Asset Management Strategy (2024-2029)

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INTRODUCTION

1.1 This Strategy sets out our plans for the management of our assets from 2024 – 2028 and how this contributes to the delivery of our vision '**to provide good quality affordable homes and to deliver consistently excellent housing services across the Outer Hebrides**'. It builds on our previous Strategy 2020-24 and continues to utilise the 10 strand approach identified by the Scottish Housing Regulator (SHR) to structure our planning.

1.2 The Strategy also takes account of the SHR guidance on Integrated Asset Management published in 2023. This set out 5 principles which it is recommended that RSLs take cognizance of and which are reflected throughout this strategy. The guidance and these principles are available at: https://www.housingregulator.gov.scot/for-landlords/advisory-guidance/recommended-practice/integrated-asset-management/

1.3 In particular, this Strategy places emphasis on tenant safety and meeting all our duties on tenant and resident safety and that assurance on compliance is provided to our Board. In addition, it recognises the challenges of the journey towards Net Zero and we await the publication of the detailed requirements from the Scottish Government. However, we have made good progress towards the anticipated standard and in particular we have installed clean heating systems in two thirds of our housing stock.

1.4 The Strategy is integrally linked with our Business Plan 2024 – 2029 and 30-year financial projections and is heavily influenced by the wider strategic environment in which we operate. It is developed within the financial resources within the Business Plan which can be summarised as follows:

- Major investment in homes of around £4.5M per annum to maintain homes at the Scottish Housing Quality Standard (SHQS) and to work towards delivery of the anticipated new Net Zero standards. These are in turn informed by our Stock Condition Survey findings completed in 2024.
- Annual and Cyclical Planned Maintenance programmes of £1.4M per annum which includes provision for statutory duties on elements such as gas servicing, fire door inspections, legionella inspections and electrical testing.
- Reactive repairs and void property repairs of £2.3M per annum.

1.5 The inter-relationship between new build and the needs of the existing stock is recognised. The new build Programme provides an opportunity to replace stock which has a limited future life span but equally we cannot focus investment on new build at the expense of the needs of the current housing stock.

STRATEGIC GOALS

2.1 SHR guidance notes the importance of a whole organisation approach to asset management and that all parts of our operation influence the strategy. Good asset management requires this ownership right across the business. It is not just about the 'property professionals'.

2.2 There are a number of key aims, linked to our strategic goals which the Strategy seeks to achieve and deliver over the Strategy period.

These key aims are:

Protecting Tenants and Assets

- Ensure a central focus on tenant safety and that our Board have assurance on compliance with requirements including action on damp and mould.
- Ensure effective property management through a combination of reactive and empty homes repairs, planned maintenance and investment programmes
- Engage with owners to promote and encourage participation in works and the regular maintenance of common blocks where appropriate
- The need to maintain the housing stock at Scottish Housing Quality Standard (SHQS) level and to address exemptions and abeyances.
- The pursuit of the Net Zero standard for Social Housing once this is finalised and reducing the environmental impact of our homes and services.
- Ensuring effective action is taken to address cause for concern stock

Comprehensive Asset Information

- Ensure that a comprehensive asset database is in place that informs planning and decision making

- Develop and refine an approach to assess the long-term viability of stock
- Continually review sustainability and demand and reflect these in investment decisions

Integrated with the 30 Year Business Plan

- Ensure that the Asset Management Strategy and Business Plans are integrally linked
- Provide effective financial planning information in relation to investment in housing stock and related assets and in pursuit of value for money.
- Provide robust information for risk, sensitivity analysis and options appraisal in relation to the future management of the stock
- Ensure that investment in the housing stock provides a sustainable product which also meet the aspirations of our customer

Customer and Partner Engagement and Consultation

- Enable customers to contribute to and inform decisions relating to the investment in the housing stock
- Manage customer expectation, maximise satisfaction and provide opportunities for customer choice
- Work with partners to contribute to the wellbeing of communities throughout the Outer Hebrides

2.3 Progress will be monitored via the Action Plan at Appendix 1 with an annual update being provided to the Board.

LINKS TO STRATEGIC PRIORITIES

2.4 In the wider context the Comhairle's Local Housing Strategy (LHS) sets out the broad strategic context in which we are operating. The LHS expired in 2022 and a new strategy is currently anticipated to be completed towards the end of 2024. As a key partner we are involved in the shaping the final LHS. We are also committed to working in partnership with other local agencies and recognise a robust Community Planning Partnership being essential to meeting the challenges facing our communities.

2.5 In particular we recognize the challenges facing our islands through our aging and decreasing population and are committed to working with partners to address these.

2.6 This includes working closely with the Integrated Health and Social Care Service and we are supporting them to meet the current and future care needs of the Outer Hebrides. Our new 50 flat Housing with Extra Care provides accommodation to meet the needs of our most vulnerable people and we have plans to replicate this model in Barra.

2.7 A number of internal Policies sit alongside the Strategy and provide detail on operational processes and delivery mechanisms. These are detailed at Appendix 1.

ASSET PROFILE

3.1 We own 2376 homes across the Outer Hebrides. The island chain measures around 120 miles from Barra in the South to the Butt of Lewis in the North and there are small schemes of houses in most communities. The geography and scattered nature of the stock present additional challenges in delivering services and in the management and maintenance of properties.

