



Asset Management Strategy

Policy Ref: CS6

Prepared By	Operations Director
Date of Review	April 2021
Date of Next Review	April 2024
Reviewed By	Investment Committee

1 Introduction

1.1 Our purpose

We provide quality, affordable homes and services in the West End of Glasgow.

1.2 Our vision

- Making homes and building communities.

1.3 Our aims are

- to provide good quality homes and excellent services to our customers;
- to support our communities and improve our environment; and
- to be a respected and proactive organisation, with effective governance and staff.

1.4 Our strategic objectives

- Deliver the right homes, services and environment for our customers;
- Work in partnership with others to achieve the best outcomes, grow and diversify;
- Engage with customers and partners to tailor our services and deliver on our promises; and
- Deliver innovative ways of working, new opportunities, positive outcomes and value for money.

1.5 Purpose of the Asset Management Strategy

'Asset Management' can be defined as ... *"systematic and coordinated activities and practices through which an organisation optimally and sustainably manages its assets and asset systems, their associated performance, risks and expenditures over their life cycles for the purpose of achieving its organisational strategic plan"*.

An 'Asset Management Strategy' is the ... *"long-term optimised approach to management of the assets, derived from, and consistent with, the organisational strategic plan"*.

Key themes include:

- *optimising (i.e. achieving by a quantitative or qualitative method, as appropriate, the best value compromise between conflicting factors such as performance, costs and retained risk within any non-negotiable constraints); and*
- *sustainability (i.e. achieving or retaining an optimum compromise between performance, costs and risks over the life cycle, whilst avoiding adverse long-term impacts to the organisation from short-term decisions).*

PHA's Asset Management Strategy covers a range of activities that seek to ensure that our housing stock and related assets meet the needs and standards required now and in the future. As such we need to ensure that the houses and other assets that we own and manage are:

- in good condition;
- in the right location; and
- of a design that fits their modern purpose.

This Asset Management Strategy has been drawn up to complement and inform PHA's 30-Year Financial Business Plan and to set out priorities for the physical care and improvement of our housing stock and related assets. It should be read in conjunction with our Business Plan and other key policies/strategies.

In common with other housing organisations, PHA has finite resources to expend on asset management, which we must manage efficiently and direct effectively to derive maximum benefit in order to:

- keep assets in good condition in cost effective ways;
- bring assets up-to-date and in line with current and projected customer expectations and demand;
- ensure that works comply with current and prospective regulations;
- provide an appropriate balance between response repairs, cyclical maintenance and planned programme renewals;
- reflect local diversity in our approach;
- inform acquisition, regeneration and disposal initiatives;
- comply with the Scottish Housing Quality Standard (SHQS), comply with the Energy Efficiency Standard for Social Housing (EESH) and seek to achieve EESH2 by 31 December 2032; and
- achieve high standards of energy efficiency.

1.6 Asset Management – strategic objectives

In terms of Asset Management, we have a number of strategic objectives including:

- providing good quality affordable homes for people in housing need;
- maintaining our housing stock and related assets to a standard comparable with that of other well managed Registered Social Landlords (RSLs);
- maximising the use of existing and new stock, land and other assets;
- maintaining a balanced portfolio through new build, acquisitions, disposals, remodelling, tenure diversification, demolition and redevelopment;
- contributing to neighbourhood regeneration;
- encouraging a PHA/PWL-wide approach to investment;
- ensuring that our housing stock complies with relevant regulatory requirements such as the SHQS and EESH, as well as seeking to achieve EESH2 where practically possible and appropriate fire safety regulations;
- providing a range of homes of different tenures; and
- balancing the needs and expectations of our stakeholders through managing assets in an efficient and affordable manner.

