



**ASSET MANAGEMENT STRATEGY
2019-2024**

Approval date: August 2019

Review date: August 2022

Summary

This Strategy has been developed to align our Asset activities with our Business Plan, ensuring that the financial and non-financial indicators affecting our stock are accounted for. Also, the strategy ensures that Horizon's assets meet both current and future demands of our tenants whilst ensuring organisational viability.

Equalities

An Equalities Impact Assessment has been carried out and this policy complies with Horizon's and the Link Group's vision of providing socially inclusive services underpinned by our core values of equality and diversity. Services and procedures which are developed from this policy will be subject to similar assessment.

Privacy

This policy fully complies with the Data Protection Act 1998 and Link's Data Protection Policy

Owner
Managing Director - Horizon
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Review Manager
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Approved By
Horizon Board

Revision History		
Date	Version Number	Comments
August 2019	Original	Draft

ASSET MANAGEMENT STRATEGY 2019 - 2024

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1.0 Executive Summary *To be completed once Asset Management Strategy is Approved by Board.*

1.1 National context around housing need and demand/LA strategies

Approach and method/whole organisational approach workshops/external support & validation

2.0 Introduction

Horizon Housing Association (Horizon) is a Registered Social Landlord and Scottish Charity. It is a self-governing and asset owning subsidiary of the Link Group with 795 self-contained properties and 11 non self-contained properties over 11 Local Authority areas including our new development at Foulshiels Road, Stoneyburn.

Horizon has adopted the definition of Asset Management outlined in ‘Working Together to redefine asset management’ CIH (2015), which is:

“managing and maintaining the housing stock in as way that delivers value for money by optimising the return to the organisation through achieving the right balance between cost, quality and timing of works; also using homes in a way that contributes to neighbourhood sustainability all within the organisations own context”.

Horizon has also taken cognisance of the Scottish Housing Regulator’s Strategic Asset Management Recommended Practice (2012) in developing this strategy and has engaged with all departments to provide a whole organisation approach with direction and support from our Board from the outset in May 2016.

2.1 Purpose of the Asset Management Strategy

The main aim of this strategy is to:

- understand the condition and profile of our assets;
- understand the suitability of our assets to meet demand now and in the future both in a local and national context;
- meet and where possible exceed Scottish Quality Housing Standards and Energy Efficiency Standards;
- establish the investment required over thirty years to maintain our assets and the approach required to manage this investment;
- establish our tenants’ priorities and ensure that investment priorities reflect these; and
- determine a disposal strategy.

2.2 Scope of Strategy

This strategy covers our 801 units over 48 developments. The strategy is supported by the Strategic Asset Performance Review (APR) carried out by Docherty Consulting in 2017/18 which considered both financial and non-financial data for assessing the strengths and weakness of our stock. Whilst the findings of the APR are considered in Section 5 of this strategy, the detailed APR and associated appendices are contained within Appendix 1, Technical Support Documentation.

The data collection and analysis for this strategy started in May 2016 and has been subject to updates from financial and performance data from 2016/17 as well as data from 2017-18 Business Plan and the 2017 Mini Tenant Satisfaction survey.

2.3 Link to the Business Plan

The Business Plan that informed this strategy is the 2017-22 Business Plan however the current Business Plan for 2018-23 is still relevant as it is a refresh of our objectives. This acts as a guiding document for our direction and activities for the coming 5 years and has been used as a basis for the financial assumptions in the APR.

The key aspect of our Business Plan is that:

Everyone has a home that meets their needs, and communities are designed so that everyone can play a part.

Horizon's Vision, values, outcomes and objectives underpin all our Asset Management activities and are set in the context of Link Group's objectives and priorities, also referring to the Scottish Government's national outcome statements, including those for health and wellbeing.

Our objectives and the outcomes we seek are:

Outcomes	Objectives
<ul style="list-style-type: none">• Tenants and owners have well designed and maintained homes and environments where they feel safe and secure.• Tenants maintain their tenancies and get the help they need to manage challenges and change.• Disabled and older people are able to live	<ul style="list-style-type: none">• Provide quality homes and services at the right price for our current and future tenants• Contribute to delivery of more <i>accessible</i> homes across Scotland and serve as an exemplar of good practice.• Focus innovation and growth on initiatives which keep older and disabled people in the community with a good quality of life.

<p>independently in homes adapted to enable this.</p> <ul style="list-style-type: none"> • Disabled people have choice and control about where and how they live. • Disabled and older people are active participants in inclusive communities. • Tenants, staff, Board and volunteers are supported to fulfil their potential. 	<ul style="list-style-type: none"> • Explore with Link approaches to enhance capacity to achieve Horizon’s desired outcomes, through efficiencies and streamlining. • Deliver social impact and value for money with effective people, processes, structures and finances.
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The development and implementation of this strategy is a key activity to help us meet our objectives and in particular our aim to *Deliver social impact and value for money with effective people, processes, structures and finances.*

2.4 Links to Other Key Plans and Strategies

The Asset Management Strategy is aligned to other key policies including, but is not limited to:

- Allocations Policy,
- Procurement Strategy,
- Repairs and Maintenance Policy,
- Estate Management Policy,
- Adaptations Policy, and
- Rent and Service Charge Policy.

The AMS is also aligned to the current relevant legislation and statutory requirements outlined within each Policy. In addition to these documents, our Management Accounts and our annual Budgets should also be considered.

The key links to these strategies are described below.