3.2 The table below shows the distribution of the housing stock by island, property type and size.

Table 1 – Housing stock by island and number of apartments

Type of Stock/ Apartment	1	2	3	4	5	Grand Total
Lewis						
General Needs	8	509	639	444	45	1645
Wheelchair Adapted		62	29	10	10	111
Harris						
General Needs		44	56	46	3	149
Wheelchair Adapted				1		1
Uist						
General Needs		92	116	151	10	369
Wheelchair Adapted			5	2	1	8
Barra						
General Needs		29	32	30	2	93
Grand Total	**8**	**736**	**877**	**684**	**71**	**2376**

Table 2 – All stock by property type and number of bedrooms

Property/ Number of Bedrooms	0	1	2	3	4	5	6	Non-Housing	Grand Total
Housing									
House		118	446	607	46	6	2		1225
Bungalow		365	230	45	3	1			644
Flat		29	17						46
Tenement Flat		141	137	1					279
Maisonette			2	2	2				6
4 in a block		21	11	16					48
Bedsit	8								8
Wheelchair adapted		62	34	13	10	1			120
Garage								38	38
Garage Site								62	62
Commercial Unit - Office								3	3
Commercial Unit - Shop								2	2
Commercial Unit - Community Facility								2	2
Store								1	1
Grand Total	**8**	**736**	**877**	**684**	**61**	**8**	**2**	**108**	**2484**

3.3 The majority of the stock is terraced or semi-detached at over 75%, which presents further challenges particularly in relation to the extent of the surrounding environment with large amounts of infrastructure requiring maintenance such as fencing, pathways and common areas.

OUR 10 STRAND APPROACH

STRAND 1 – STRATEGIC CONTEXT – A WHOLE ORGANISATION APPROACH

4.1 Our Board are responsible for directing and approving asset improvement and investment plans. A key consideration in terms of planning is the need to balance these plans with the impact on rent levels. The Board prepare long term plans to deliver on their vision. The investment needs of the stock, as identified by our 2023/24 Stock

Condition Survey, is one of the key drivers of the Business Plan. A further survey will be carried out in 2028/29.

4.2 Good asset management is core business and spans everyone in the organisation. The Board Business Planning sessions consider the relationships between the local economy, demographic change, housing need and demand and the potential changes in the client base for our homes. Locational issues and the different influences and pressures in different parts of the Hebrides are further key concerns.

4.3 The long-term downward trend in population within the Outer Hebrides particularly for the younger age groups is a continuing and growing concern and is an issue which the Board being monitored closely. The challenge is illustrated by data provided by NHS Western Isles. Table 3 below shows that there has been a sizeable drop in birthrate and a far higher negative natural change in the last 5 years than previously projected by the NRS

Table 3 – Natural Population Change 2018-2023

Year	Births	Deaths	Actual Natural Change
2018	206	356	-150
2019	200	349	-149
2020	193	355	-172
2021	181	392	-211
2022	182	434	-252
2023 (5 months)	74	177	-103
	1,026	**2,063**	**-1,037**

4.4 The 5-year average of births registered for the 5 years before 2018 was 299.5. There has been a sustained drop in birth rates of nearly 21% in only 5 years. The wards with the largest deductions over and above the projected reduction in natural changes in 2022 were North and South Uist, Point and North Stornoway.

4.5 The birth to death ratio in total was 0.42 for the Western Isles in both 2022 and 2023 compared to the Scottish Average of 0.75. Without net positive inward migration of younger and working age people, the population needs will become unsustainable.

4.6 Our islands are expecting to see a 6% drop in population by 2028, one of the biggest population decreases in Scotland. Working age population is set to decrease by 6% by 2028 and in contrast the over 75s with the greatest levels of co-morbidity is set to rise by 25%. The population changes will result in a year-on-year reduction in the available workforce to nurse, care and attend to the most vulnerable of people whose numbers are increasing year on year. The Health and Social Care services are already feeling the effect of these changes, with high levels of vacancies and difficulty in recruitment in all areas and specialities. The interconnector and the potential of offshore renewables is likely to require additional housing and we are working with CnES and Scottish Government to ensure these projects leave a housing legacy.

4.7 These demographic trends are a key context for decisions taken during the period of this Strategy.

4.8 These are issues which are covered more fully in the Business Plan and have obvious implications for asset management.

4.9 There is also a trend within the islands for population to move away from the most remote rural areas and concentrate in the larger population centres. This is an issue which we wish to explore further and will seek to see addressed in the Local Housing Strategy.

4.10 We are also aware of the connections between quality services, attractive and safe estates and housing demand. The importance of, for example, our Repairs, Estate Management and Allocation services being complimentary and coordinated is recognised and that these combine to ensure that areas are attractive to live in.

STRAND 2 – UNDERSTANDING CUSTOMERS

5.1 Understanding customer’s needs, their views on their homes and their aspirations are key considerations as we plan for the future. We recruited a Tenant Engagement Officer to develop and improve communication channels with tenants and to build their involvement and participation in service planning and in decision making processes. We will continue to involve tenants in the procurement of investment and repairs & maintenance contracts and in reviewing and revising specifications for these services.

5.2 Our tenant satisfaction survey is being carried out in the summer of 2024 and is an important element in developing our understanding of tenants view and needs. We seek tenants' views on a wide range of issues including aspects of their homes, which they would like to see improved or enhanced. We use this information to inform our service and investment planning and we will track changes and trends over time to assess whether tenants aspirations are being met.

5.3 As an example of this responsiveness to tenants, we are in the process of replacing around 200 infra-red heating systems following significant concerns being raised regarding affordability and the effectiveness of the systems in heating their home.

