

ASSET MANAGEMENT STRATEGY

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HOUSING ASSOCIATION LTD



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ASSET MANAGEMENT STRATEGY

(*Note Lanarkshire Housing Association hereinafter referred to as LHA)

Contents

1.0 Introduction and Background

- 1.1 Purpose of Asset Management Strategy
- 1.2 Outline of the LHA's stock
- 1.3 Types of Provision

2.0 Strategic Context

- 2.1 Areas of operation
- 2.2 Scottish Index of Multiple Deprivation
- 2.3 North Lanarkshire Local Housing Strategy 2021 – 2026
- 2.4 Housing Demand
- 2.5 Customer Satisfaction
- 2.6 Financial Performance

3.0 Stock Condition and Life Cycle Costing

- 3.1 Age of Stock
- 3.2 Stock Condition Survey
- 3.3 Life Cycle Costing Exercise
- 3.4 Analysis of Life Cycle Costing Exercise
- 3.5 Factored Properties
- 3.6 Safety

4.0 Energy Efficiency

- 4.1 Background
- 4.2 Analysis
- 4.3 Achieving the Energy Efficiency Standard for Social Housing (2)

5.0 Conclusions

- 5.1 Stock Performance
- 5.2 Stock Disposal
- 5.3 Development
- 5.4 Summary of Understandings

1.0 INTRODUCTION AND BACKGROUND

1.1 Purpose of Asset Management Strategy

The Asset Management Strategy's purposes are summarising management and protection of the asset base so that it is comprehensively understood; supporting wider organisational objectives; and contributing to the organisation's long-term sustainability. Asset Management is the process which ensures that assets needed to operate the business are managed effectively and provide value for money. It covers a range of activities that are in place to protect these assets.

LHA owns office premises and 7 retail units and provides services to 255 factored properties including 41 sharing owners; however, its principal assets, the subject of this Strategy, comprise 928 units of housing for Social Rent.

LHA was established in 1978 and completed its first development in 1982. Its stock has increased through rehabilitation, new-build development, stock transfer, Mortgage to Rent acquisitions, buy-back of shared ownership to 100% ownership, and open market purchases.

The Strategy:

- Summarises the stock profile and its performance at scheme level
- Sets the framework for the Association's approach to managing its assets so that it achieves its aims and objectives in the medium and long terms, specifically: meeting housing need; and addressing the *Scottish Housing Quality Standard* and the *Energy Efficiency Standard for Social Housing*
- Presents plans that are in place for efficient and effective delivery of identified programmes of work and shows how they are linked to both funding requirements and understanding of risk

1.2 Outline of the LHA's Stock

The stock of 928 units for social rent includes 872 properties in 32 schemes, and 56 miscellaneous properties acquired individually through either *Mortgage to Rent* or on the open market. The Association's life cycle costing programme includes provision for these individual properties, but decisions on carrying out work to them often have to be taken separately, and their viability is considered independently at the end of each tenancy. It is policy not to acquire any more properties in areas where the Association has no scheme-level interest. In contrast, each of the 32 schemes has been assessed, and has an identified

programme of work and specific funding requirement. These schemes are summarised below, with miscellaneous properties at the foot of the table:

Scheme ref. no	Location	No. of Rental units	Date of build/rehab	Type
1	Crawford Street & Hamilton Road	13	1987	Rehab
2	Gavin Street & Adele Street	26	1989	New build
3	North Orchard Street Area	16	1987	Stock transfer
4	Cairn Court	14	1993	New build
5	South Calder	10	1993	New build
6	Forgewood Estate	124	1996	New build
7	Oates Gardens & Stirling Street	15	1993	New build
8	Manse Road & Edward Street	15	1986	Rehab
9	Watling Street	89	2001	New build
10	Woodburn Street	2	1994	New build
11	Greenmoss Place	40	1982	Rehab
12	Bruce Street & East Dean Street	29	1984	New build
13	Clydesdale Rd., Eastfield Terr. & Kirklee Rd	36	1989	Rehab
14	Belvidere Road	19	1992	New build
15	Roberts Quad. & Sapphire Rd (Jewel Estate)	92	1996	New build
16	Hamilton Rd. & Main St. (Bellshill Town Centre)	22	1998	Rehab
17	John Bowman Gardens (off Hattonrigg Road)	18	1998	New build
18	Hooper Place (off Hattonrigg Road)	14	2001	New build
19	Laurel Gardens	1	1992	New build
20	Stevenston Court	47	1993	New build
21	Macedonian Grove	8	1998	New build
22	Colville Court	6	1997	New build
23	School View (off Glencairn Street)	28	2001	New build
24	Flanigan Grove (off Church View Gardens)	33	2002	New build
25	Aurelia Court (off Merry Street)	16	2002	New build
26	Holytown Road	4	2002	Rehab
27	Main Street and Station Court	20	2003	New build

28	Calder Road, Hope Street & Main Street	33	2006	New build
29	Pollock Street & Unitas Road	27	2009	New build
30	Corson Court & Register Avenue	27	2010	New build
31	Rooney Way	22	2011	New build
32	Dalziel Street	26	2011	New build
	Miscellaneous	56		Acquisitions

Construction types for properties in schemes are:

External stone walls	Traditional cavity	Timber kit
130	470	272

Indicative locations are shown in the map below:



1.3 Types of Provision

LHA has 16 wheelchair units and 72 for ambulant disabled. All others are general needs.

Property sizes by apartment are:

2 person 2 apartment	3 person 3 apartment	4 person 3 apartment	4 person 4 apartment	5 person 4 apartment	6 person 4 apartment
365	178	288	31	45	20

2.0 STRATEGIC CONTEXT

2.1 Areas of Operation

With the exception of 16 acquired properties in South Lanarkshire, LHA's stock is located in North Lanarkshire, Scotland's fourth largest local authority area, with a population of 339,960 in 2017. More than two thirds of North Lanarkshire's population live in the six main settlements of Airdrie, Bellshill, Coatbridge, Cumbernauld, Motherwell, and Wishaw. LHA's stock is concentrated in Bellshill and Motherwell, with the balance in other towns and smaller villages.