2.4.1 Procurement Strategy

Horizon is governed by the Link Group Procurement Strategy 2017/18 which is compliant with the Procurement Reform (Scotland) Act 2014 and the EU Directive 2014/24 on public procurement. This strategy aims to ensure that we achieve sustainable procurement, deliver value for money and demonstrate appropriate standards of governance and accountability in relation to Horizon’s investment activities.

We will use a flexible approach to our procurement on a case by case basis reflecting on all available procurement routes to ensure value for money.

2.4.2 Repairs and Maintenance

We continue to focus our improvements on tenant satisfaction to ensure we are providing the flexible service which tenants want and we carried out a review of our Repairs and Maintenance Policy in January 2019.

We also seek to ensure that our repair and maintenance activities are scrutinised to identify significant issues which will then be used to inform our investment priorities. We recognise that significant efficiencies can be gained by investing in planned maintenance rather than reactive maintenance and this approach has allowed us to reduce our reactive spend significantly in 2015/16 by 5% and then again in 2016/17 by 1.5%. We aim to maintain our reactive maintenance budget at current levels and continue our level of investment into planned maintenance.

Table 1: Reactive Maintenance Spend Profile 2014- 2019

	2014/15	2015/16	2016/17	2017/18	2018/19
Budget	£291,301	£283,654	£300,542	£302,483	£309,138
% Variance from previous year	3% increase	5% decrease	1.5% Increase to reflect changes to DLO	0.6% increase	2% increase

2.4.3 Estates Management

We recognise that the environmental management and maintenance of our developments are integral parts of both the Asset Management and the Housing Management functions. We therefore aim to maintain and sustain our properties and the developments in which they are located to high standard in line with our legal obligations, tenant expectation and to enable residents to live in a safe, clean and desirable environment. We will also work closely with all other agencies to provide effective estate management for our tenants and to ensure that those residents who are not our tenants but for whom we act as Factor get good value for money.

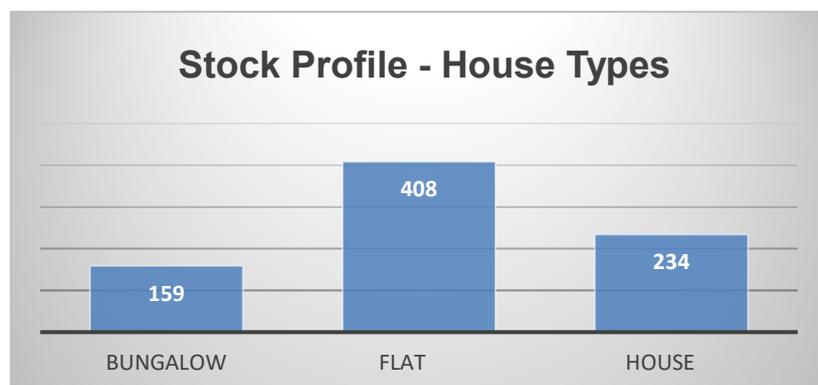
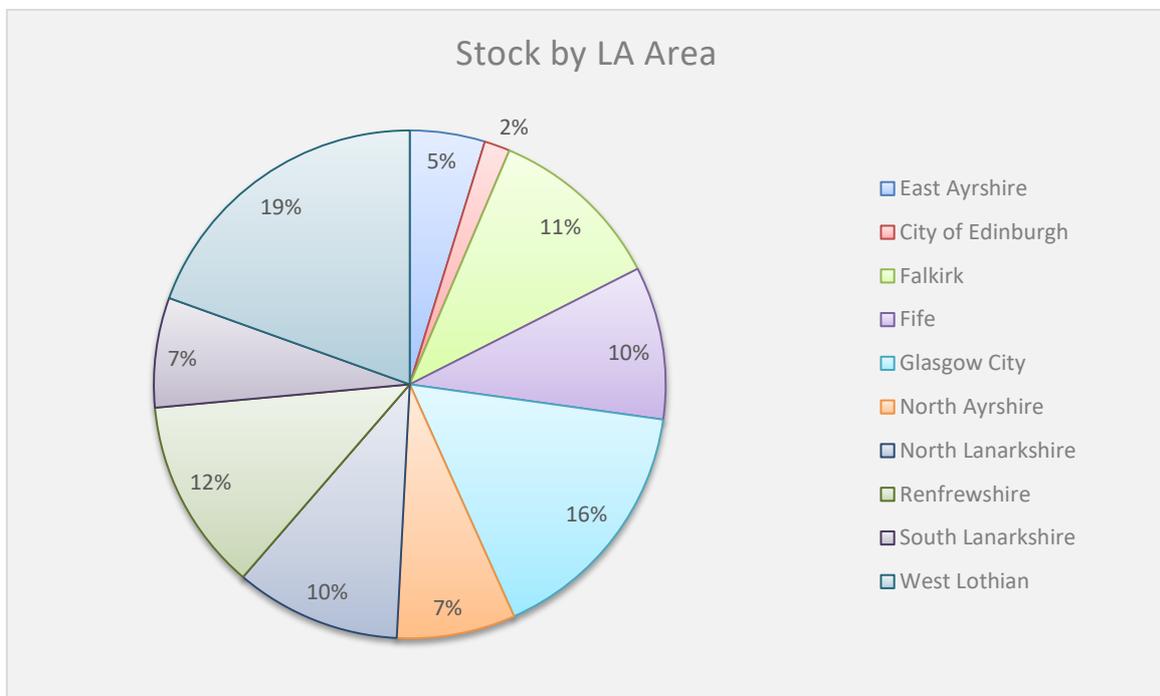
Tenant satisfaction with their neighbourhood remains high with an average of 91% of those surveyed in the 2017 Mini Tenant Satisfaction Survey saying that they were either fairly or very satisfied. There were, however, 11 developments where satisfaction was below 90% and for some it was as low as 72%. As a result, a full review of our Estate Management services was carried out 17/18 which increased the satisfaction with neighbourhood to 93% in the 2018 survey. The restructure included a restructuring of our existing Estates Team, creating three teams and a seasonal worker for grass cutting.