Fuel Poverty

5.4 Fuel poverty remains a huge challenge for households in the Outer Hebrides and has deteriorated significantly since our 2020 strategy due to the cost of living crisis. While we had made progress between our stock condition survey in 2013 (61% of tenants in fuel poverty) and our 2017 survey (48.3%) the levels of fuel poverty have now increased although prices are now beginning to reduce from their peak. There are 3 main drivers in fuel poverty:

- Household income and ability to pay for domestic energy;
- The cost of energy; and
- The energy efficiency of individual properties

We can directly impact the last of these and will continue to invest in our own housing stock to improve energy efficiency and to work towards the new Net Zero standard. Keeping rents affordable is also very important in easing the pressure on household budgets, 5.5 We will work with partners such as Tighean Innse Gall and the Citizens Advice Bureau to reduce fuel poverty e.g. work on fuel debt, income maximisation and by encouraging utility switching (although the impact of switching is currently limited).

5.6 We remain committed to working with other Highland landlords to lobby Scottish and UK Governments to recognise the unique challenges in the Highlands and Islands.

Tenant Feedback

5.7 Feedback is sought on an ongoing basis on key issues such as repairs, investment works, allocations and gas servicing to assist in service planning and delivery. Systems to obtain feedback will be developed further as we begin to develop the potential of our new CX IT system.

5.8 We provide information to tenants about our investment programme, repairs service and planned and cyclical maintenance systems in a variety of ways including:

- The 5 year programme 'green book'
- The Homeward Newsletter
- Our website
- Leaflets and further letters and guidance

5.9 We will explore the variety of engagement methods within the framework of our Tenant Participation Strategy to identify what works best for tenants and to provide opportunities which suit them. For example, we will use focus groups, tenant panels and encourage local 'tenant voices'. We will also engage with Registered Tenant Organizations (RTO's) and work to increase the number of RTOs where there is interest from tenants.

5.10 The Housing (Scotland) Act 2014 details specific areas where tenant consultation is a statutory requirement. This includes the standard of service in relation to housing management and repairs and maintenance and we continue to work to provide opportunities for customers to be involved in ways that suit them.

5.11 On a more practical level, we provide tenants with choice as we replace kitchens and bathrooms in their homes and seek to meet their aspirations as far as possible.

STRAND 3 – RISK BASED AND PROPORTIONATE

6.1 We have a comprehensive approach to managing risk which covers all business areas. The Risk Register is reviewed and updated on a regular basis by Managers, and at Audit and Risk Committee and Board. Measures to control and mitigate risk are detailed in the Risk Register.

6.2 The major risks identified are common to all RSL's such as climate change, the costs of construction and materials and the affordability of rents linked to high inflation and the cost of living crisis facing tenants. Other risks are more specific to HHP such as the demographic challenges facing the Outer Hebrides with a decreasing and aging population.

6.3 Particular risks in the register, which are relevant to this strategy, include supply chain challenges, lack of skilled workforce, the impact of severe weather events, and regulatory and legislative changes. Measures have been put in place to mitigate each of these. If considered necessary, we will consider a level of self-insurance to mitigate against the cost of insurance cover.

6.4 In addition, the Board agree a Risk Appetite on an annual basis.

STRAND 4 – GOOD INFORMATION

7.1 An up to date, comprehensive and reliable information base is a fundamental part of good asset management and forward planning. It enables the Board to take informed decisions based on asset performance and enables analysis on performance, value for money and the value that homes are bringing to the business.

7.2 We have completed an independent Stock Condition Surveys in 2023/2024 which was carried out by the John Martin Partnership and will carry out a further survey in 2028. This information is a key driver in our investment and business planning. The key findings from the stock condition survey are:

- Life cycle projections across a 30-year planning period indicates a need for investment of £223.1M gross.
- Catch-up repairs were limited and no specific renewal provision was required.

- The 5-year investment programme 2024 to 2029 has been prepared taking account of the survey data and the expected requirements of the new NetZero standard.

7.3 We implemented a new integrated Housing Management IT system (CX) during 2023/24. The asset management module is expected to be fully implemented by March 2025. It will hold data on all properties, enable forward planning and provide life cycle costings for the stock. It will also provide functionality to assist in the management of our investment programmes including the procurement process and contract management and enable Improvement works to be updated to the database on completion of works.

7.4 The asset management module will be developed as the source of original data, which then informs all other modules including our Asset Register and Business Planning tool.

7.5 We will update cloned information on an ongoing basis where this is appropriate and as noted we will carry out a Stock Condition Survey during the span of this strategy.

7.6 We are intending to develop dynamic connections between the database and our customer interface systems. For example this will provide improved repairs diagnosis as information will be drawn from the database and pre-populated into repairs orders.

7.7 We will categorise assets to determine whether they are adding value to the business. Progress on developing tools to facilitate this has been slow as we have prioritised resource on implementing our new CX system. This approach will capture information across our operation including condition data, construction type/age and data concerning allocations, demand and refusals and length of void periods.

7.8 Stock will be categorised into:

- Core Stock
    - Stock in good condition and where there is no concern over its ability to continue to meet quality standards in the longer term. There will also be a reasonable demand for vacancies and no long-term voids.

- Under Review
    - Where the houses may not continue to meet appropriate standards in the longer term, primarily due to their construction type. This will also include properties where demand is a concern and long-term voids are common
- Non – Core Stock
    - This would be stock considered for disposal or demolition/re-provisioning. This would be stock which had been reviewed and where properties were not considered to be a positive asset either because of their physical characteristics or because there was no viable demand for the houses.

7.9 The Director of Finance & Corporate Services will undertake a financial evaluation of assets which are identified for review. This will include:

- Annual Rental Income Assumptions
- Key Component Replacement Requirements – this would cover any additional cost implications beyond what is already modelled in our 30-year plans.
- Management Cost Assumptions – this represents the cost of overheads associated with managing the property.
- Routine/Planned Maintenance assumptions – this would cover all maintenance requirements.

7.10 Recommendations on assets which are not considered to be positive contributors to the business will be brought to the Development and Finance Committee for consideration.