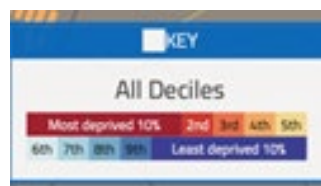
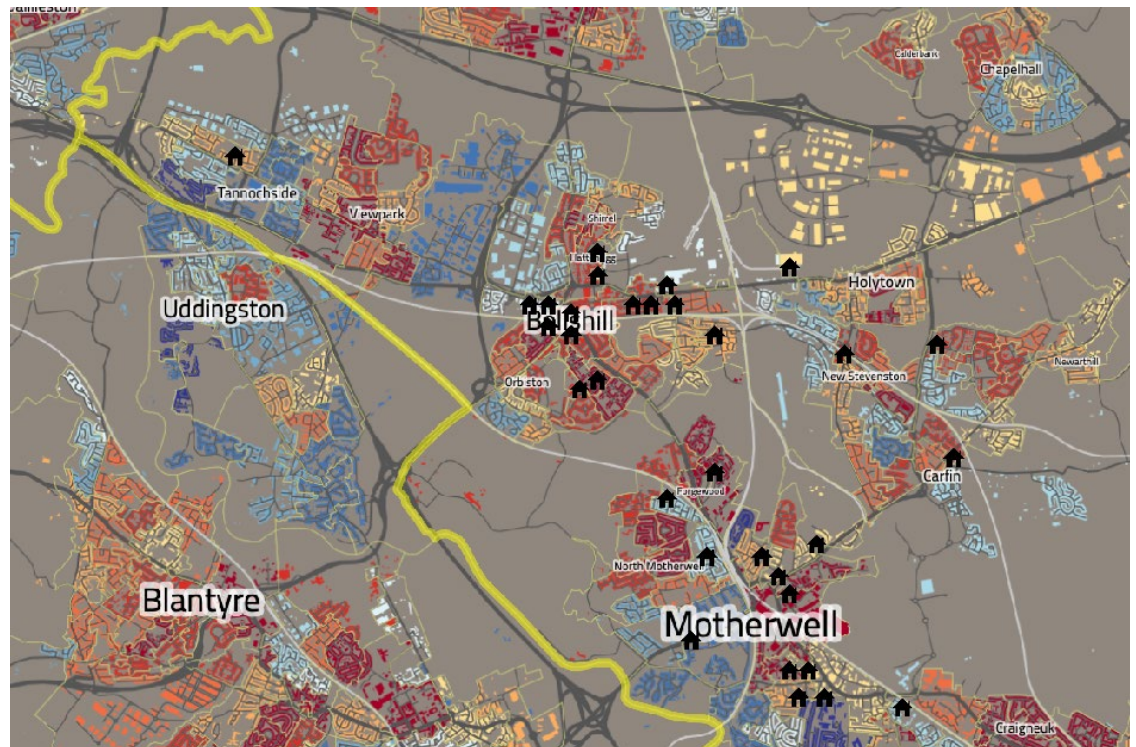
North Lanarkshire Council's strategic planning framework notes that it has seen several successes in recent years, but also faces challenges. Strong improvements are noted in key indicators relating to economic growth, investment, employment, and educational attainment. Despite this, there are still high levels of deprivation and poverty. Ensuring a housing mix that supports social inclusion and economic growth is one of the Council's high-level ambitions.

2.2 The Scottish Index of Multiple Deprivation

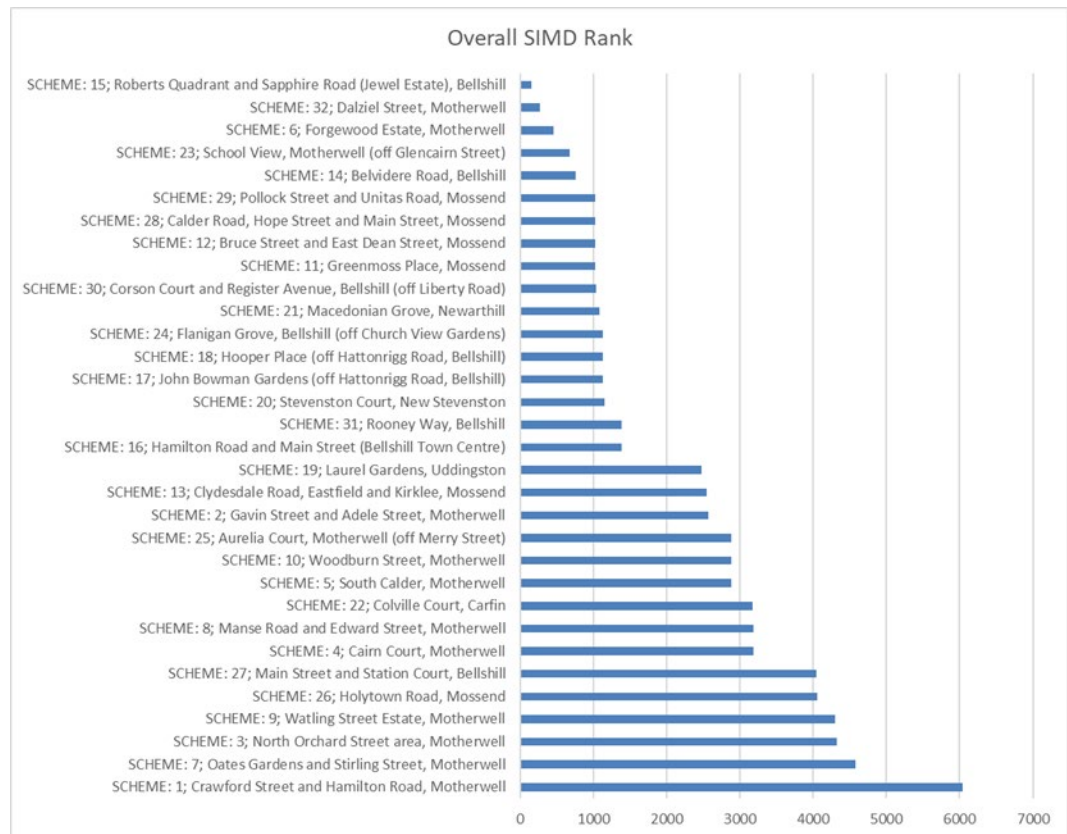
The Scottish Index of Multiple Deprivation (SIMD) is the Scottish Government's relative measure for identifying areas of concentration of deprivation. It combines seven different domains (aspects) of deprivation: income; employment; health; education, skills, and training; geographic access to services; crime; and housing. These domains are measured using several indicators to form ranks for each domain.

Small areas are ranked from most deprived to least deprived by dividing them into 10 equal groups (deciles), so it can be seen how deprived areas are relative to others. There is a combined single index, or overall rank, for each area.