This has freed up time for the Estates Operatives to be able to carry out 'Good Neighbour' tasks around each development. We will engage with our tenants in order to ensure that we continue to deliver the desired services whilst maintaining value for money.

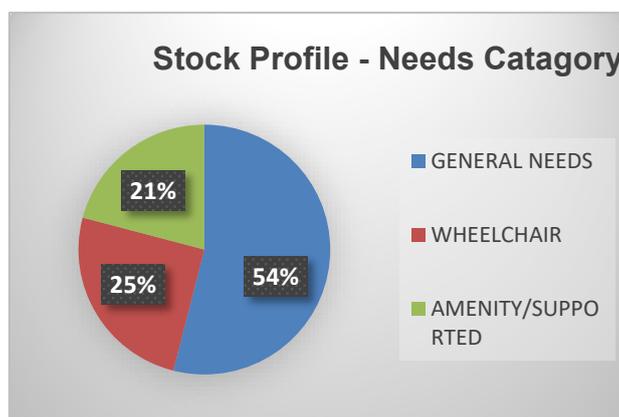
3.0 Current Situation

3.1 Stock Portfolio

We currently have 801 properties over 11 different local authority areas and this geographical spread is challenging therefore we continue to review our approach to service delivery to ensure we provide the most efficient and responsive service to our tenants. We also seek to pursue opportunities for streamlined services across the group which is an objective in our current business plan.



We have almost 50% of our stock either wheelchair or amenity/supported accommodation. Current indicators for demographic trends show that there is likely to be an increase in the demand for fully accessible housing, therefore the demand for our housing stock will remain high providing that they are well maintained.



3.2 Turnover

Average turnover over the last 4 years has been relatively low at 7.31% with an average void rent loss of 0.45%. Developments with higher than our average turnover have been reviewed as part of the data collection for the Asset Performance Review. The level of turnover does not give us cause for concern as 30% of our terminations for 2018/19 were because the tenant has died or moved into residential care, and in a further 6%, the tenant moved to owner-occupation; 9 were transfers to a more accessible home following deterioration of health, either ground floor flat or wheelchair bungalow. Two transfers were from first floor to ground floor and two were into a wheelchair bungalow; and 17% were a move closer to family for support in most other cases tenants were moving on to another property for positive reasons – to be in an area that they want to live in. However, 11% were due to tenant abandonment, eviction and prison.

Also, we operate a choice based letting system for our properties and we do not have any difficulty to let properties or developments. Following a review of the Allocations Policy all wheelchair bungalows are advertised for 3 weeks. Tenancy sustainment remains high with an average of 90% of tenancies being sustained beyond 12 months over the last 4 years.

3.3 Life Cycle Component Replacement

Our key component life cycles are based on industry standards and manufacturers guidance, however the overarching decision to replace components will be based on condition as assessed by our Asset Team during the stock condition surveys. These surveys will indicate indicative remaining life upon which our 1, 5 and 30-year investment plans will be based.

3.4 Investment Requirements

30-year Investment Plans have been compiled using information from our targeted Stock Condition Surveys in 2017/18 and 2018/19. We have completed 65% to date and will continue to focus on achieving 100% surveys by the end of 2020, with a rolling survey programme thereafter.

Our targeted surveys have allowed us to profile our stock condition data and provide a representative analysis across all stock thus giving robust investment data.

The current 2019-20 30-year forecast shows a decrease of £4m investment requirements over the 30 years when compared to the 2018-19 forecast. This variance is attributed to the new stock condition data being based on recent surveys by staff who have good knowledge of our stock, it is up to date and costs are based on recent tender cost information. The financial inputs and the selection of stock have also been externally verified. Taking this activity in house provides us with confidence that our data is accurate, robust and reflects our investment priorities.

3.5 Compliance with Scottish Housing Quality Standard (SHQS)

We currently have 100% compliance with the 2015 SHQS and we continue to keep this under review though our stock condition surveys using our Handheld Systems software, Pocket Survey.

3.6 Compliance with Energy Efficiency Standards for Social Housing (EESH) 2020.

Whilst all our stock meets the energy efficiency standard required by SHQS, we do have 9 properties failing the Energy Efficiency Standard for Social Housing (EESH) which we are required to comply with by December 2020. Given that these properties fail by only 1 or 2 points, we are indicating that we will bring these up to standard by the end of 2019-20 financial year. Table 2 below is an extract of the 2018/19 EESH submission for the Annual Return on the Charter and shows the detail of those properties failing.

Table 2. Number of properties in that do not meet the standard

	Gas	Electric	Other fuels	Total
Flats	1	0	0	1
Four-in-a-block	0	0	0	0
Houses (other than detached)	7	1	0	8
Detached houses	0	0	0	0
Total	8	1	0	9

The Scottish Government has had a commitment to reducing building energy demand and decarbonising heat supply since 2015 and has designated energy efficiency as a national infrastructure priority. Energy Efficient Scotland proposes a whole system approach to delivering energy efficient improvements. Looking beyond 2020, the standards set out in EESSH Phase 2 which are out for consultation at the time of writing this strategy, will be a key strategy in achieving this towards 2040.