1.7 Asset Management – key elements

We have a number of elements within our strategy to ensure that our housing stock and related assets meet the needs and standards required now and in the future:

- new build construction to provide additional housing supply;
- acquisition of property, land and other assets by purchase, development or transfer from others to:
 - maintain a balanced portfolio;
 - address newly emerging needs; and
 - achieve economies of scale;
- refurbishment and remodelling of properties, where this is essential and financially viable, to ensure that they remain attractive, comply with modern standards and meet reasonable tenant expectations;
- planned programme renewals, usually on a ‘worst first’ basis, seeking to achieve economies by replacing components towards the end of their life and before there is a requirement for significant response repairs, anticipating changes in minimum acceptable standards, and reducing future requirements for cyclical maintenance;
- cyclical maintenance to comply with statutory requirements and prevent deterioration in the physical condition of the stock;
- responsive maintenance service, to ensure that residents remain satisfied with their accommodation and to prevent unplanned deterioration in its condition;

- an efficient and effective voids repair service, so that void properties meet the lettable standard, are turned around quickly to make the best use of housing stock and to minimise void rent loss;
- acquisition of properties where these fit strategically with PHA's core stock and area of operation;
- growing PWL's property factoring activities within PHA's core stock and area of operation; and
- disposal of property, land and other assets to remove liabilities or to generate funds for future reinvestment, where these do not fit strategically with PHA's core stock and area of operation; and
- consolidating PWL's property factoring activities within blocks where PHA has an interest and scaling back factoring where this does not fit strategically with PHA's core stock and area of operation.

2 Asset profile

We are based in Partick, which is where much of our housing stock is located. We also have pockets of stock in neighbouring areas within the West End of Glasgow.

PHA owns and manages over 1,700 social rented properties and our subsidiary PWL is property factor to some 1,600 homeowners. PWL also manages a small number of mid market rent flats and commercial premises, as well as potentially some open market properties.

Some 80% of our housing stock consists of pre-1919 tenement blocks, with significant concentrations of factored homeowners and other partners such as commercial premises within these blocks. In terms of asset management, this presents particular challenges and requires the skilful engagement of factored homeowners and other partners, such as the local authority who can provide grant assistance for private owners, in addressing common works.

Our portfolio includes some modern properties we have strategic aspirations through our Development Strategy to grow and diversify our housing stock to meet local housing needs.

We may also take forward other asset-related projects and new business initiatives which fit strategically and provide a rate of return going forward.

3 Sustainable investment

Our investment is targeted at providing homes in areas where people want to live and within an environment that meets the needs and reasonable expectations of the communities that we serve, while seeking to align with the strategic priorities set out in the Local Housing Strategy (LHS), local planning policies, etc.

PHA operates in an area where there is strong and sustainable demand for housing and we seek to deliver effective repairs, investment and estate management in all of the areas where we operate. We carry out estate walkabouts and resident led inspections to seek the views of residents and partner agencies (e.g. the local authority). This helps us to build up a clear picture of what works well within the estate and where intervention is required. The next step involves seeking agreement on priorities to be taken forward in partnership with the community and other key stakeholders, and to consider these within

the context of available resources. Agreed actions are developed into local action plans which we implement, monitor and review in partnership with stakeholders.

We continue to invest extensively in the fabric of our homes. We will aim to ensure that, apart from exempted properties, our homes meet SHQS and EESSH and EESSH2 where this is reasonably practical by 31 December 2032. We will engage with tenants and other key stakeholders in planning and implementing our stock investment plans and setting priorities.

4 Standards and stock condition

4.1 Scottish Housing Quality Standard (SHQS)

SHQS was introduced by the Scottish Government in 2005 and set minimum standards for Social Housing which had to be achieved by 2015. In order to meet the SHQS, our social rented housing stock must be:

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

In delivering the SHQS, the following points need to be considered:

- there is an explicit requirement for the required full central heating system to be energy efficient;
- the standard for loft insulation is currently 300mm, significantly higher than the 100mm set by the SHQS;
- although there is not a standard requirement to install double glazing, the SHQS clearly states that there is a requirement to provide homes with additional energy efficiency measure that will achieve a minimum NHER rating of 5 or a SAP rating of 50;
- there is a requirement for adequate noise insulation where there are problems with external noise;
- mechanical ventilation should be provided in either the kitchen or bathroom, or both, if there are persistent problems of condensation dampness; and
- there is a requirement to ensure that common areas and facilities linked to the house but external to the dwelling are in good and safe order with adequate lighting.