Locations of LHA's developments on the Scottish Government's SIMD map of overall deprivation are shown below:



Overall deprivation ranking for the area in which each development is located is shown in the chart below, listed from most deprived (Roberts Quadrant and Sapphire Road (Jewel Estate), Bellshill) to least deprived (Crawford Street and Hamilton Road, Motherwell):

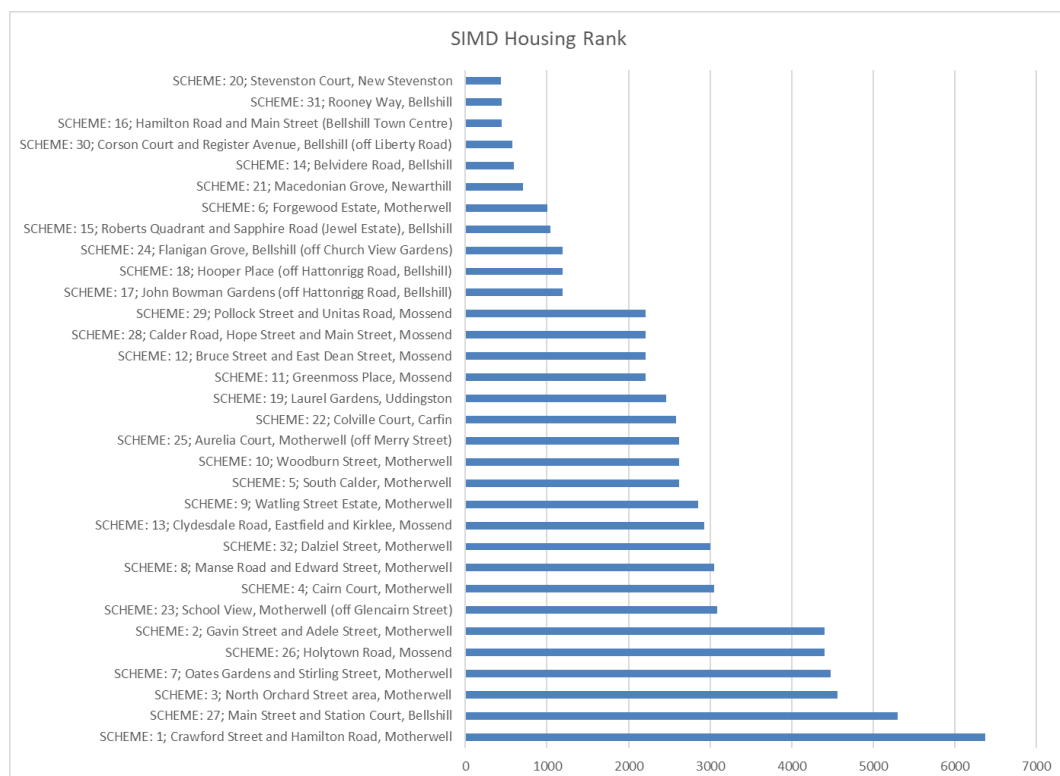


Distribution of the LHA's stock within the SIMD deciles is tabulated below:

Most deprived decile					Least deprived decile				
1	2	3	4	5	6	7	8	9	10
31.0%	36.6%	-	7.2%	7.2%	2.8%	13.8%	-	1.5%	-

This shows that while a small minority of stock is in a least deprived area, the great majority, more than two thirds, is located in some of the most deprived areas.

Separately, housing deprivation ranking for the area in which each development is located is:



Distribution of the LHA's stock within SIMD housing deciles is tabulated below:

Most deprived decile (Housing)					Least deprived decile				
1	2	3	4	5	6	7	8	9	10
13.4%	33.1%	-	18.8%	23.9%	-	7.0%	2.3%	-	1.5%

In contrast to the overall deprivation ranking, less than half, 46.5%, is in the most deprived areas for housing. This may suggest that LHA makes a significant contribution to reducing housing deprivation in the areas it operates in.

2.3 North Lanarkshire Local Housing Strategy 2021 - 2026

North Lanarkshire Council's Local Housing Strategy 2021 – 2026 sets out how it will meet its statutory requirements and how its local policies and approach support a range of national outcomes, priorities, and targets. It is supported by an assessment of housing need, demand, and provision.

For its planning purposes, North Lanarkshire Council splits its area into 3 main Housing Submarket Areas and 10 Local Housing Markets Areas:

Housing Sub Market Area	Local Housing Sub Market Area
Airdrie and Coatbridge	Airdrie
	Coatbridge
Cumbernauld	Cumbernauld
	Kilsyth
	Moodiesburn
Motherwell	Bellshill
	Motherwell
	Shotts
	Viewpark
	Wishaw

LHA's stock is concentrated in the Bellshill and Motherwell Local Housing Sub Market Areas, which are comparable in terms of relative numbers of applicants on waiting lists as identified in the Local Housing Strategy:

BELLSHILL	MOTHERWELL
POPULATION 29,632, -0.8% since 2015	POPULATION 45,156, +6% since 2015
24.2% are aged over 60	22.3% are aged over 60
MEDIAN AGE 40.7	MEDIAN AGE 39.7
14,131 households, 42% are single households	21,362 households, 41% are single households
1,519 applicants on the waiting list	2,266 applicants on the waiting list
Average private rent £549.50 per month	Average private rent £530.61 per month

While in North Lanarkshire renting from a social landlord is at a level well above the Scottish average, there is a high demand for it.

2.4 Housing Demand

An analysis of 67 recent lettings of LHA stock in the Bellshill and Motherwell Local Housing Submarket Areas has been carried out. Breaking down results to scheme level would not be relevant, as in some cases there had been no new tenancies.

The results showed:

BELLSHILL		MOTHERWELL	
Average pointage	Number of lets	Average pointage	Number of lets
140.6	39	172.9	28

Consistent with the Local Housing Strategy 2021 – 2026, this shows healthy demand for the Association's stock across areas. Each scheme can therefore be considered as performing well in relation to meeting housing demand, and likely to continue doing so.

2.5 Customer Satisfaction

The latest tenant satisfaction survey, in 2022, showed a 79.4% rating for tenants' overall satisfaction with the quality of their homes. This was a decline from 90.3% in 2018, and below the Scottish Housing Regulator's benchmark of 88%.