7.11 Our Board agreed in June 2022 that houses will be considered for disposal where at least two of the following criteria are met.

- It is not traditional or timber frame construction
- It is not part of an existing scheme historically built as social housing
- It requires significant investment to maintain the SDHQS standard and energy efficiency standards and it is not considered to be cost effective to carry out the works
- It is considered to be difficult to let with little or no waiting list demand

STRAND 5 – JOINED UP PLANNING

8.1 The Regulator's Guidance states that a strategic asset management approach needs to complement, not duplicate, other strategies and plans. This is especially true of the relationship between the Asset Management Strategy and the Business Plan.

8.2 Our Asset Management Strategy sets out our plans for the housing stock and this is set within the Business Plan framework and the wider strategic environment.

8.3 The Business Plan includes maintaining homes at the SHQS, pursuing the new Net Zero standard while recognising the pressure on rents and contributing positively to our communities by looking after our tenants, staff and homes.

8.4 We have a 30-year Financial Planning model which enables risks to be examined and the impact on the business quantified. This in turn informs Asset Management Planning and the Business Plan which always establishes the financial framework for the management of assets.

STRAND 6 – LOOKING AFTER CORE STOCK

9.1 We are committed to delivering a high-quality maintenance and investment service that ensures tenant safety, protects our assets and meets tenant expectations. The Strategy aims to further strengthen the focus on planned and cyclical programmes and thereby seek a reduction in responsive work.

9.2 The housing stock currently has 105 fails, 75 relating to infra red heating works 30 electrical inspections which are recorded as failures as the inspection reports identify some recommended actions. These are being addressed in 2024/25. There are a number of exemptions and abeyances, and we will address these where possible as opportunities arise. However, there are some situations such as smaller kitchens where the requirements cannot be achieved and others where the participation of owners is required and is not presently forthcoming.

9.3 The Housing Repairs Policy describes the arrangements for making sure that properties are well maintained and kept in good and safe condition. The Policy details our commitment to our customers in terms of service and explains customer and landlord responsibilities. The repair and maintenance service has 3 main components:

- Responsive Repairs;
- Void Repairs; and
- Planned and Cyclic Maintenance programmes.

Repairs and Maintenance

9.4 Responsive repairs are repairs that arise through wear and tear or as a result of damage to the property, including weather. They are generally low in value and usually tenant driven, which makes them more difficult to plan for.

9.5 In common with other RSLs our responsive repairs budgets continue to be under pressure and this is an ongoing challenge. Drivers of this pressure include increasing demand on services partly due to regulatory changes, staff and material cost rises and energy costs while rent rises are being minimised. We will work to limit the level of responsive repairs while being mindful of tenant service and our statutory obligations. Challenges identified in the previous strategy with Air Source Heating Systems continue to be monitored but have stabilised as the technology develops. Some of these issues have been due to technical matters while others are user related.

9.6 Repairs being issued are monitored on a daily basis. Our maintenance contractors' engineers are required to report issues and recommendations for further inspection or instruction where these are identified. Specifications are also kept under review to identify items where changes may be required in our investment and new build programmes.

9.7 There continues to be a focus on a 'right first time' approach and on working with contractors to maximise efficient working and productivity levels.

9.8 Our current Repairs and Maintenance contract with FES FM expires in March 2027. The initial contract period was for 5 years with an option to extend for two + two year period. We have exercised the first of these extensions. We will evaluate options for the second contract extension during the period of this strategy.

Void Repairs

9.9 Rental income is crucial to the business and the importance of letting houses quickly is a priority for allocation and property teams and for our contractor to achieve this. We will continue to seek improvements in performance. Turnover of stock is relatively low and averages around 9% per annum. This is consistent with other RSL's and is not currently an area of concern.

9.10 The Partnership has a Housing Letting Standard that all houses must meet prior to letting. This standard was reviewed as part of the Repairs and Planned Maintenance Procurement process and all houses will be:

- safe
- secure
- clean
- in a good state of repair

9.11 In addition, gas safety checks will be carried out prior to re-let. Safety certificates will be provided when our registered gas engineer has carried out the appropriate tests to ensure the system is in good order. All properties with gas heating oil or solid fuel systems will have at least one carbon monoxide detector fitted.

9.12 EPC's (Energy Performance Certificates) are also produced on each void. The information gained from this provides data which informs future investment works.

9.13 Satisfaction with the condition of properties at relet was 86% for 2023/24. We have previously reviewed standards with a tenant scrutiny group and some changes were made to processes. We will review this further with tenants and examine options for further improving satisfaction.

9.14 This will include the requirement for tenants to remove any fittings and floor coverings which they have provided with a view to minimising waste and aiding ingoing tenants. We will also consider the implications of investment works such as heating and kitchens being installed when properties are vacant.

Planned and Cyclical Maintenance

9.15 We operate a five-year planned maintenance cycle to ensure stock is maintained in good condition. This focuses on the external fabric of properties and on health and safety issues. We also deliver annual cyclical maintenance programme including statutory servicing and testing to ensure systems are operational and free from defects.

Investment Works

9.16 The Board have agreed a 5-year investment programme for the period 2024 – 2029, which is based on the 2023/24 Stock Condition Survey and our information on the stock. This is built into the Business Plan and is subject to annual review through the budget setting process. Tenants will be advised of the plan and of the works intended to be carried out to their individual homes up until 2029. Over £21.9M will be invested in the housing stock through the investment programme during the period of this Strategy as shown in tables 4 & 5 below.