Our investment proposals seek to maintain properties at the SHQS where it is possible or reasonable to do so and within the context of homeowners agreeing to common works within mixed tenure blocks. We take all reasonable steps to encourage factored homeowners to participate in investment programmes and will only apply for exemptions where it is not possible or reasonable for us to carry out associated works to tenanted properties.

Our investment plans include provision for responsive and void repairs as well as cyclical maintenance and other planned works. For 'bigger ticket' items, such as heating systems, bathrooms, kitchens, windows and doors, we seek to standardise the components in new build and planned programmed renewals to ensure consistency and ease of future maintenance. We consult with stakeholders to identify standard components that are robust, fit for purpose and meet the general expectations of tenants.

Under the provisions of the SHQS, the Scottish Government may exempt properties from some requirements of the Standard under certain circumstances. Exemptions may be granted on the grounds of physical barriers, legal restrictions or disproportionate cost.

For example, guidance from the Scottish Government states that ... *'In some types of housing, it is not possible to install cavity wall insulation; in other cases installation may be prohibited by building regulations because cavity wall insulation would lead to other problems such as water penetration and dampness.'* And temporary exemptions may also be granted if householders stand in the way of improvements, such as when private owners will not or cannot pay their share of improvements to common parts of properties.

Exemptions are only granted by the Scottish Government upon receipt of sufficient evidence of the relevant circumstances and the measures that have been taken to try to address or circumvent the barriers to compliance. And any exemptions only apply to the part of the Standard that a property cannot meet; so there is an obligation to bring every other part of the property up to the Standard.

4.2 Energy Efficiency Standard for Social Housing (EESH)

EESH aims to improve the energy efficiency of social housing in Scotland, as well as help to reduce energy consumption, fuel poverty and the emission of greenhouse gases.

EESH was introduced by the Scottish Government in 2015 and set minimum standards for energy efficiency for social housing which have to be achieved by 31 December 2020. Energy efficiency standards have been set for different types of housing types but the key targets for the Association are summarised below.

TYPE	SAP RATING 2012 LEVEL
Properties with Gas Heating	69 SAP Rating
Properties with Electric Heating	63 SAP Rating

This score is calculated by having a survey carried out (called a Standard Assessment Procedure – SAP) which produces an Energy Performance Certificate (EPC) for the property. This survey takes into account the number and size of the rooms, the heating type and controls, the wall construction, type of windows, a full central heating system, the location of the property in the block and the energy efficiency of the lighting in the property. This information is then inserted into a programme which calculates a score called a SAP rating which determines if the property complies with EESH.

Landlords are expected to consider the following list of common measures which may be applied to properties to help meet the EESH ratings:

- condensing boilers;
- double/secondary glazing;
- heating controls;
- storage heaters;
- loft insulation top-up;
- floor insulation;
- compact fluorescent lighting; and
- solid-wall insulation (external).

EESH is monitored by the Scottish Housing Regulator (SHR) which will take a risk-based and proportionate approach.

After passing the 2020 EESH milestone, the Scottish Government has put forward proposals for EESH2, which sets challenging targets for all homes to be rated Band B or above by 2032. This will present particular challenges in our largely pre-1919 tenemental stock and will require investment in new and emerging technology to achieve this target.

Where we invest in improving the energy efficiency of our housing stock, we will signpost customers to independent agencies who can offer specialist advice on maximising energy efficiency and minimising fuel poverty.

4.3 Stock Condition Data

Our most recent Stock Condition Survey (SCS) was carried out by an independent stock condition surveyor in summer 2020. They surveyed a representative 25% sample of PHA's stock and all common areas.

The data produced by this survey will be used to update and inform our stock condition database, will inform the basis for our rolling 5-year investment plans and will be key for planning our stock investment programmes during this timeframe.

PHA will commission an independent stock condition survey every three years, based upon a 25% random sample across all housing stock. This means that our next stock condition survey will be commissioned in summer 2024.