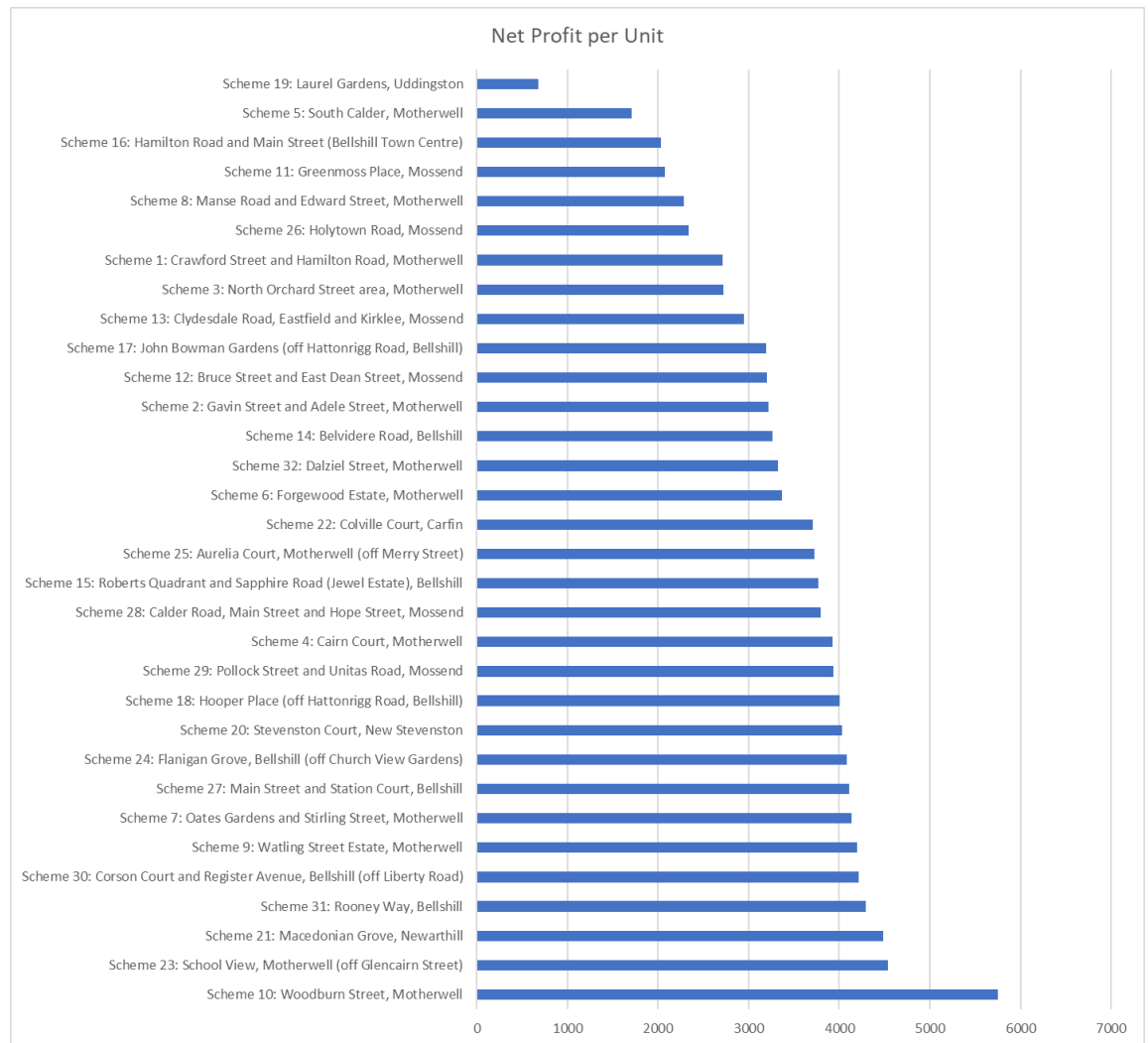
Customer satisfaction was 86.4% for Bellshill and 72.5% for Motherwell. The greatest subject of dissatisfaction was windows; 36.6% of tenants surveyed. This contrasts with the next highest dissatisfaction level of 10% for kitchens.

A major window replacement contract has been undertaken since the survey was carried out, and it should be considered that this concern is now being addressed. Customer satisfaction nevertheless continues to present a risk if performance is not managed effectively. Pending updated customer satisfaction survey evidence to the contrary, this is reflected in the scoring of Motherwell schemes in section 5.1.

2.6 Financial Performance

While the life cycle costing exercise (section 3.3 below) and its analysis (in section 3.4 below) show each scheme's long-term viability, a separate appraisal has been carried out of financial performance at operational level, i.e., considering each scheme's current operating costs. The most obvious reason why a particular scheme would be performing poorly at this level would be excessive demand on the response repairs service.

Net profit per rental unit is shown in the chart below.



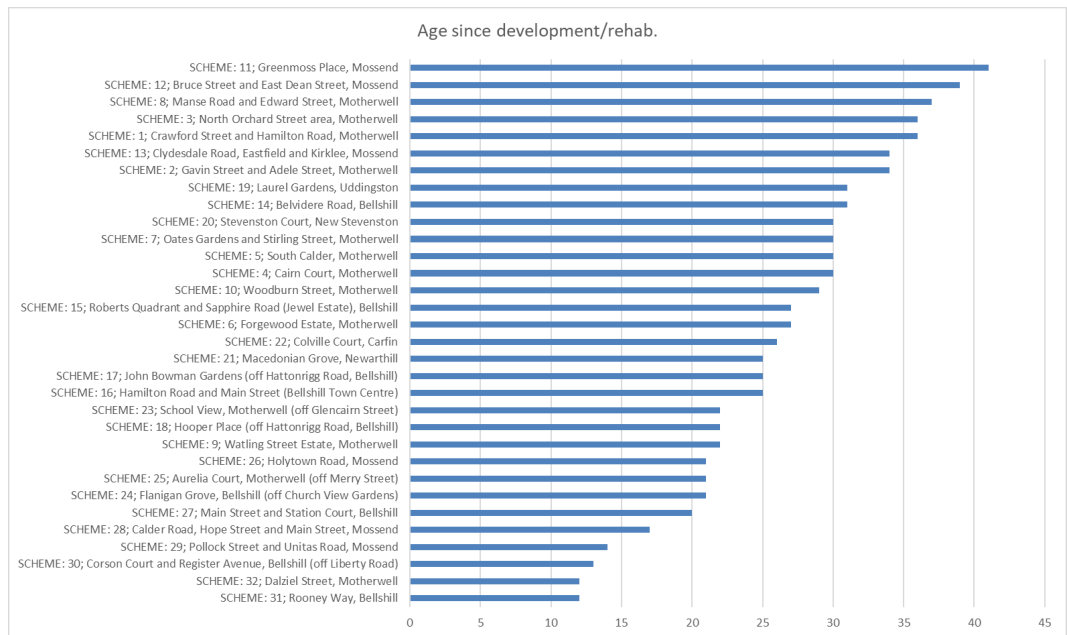
It is notable that the highest and lowest cost schemes are both unusually small in numbers of rental units, whereas the 3 largest schemes all have above average costs, in the 3rd quartile.

As all schemes are operating at a profit, evidence on financial performance therefore shows them all performing well and fit for purpose. Provided management and maintenance costs are controlled, and the planned programme prevents properties falling into disrepair, they are likely to stay that way in future.

