4 and 4+apartment dwellings for larger families in semi detached/terraced house built forms.
7. Elimination of derelict land and associated problems will re-inforce desirability of existing housing, further NESSE provision will also reinforce the local community through increased housing options and increased community diversification.

Consultation

Wellhouse Housing Association has enjoyed a long period of community engagement – we are a community controlled Housing Association, with our committee elected by the local community. We have a customer opinion panel and a number of other means of involvement. We have a close working relationship with Connect Community Trust who work with job seekers, youth groups, sports initiatives, furniture recycling and a local allotment.

We also have a programme of community consultation events where we access the wider community and ask about housing and local area issues, including the vacant plots of land and will extend this into any development plans. This will be supported by consultation events run by TPAS on our behalf in 2019.

We have had a number of meetings with Wellhouse & Queenslie community council in relation to

development and tentative conversations with our members at the 2018 AGM.

There will be more detailed community consultation when we begin initial explorations with more certainty. One of the Association's values is sustainability and we have recently updated our sustainability policies including specific ones for major works and for developments. We are committed to meeting or exceeding building regulations and working towards the new Glasgow Standard. Value for Money aims cut across all activities.

Conclusions

All development work is dependent upon a firm response from the statutory authorities who are dealing with foul and ground water flood mitigation issues and we await further information. We have had quotes ranging from £300K to £1M to remedy the flooding issue with an underground attenuation tank with internal weir sited across the Edinburgh Road. We, at this time, do not believe this to be an appropriate solution when there are large scale infrastructure projects on the horizon which would nullify this project. We await feedback from the local authority, SEPA and SW as appropriate. An update is expected in quarter 4 of 2018/19.

Financial Performance

The most common valuation method used by landlords to determine the economic value of property is Net Present Value (NPV), a standard method for using the time value of money to appraise long term projects. This is the value of an asset calculated as the sum of its expected future cash flows discounted back to present values. This is similar to valuations for loan security purposes but using actual performance of the landlord, rather than specialised assumptions.

VAT SHELTER AND VAT REDEMPTION

This section only relates to the proportion of stock which transferred from Glasgow Housing Association to Wellhouse HA on 27 June 2011. The letter from HM Revenue & Customs dated 2 March 2010, which is an appendix to this document, confirms HMRC's position in relation to the treatment of VAT to undertaking the qualifying works applicable under the development agreement between Glasgow City Council and GHA to which the Association is partly assigned. This letter makes it clear that any works within this stock that are classified as qualifying works, as detailed in the schedule between Glasgow City Council and Glasgow Housing Association, which is again an appendix to this document, will qualify under the VAT Redemption Scheme. This relates to first time improvements only.

VAT Shelter

This is also known as the VAT Undertaking and is a document between Scottish Ministers, Wellhouse Housing Association and the Clydesdale Bank in relation to VAT. The document, which is an appendix to this strategy document, indemnifies the Association by the Scottish Government in relation to the original agreement in respect of VAT. This document in effect provides a guarantee from the Scottish Government in relation to the original decision made by HMRC and the stock to which it relates.

Risk Management

One thing we can be sure of the future will not always be as predicted in a plan or programme. Plans must be able to show flexibility in the face of potential risks. Planned renewal costs or failure of components or stock becoming unpopular will all have serious implications, the basic approach to asset management risk:

- A risk register being developed and discussed at senior level with the management committee;

- Make the risks clear and focused with limited number of risks identified;
- An assessment of likelihood and impact, using a Red-Amber-Green system;
- Actions in place to mitigate risk;
- Regular review of the register at management committee (quarterly).

A copy of our risk register can be found in Appendix 2

Performance Reviews

Our asset performance review will consist of an appraisal matrix which will take equal emphasis of:

- Housing, Estate Management, Environmental and Neighbourhood Performance;
- Financial Performance;
- Contractor performance;
- Key Operational Targets;
- Key Performance Indicators;
- Customer Feedback and Surveys;
- Value for money assessments;
- Peer comparisons.

Regular review of the matrix will allow the organisation to make informed decisions on management and future investment. In serious cases an option appraisals may be considered.

On an annual basis Wellhouse reviews and maintains stock condition data and produces proposed work programmes.

All reactive and programmed work is monitored to ensure:

- Work proceeds and is completed within timescale;
- Work is completed within budget and potential over spends are addressed quickly and decisively;
- Tenant satisfaction is monitored to ensure service standards are realized.

The Management Committee receives regular reports to monitor performance and manage risk. The asset strategy will be reviewed on an annual basis alongside the business plan.

CONSULTATION

Wellhouse HA recognises the importance of tenant participation and the requirement to consult tenants on standards of service for repairs and maintenance. Wellhouse HA uses a range of methods for seeking tenants' views and feedback on specific issues. These include tenant newsletters and annual reports, tenant satisfaction surveys, annual general meeting, tenants' meetings and publication of information on the Association's website. This document, like other major policy documents, will be placed on the Association's website once approved by the Association's Management Committee.

Reviewed March 2018

Next Review March 2019 (new policy, to be reviewed after 1 year)

This document will be reviewed on an annual basis or as necessary as a result of legislative change, information arising from stock condition surveys or tenant satisfaction surveys

ASSET MANAGEMENT POLICY AND STRATEGY.

1. KEY RISKS & Red/ Amber/ Green assessment

| (a) Strategic Risks | (b) Operational Risks | (c) Project Level Risks |
|---|---|--|
| Failure to produce an asset management strategy is counter to good business planning, governance and regulation and would lead to unplanned investment and spending decisions | Failure to deliver this on time could result in a disconnect between key strategies. | Each element of the asset management strategy (e.g. planned maintenance program, gas servicing, etc.) carries potentials risks |
| Mitigation | Mitigation | Mitigation |
| This asset management strategy has been published to formalize our approach to this business critical area and will be linked with our business plan and other key documents. | The asset management plan will be presented in draft at Feb 18 committee, discussed in detail at committee planning day in March and ratified at March committee. | Each area of work and each committee paper carries an individual risk assessment. This plan will be reflected in the operational plan and risk register. |
| RAG ASSESSMENT | RAG ASSESSMENT | RAG ASSESSMENT |
| | | |

2. SWOT ANALYSIS

| Strengths | Weaknesses |
|--|--|
| 30 year plan, asset management strategy and stock condition information updated in 2016. | First asset management strategy with this level of detail produced by Wellhouse and could be regarded as 'untested.' |
| Business plan reviewed 2017 and 2018. | |
| SHR guidance closely followed. | |
| Opportunities | Threats |
| Options to work more closely with EHRA on planning reinvestment work, developments and re-joining the CHR. | Possible new regulations in relation to external cladding – fire safety and loose panelling (cost and planning time). |
| Glasgow CC keen to encourage development and support Community Controlled HA's in greater Easterhouse. | Possible new regulation with respect to fire safety in relation to sprinklers, door escape routes, etc. in flatted dwellings (cost and planning time). |
| | Acceleration of development program by Glasgow City Council in relation to new build when we are not fully prepared. |