



**Muirhouse  
Housing  
Association**

## **MUIRHOUSE HOUSING ASSOCIATION**

<b>Title of Policy:</b>	Asset Management Strategy
<b>Date of Adoption or Last Review:</b>	12 February 2018
<b>Lead Officer:</b>	Paula Mcvay Asset Management Officer
<b>Date of Next Review:</b>	February 2021
<b>Regulatory Standards of Governance and Financial Management</b>	<p><b>Standard 2</b> The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p><b>Standard 4</b> The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.</p>

## 1. Introduction

Muirhouse Housing Association's Asset Management Strategy is a critical component of our overall approach to asset management. Asset management is the process by which we ensure that the assets that we need to operate our business are managed effectively, efficiently and provide value for money.

The Asset Management Strategy sets out our approach to managing and maintaining our housing stock for the long term to preserve its value as a key asset. In order to achieve this, we need to:

- gather, and regularly update, reliable data on the condition of the housing stock and estates
- develop costed and affordable long term plans for maintaining the housing stock and estates
- translate our long term plans into programmes of annual maintenance
- concentrate our expenditure on Planned Maintenance and Improvements, minimising the proportion of expenditure on day to day reactive maintenance
- consult key stakeholders on the condition of the properties and their priorities for future maintenance.

The Asset Management Strategy underpins our corporate aim and objectives. Through these objectives we are committed to the maintenance and refurbishment of our properties and estates and to secure the sustainability and long term life of our assets. In particular the Strategy has been developed to make the most effective use of our housing stock and other assets.

## 2. Risk Management

### General

Asset life should be maximised to obtain best value. Failure to provide for a continuing programme of planned maintenance and improvement represents a risk to the MHA. To combat asset deterioration we will:

- maintain the rental income by ensuring the properties are fit for purpose, and readily lettable
- maintain accuracy in our records for ease of future planning
- ensure that we can adequately fund repairs and maintenance through our business plan
- keep track of component life expectancies, working from our experiences to ensure our calculations are both realistic and achievable
- strive to meet our tenants expectations for their property, taking account of our financial capacity

- take account of the challenges involved in managing investment in mixed tenure estates

Within our Risk Management Strategy the Risk register lists our view on our current risks and gives a basis for assessing and monitoring these risks, whether the risk is increasing or decreasing and if any new risks develop.

The identified risks are managed and can be mitigated with active monitoring. They are reviewed in regular cycles through reporting to the Board and Audit and Risk Committee and updated actions undertaken if deemed necessary.

### **3. Risk Awareness**

Failure to effectively manage the Asset Management System and the annual budget process represents a number of risks to MHA:

- Too little scrutiny could lead to unchallenged additions for no long term benefit
- Too much scrutiny would be costly in staff resources for possible limited gain
- Failure to set aside adequate funding could result in deterioration of the properties and potentially result in the property becoming difficult to let
- Tenant satisfaction may be affected if tenants are unsure about what's happening regarding their property and likely element replacements. A regimented process gives tenants security that detailed consideration is placed on each property.

### **4. Managing Risk**

The Asset Management Strategy, together with the Repairs and Maintenance Policy and Procurement Policy and procedures, have been put in place to proactively manage the process to minimise the risks outlined above.

The process dictates an annual routine, commencing with scenario planning through to formulating the annual budget, broken down into detailed and systematic stages.

Throughout the annual routine we follow detailed regimes of analysis, together with review of risk, ensuring that we will not knowingly overstate the budget or understate requirement to include works.

Completion of the annual routine is essential to the treatment of risk, ensuring effective control of our assets within financial limits and to the successful running of the organisation.

## **5. Responsibility**

The Asset Management Officer will lead the strategy and plan with the Housing Team (HT) who will be responsible for the delivery of the Asset Management Strategy. The Asset Management Officer will also work within the Leadership Team (LT) to work through the established framework from scenario planning to formulating the annual budget, ensuring that accurate information is formatted and available to complete each stage of the annual process. This annual review process will be supplemented by a monthly review by Asset Management Officer and corresponding progress reports to Board.

In addition to our 30 year asset management plan, the Asset Management Officer and Financial Manger will devise and deliver a three year rolling programme of works. The Staff team will also ensure customer opinions and aspirations are integral to any decision making process.

Collectively, the LT has detailed awareness and knowledge of the full business operating environment and of MHA's Business Plan. Their contribution through this network of management systems is essential to the successful running of the organisation.

## **6. Asset Management Strategy - Management System**

The management system comprises of the following key components :

- Whole life cycle cost to assess the on-going cost of maintaining the housing stock in adequate condition
- Stock condition surveys to gain a comprehensive and up-to-date picture of the condition of our housing stock
- Stock condition database: comprehensive database of properties, property components, install dates
- Component Life Cycles: set expected replacement lives for all major maintenance elements
- Specification standard: all our stock maintained and upgraded to the same standard
- Stock profiling: annual analysis of data from the stock condition database down into stock profiles, for example kitchen renewals
- Long term maintenance plans: 30 year costed maintenance plans, updated annually

- Annual programme of maintenance and improvement works formulated from our 30 year costed maintenance plans together with stock condition information, tenant feedback and resource constraints
- Allocation of maintenance works categorising with relevant response times
- Procurement: taking account of quality, price, legal requirements and long term partnership working with key contractors.
- SHQS/ESSH: continuing to invest in our stock to make sure all properties meet the 2020 target and create warmer and cheaper to run properties for our tenants. Prepare data on annual basis and prepare data for grant funded schemes.

## 7. Strategic Links

Asset management is a key part of our strategic approach towards delivering our organisational objectives, and includes a number of aspects:

- Recognising that asset life should be maximised to obtain best value
- Appreciating that property assets must be held to meet our objectives and in line with the constraints of charitable status
- Linking between the strategies for management and maintenance of existing assets and any future procurement of new stock
- Ensuring that in-house staffing and governance policies and procedures complement the asset management strategy
- Committing to meet regulatory and statutory requirements in respect of equality and diversity
- Ensuring that we can adequately fund the strategy through our business plan
- Integrating the asset management strategy into the risk management framework
- Continuing to develop our wider action and community engagement networking and works.
- Maximising our partnership opportunities and develop areas that will enhance the growth of the business and improve life for our tenants
- Maximising land opportunities to grow and expand the business and to add value to our asset base and to further our commitment to making a healthy vibrant community
- Supporting other agencies with wider regeneration objectives to benefit our growth.
- Supporting social inclusion in the wider community to benefit our tenants and the community as a whole.

## 8. Conclusion

- We will ensure that we use our resources to maximum affect.
- We will proactively ensure all strategic objectives and outcomes represent Value for Money.
- We will continue to seek to prioritise and fund initiatives at every opportunity.
- We will actively seek approval and incorporate our customer's opinion.
- We will make commitment to engage with our partners and continue to support plans and proposals locally and city wide that will benefit our plans and tenants.
- We will ensure we meet all statutory, legal and charitable obligations we have.