EESSH2 proposes a longer-term approach to removing poor energy efficiency as a driver for fuel poverty in social housing, and as part of the consultation the government are seeking views on proposals to set a challenging and aspirational target to maximise the number of social rented homes meeting an EPC band B by 2032.

Once the new standards are published, we will then be required to review our compliance and outline our future investment proposals to maximise attainment of the standard. However, based on the desired B rating and the potential ratings indicated on our Energy Performance Certificates (once recommended energy efficiency measure implemented), there is the potential that 65% of our stock may not meet the EESSH2 2032 target. This will be a significant future challenge for all social landlords.

3.7 Asbestos Management

We have completed an asbestos assessment of all our properties and where required taken samples for further analysis. We maintain an Asbestos Register and currently have 2 developments indicating asbestos containing material (ACM). These are the roof undercloak at Donaldson Court, Kincardine (11 units affected) and the external concrete window cills at Pentland Road, East Kilbride (1 unit affected).

As required with the terms of Regulation 4 of The Control of Asbestos Regulations 2006, we have a management plan in place to inspect these annually to ensure there is no deterioration to the ACM. However, should any deterioration be evident, then appropriate action will be taken under guidance from an approved Asbestos Surveyor and any removal works carried out in accordance with all current regulations, codes of practice and HSE guidance using competent HSE licensed asbestos removal contractors.

3.8 Adaptations

Adaptations funding continues to be a challenge. With a rising ageing population and current trends in health and disability, we find that year on year funding bids significantly exceed statutory funders' available budgets. Table 3 below shows the changes in available funding over the past 6 years and once again we anticipate that funding this year will not meet our tenants' needs.

We continue to work with Scottish Government and local authority partners to maximise grant funding to enable our tenants to live safely and independently in their homes. At the same time, considering Horizon's tenant population profile and service commitments, we will make some financial provision within our budget to enable us to offer a more person-centred, flexible and responsive service and avoid the delay in provision that has previously occurred whilst waiting for funding bids to be confirmed.

Table 3: Stage 3 Adaptations Grant Funding for Housing Associations: 2013/14 – 2018/019

Year	Scottish Government General Stage 3 budget (ex Glasgow & Edinburgh)	Value of HA bids	Allocation levels relative to value on individual HA bid		
			Up to £15,000		➤ £15,000
2013/14	£9 million	Not declared	100%		90%
			Up to £20,000		➤ £20,000
2014/15	£9 million	Not declared	100%		80%
			Up to £20,000	£20 – 28,000	➤ £28,000
2015/16	£9 million	£13.5 million	100%	£20,000	68%
			Up to £20,000	£20 – 28,000	➤ £28,000
2016/17	£9 million	£13.99 million	100%	£20,000	65%
			Up to £20,000	£20 – 33,300	➤ £33,300
2017/18	£9 million	£15.8 million	100%	£20,000	57%
			Up to £20,000	£20 – 36,363	➤ £33,300
2018/19	£9 million	£16.9 million	100%	£20,000	55%

Whilst the installation of any equipment or adaptations is funded through Stage 3 Grant Funding, the cost of ongoing maintenance and replacement is

covered by our tenants through rents and service charges. We are underway with our Rent Structure review with a view to streamline our service charges for implantation in 2020/21 to ensure that the we have sufficient provision for future maintenance and replacement whilst maintaining an affordable, fair and equitable approach for those adapted properties.

3.9 Other Assets Portfolio

3.9.1 Office Premises

We own and manage our office at Leving House, Livingston which was remodelled and refurbished in 2015 and, although this property is out with the scope of this strategy, we will continue to review and invest in this property to ensure it continues to meet our business needs and that it remains a viable asset.

3.9.2 Access Ownership

Access ownership is a scheme designed to offer more housing choice, flexibility and control to disabled people and their families. It is a joint initiative by Horizon and Housing Options Scotland, a charity with specialist knowledge of the issues surrounding disabled people and home ownership in Scotland. It is available both to those who are looking to buy a more suitable home and to people who already own a property but need to reduce their financial commitments.

We own 8 access ownership properties and manage a further 8 properties on behalf of the Link Group. These are out with the scope of the Asset Management Strategy and APR. Any decision on the disposal of such properties will be taken on a case by case basis and will be based on an assessment of the sustainability of the property, including assessment criteria such as value, investment costs and or the agreement with the owner.

3.9.3 Shared Owners and Factored Properties

We have 33 properties as part of our developments where we act as Factor and we have a further 22 Shared Ownership properties. As with the access ownership properties, these are not included in the scope of the Asset Management Strategy or APR. Any decision on the disposal of such properties will be taken on a case by case basis and will be based on an assessment of the sustainability of the property, including assessment criteria such as value, investment costs and or the agreement with the owner.

4.0 Drivers for Change

4.1 National Context

The Scottish Government has set out a target for 50,000 new homes by 2021 of which 35,000 will be for the social rented sector, however there is no target set for accessible and wheelchair-accessible homes.

Based on the projections from the 2016 and 2017 Scottish Household Survey, people aged 75 and over are projected to be the fastest growing age group in Scotland – figures are projected to increase by 27% over the next ten years and by 79% over the next 25 years.

