



**Melville**  
**Housing Association**

**Asset**  
**Management**  
**Strategy**  
**January 2023**

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## 1 Introduction

- 1.1 This document details the sustainable long-term strategy to enable Melville Housing Association to manage our fixed assets (properties). The plan supports our Corporate Strategy and highlights aims and objectives, relevant policies and procedures and the key priorities that ensure properties are managed in an effective and efficient way. The detail and information used to inform the plan is correct as of 31 December 2022.
- 1.2 The Scottish Housing Regulator published a recommended practice document on integrated asset management in December 2022 for consultation. This followed a detailed review of the guidance that was first published in 2012 and reflects changes in the social landlord operating environment.
- 1.3 The draft recommended practice will be advisory guidance once approved and it aims to support social landlords to review, develop and improve their approach to integrated asset management. Although the guidance is only advisory and landlords are not required to follow it, we will apply the principles in the guidance and ensure that we take the whole organisation approach to managing our assets strategically and in accordance with our corporate plan.

## 2 Strategic Aim and Definitions

- 2.1 Our Strategic Aim is that we will

***“Providing Quality Sustainable Homes and Developing Thriving Communities that People are Proud to Live and Work in”***

- Therefore we will have well maintained properties that where possible exceed our tenants’ aspirations, providing high quality, comfortable and affordable homes for our current and future tenants and which are maintained to a standard which continues to provide security for our current and future loan finance. We recognise that investment in our stock is the most visible and important service for our tenants.
- 2.2 Asset Management can be defined as a process that allows the Association to determine how it will use its properties (primarily housing stock) for maximum effect for tenants and as collateral for current and future investment. The strategy is designed to provide a tool for making robust and focussed investment decisions.
  - 2.3 This strategy concentrates on the management of the properties owned by the Association to ensure that our housing stock is fit for purpose.
  - 2.4 Our Asset Management Strategy should not be seen in isolation for informing the decision making processes, but is written to complement other strategies that influence the management of the Association, including:



- Staffing
- Finance
- Tenancies, (including Tenancy Sustainment and Financial Inclusion).
- IT
- Development
- Sustainability

### **3 Corporate Strategy and Objectives**

3.1 The Asset Management Strategy has been prepared to complement the Association's Corporate Strategy and to determine the property related needs to ensure that key objectives are achieved.

3.2 There are 5 objectives set out in Melville's Corporate Strategy 2022/23:

- **Enhance the Quality of our Homes and Neighbourhoods**
- **Strengthen Core Services**
- **Maintain Excellent Standards of Governance**
- **Support our Communities to Thrive**
- **Spend Wisely**

Our Corporate Strategy lists our operational objectives, supported by a range of measurable and timed tasks to ensure that the Association is able to monitor and record when objectives have been achieved.



# **Melville Housing**

## **Sustainable Thriving Communities**

## 4 Background and Context

- 4.1 Melville Housing Association was established in 1995 and is a Scottish charity, providing and developing high quality affordable homes and housing-related services.

Based in Dalkeith, Melville is registered with, and regulated by, the Scottish Housing Regulator and is the largest registered social landlord in Midlothian other than Midlothian Council.

The Association owns 2,089 properties across Midlothian, East Lothian, Edinburgh and Lanarkshire. This includes properties leased to Women's Aid, Local Authorities, St Joseph's Services and 11 properties in Mayfield leased to our wholly owned subsidiary, Ironmills Developments Ltd for Mid-Market Rents.

The distribution of our properties by Local Authority area is shown in Table 1 below.

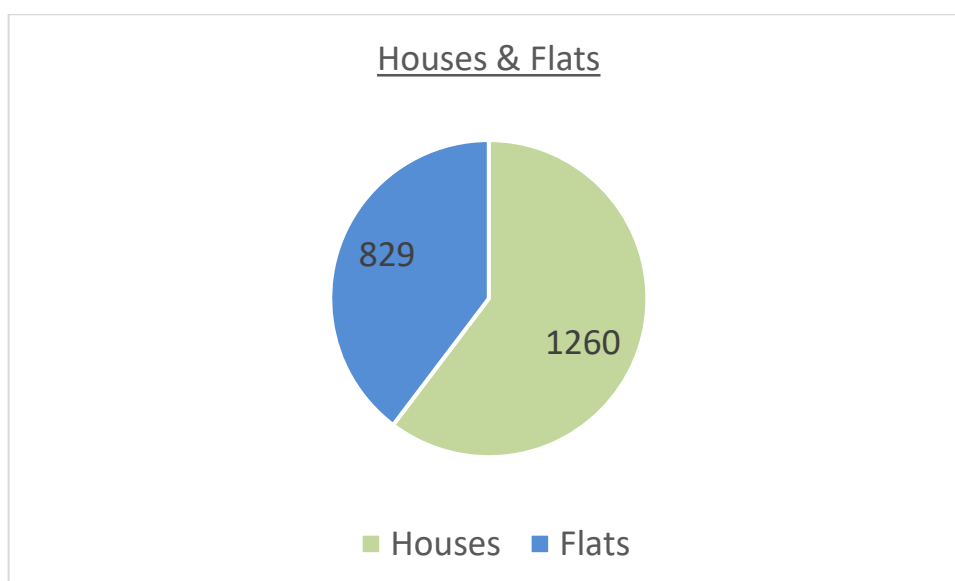
**Table 1 – Stock by Local Authority Area**

Local Authority	Units	% Stock
Midlothian	2,016	96.51%
South Lanarkshire	50	2.39%
Edinburgh	11	0.53%
East Lothian	6	0.29%
North Lanarkshire	5	0.24%
Scottish Borders	1	0.05%

\*Note we have one additional asset which is leased as an office

- 4.2 The Association's stock comprises different design, styles and build types, made up of houses and flats as shown in Chart 1.