Survey data provides important and robust baseline information on our housing stock and is therefore pivotal to informing our investment planning decisions and resource requirements.

The SCS groups its findings under four main categories:

- Catch Up Repairs;
- Scottish Housing Quality Standard (SHQS);
- Energy Efficiency Standard for Social Housing (ESSH); and
- Life Cycle Replacement Programme.

Catch Up Repairs

This includes defects such as:

- gutter and downpipes;
- external finishes;
- external pointing;
- curtilage/path/paved areas;
- common area wall finishes;
- internal plasterwork;
- kitchen amenities;
- stonework; and
- cladding.

The scale of such works tends to be relatively modest and can therefore be accommodated adequately through Routine Repairs and Cyclical Maintenance activities, without drawing up a separate programme of works.

Scottish Housing Quality Standard (SHQS)

The Scottish Government introduced the SHQS in 2005, which set minimum standards for social housing which was to be achieved by 2015. These Standards were:

- properties to be above Tolerable Standard;
- properties not in In Serious Disrepair;
- properties to be Energy Efficient;
- properties to have adequate Modern Amenities & Facilities; and
- properties to be Healthy, Safe and Secure.

Although the planned completion date for SHQS was 2015, it remains a core part of our Asset Management Strategy. We still have a small number properties which fail to meet this standard for various reasons because of the nature of the property and/or because of access issues.

We will continue to monitor and review those addresses which fail the SHQS, identify what work is required and obtain costs for carrying out the work. We will draw up a programme to arrange access and complete this work where it is reasonable to do so and will submit an annual progress report to the Board. We will take all reasonable steps to ensure that we get access to all properties to carry out planned maintenance. SHQS investment works are prioritised and funded from our annual budget provision for Planned Maintenance and SHQS compliance is monitored by the Scottish Housing Regulator (SHR).

Energy Efficiency Standard for Social Housing (EESSH)

The Scottish Government introduced EESSH in 2015, which set minimum standards for social housing to be achieved by 31 December 2020. It is a core part of our Asset Management Strategy, aiming to improve the energy efficiency of social housing in Scotland, as well as help to reduce energy consumption, fuel poverty and the emission of greenhouse gases.

The target completion date of 31 December 2020, provided a clear focus for us to ensure that we maximise the number of properties which meet this standard and a clear understanding and action plan if we cannot meet this standard because of the nature of the property and/or because of access issues.

We will continue to monitor and review those addresses which fail the EESSH, identify what work is required and obtain costs for carrying out the work. We will draw up a programme to arrange access and complete this work where it is reasonable to do so and will submit an annual progress report to the Board.

Life Cycle Replacement Programme

Our SCS data is based upon an inspection of a representative sample of properties and considers their current condition against the RICS guidance on life expectancy of building elements. Thereafter a costed Life Cycle Replacement Programme of planned works and services has been produced covering a 30-year period. This programme has excluded costs for Catch Up Repairs; SHQS remedial works; and EESSH remedial works to eliminate the possibility of double-counting of costs.

Life Cycle Replacements are prioritised funded from our annual budget provision for Planned Maintenance. We have rolling investment plans for each of the next five years providing a breakdown of the nature and quantum of planned works within the context of our annual budget envelope. We plan and package component replacements into logical and affordable programmes of work, which seek to deliver value for money, avoid pepper-potting of works and minimise disruption to tenants/customers. We will take all reasonable steps to ensure that we get access to all properties to carry out planned maintenance.

4.4 Proposed Investment Programme

We will use SCS findings and other survey data to help inform our investment and procurement plans, which seek to:

- Priority 1: address any health & safety works (e.g. statutory gas, electrical, water and fire safety requirements);
- Priority 2: achieve/maintain the SHQS, the EESSH and EESSH2 by 31 December 2032 where it is reasonably practical to do so; and

- Priority 3: address priorities identified through our stock condition data.

Tenants play an important role in monitoring and reviewing PHA's investment programme and every year will have the opportunity to consider the investment priorities set out within our stock investment plans, within the context of funds available from our rental strategy.