3.0 STOCK CONDITION AND LIFE CYCLE COSTING

3.1 Age of Stock

The average age of the LHA's stock is approximately 26 years, i.e, calculated on the basis of all properties under consideration. Each development's age is shown in the chart below:



3.2 Stock Condition Survey

LHA's Property Management Policy is that planned maintenance work be programmed in advance. The programme of work is informed by a long-term (usually 30-year) plan identifying the anticipated need for replacement of building elements across each development, as set out in section 3.3 below. This is linked to LHA's financial planning, so that provision is made for necessary maintenance and investment. The programme is updated at least 5-yearly, when periodic stock condition surveys are carried out by independent consultant surveyors. These surveys take in samples across all areas and types of stock.

The most recent stock condition survey was carried out by David Adamson and Partners Limited and completed in September 2021. It concluded that all dwellings comply with the requirements of the Scottish Housing Quality Standard (SHQS), the Scottish Government's main measure of housing quality, and the Energy Efficiency Standard for Social Housing (ESSH(1)), which set a first energy efficiency milestone for social landlords to meet for social rented homes by 2020.

Evidence on stock condition therefore shows all schemes performing well, fit for purpose, and likely to stay that way in future.

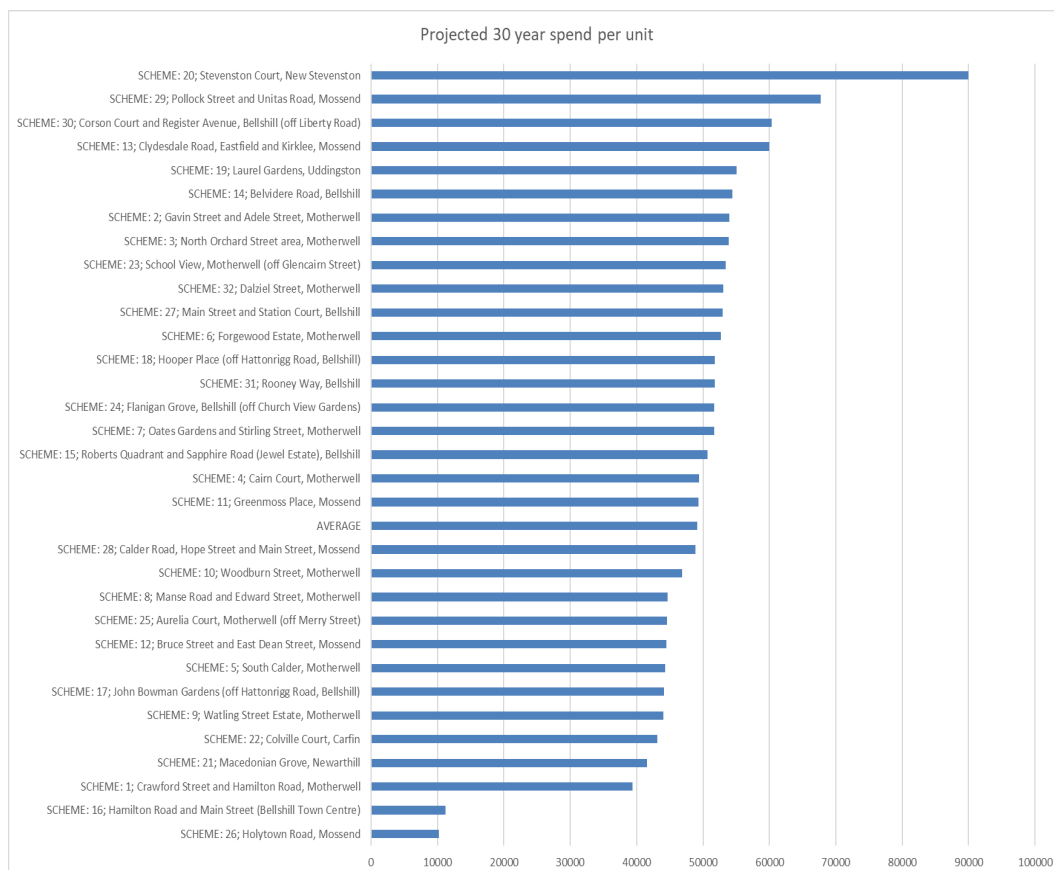
3.3 Life Cycle Costing Exercise

The life cycle costing exercise carried out along with the stock condition survey in 2021 was updated in December 2022, because of the high level of inflation in the year after completion. This desktop review was undertaken by the same independent consultant. It showed a 30-year funding requirement, inclusive of fees, prelims, and VAT, of £47,135,199. Costs attributable to each scheme are listed in the table below:

Scheme	30 year spend (£)
SCHEME: 1; Crawford Street and Hamilton Road, Motherwell	511,429
SCHEME: 2; Gavin Street and Adele Street, Motherwell	1,403,941
SCHEME: 3; North Orchard Street area, Motherwell	861,646
SCHEME: 4; Cairn Court, Motherwell	691,417
SCHEME: 5; South Calder, Motherwell	442,928
SCHEME: 6; Forgewood Estate, Motherwell	6,538,176
SCHEME: 7; Oates Gardens and Stirling Street, Motherwell	775,071
SCHEME: 8; Manse Road and Edward Street, Motherwell	669,821
SCHEME: 9; Watling Street Estate, Motherwell	3,922,307
SCHEME: 10; Woodburn Street, Motherwell	93,689
SCHEME: 11; Greenmoss Place, Mossend	1,974,336
SCHEME: 12; Bruce Street and East Dean Street, Mossend	1,289,672
SCHEME: 13; Clydesdale Road, Eastfield and Kirklee, Mossend	2,158,565
SCHEME: 14; Belvidere Road, Bellshill	1,033,235
SCHEME: 15; Roberts Quadrant and Sapphire Road (Jewel Estate), Bellshill	4,665,138
SCHEME: 16; Hamilton Road and Main Street (Bellshill Town Centre)	247,070
SCHEME: 17; John Bowman Gardens (off Hattonrigg Road, Bellshill)	794,128
SCHEME: 18; Hooper Place (off Hattonrigg Road, Bellshill)	724,558
SCHEME: 19; Laurel Gardens, Uddingston	55,087
SCHEME: 20; Stevenston Court, New Stevenston	2,428,029
SCHEME: 21; Macedonian Grove, Newarthill	332,430
SCHEME: 22; Colville Court, Carfin	258,553
SCHEME: 23; School View, Motherwell (off Glencairn Street)	1,495,868
SCHEME: 24; Flanigan Grove, Bellshill (off Church View Gardens)	1,705,513
SCHEME: 25; Aurelia Court, Motherwell (off Merry Street)	713,870
SCHEME: 26; Holytown Road, Mossend	40,877
SCHEME: 27; Main Street and Station Court, Bellshill	1,058,934
SCHEME: 28; Calder Road, Hope Street and Main Street, Mossend	1,612,190

SCHEME: 29; Pollock Street and Unitas Road, Mossend	1,827,972
SCHEME: 30; Corson Court and Register Avenue, Bellshill (off Liberty Road)	1,630,361
SCHEME: 31; Rooney Way, Bellshill	1,138,136
SCHEME: 32; Dalziel Street, Motherwell	1,378,182

Projected 30 year expenditure for each scheme on a per unit basis is shown on the chart below, with the average (also shown) being £49,095:



3.4 Analysis of Life Cycle Costing Exercise

The costs referred to above are 2022 prices and make no allowance for future building cost inflation. They are specifically exclusive of the additional costs of achieving EESSH 2 (referred to in section 4.3 below).