Table 4 – Planned Investment expenditure

Investment Year	**£**
2024/25	£ 3,530,200
2025/26	£ 4,475,200
2026/27	£ 4,834,800
2027/28	£ 4,181,800
2028/29	£ 4,967,000
Grand Total	**£ 21,989,000**

Table 5 – 5 Year Planned Investment Works

Investment Works/ Financial Year	2024/25	2025/26	2026/27	2027/28	2028/29	Grand Total
Bathroom & Shower	£ 9,300	£ 423,724	£ 738,908	£ 699,474	£ 418,844	£ 2,290,250
Kitchen		£ 290,284	£ 253,791	£ 258,867	£ 161,361	£ 964,303
Heating		£ 317,750	£ 115,360	£ 252,143	£ 171,457	£ 856,710
Heating 2nd time	£ 1,697,400	£ 791,683	£ 856,957	£ 1,496,049	£ 1,251,638	£ 6,093,727
Roofing (Gutters and downpipes)	£ 371,250	£ 984,555	£ 978,496	£ 709,152	£ 1,778,869	£ 4,822,322
Roughcast	£ 158,950	£ 497,831	£ 544,753	£ 256,812	£ 386,612	£ 1,844,958
Windows	£ 713,300	£ 902,396	£ 1,088,901	£ 187,415	£ 462,815	£ 3,354,827
Fire Doors						£ -
Environmental		£ 191,977	£ 165,635	£ 180,887	£ 170,404	£ 708,903
Gas Heating						£ -
Insulation	£ 360,000					£ 360,000
Smoke detectors		£ 25,000	£ 42,000	£ 91,000	£ 115,000	£ 273,000
Electrical Works - rewire	£ 220,000	£ 50,000	£ 50,000	£ 50,000	£ 50,000	£ 420,000
Grand Total	**£ 3,530,200**	**£ 4,475,200**	**£ 4,834,801**	**£ 4,181,799**	**£ 4,967,000**	**£ 21,989,000**

Note

The 5-year programme is subject to adjustment following the unsuccessful grant application for heating in 2024/25. Year 1 has been approved in May 2024. Years 2 to 5 will be updated and taken to Board in August for approval and will be reflected in the final Asset Management Strategy.

9.17 We have a four-year framework contract in place for the delivery of this investment programme which expires in March 2027. We will review options for the future delivery of investment works taking account of the lessons learned from the current framework. During this framework period, work will continue with contractors to improve delivery and the customer experience when major works are being carried out in their homes.

9.18 There are a number of significant benefits associated with an effective investment strategy which we will continue to pursue:

- More efficient and effective procurement of work leading to cost savings
- Material specification to limit maintenance issues
- Tenant satisfaction is enhanced through long term planning and therefore known replacement dates
- Owner participation is improved due to longer lead-in times which will assist with participation
- Once in place the strategy can be reviewed to reflect changing investment priorities, statutory and health and safety requirements, and improved product lifecycles and the contracting market

9.19 Effective planned maintenance and capital investment programmes should reduce the level of responsive repair. However, there are limits to this as some individual components will almost inevitably fail within their expected lifespan.

Energy Efficiency

10.1 The Scottish Government have consulted on the Energy Efficiency Standard for Social Housing (EESSH2) which requires landlords to improve the energy efficiency of social housing in Scotland. This supports the Scottish Government's vision of warm, high quality, affordable, low carbon homes and a housing sector that helps to establish a successful low carbon economy across Scotland.

10.2 The results of this consultation and the proposed revised standard are currently awaited. However, it is expected that a new Net Zero Standard for social housing will be established. This is likely, from the information provided to date, to have 2 components. A requirement for a clean heating system to be installed by a target date and secondly a target for the energy needed to heat a home. Once this standard is finalised, we will need to determine the implications. The current breakdown of heating systems and the energy performance of homes is detailed in the table below:

Table 6 - Heating type numbers and EPC scores

Heating Type	Number within stock	Average EPC
Air Source Heating	1528	72.8
Ground source Heating	8	69.8
Quantum	24	72.9
THTC/E10	241	68.6
Infrared	90	54.3
Gas	437	75
Solid Fuel	44	64.5
Oil/LPG	4	58.3

10.3 We will continue to pursue measures to further improve the efficiency of harder to treat homes including the provision of External Wall insulation where appropriate.

10.4 We believe that Total Heating Total Control (THTC) storage heating systems are a significant contributor to fuel poverty and the problems that tenants can experience with condensation and mould growth. These systems pose challenges for many tenants in terms of both controllability and affordability.

10.5 We currently have 241 THTC systems within the stock and aspire to replace all of them over the period of this Strategy. We will pursue any available funding options to enable this.

Climate Change

11.1 Climate change predictions indicate major impacts on our people, assets, infrastructure, environment and ecosystems. Many of our tenants live in low lying coastal areas accessed via causeways and increasingly being threatened by coastal erosion. Biodiversity, landscapes and clean beaches attract tourism which in turn support employment and demand for housing. Climate change poses a huge threat to all of these. We must understand this threat more fully and plan with other agencies on how we can mitigate the risks.

11.2 The Scottish Government have declared a Climate Emergency and the Community Planning Partnership have established a Climate Emergency Working Group to review and develop local actions and targets around climate issues.

11.3 Within the Housing sector actions can be taken. The UK social housing sector accounts for around 17% of all homes and as such bears a significant responsibility for reducing our national CO_2 emissions. Importantly, we also have a responsibility to ensure that new and existing homes are adapted to meet the forthcoming impacts of climate change.

11.4 The transition to a low carbon Scotland will require significant lifestyle changes for most people, impacting on the ways we get around, how we heat our homes, buy our food, and the goods we consume. This will mean a major cultural shift over the coming years.