Furthermore, it is stated in the survey that 30% of adults in Scotland reported a long-term health condition and that this is increasing over time. There is also a rise in the number of single person households with over a third of people in Scotland living alone.

The report carried out jointly with Horizon, CIH and North Star Consulting, ***Still minding the step? 2018*** highlights the significant issues around the unmet housing need and the fact that we are not building or adapting enough homes to meet the current need let alone targeting the projected growth. Amongst the recommendations there is a call for 10% of all new homes to be built to wheelchair standards as well as investment in adaptations of existing homes and the best use of homes that have already been adapted.

Further evidence to support the housing crisis is outlined in the recently published report from the Equalities and Human Rights Commission, ***Housing and disabled people Scotland's Hidden Crisis, 2018*** which estimates that almost 10,000 disabled Scots are on housing waiting lists.

In addition to this, there are significant economic factors to be considered affecting affordability such as social security changes and cuts – benefit freeze and caps, local housing allowance and universal credit as well as rising fuel costs and increased cost of living.

It is clear that all these factors will have a significant impact on the demand for suitable accessible and affordable housing when there is already a severe shortfall in meeting current needs and that Horizon has a significant role to play as a landlord and through its influence in both the Link Group and the wider housing sector.

4.2 Local Context

Our business objective to provide quality homes and service at the right price for our current and future tenants means that we continually look at ways in which we can deliver our services effectively. This includes working within the Link Group to provide efficiencies through common resources and joint initiatives.

We regularly review our approach to procurement to ensure that we achieve the best value for our investment and recognise that different approaches may be required, this may include joint procurement through the group, frameworks or unique tenders all of which are quality focused.

We also seek to ensure that we make best use of our existing stock and incorporate needs assessments into our allocations process through our choice based letting system. We recognised that this system is not sophisticated enough to allow allocation to those most in need for wheelchair properties therefore we have recently implemented a separate lettings plan for wheelchair accessible properties. This is to ensure that the allocations process takes full cognisance of applicants' circumstances to make best use of these properties. We will look towards contributing towards wider initiatives to promote the efficient allocation of adapted properties on a national level.

We will record and monitor reasons for refusing an allocation offer to allow us to feed into our review process and develop appropriate action plans to tackle any emerging patterns.

5.0 Asset Performance Review

5.1 Core Stock

Our Asset Performance Review was carried out by Docherty Consulting Ltd in 2017 and then reassessed in August 2018 taking into account the new data sets which considered both financial and non-financial data for all our properties, the detail of which is outlined in the report in Appendix 1. The modelling uses 6 categories, Very Good, Good, Satisfactory, Of Concern, Poor and Very Poor the range for each was guided by the Board and reflects our organisational objectives.

Table 4 and 5, Asset Group Performance Matrix below shows the outcome of the modelling for the 48 Asset Groups for AMS 2018 and 2019, each group representing a development.

Table 4 & 5: Asset Group Performance Matrix

2018

2019

Financial Performance		2018						2019							
		Very Good	Good	Satisfactory	Concern	Poor	Very Poor	Very Good	Good	Satisfactory	Concern	Poor	Very Poor		
↑	Very Good	0	6	6	7	14	4	0	1	0	1	3	17		
	Good	0	0	0	3	0	0	0	0	1	0	3	5		
	Satisfactory	0	1	0	0	1	0	0	0	0	0	1	3		
	Concern	0	1	0	1	0	0	0	0	0	0	1	2		
	Poor	1	0	0	0	0	0	0	0	0	0	3	2		
	Very Poor	1	0	0	0	0	0	0	0	0	0	2	3		
		Very Poor	→				Very Good			Very Poor	→				Very Good
		Non-Financial Performance													
		A snapshot overview of the relative financial and non-financial strength of asset groups in the Association's Portfolio													

Overall, we are performing well and have 28 very strong groups which are either good or very good in both financial and non-financial assessments in comparison to 18 very strong groups in 2018 AMS.

There are no groups which score very poor or poor in both financial and non-financial in comparison to two groups in 2018.

We do however have 10 groups which are indicating an overall weak performance, scoring very poor or poor financially and these include Kilmarnock, Livingston-Southpark, Falkirk, Cowdenbeath, Blantyre – Tennyson, Maryhill, Whitburn, Ardrossan, Johnstone, Renfrew. These all scored good or very good in the non-financial assessment. This is in comparison to only two in 2018.

Only two groups score of concern or poor in non-financial assessments which are Coatbridge and Possilpark. This is in comparison to 16 in 2018.

When considering the financial performance only, we have 35 out of the 48 graded as satisfactory, good or very good. Three are of concern, five have poor financial performance and only 5 groups, Kilmarnock, Livingston-Southpark, Falkirk, Cowdenbeath, Blantyre – Tennyson indicating a negative Net Present Value (NPV). The NPV is the value minus costs over 30 years discounted to present value, and the reason for this performance is due to

data anomalies which we will refresh in August 2019 and will be analysed as part of the action plan.

96% of the asset groups were performing well on the range of non-financial indicators, only 2 (not including the financial poor performers) out of the 48 groups were found to be of concern or poor performing. These will be scrutinised as part of the action plan.

5.2 Cause for Concern Stock

All ten developments which are poor or very poor will require deeper financial scrutiny as they show a low or negative NPV.

Those asset groups with a less than satisfactory rating for either financial or non-financial performance indicators are listed in Table 5 Summary Cause for Concern Groups below and will be included in our action plan for further analysis.