Our annual rent review exercise seeks to achieve a balance between the quality and cost of service delivery, aiming to set charges that are perceived to represent value for money and affordability to the majority of tenants. In line with the Customer Engagement Strategy, PHA will commission periodic customer satisfaction surveys and seek to measure general tenant perceptions in this regard. When reviewing rents, consideration will be given to PHA's investment programme, service delivery arrangements and any new duties or initiatives.

4.5 Mixed tenure blocks and adjoining owners

PWL provides a property factoring service to over 1,600 homeowners dispersed throughout most of PHA's mixed tenure blocks. Some PHA properties are within blocks which have third party factors. Common works tend to be dealt with on an ad hoc basis at present and are progressed where homeowners consent and agree to pay a share of any common works. However much of PHA's investment programme over recent years has been on internal works, so work to common areas affecting factored homeowners has been limited.

The properties where factored homeowners may affect PHA's ability to carry out common works are largely flats within tenemental blocks. In these circumstances PHA will take all reasonable steps to ensure that tenanted properties can achieve SHQS, EESSH and EESSH2, but this may require the participation of factored homeowners in common works. Apart from essential wind and watertight repairs, unfortunately PHA cannot authorise common works where a factored homeowner refuses to give consent through signing a mandate and paying their share of the costs.

Through PWL, we will contact factored homeowners and commercial premises as early as we can when planning investment for future years to advise of proposed common works that may impact upon their property. We will take reasonable steps to involve homeowners and tenants in detailing specifications for work and will endeavour to provide indicative costs at an early stage, although detailed costs are unlikely to be available until project specifications have been worked up and possibly tendered. We will update factored homeowners with further information on the proposed specification, detailed costs, etc as this becomes available. We will charge factored homeowners as appropriate for any common repairs or investment in their homes and will generally seek payment in advance of instructing works.

We will seek to encourage factored homeowners to take part in any projects involving common repairwork and common improvements to property, directing them to agencies that may be able to offer them advice and assistance. However homeowners may also wish to seek independent financial and legal advice.

Common works - emergency repairs

We will recharge factored homeowners without consultation for their share of any common repairs that have to be carried out as a result of an emergency. This type of repair will usually relate to keeping the property wind and watertight or addressing any urgent health and safety issues. We will issue notification and an invoice detailing the nature of such work, the date the work was carried out and the cost to the homeowner.

We will issue invoices as quickly as possible following completion of the work, usually within 28 days.

Common works - routine repairs

We will consult with factored homeowners when issues arise with routine common repairs or maintenance. We will advise the homeowner of the specification of the work, the estimated full cost of the work and the homeowner's share of the cost. We will only instruct routine repairs or maintenance when we have every affected homeowner's consent through a signed mandate and payment of their share of the costs. If PHA is the minority stakeholder within a block, depending upon the title deeds and the nature of works, a majority of unwilling homeowners can prevent or delay works being instructed (although in cases of severe disrepair, the local authority may be able to serve notices). We will issue invoices as quickly as possible following completion of the work, usually within 28 days.

Common works – cyclical maintenance and planned programme renewals

We will consult with neighbouring factored homeowners in advance of any investment work that may affect their property, so that they may consider being included within the project. Where we are planning significant spend, we will consult at the design and specification stage to allow homeowners a reasonable timescale to explore funding options to cover their share of costs. We will only include a factored homeowner in the project if they agree to take part in the improvement works and are prepared to pay in full for their share of the cost of the work. We will only instruct such works if we have every affected homeowner's consent through a signed mandate and payment of their share of the costs. If PHA is the minority stakeholder within a block, depending upon the title deeds and the nature of works, a majority of owners can prevent or delay works being instructed (although in cases of severe disrepair, the local authority may be able to serve notices). We will issue invoices as quickly as possible following completion of the work, usually within 28 days.

4.6 Aids and adaptations and Technology Enabled Care (TEC)

PHA receives Stage 3 Housing Association Grant (HAG) funding to assist with the provision of aids and adaptations to PHA tenants who have been identified by the local authority as requiring assistance in the form of aids or adaptations to their home to allow them to remain in their home and live independently.