11.5 Our Environmental, Social and Governance Strategy sets out our overall approach and action plan to address these challenges. This involves our roles as a landlord, developer and as a business. The Asset Management Strategy is a key part of this. During this strategy period we will take action to meet these challenges and will consider and pursue the following:

a) Energy Efficiency of Homes – we will continue to increase energy efficient ratings of assets focusing on the building and fabric, low carbon and renewable technologies. We will explore modern methods of construction to minimise carbon emissions both in the construction and supply chains.

b) Reduction of waste to landfill – We will work with contractors to maximise recycling and will promote programmes and activities for our staff and tenants to prevent and reduce food waste and encourage composting.

c) Green spaces – Open areas will be assessed to establish green spaces and to implement tree planting where possible within new and existing stock.

d) Electric Vehicles – We will promote the use of electric vehicles by contractors and suppliers and we will continue to consider the need and practicalities of providing electric car charging points in new developments and in existing estates. We have already purchased an electric vehicle for staff use to lower carbon emissions during travel on estate visits and inspections.

e) Climate Resilience – The existing stock will be assessed for flood risk as sea levels rise. We will also take account of these risks when carrying out feasibility studies for new developments.

f) We will actively pursue external funding to enhance our actions on energy efficiency and our climate change response.

Estate Management

12.1 We are committed to ensuring that our housing schemes provide an attractive and safe environment in which to live. Strong partnership working with communities and other agencies is an important element of this. We work closely with agencies such as Cleansing, Environmental Health, Criminal Justice and the Police to address issues as they arise and take a pro-active approach through partnerships.

12.2 An annual estate management inspection programme is in place to review the condition of estates and their environment and to identify issues that require attention. These inspections help to maintain the external appearance of properties and the wider environment within housing schemes. Involvement from tenants and residents in this process is very important and are working to facilitate this. However, the large number of small schemes makes this challenging.

12.3 This inspection programme aims to compliment investment and planned maintenance programmes to protect the investment made. We will strive to ensure that data from estate management visits informs these programmes.

Adaptations

13.1 We have been successful in obtaining significant grant funding from the Scottish Government over recent years for the installation of aids and adaptations. £1.5M has been invested over the last 5 years providing huge benefit to tenants and improving their quality of life. The need within the tenant population reflects the age profile of the islands. Many of our tenants have been assisted to remain in their own homes through this investment.

13.2 Individual tenant's needs are assessed by the Occupational Therapy Service of the Western Isles Health Board with whom we work closely. They provide recommendations on the work required and prioritise works based on risk.

13.3 Adaptation works represent a significant investment on behalf of elderly and disabled residents and a number of fully adapted properties have also been built through our development programme.

13.4 To ensure best value properties which have been adapted will be allocated to individuals or families with appropriate needs, if possible. The Housing Allocation Policy facilitates this process.

Land and Open Spaces

14.1 We own some areas of land and open space. These may have development value for housing or for other forms of development and it is intended that these be reviewed on a regular basis. There may also be some potential for community use such as allotments and these options will be explored as opportunity arises.

14.2 We have partnered with the Comhairle to deliver grounds maintenance work for areas for which we have responsibility through the Comhairle contract for the period 2021 to 2026. Other areas of land which we own are maintained by the Comhairle in accordance with the provisions of the stock transfer agreement.

14.3 In addition, we continue to provide a Garden Assistance Scheme to approximately 75 tenants who meet the qualifying criteria. They are helped through the summer period of April to September.

Unadopted Infrastructure

15.1 We own roads, paths and septic tanks which have ongoing maintenance implications. Some of these will also have a shared responsibility with owners. We will pursue adoption of septic tanks where this is appropriate and are currently pursuing this for 3 of the septic tanks. In the meantime, we have introduced a charge for septic tanks and will maintain these in good working order.

15.2 We are exploring ways of mapping our housing areas and the condition of surrounding infrastructure and the extent of shared responsibility with other owners. This will be a resource heavy undertaking.

Previous Right to Buy

16.1 The impact of mixed tenure in our housing areas because of Right to Buy sales is not a major concern in terms of works to properties, as much of the housing stock is terraced or semi-detached. However, there are a number of properties where we have an interest in the co-operation and participation of owners in investment, planned and cyclical programmes.

16.2 There are a significant number of properties that have been categorised as abeyances under the SHQS as it has not been possible to secure the agreement of all owners for the work. These are primarily related to installation of controlled door entry systems. We will review these abeyances on an annual basis throughout the period of this strategy to ascertain if they can be addressed.

16.3 We will engage with owners as necessary in the day-to-day maintenance of the common parts of their block, through a combination of reactive and cyclical work.

16.4 Historically, the lack of defined cyclical or planned work and the reliance on reactive repairs meant that owners were being asked to participate in an unstructured and ad hoc manner. We have developed a more structured approach to common repairs and will continue to build on this and to attempt to obtain the 'buy-in' of owners to repair work, particularly where this could be detrimental to the long-term condition of the property. We will also review options to require owners to participate and consider the financial implications of cost recovery.

16.5 We will explore the potential to consolidate ownership of properties. This would involve the purchase of properties where we are a majority owner in blocks or the disposal of properties where we are a minority owner. This would enable us to ensure that properties within our ownership were adequately maintained and that tenants did not suffer detriment due to unwillingness of owners to participate in improvement works. This will be explored with the Comhairle and Scottish Government.

16.6 Corrective conveyancing will be carried out as issues are identified which need to be addressed and there will be some costs associated with this.

Factoring

17.1 We provide a factoring service to properties and are registered as a property factor. The service provided to the great majority of properties factored is limited to grounds maintenance of common areas within housing schemes. This has a very low financial value.

17.2 We do provide a more traditional factoring service to a small number of shared equity and shared ownership properties. We will work to improve the service and information we provide and the transparency of charges.