Table 5 Summary Cause for Concern Groups below.

Town	No. of Units	Net Present Value	Stock Turnover Grade	Energy performance Grade	Housing Management Assessment Grade	Home Satisfaction Grade	Neighbourhood satisfaction Grade	Tenant Support Grade	Overall Non-Financial Performance Grade	Financial Performance Grade
Ardrossan	25	3,068.36	Very Good	Very Good	Good	Good	Very Good	Very Good	Very Good	Poor
Blantyre	28	6,721.70	Very Good	Very Good	Very Good	Good	Very Good	Very Good	Very Good	Of Concern
Blantyre	29	-1,081.11	Very Good	Very Good	Very Good	Very Good	Very Good	Very Good	Very Good	Very Poor
Coatbridge	31	8,258.88	Good	Very Good	Good	Satisfactory	Good	Very Good	Good	Of Concern
Cowdenbeath	15	-13,128.90	Satisfactory	Very Good	Good	Good	Very Good	Very Good	Good	Very Poor
Falkirk	31	-14,881.71	Very Good	Very Good	Very Good	Good	Very Good	Very Good	Very Good	Very Poor
Johnstone	22	3,861.24	Very Good	Very Good	Very Good	Very Good	Very Good	Very Good	Very Good	Poor
Kilmarnock	18	-18,584.68	Very Good	Good	Good	Very Good	Satisfactory	Very Good	Good	Very Poor
Livingston	2	-17,679.86	Very Good	Very Good	Very Good	Very Good	Very Good	Very Good	Very Good	Very Poor
Maryhill	16	1,798.81	Satisfactory	Very Good	Good	Good	Satisfactory	Very Good	Good	Poor
Possilpark	16	7,224.92	Very Good	Very Good	Good	Very Good	Very Good	Very Good	Very Good	Of Concern
Renfrew	16	4,508.10	Satisfactory	Very Good	Very Good	Good	Very Good	Very Good	Good	Poor
Whitburn	30	2,730.06	Satisfactory	Very Good	Very Good	Very Good	Good	Very Good	Good	Poor

6.0 Planning for the future

6.1 New Build Developments and Acquisitions

One of our key business objectives is to contribute to the delivery of more accessible homes across Scotland and serve as an exemplar of good practice. We recognise that our role as a developer and direct supplier may be limited, however we seek opportunities for influencing supply and resourcing of accessible housing both within the Link Group, Access Ownership as well as the wider housing community.

We seek to benefit from the Link Development programme and increase our rented stock by 20% over 5 years through the management of properties arising from their programme.

The West Lothian Strategic Housing Investment Plan (SHIP) has included several developments for the West Lothian Development Alliance, 2 of which are likely to be for Horizon. Whilst there are no definite dates for these, we have made assumptions that they will be no earlier than 2020/21 for 24 units in Armadale and 2021/22 for a further 15 units, possibly in Bathgate.

We will also continue to participate in smaller scale bespoke projects such as the Kirknewton Community Development Trust who are looking at providing 6 affordable homes for rent for older/disabled people which Horizon will manage once complete. Other projects include the Sense Scotland Project in which we are assisting with the purchase, adaptation and future management of 2 supported living properties.

6.2 Disposals

This strategy recognises that there may be a required for Horizon to consider the disposal of unsustainable stock and whilst consideration is given to this in this strategy, a detailed Disposal Strategy and Matrix has been developed separately and will be considered on an individual basis when appropriate.

6.3 Stock Portfolio

6.3.1 Investment Outcomes and Business Plan Affordability

It is essential that we have a robust approach to our investment programme and we can achieve this using the finding from the Asset Performance modelling exercise together with our Stock Condition Survey information to look not just at age and condition but also identify where there is less than satisfactory performance across the range of financial and non-financial indicators. Investment decisions will no longer be based on age and condition only.

Projections from our current Stock Condition surveys indicate that an investment of £35m over 30 years is required to maintain our stock. This is factored into our 30-year plan which seeks to measure Horizon's long-term financial viability together with a range of assumptions and projections which are detailed in section 5 of the Business Plan. This modelling demonstrates Horizon's ability to meet planned maintenance responsibilities and to meet loan covenant requirements in relation to interest cover and gearing, throughout the 30 years of the plan.

As you can see from the 30-year investment in Table 6 below, there are peak investment periods e.g. Year 5, which we will seek to smooth to ensure a more stable investment profile.

Table 6 30-year Planned Investment

This Year	618,459
Year 1	629,065
Year 2	685,107
Year 3	650,384
Year 4	660,566
Year 5	835,180
Years 6-10	4,211,249
Years 11-15	4,649,522
Years 16-20	5,133,481
Years 21-25	5,667,774
Years 26-30	6,257,684
Grand Total	29,998,501

7.0 Asset Management – Delivery Plan

A cross departmental workshop was held to analyse the Asset Performance Review findings and the agreed are outlined in the **Appendix 3 Asset Performance Action Plan 2019**.

There is a requirement for a refresh of the investment data used for the Asset Performance Review. There has been a significant number of Stock Condition Surveys carried out and a few anomalies in data found, we would anticipate having a positive impact on the NPV results. We anticipate there will be a significant improvement in results and few schemes will be below satisfactory.

The updated data will be used in the first 6-month review of the strategy and for the refreshed Asset Performance Review.