Through our Housing Allocation Policy, we can explore housing solutions for a tenant to transfer to a home more suited to their needs before considering significantly adapting their current home. Similarly where we have a vacant adapted property we will use our Housing Allocation Policy to seek to match a household whose needs match the property and thereby make best use of our housing stock.

PHA recognises that in certain instances, such as where a tenant's household is expected to have long term needs and where there are established support networks, there may be a clear rationale for investing in adapting an existing property. The assessment and prioritisation of such cases will be carried out by occupational therapists. A property will only be adapted where other housing options have been ruled out, where there is budget available, where it is technically feasible to adapt the property economically and where adapting the property makes best use of the housing stock in terms of meeting current and future housing needs.

Expenditure on disabled aids and adaptations varies from year to year, based upon the needs of individual tenants and the availability of HAG. However given the ageing population and other health and social care needs, it is envisaged that there will be a continued need to adapt properties with such disabled aids and adaptations being funded

through Stage 3 HAG. Where less resources are available than necessary, we will consult with occupational therapists to consider alternative housing options, reduced specification or other priority cases that can be assisted within the funds available.

For new build developments we will incorporate 'Housing For Varying Needs' (HFVN) standards. We will also seek to engage with local authority partners early in the development process and through the CHR seek to identify households with particular needs. Where reasonable we will endeavour to address any specific requirements at the initial design stage to ensure that those property types being constructed meet the requirement of the household and future generations. Any unidentified minor internal or external adaptations will be dealt with during the construction stage (with funding via Stage 2 HAG).

In consultation with occupational therapists, and subject to the availability of funding, we may explore the feasibility of using Technology Enabled Care (TEC) to assist a tenant in sustaining their tenancy.

5 Procurement

In terms of response repairs, cyclical maintenance and planned programme renewals, PHA has a number of contractors involved in delivering different aspects of our programme, which are of variable scale.

We monitor and review our arrangements for cyclical maintenance and programmed renewals. We aim to standardise specifications where appropriate and optimise the packaging of investment works and associated professional services by developing a robust and sustainable procurement methodology that delivers best value for PHA. In developing our procurement methodology, we will accord with PHA's Procurement Policy, evaluating submissions based upon both quality and cost.

The key requirement for PHA is to ensure that the needs of the investment programme are delivered within an affordable, timely and sustainable framework that will meet our business considerations.

Where possible our procurement plans will also seek to reflect the wider Government agenda of maximising value for money through the possibility of achieving economies of scale and general procurement efficiencies such as procurement clubbing.

Ideally our procurement model should seek to create a rolling programme of works that creates greater predictability and establishes long-term relationships with contractors to ensure consistency and continuity of work and quality, optimise economies of scale, achieve customer satisfaction, establish measures to reduce cost uncertainty and contain build cost inflation risk. At the same time the model needs to consider opportunities for reducing long-term costs through efficiency gains and continuous improvement.

When procuring works, PHA will comply with our Procurement Policy as well as relevant directives on procurement. We will therefore adopt a number of approaches including:

- large scale procurement following directives for works where it is estimated that the cost will exceed the threshold;
- procurement of works of a significant size that fall below the threshold by open tendering; and
- procurement of minor works through requests for quotations.

6 Managing investment

6.1 Project management

PHA needs to ensure that effective internal procurement, management and contract arrangements are in place in order to deliver an ambitious long-term work programme.

Project management will be through PHA's in-house staff, with work structured to reflect the needs of the programme and to ensure value for money in the administration of the investment programme. However specialist consultants may be appointed to assist in areas where specific expertise or additional capacity is required, but we will seek to develop the skills of our in-house teams where appropriate and limit expenditure on professional fees.

The management abilities of the construction industry to deliver the work will be a key consideration. PHA will need to work closely with our contractors to ensure that these issues are addressed. The ability to deliver programmes is critical and the qualitative / price evaluation criteria used in the selection of contractors will require to be set so that the most appropriate contractors are selected, not just the cheapest.