Garages

18.1 We own a small number of garages and garage sites throughout the island areas as shown in Table 7. The garages are single vehicle size. Garage sites are unserviced plots on which the lessees construct their own units in line with local authority planning requirements.

Table 7 - Garage and garage sites

Garage	Nr
Lewis	23
Uist	14
Barra	1
Land (Garage Site)	
Lewis	62
Grand Total	**100**

18.2 These assets will be assessed to determine whether they provide value to the business. Alternative uses will be examined such as new build development or use as open space or other community use.

STRAND 7 – COMPLIANCE WITH STANDARDS

Planned and Cyclical Maintenance

19.1 Our approach to planned and cyclical maintenance will be to comply with statutory requirements and to protect the Health and Safety of tenants. Cyclical maintenance covers the regular maintenance of elements of a property including mechanical and electrical systems.

19.2 Cyclical maintenance programmes are in place as follows:

- Annual gas servicing
- Annual Fire Safety Installations
- 5-year Electrical Testing
- 10-year smoke and Carbon Monoxide alarms replacement
- Communal door entry system
- Annual Communal lighting
- Portable Appliance Testing
- Septic tank cleaning
- Annual skew inspections
- 5 year planned programme of external fabric repairs and maintenance. One fifth of the stock is inspected annually

19.3 We commissioned an audit from the ACS Risk Group in November 2022 on our responsibilities as a Landlord for Health and Safety. Following this, we amended and updated our policies and further developed our inspection and testing regimes. A further audit is due to be carried out in November 2024.

The following programmes are in place:

- Electrical Safety inspections
  - A 5-year cyclical programme has been established in addition to testing carried out during investment works such as kitchen, bathroom and heating refurbishments
- Fire Safety
  - Fire Safety in Housing Stock and Common Areas - we have installed additional smoke, heat and CO detectors in residential properties in accordance with our legislative requirements. Expiry dates on detectors are recorded on our asset database. All new detectors installed are required to have a 10-year lifespan.
  - Emergency lighting in common parts is checked annually and replaced if necessary.
  - Fire doors to flats leading onto common areas undergo annual inspection and will be replaced where necessary.
- Water Systems and Legionella
  - Risk assessments are undertaken on a sample of the stock. These will be tested further if necessary.
  - Additional work is undertaken on voids to reduce legionella risks.
  - Advice to tenants will be published regularly in the Homeward newsletter.
- Play Park Safety
  - Annual safety inspections and servicing are undertaken.
  - Weekly inspections are also undertaken.

19.4 Our 5-year planned maintenance programme focuses on work to maintain the fabric of properties and their environment and seeks to take a preventative approach to avoid the need for reactive works. The work is identified following a full external inspection of each property. Priority is given to health and safety risks, maintaining the external fabric of homes and particularly roofs, render, rainwater goods and access paths. Repair works to fencing and more cosmetic work including painting is carried out as resources permit.

Asbestos

20.1 We will ensure that any asbestos located within the housing stock is managed in accordance with the requirements of the Control of Asbestos Regulations 2012. Technical staff have received Asbestos Awareness and Sampling training and this will be refreshed during the period of the Strategy. The Asbestos Register will be held within our CX system. Provision has been made within our Planned Maintenance budgets for sampling works and these are now ongoing.

20.2 Refurbishment asbestos surveys are required for investment works and these are carried out on each contract by the successful contractor.

20.3 We will review and update the information and advice provided to tenants on a regular basis.

Gas Installations

21.1 Annual safety checks are carried out on all of our properties that have a gas supply. We audit our processes and the quality of work through an external agency. Currently this is carried out on a 2 yearly basis. We will continue to review the frequency of the audits at this juncture.

21.2 The audit provides an assessment of the quality of work undertaken by contractors by sampling recently completed jobs and verifying the works have been undertaken correctly.

21.3 Our contractors have their own internal QA systems and we will review the results of these as they are completed.

21.4 Audit work will also be carried out to check internal policies and procedures to ensure they are fully compliant with our statutory obligations.

STRAND 8 – DEALING WITH "CAUSE FOR CONCERN STOCK"

22.1 The majority of our housing stock is traditionally built or timber frame and is low rise. Over 75% of the stock is semi-detached or terraced housing. Consequently, there is little concern about properties for purely technical reasons. We are, however, aware that assets can become liabilities and we will therefore continue to monitor the performance of the stock both in terms of its physical condition and also in the wider social and environmental context.

22.2 We will consider the inter-relationship between new build and the existing stock in each area and whether our development programme provides an opportunity to replace stock that has a limited future life span or where demand is a serious concern.

22.3 Low demand is a continuing concern mainly in the most rural areas. There is some evidence of this having eased over the last 18-24 months with fewer properties taking several weeks or longer to let because of a lack of demand. Demand for housing is a key consideration for us and patterns and trends will be tracked and an annual report presented to our Board.

22.4 There is also some centralisation of population in the larger population centres, particularly around Stornoway, but also to a smaller extent in Tarbert, Balivanich and Castlebay and the implications of a further concentration of development in these areas needs to be considered in the wider strategic planning framework.

22.5 As noted previously we work closely with the Comhairle and seek to influence the development of housing and other strategies. A new Local Housing Strategy is being prepared for 2024 - 2029 and we continue to emphasise the need for the Comhairle's Housing Strategy to be aligned with other corporate strategies and associated actions. In addition, we will continue to work with the Health & Social Care Service and Community Planning Partnership to examine these issues and to consider policy responses to them.

STRAND 9 – NEW DEVELOPMENT

23.1 We will work with the Comhairle on meeting needs and our Board have a clear aspiration to continue to provide new housing across the islands where there is evidence to support this. However, they are also aware of the need to take a long-term view on development and to ensure that this represents benefit to HHP. The most recent Housing Needs Assessment carried out by the Comhairle gives an indicative need for new social housing of around 10 units per year over the next 5-10 years and our current development plan provides a greater number than this.