LHA's financial planning provides for this level of expenditure so that allowance is made for necessary maintenance and investment. As future investment to maintain stock condition has been provided for to meet each scheme's requirements, they can all be considered as performing well, fit for purpose, and likely to stay that way in future.

3.5 Factored Properties

LHA provides factoring services for 256 properties, 243 of which are in the 32 schemes. Distribution of factored properties across them, and the percentage of factored properties in each, are:

Scheme	Factored Units	Total Units	% Factored
SCHEME: 1; Crawford Street and Hamilton Road, Motherwell	14	27	52
SCHEME: 2; Gavin Street and Adele Street, Motherwell	1	27	4
SCHEME: 3; North Orchard Street area, Motherwell	9	25	36
SCHEME: 4; Cairn Court, Motherwell	18	32	56
SCHEME: 5; South Calder, Motherwell	10	20	50
SCHEME: 6; Forgewood Estate, Motherwell	3	127	2
SCHEME: 7; Oates Gardens and Stirling Street, Motherwell	5	20	25
SCHEME: 8; Manse Road and Edward Street, Motherwell	15	30	50
SCHEME: 9; Watling Street Estate, Motherwell	16	105	15
SCHEME: 10; Woodburn Street, Motherwell	6	8	75
SCHEME: 11; Greenmoss Place, Mossend	9	49	18
SCHEME: 12; Bruce Street and East Dean Street, Mossend	7	36	19
SCHEME: 13; Clydesdale Road, Eastfield and Kirklee, Mossend	2	38	5
SCHEME: 14; Belvidere Road, Bellshill	5	24	21
SCHEME: 15; Roberts Quadrant and Sapphire Road (Jewel Estate), Bellshill	11	103	11
SCHEME: 16; Hamilton Road and Main Street (Bellshill Town Centre)	6	28	21
SCHEME: 17; John Bowman Gardens (off Hattonrigg Road, Bellshill)	22	40	55
SCHEME: 18; Hooper Place (off Hattonrigg Road, Bellshill)	3	17	18
SCHEME: 19; Laurel Gardens, Uddingston	35	36	97
SCHEME: 20; Stevenston Court, New Stevenston	11	47	19
SCHEME: 21; Macedonian Grove, Newarthill	10	18	56
SCHEME: 22; Colville Court, Carfin	7	13	54

SCHEME: 23; School View, Motherwell (off Glencairn Street)	3	31	10
SCHEME: 24; Flanigan Grove, Bellshill (off Church View Gardens)	5	38	13
SCHEME: 25; Aurelia Court, Motherwell (off Merry Street)	0	16	0
SCHEME: 26; Holytown Road, Mossend	0	4	0
SCHEME: 27; Main Street and Station Court, Bellshill	2	22	9
SCHEME: 28; Calder Road, Hope Street and Main Street, Mossend	7	40	18
SCHEME: 29; Pollock Street and Unitas Road, Mossend	0	27	0
SCHEME: 30; Corson Court and Register Avenue, Bellshill (off Liberty Road)	1	28	4
SCHEME: 31; Rooney Way, Bellshill	0	22	0
SCHEME: 32; Dalziel Street, Motherwell	0	26	0

As there are only 5 schemes in which LHA has no factoring responsibility, in the medium to long terms, as stock ages, the management of common repairs to factored blocks is likely to become increasingly demanding. In 7 schemes other owners have greater than 50% interest, so there may be additional risk obtaining required agreements for work to proceed in these cases. In such instances the ability to meet asset quality, carbon, or energy standards may depend on the ability and willingness of other owners to fund works. This is identified in the asset performance scores in section 5.1 below; where the Association is a minority owner there could be a future risk if factoring is not managed effectively.

3.6 Safety

Tenant and resident safety is addressed through a cyclic programme including:

- annual gas safety checks
- 5-yearly electrical safety checks
- annual testing of portable electrical appliances provided in properties
- control of legionella bacteria
- assessment of fire risks in common areas;
- smoke ventilation systems, dry risers, and emergency lighting
- inspection of roof anchors and latchway
- sampling of pumped system water quality
- inspection of lightning protection system

Any capital investment to maintain safety compliance is included in the funding requirements referred to in section 3.4 above.

4.0 ENERGY EFFICIENCY

4.1 Background

The Scottish Government's Energy Efficiency Standard for Social Housing (EESH) aims to improve the energy efficiency of social housing, to help reduce energy consumption, fuel poverty, and the emission of greenhouse gases. The EESH is based on the minimum Energy Performance Certificate (EPC) rating. EPCs are calculated using the Standard Assessment Procedure (SAP) for energy rating of dwellings.

The EESH was introduced in 2014 and set a first milestone, EESH (1), for social landlords to meet for social rented homes by 2020, with minimum ratings varying by dwelling type and fuel type. A second milestone, EESH (2), was confirmed in 2019, for social rented houses to meet by 2032. The EESH (2) milestone was that: all social housing meets, or can be treated as meeting, EPC Band B (Energy Efficiency rating), or is as energy efficient as practically possible, within the limits of cost, technology, and necessary consent. In addition, no social housing below EPC Band D should be re-let from December 2025, subject to temporary specified exemptions.

EESH (2) is suspended for review by the Scottish Government during 2023, to strengthen and realign the standard with the target for net zero heat in houses from 2040. The review will look at progress towards EESH (2), elements of the standard, air quality, alignment with the net zero target, and how the standard fits with changes needed across other tenures.

4.2 Analysis

LHA met the EESH (1) target, except for 8 properties where exemptions were claimed on social grounds. It is expected that the exemptions will be dealt with as and when these properties become void. The September 2021 Stock Condition Survey confirmed that all dwellings are EESH (1) compliant.

The overall numbers of dwellings in each Energy Efficiency band are:

Band	A	B	C	D	E	F	G
Rating	92 plus	81 - 91	69 - 80	55 - 68	39 -54	21 - 38	1 - 20
Dwellings	0	134	763	29	0	0	0

This indicates that work could be required to as many as 792 properties to achieve the previously published EESSH (2) standard, although this might increase due to work affecting entire blocks in which not all flats fail to meet the standard.