8.0 Tenant Engagement

We have consulted with our tenant scrutiny group; the Residents Improvement Group (RIG) on the Asset Performance Action Plan (APAP) for 2018, we have also consulted with them in the 2018 Tenant Satisfaction Action Plan and will then present the 2019 APAP at the August 2019 RIG meeting. We will continue to focus consultation on particular aspects of our investment plans as well as replacement standards and specifications. This is also in-line with our Tenant Engagement Strategy.

9.0 Review

This strategy was initially drafted based on the 2016/17 financial data and 2017 Satisfaction data and was then reviewed once it had been in place for

six months taking into account the updated financial data for 2017/18 and the 2018 Satisfaction result. The Asset Performance was refreshed and supported by our external consultant. The strategy will now be reviewed every 3 years or before should and significant changes in financial planning, legislation or other political, social or economic factors.

Appendix 1 Asset Performance Review

Appended to this report.

Appendix 2 Update from Asset Performance Action Plan 2018

Asset Group	Comments	Action	Update Following APR Reassessment
All	Tenant Satisfaction data is out of date (2015)	New Tenant Satisfaction Survey	Tenant satisfaction completed 2018.
Winchburgh	Housing Management Assessment rating was very poor however it was conducted at a time when there were some significant ASB issues. Change in tenancies may have positive impact on this. Negative NPV.	Refresh Housing Management Assessment Review Investment costs with Finance	Housing Management is no longer very poor and is now satisfactory. NPV is now satisfactory.
Blackburn	Stock Turnover is of concern Housing Management Assessment rating was poor	Review termination reason to identify any specific patterns and develop further actions if needed. Discuss assessment with staff to identify areas of concern and develop additional actions where required	Stock turn over is now very good. Housing management is now very good.
Livingston - Etive	Average home satisfaction of concern – only x responses from 3	New Tenant Satisfaction Survey	Home satisfaction is now very good.
Livingston - Almondbank	Average home satisfaction of concern – only x responses from 4	New Tenant Satisfaction Survey	Home satisfaction is now very good.
Denny	Stock Turnover is very poor	Review termination reason to identify any specific patterns and develop further actions if needed	Stock turn over is now very good.

Livingston - Southpark	Average home satisfaction is very poor – only 1 response out of 2	Meet with tenants and discuss areas of concern and develop further actions if required. Data also refreshed from new TSS	Home satisfaction is now very good.
Kelty	Average home satisfaction was very poor.		Home satisfaction is now good.
Kilmarnock	Housing Management Assessment for Neighbourhood was poor. Average home satisfaction was poor Stock Turnover is of concern	Discuss detail of assessment with Housing management staff and review Estate Management Plans as tenant survey responses for this was satisfactory. Develop further actions where required. Planned maintenance has been carried out since the last survey. Review fresh data from TSS and consider further actions if required. Review termination reason to identify any specific patterns and develop further actions if needed	Housing management is now satisfactory. Home satisfaction is now very good. Stock turn over is now good.
Kilwinning	Average home satisfaction was poor	Planned maintenance has been carried out since the last survey. Review fresh data from TSS and consider further actions if required.	Home satisfaction is now very good.

	Stock Turnover is poor	Review termination reason to identify any specific patterns and develop further actions if needed	Stock turn over is now good.
East Kilbride	Tenancy support grade was very poor	These are 2 supported properties therefore we would expect higher levels of support. No action required.	Housing management is now very good.
Maryhill	Financial assessment is of concern	Review NPV and investment costs and develop further actions where required.	Financial assessment is poor. This is addressed in Appendix 3.
	Average home satisfaction is of concern	Planned maintenance has been carried out since the last survey. Review fresh data from TSS and consider further actions if required.	Home satisfaction is now good.
Paisley	Stock turnover is poor however all other indicators are either good or very good	Review termination reason to identify any specific patterns and develop further actions if needed	Stock turn over is now very good.
Possilpark	Housing Management Assessment for Neighbourhood was poor	Discuss detail of assessment with Housing management staff and review Estate Management Plans as tenant survey responses for this was very good. Develop further actions where required.	Neighbourhood satisfaction is now very good.

Redding	Stock turnover is very poor however all other indicators are either good or very good	Review termination reason to identify any specific patterns and develop further actions if needed	Stock turn over is now very good.
Stenhousemuir	Average home satisfaction was very poor	Planned maintenance has been carried out since the last survey. Review fresh data from TSS and consider further actions if required.	Home satisfaction is now good.
	Stock Turnover is very poor	Review termination reason to identify any specific patterns and develop further actions if needed.	Stock turn over is now good.
	Financial assessment is poor	Review NPV and investment costs and develop further actions where required	Financial assessment is now good.
Whitburn	Stock turnover is very poor however all other indicators are either good or very good	Review termination reason to identify any specific patterns and develop further actions if needed.	Stock turnover is now satisfactory.
	Financial assessment is of concern	Review NPV and investment costs and develop further actions where required	Financial assessment is now poor. This is addressed in Appendix 3.
Wishaw	Average home satisfaction was poor	Planned maintenance has been carried out since the last survey. Review fresh data from TSS and consider further actions if required	Home satisfaction is now satisfactory.

Summary of Appendix 2 data:

Only two schemes financial assessment remain of concern. These are addressed in Appendix 3 with proposals to improve the NPV.

The remainder of concerns from non-financial assessment from 2018 have improved to satisfactory or good. This shows no clear trends in the non-financial assessment between the 2016 and 2019 data.