23.2 The level of grant funding from the Scottish Government to support new social housing over the period of this strategy is expected to reduce from the very high levels provided since 2018. Levels are likely to be more aligned with historical norms although confirmation of funding is not expected before the end of 2024.

23.3 Our promise at Transfer was to build 250 houses by 31 March 2016. By March 2024 we had built over 650 with a further 80 in progress. As the key delivery partner of the Comhairle's strategic plans for affordable housing, we have put resources in place to enable the delivery of 178 houses within the SHIP up to 2028/29. There are some developments in the SHIP over that time which we anticipate will be progressed through private developers under the Partnership Support for Regeneration programme.

23.4 Following a long-term trend of reducing waiting lists, these stabilised and have now increased over the last 3 years. The reasons for this are not clear but are likely to be, in part, due to increased mortgage rates but may also be influenced by our new build programmes. However, our population is aging, household sizes are reducing and levels of dementia in particular are projected to increase significantly. These challenges and trends must be carefully considered as decisions are taken on future development. Our Board will be carefully considering these trends and the implications for the business of continuing to increase housing supply when demand and population are falling.

23.5 The renewable energy projects which will be developed in the islands over the next ten years present an opportunity to address some of the economic and population challenges which we face. However, these projects also have significant implications in terms of accommodation needs both during construction and beyond. We are members of the Renewable Energy Major Development Forum Accommodation Group and will work with partners to address the challenges which arise from these projects and to seek to maximise the benefit from the opportunity that they present.

23.6 There is an obvious tension between the Comhairle's aspiration to build new houses in rural areas when public services are being withdrawn. The financial risk associated with this currently sits with us. We believe that it is imperative that all agencies work collaboratively to share risks and to deliver on such aspirations.

23.7 We will review the need and potential for other housing options such as mid-market rent and will continue to provide home ownership opportunity initiatives where there is demand through schemes such as the Governments Shared Equity Scheme.

23.8 Where development is undertaken, we will consider new innovations, modern methods of construction and energy efficiency and green initiatives. The impacts of poor housing on issues such as health, poverty and children's attainment are well known. Consequently, the benefits that high quality housing can provide to the well-being and health of our population is important for us to consider when determining our future approach to development.

STRAND 10 – VALUE FOR MONEY

24.1 We have a Value for Money strategy. We review our asset management systems and processes to seek efficiencies and to improve our services.

24.2 We also recognise that procurement practices present an opportunity to improve value for money. As previously noted, we will consider whether to exercise the 2 year extension option on our Repair and Maintenance contract during this strategy period. We will however continue to build on our long term partnership with FES to deliver improvements for tenants and to increase the efficiency of service delivery. The commitment to provide opportunities for our young people through apprenticeships and training will be maintained during the duration of this contract.

24.3 Local communities and charities have benefited through our contractual community benefit requirements and our encouragement of contractors to maximise their contribution to the wider community. These benefits have included monetary contributions and work in kind and we will continue to deliver such opportunities through our contracts.

24.4 We will assess the investment we are making and review the extent to which this is delivering value, particularly in the context of component life spans and repair and maintenance requirements. Our current 4-year investment framework contract ends in March 2026. We will review our approach to the delivery of investment works during the first 18 months of this strategy and will build on the lessons learnt from the current arrangements.

24.5 As noted earlier in the strategy, we are developing a model which will enable us to assess the contribution that groups of houses make to the business and to identify properties or areas which require more detailed attention or investigation. This would seek to capture both physical and social factors and will identify priorities for action and intervention.

24.6 Our investment delivers social value far beyond our immediate role and responsibility to our tenants. This investment is an important contributor to creating sustainable communities and to supporting the local economy. Over the next five years, through our Repairs, Investment and Development Programmes, we will continue to make a major contribution to the local economy, supporting jobs, local suppliers and communities. We will engage with HACT to explore how we capture and measure the additional value which we bring to our islands.

24.7 We anticipate spending a total of £74M over the lifetime of this strategy whilst providing a level of certainty for local contractors, enabling them in turn to provide apprenticeship opportunities for young people. This will also allow them to live in the Outer Hebrides whilst gaining valuable skills for the future.

FUTURE REVIEW AND MONITORING FRAMEWORK OF THE STRATEGY

25.1 The Strategy and associated Action Plan will be reviewed annually and updated as required in conjunction with the Business Plan and Risk Register.

25.2 An Action Plan for the delivery of the Strategy is set out at Appendix 2. Progress on this will be reported annually to the Board and will be used as an ongoing monitoring tool by managers.

APPENDIX 1

SUPPORTING POLICIES AND STRATEGIES

The Asset Management Strategy is supported by the following:

- Repairs Policy
- Procurement Policy
- Investment Programme
- Asbestos Policy
- Gas Safety Policy
- Water Management and Legionella Policy
- Fire Safety Policy
- Electrical Safety Policy
- Play Area Policy
- Estate Management Policy
- Development Policy
- Special Needs Policy
- Allocations Policy
- Rental & Service Charge Policy
- Environmental Social and Governance Strategy
- Financial Regulations
- Annual Financing Strategy

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
HHP or Partnership	Hebridean Housing Partnership
Board	Means the Board of the Hebridean Housing Partnership
Board Members	All Members of the Board including co-opted Members
SAP	Standard Assessment Procedures
SHQS	Scottish Housing Quality Standard
EESSH	Energy Efficient Standard in Social Housing
Regulator	Scottish Housing Regulator
SHIP	Scottish Housing Investment Plan
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	