Average Energy Efficiency Bands and Ratings by scheme are:

Scheme	Average Band	Average Rating
SCHEME: 1; Crawford Street and Hamilton Road, Motherwell	C	72.4
SCHEME: 2; Gavin Street and Adele Street, Motherwell	C	75.9
SCHEME: 3; North Orchard Street area, Motherwell	C	74.9
SCHEME: 4; Cairn Court, Motherwell	C	77.4
SCHEME: 5; South Calder, Motherwell	C	77.4
SCHEME: 6; Forgewood Estate, Motherwell	C	73.7
SCHEME: 7; Oates Gardens and Stirling Street, Motherwell	C	73.3
SCHEME: 8; Manse Road and Edward Street, Motherwell	C	70.9
SCHEME: 9; Watling Street Estate, Motherwell	C	72.3
SCHEME: 10; Woodburn Street, Motherwell	C	75.0
SCHEME: 11; Greenmoss Place, Mossend	C	71.7
SCHEME: 12; Bruce Street and East Dean Street, Mossend	C	78.7
SCHEME: 13; Clydesdale Road, Eastfield and Kirklee, Mossend	C	72.6
SCHEME: 14; Belvidere Road, Bellshill	C	76.4
SCHEME: 15; Roberts Quadrant and Sapphire Road (Jewel Estate), Bellshill	C	73.2
SCHEME: 16; Hamilton Road and Main Street (Bellshill Town Centre)	C	69.2
SCHEME: 17; John Bowman Gardens (off Hattonrigg Road, Bellshill)	C	73.3

SCHEME: 18; Hooper Place (off Hattonrigg Road, Bellshill)	C	75.0
SCHEME: 19; Laurel Gardens, Uddingston	C	76.0
SCHEME: 20; Stevenston Court, New Stevenston	C	78.1
SCHEME: 21; Macedonian Grove, Newarthill	C	76.0
SCHEME: 22; Colville Court, Carfin	C	73.4
SCHEME: 23; School View, Motherwell (off Glencairn Street)	C	73.5
SCHEME: 24; Flanigan Grove, Bellshill (off Church View Gardens)	C	75.0
SCHEME: 25; Aurelia Court, Motherwell (off Merry Street)	C	75.5
SCHEME: 26; Holytown Road, Mossend	C	71.5
SCHEME: 27; Main Street and Station Court, Bellshill	C	78.3
SCHEME: 28; Calder Road, Hope Street and Main Street, Mossend	C	79.2
SCHEME: 29; Pollock Street and Uitas Road, Mossend	B	84.6
SCHEME: 30; Corson Court and Register Avenue, Bellshill (off Liberty Road)	B	83.5
SCHEME: 31; Rooney Way, Bellshill	C	80.2
SCHEME: 32; Dalziel Street, Motherwell	B	86.2

4.3 Achieving EESSH (2)

As part of the 2021 Stock Condition Survey and Life Cycle Costing exercise, David Adamson and Partners Limited was asked to address the implications of EESSH (2), as in place at that time. A shortfall to meet the 2032 target was identified.

There is a continuing shortfall, which was identified as being dealt with by: (1) use of photovoltaic panels (PV) on houses to achieve their required SAP ratings; and (2) anticipated use of heat pumps/high heat retention storage heaters and other energy efficient technologies to improve performance against an anticipated new SAP methodology.

Hypothesising from this, there would be a requirement to install: (1) 177 PV installations to houses not presently achieving a Band B, at a cost of £1.051mn (i.e. £5,942.00 per dwelling as per Energy Saving Trust figures for Motherwell); and (2) energy efficient technology installations to 617 flats at a cost of £4.865mn (i.e. £6,758.00 per dwelling as per latest project costs, which are higher than Energy Saving Trust figures).

These numbers and costs are very conjectural. Additionally, interim guidance states that fabric first (measures to improve thermal efficiency

and heat loss, and any associated ventilation required) should be prioritised for investment. Changes in how EPCs are calculated are also expected by 2030. It is nevertheless clear that, given existing commitments for maintenance and repair, achieving EESSH (2) will require new funding opportunities which have still to be identified.

Achieving EESSH (2) will present future risks if performance is not managed effectively. In reaching conclusions, schemes with average ratings below 81 (representing a Band B) have been assessed accordingly.

5.0 CONCLUSIONS

5.1 Stock Performance

Integrated asset scores have been used to assess overall performance:

- “green” assets (“G” in the table below) are performing well, fit for purpose, and are likely to stay that way in the future
- “amber” assets (“A” in the table below) could present future risks if performance is not managed effectively
- any “red” assets would have been assessed as not currently fit for purpose, raising questions over the sustainability of continued investment

Criteria used in review are:

- 1) housing demand
- 2) customer satisfaction
- 3) financial performance
- 4) stock condition (SHQS and EESSH (1))
- 5) requirement for future investment to maintain stock condition.
- 6) factored property risk
- 7) requirements for meeting EESSH (2)

Assessments are:

Scheme/Integrated Asset Criteria	1	2	3	4	5	6	7
SCHEME: 1; Crawford Street and Hamilton Road, Motherwell	G	A	G	G	G	A	A
SCHEME: 2; Gavin Street and Adele Street, Motherwell	G	A	G	G	G	G	A
SCHEME: 3; North Orchard Street area, Motherwell	G	A	G	G	G	G	A
SCHEME: 4; Cairn Court, Motherwell	G	A	G	G	G	A	A
SCHEME: 5; South Calder, Motherwell	G	A	G	G	G	G	A
SCHEME: 6; Forgewood Estate, Motherwell	G	A	G	G	G	G	A
SCHEME: 7; Oates Gardens and Stirling Street, Motherwell	G	A	G	G	G	G	A
SCHEME: 8; Manse Road and Edward Street, Motherwell	G	A	G	G	G	G	A
SCHEME: 9; Watling Street Estate, Motherwell	G	A	G	G	G	G	A
SCHEME: 10; Woodburn Street, Motherwell	G	A	G	G	G	A	A
SCHEME: 11; Greenmoss Place, Mossend	G	A	G	G	G	G	A
SCHEME: 12; Bruce Street and East Dean Street, Mossend	G	G	G	G	G	G	A
SCHEME: 13; Clydesdale Road, Eastfield and Kirklee, Mossend	G	G	G	G	G	G	A
SCHEME: 14; Belvidere Road, Bellshill	G	G	G	G	G	G	A
SCHEME: 15; Roberts Quadrant and Sapphire Road (Jewel Estate), Bellshill	G	G	G	G	G	G	A
SCHEME: 16; Hamilton Road and Main Street (Bellshill Town Centre)	G	G	G	G	G	G	A
SCHEME: 17; John Bowman Gardens (off Hattonrigg Road, Bellshill)	G	G	G	G	G	A	A
SCHEME: 18; Hooper Place (off Hattonrigg Road, Bellshill)	G	G	G	G	G	G	A
SCHEME: 19; Laurel Gardens, Uddingston	G	G	G	G	G	A	A
SCHEME: 20; Stevenston Court, New Stevenston	G	A	G	G	G	G	A
SCHEME: 21; Macedonian Grove, Newarthill	G	A	G	G	G	A	A
SCHEME: 22; Colville Court, Carfin	G	A	G	G	G	A	A
SCHEME: 23; School View, Motherwell (off Glencairn Street)	G	A	G	G	G	G	A
SCHEME: 24; Flanigan Grove, Bellshill (off Church View Gardens)	G	G	G	G	G	G	A