Appendix 3 Asset Performance Action Plan 2019

Asset Group	Comments	Action	Timescales
All	Bathroom replacement dates are incorrect.	Update Pocket Survey Data and refresh Asset Performance Review.	September 2019
Kilmarnock	Lower than average rents.	Rent restructure is ongoing.	April 2020
	Very high property investment costs.	Anomaly found in cost of windows and roughcast has been included in 30 year plan. Correct data.	September 2019
	Very high housing management costs.	Scrutinise housing management including, rent arrears, repairs, turn over and antisocial behaviour.	2020
	Slightly Above average repair and maintenance costs.	Monitor costs.	Ongoing
Livingston – Southpark	Very high property investment costs.	There are a lot of adaptations in these two properties which have a high cost of replacement. Revise timescales for replacement.	September 2019
	Very high repair and maintenance costs.	There are a few very expensive jobs included for year 2017/2018. Consideration to manipulating data.	September 2019
Falkirk	Very high property investment costs.	Stairlift needs to be removed from the replacement data. There a large proportion of accessible components in these properties which require timescales to be adjusted.	September 2019
	Very high repair and maintenance costs.	Data includes a very bad void costs of £31k are included. Remove costs	September 2019

Asset Group	Comments	Action	Timescales
		as these are unrealistic for comparison over 30 years.	
Cowdenbeath	Very high property investment costs.	Anomaly in SCS data. Bathroom timescales to be adjusted.	September 2019
	High housing management costs. High repairs and maintenance costs.	Scrutinise housing management including, rent arrears, repairs, turn over and antisocial behaviour. High volume of repairs carried out including number of expensive repairs, roof, bathroom and radiator replacements. There were also high void repair costs. Consideration to be given to assessing data to get more accurate 30 year outcome.	2020 September 2019
Blantyre – Tennyson	Lower than average rents. Very high property investment costs.	Rent restructure is ongoing. High proportion of adaptations at incorrect life cycles. Amend data.	April 2020 September 2019
Maryhill	Lower than average rents. High housing management costs.	Rent restructure is ongoing. Scrutinise housing management including, rent arrears, repairs, turn over and antisocial behaviour.	April 2020 2020
Whitburn – Loch Linnhe	Lower than average rents. Higher than average repair and maintenance costs.	Rent restructure is ongoing. High percentage of costs against voids and one particular property. A	April 2020

Asset Group	Comments	Action	Timescales
	Very high housing management costs.	property has allocated 12% of all works orders raised and 26% of costs. No action to change data. Scrutinise housing management including, rent arrears, repairs, turn over and antisocial behaviour.	2020
Ardrossan	Lower than average rent.	Rent restructure is ongoing.	April 2020
	High property investment.	Anomaly found in CSC total cost of windows. Correct data.	September 2019
	Lower than average rents.	Rent restructure is ongoing.	April 2020
	High housing management.	Scrutinise housing management including, rent arrears, repairs, turn over and antisocial behaviour.	2020
Johnstone	Lower than average rents.	Rent restructure is ongoing.	April 2020
	Higher than average property investment.	Adjust bathroom replacement programme.	September 2019.
Renfrew	Higher than average property investment.	Adjust bathroom replacement programme.	September 2019.
	High housing management.	Scrutinise housing management including, rent arrears, repairs, turn over and antisocial behaviour.	2020
Livingston – St Enoch's	Very poor neighbourhood satisfaction.	Only three tenants in St Enoch's Crescent. Scrutinise reason for dissatisfaction.	2020

Asset Group	Comments	Action	Timescales
Airth	Very poor energy performance.	Carry out suggestions on EPC to improve Energy Performance including room thermostat to heating.	2020
	Housing management is of concern.	Only one property in Airth, scrutinise reason for of concern result.	2020

Privacy Impact Assessment Screening Questions

Carrying out a Privacy Impact Assessment [PIA] will be useful to any project – large or small – that:

- Involves personal or sensitive data about individuals
- May affect our customers' reasonable expectations relating to privacy
- Involves information that may be used to identify or target individuals

Please tick the applicable statement(s) below. Will your project involve:

1. A substantial change to an existing policy, process or system that involves personal information Yes No
2. A new collection of personal information Yes No
3. A new way of collecting personal information (for example collecting it online) Yes No
4. A change in the way personal information is stored or secured Yes No
5. A change to how sensitive information is managed Yes No
6. Transferring personal information outside the EEA or using a third-party contractor Yes No
7. A decision to keep personal information for longer than you have previously Yes No
8. A new use or disclosure of personal information you already hold Yes No
9. A change of policy that results in people having less access to information you hold about them Yes No
10. Surveillance, tracking or monitoring of movements, behaviour or communications Yes No
11. Changes to your premises involving private spaces where clients or customers may disclose their personal information (reception areas, for example) Yes No

If you have answered 'Yes' to any of these points, please complete a full Privacy Impact Assessment. If you have answered 'No', you need take no further action in completing a Privacy Impact Assessment.

Equality Impact Assessment Screening Questions

Will the implementation of this policy have an impact on any of the following protected characteristics?

- | | | |
|-----------------------------------|------------------------------|--|
| 1. Age | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Disability | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Gender reassignment | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Marriage and Civil Partnership | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 5. Pregnancy and Maternity | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 6. Race | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 7. Religion or belief | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 8. Sex | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 9. Sexual orientation | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If you have answered 'Yes' to any of these points, please complete a full Equality Impact Assessment. If you have answered 'No', you need take no further action in completing an Equality Impact Assessment.