6.2 Risk management

Our Risk Management Policy has been developed to make sure that potential risks are recognised, quantified and managed appropriately. There are potentially a number of risks inherent in delivering ambitious investment programmes and these are summarised below.

Health & Safety

Legislation sets out a series of statutory duties and responsibilities, which are relevant to all of our activities including those relating directly to asset management. In addition, Construction (Design and Management) Regulations (known as the CDM Regulations) seek to address health & safety issues in the process of building construction from the inception of a building project to completion.

Insurance

PHA and all appointed consultants, contractors, suppliers, etc require to have adequate insurances in place, such as professional indemnity insurance, contractors all risk insurance and employer's liability insurance, and other such insurance policies as may be considered necessary to mitigate risks associated with asset management activities.

Cost growth

Planned investment works can be affected significantly by variations in the cost of labour and materials. When the economy is buoyant there can be significant budgetary pressures through cost growth. Similarly when the economy is in recession costs may stabilise or be more competitive. Whatever the costs, it is important that contracts are well defined and strictly managed.

We must seek to mitigate against cost growth as far as reasonably possible. Every year we will review our investment requirements within the context of our anticipated income and budget availability. Most of our income is derived from rents and as such we seek to balance the affordability of rents with an investment programme that meets the needs and priorities of various stakeholders. When we review our investment needs we will focus on essential works, such as complying with health and safety, statutory/regulatory requirements, etc. Subject to budget availability, if costs are competitive we may seek to optimise investment in a particular year. However where there is pressure on costs we may seek to limit areas of lower priority discretionary expenditure.

Using standard specifications and adopting framework agreements or a partnering approach, where appropriate, will help us develop a clear understanding of the supply chain which could result in the development of long-term agreements and give us as much control over costs as possible. Open-book pricing frameworks will identify all constituent parts of a contractor's price build-up and again assist in controlling costs.

Resource shortages

In line with our Procurement Policy, where appropriate we will seek to incorporate Community Benefit Clauses (CBCs) in large investment contracts, aimed at creating employment or training opportunities, but also to help mitigate the impact of any potential shortages of resources and skills in the future.

Supply chain

PHA has the opportunity to establish long-term agreements to help mitigate supply chain problems and achieve maximum benefits of bulk purchasing. We will explore opportunities for procurement clubbing or framework agreements to see if it offers us any further benefits. We will consider opportunities for standardising specifications and investment packaging to achieve greater certainty in terms of type and volume of works required.

Value for Money

PHA has a Value For Money Strategy. We will take account of the needs of customers, both internally and externally in specifying the goods, works and services that we require and will seek to procure using value for money principles, having due regard to propriety, regulatory and legal obligations. We will purchase standardised components wherever possible from a mix of suppliers and thereby seek to balance value for money with certainty of supply. We will optimise value for money through maximising potential economies of scale, prolonging component lifecycles and streamlining our working methods.

We will seek to compare our costs and the outcomes of our asset management activity through benchmarking against other RSLs within Scotland's Housing Network (SHN) and any other examples of relevant best practice and innovation.

By collating a range of key information at locality level, we will be able to decide where to invest so that future investment is sustainable. In doing so we will seek to avoid spending money where there is no robust justification and in certain circumstances PHA may seek to divest of assets.

Other risks

We will consider any apparent structural risks or environmental risks before committing our limited investment resources, seeking specialist advice where necessary. We will also monitor and review the demand for our assets so that we can focus on making investment decisions that are sustainable.

7 Integrity and transparency

As a not-for-profit organisation in receipt of substantial income from service users and significant amounts of public funding, all of our Asset Management decisions will reflect and preserve the integrity of the organisation and be transparent. We operate a Code of Conduct for Board Members and Staff.

8 Monitoring and review

We will review our Asset Management Strategy every three years or more frequently if there are any significant changes in market forces, legislation or recommended best practice. However our stock investment plans will be reviewed annually to measure the delivery of outcomes and progress in achieving our objectives. We will produce these both in hard copy and non-confidential information on our website. Other formats will be available on request such as CD, large print, Braille etc.