SCHEME: 25; Aurelia Court, Motherwell (off Merry Street)	G	A	G	G	G	G	A
SCHEME: 26; Holytown Road, Mossend	G	G	G	G	G	G	A
SCHEME: 27; Main Street and Station Court, Bellshill	G	G	G	G	G	G	A
SCHEME: 28; Calder Road, Hope Street and Main Street, Mossend	G	G	G	G	G	G	A
SCHEME: 29; Pollock Street and Unitas Road, Mossend	G	G	G	G	G	G	G
SCHEME: 30; Corson Court and Register Avenue, Bellshill (off Liberty Road)	G	G	G	G	G	G	G
SCHEME: 31; Rooney Way, Bellshill	G	G	G	G	G	G	A
SCHEME: 32; Dalziel Street, Motherwell	G	A	G	G	G	G	G

The assessments show that 2 schemes, representing 5.8% of rental stock, are “green” against all criteria. None are “amber” against a majority of (more than 3) criteria, and only 4.6% of stock across 5 schemes has been rated “amber” against as many as 3 criteria.

Overall, LHA’s stock is performing well, fit for purpose, and likely to stay that way in future. There is no need to question the sustainability of continued investment in any area.

5.2 Stock Disposal

LHA is committed to using its property assets in a manner which realises their optimum benefit and achieves value for money. As noted in section 5.1 above, assessment of each of the 32 schemes has not identified any for which disposal needs to be considered. The 56 miscellaneous acquired properties which are not included in schemes require separate and individual consideration of their financial and technical viability, and of whether they contribute to meeting the LHA’s objectives. Where these properties are assessed as unlikely to meet future standards, not be financially viable, or as unsuitable for meeting housing need, disposal may be considered.

Any such rationalising or disposing of surplus or under-performing assets may additionally be subject to market conditions.

5.3 Development

Through its Strategic Housing Investment Plan process, North Lanarkshire Council invited Registered Social Landlords operating in its area to submit projects they wished to be considered for subsidy in the period 2023/24-2027/28. LHA did not put forward any projects for assessment.

The Council also has plans to transform its town centres, including Bellshill and Motherwell, and has approved “Town Visions” for them. Motherwell is in the first phase for delivery of specific development proposals. A key priority for these is the development of strategic sites and refurbishment of heritage buildings to create additional and improved residential provision, to replace declining retail footprint.

The Strategic Housing Investment Plan notes evidence of significant need and demand for intermediate tenure housing, particularly for mid-market rent (MMR), allowing social landlords to meet a broader range of housing need and aspiration. Its provision would contribute to achieving a range of strategic housing, regeneration and economic development objectives in North Lanarkshire, but delivering mid-market rent is noted as particularly challenging in the area due to the relatively low level of private sector rents (with MMR rents initially linked to the 30th percentile of local market rents), undermining project viability.

LHA continues to consider the viability of new development to address these strategies. This has to be against a background of fluctuating subsidy rates and increasing development costs, making the planning of projects more complex, and with the potential requirement for cross subsidy. Consideration of alternative financial models for providing additional stock will depend on a robust assessment of their impact on LHA’s capacity to meet the claims and challenges of new development in parallel with sustaining its existing stock.

5.4 Summary of Understandings

The strategy demonstrates that LHA manages its stock effectively to provide value for money. It contributes to a housing mix supporting strategies addressing social inclusion and economic growth. It contributes to reducing housing deprivation in some of the most disadvantaged areas, and there is a healthy demand for what it provides.

There is good financial performance, and provision for long-term maintenance and investment. In the areas it operates in there may, subject to financial viability, be opportunities for new developments to meet strategic development proposals for the future.

The main risks identified are, in order of significance:

- 1) meeting EESSH (2)
- 2) customer satisfaction
- 3) factored properties

Lanarkshire Housing Association Limited Equality Impact Assessment Tool

Name of the policy / proposal to be assessed	Asset Management Strategy.	Is this a new policy / proposal or a revision?	New policy.
Person(s) responsible for the assessment	Property Services Director		
1. Briefly describe the aims, objectives and purpose of the policy / proposal	The Asset Management Strategy's purpose is to set out the Association's approach to integrated asset management, so that assets are sustainable and remain fit for purpose in the short, medium and long terms.		
2. Who is intended to benefit from the policy / proposal? <i>(e.g. applicants, tenants, staff, contractors)</i>	<p>The strategy supports the governing body to:</p> <ul style="list-style-type: none"> 1) be assured that assets are managed effectively; 2) have a comprehensive understanding of the Association's assets; 3) develop an approach to understanding assets' value; 4) have evidence to inform future investment decisions; and 5) facilitate use of integrated asset management outcomes to inform strategies. 		
3. What outcomes are wanted from this policy / proposal ? <i>(e.g. the benefits to customers)</i>	Alignment with Regulatory Standards of Governance and Financial Management.		

4. Which **protected characteristics** could be **affected** by the proposal? (*tick all that apply*)

- ☐ Age ☐ Disability ☐ Marriage & Civil Partnership ☐ Pregnancy/Maternity ☐ Race
- ☐ Religion or Belief ☐ Sex ☐ Gender Reassignment ☐ Sexual Orientation

5. If the policy / proposal is not relevant to any of the **protected characteristics** listed in part 4, state why and end the process here.

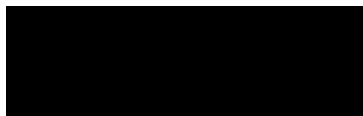
There is no significant prospect of a principally regulatory policy, which is to be applied universally, affecting people with specific protected characteristics.

6. Describe the **likely positive or negative impact(s)** the policy / proposal could have on the groups identified in part 4

Positive impact(s)

Negative impact(s)

7. What **actions** are **required** to address the impacts arising from this assessment? *(This might include; collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts).*



Signed: _____ (Job title): Property Services Director

Date the Equality Impact Assessment was completed: 9 November 2023

Please attach the completed document as an appendix to your policy / proposal report