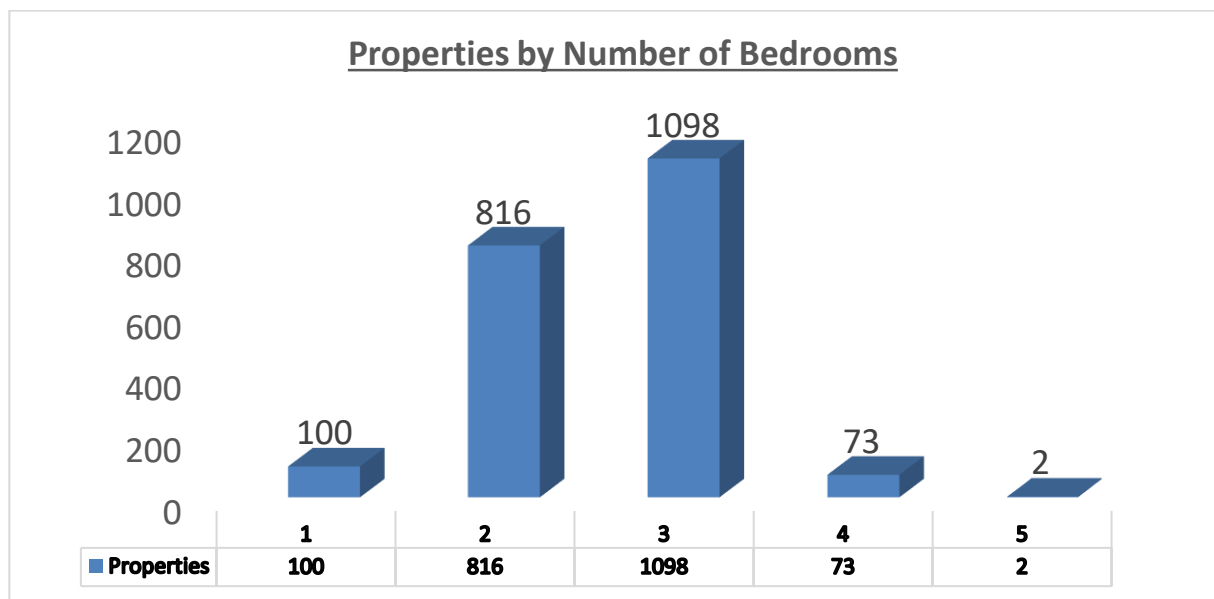
**Chart 1 – Houses & Flats**



- 4.3 An important aspect of the stock profile for letting purposes is the size of the properties, in relation to the number of bedrooms. The majority of our properties were built as family housing with 2 or 3 bedrooms. With changing demographics and welfare changes, there is an acute shortage of properties with one bedroom available and we are trying to address this in our development programmes.

The mix of our properties by number of bedrooms is shown in Chart 2.

**Chart 2 – Properties by number of bedrooms**



- 4.4 Over time, individual aspirations and expectations have changed. As a result, current demand for houses is higher than for flats when prospective tenants are offered the choice of the type of property they would prefer to rent.

Within our portfolio we have different types of flats available for rent. Tenants prefer flats with their own front door to flats with a common stair (tenement type with shared garden facilities).

The number of different types of property we have for rent, broken down by number of bedrooms is shown in table 2.

**Table 2 – Property Type by bedrooms**

Size	Property Type				Total
	House	Tenement	4-in-a-block	Other Flat	
1 bed	18	25	25	32	100
2 bed	369	258	85	104	816
3 bed	798	64	235	1	1,098
4 bed	73	0	0	0	73
5+ bed	2	0	0	0	2
<b>Total</b>	<b>1,260</b>	<b>347</b>	<b>345</b>	<b>137</b>	<b>2,089</b>

This detail, together with location influences the options chosen by prospective tenants when completing an application for housing with Melville.

Property size has become increasingly more important due to the impact of welfare reform, where tenants are not entitled to Housing Benefit/Universal Credit for more rooms than their circumstances require. Like most social housing providers, we have very few one-bedroom properties in our ownership.

## 5. Vision

5.1 Melville seeks to provide high quality services for its tenants, supported by a range of partners committed to help the Association achieve its objectives.

Melville's mission statement:

***“Providing Quality Sustainable Homes and Developing Thriving Communities that People are Proud to Live and Work in”***

## 6 Partners

6.1 We work collaboratively with a range of strategic partners including:

- The Scottish Government
- Lenders (Royal Bank of Scotland).
- Midlothian Council and other Local Authorities
- Solicitors and auditors
- Contractors and Consultants
- Scottish Federation of Housing Associations

## 7 Expected Requirements

7.1 The Scottish Housing Regulator expects the Association to have in place the following requirements and will periodically assess the Association's performance to ensure compliance:

- **Repairs:** Provide an effective, efficient, and responsive repairs service for our tenants.
- **Stock Management:** Follow sound stock-management strategies to ensure our houses are in demand, maintained, modernised, and adapted as people's needs change.
- **Lifetime Maintenance:** Know the condition of our houses, relative to the Scottish Housing Quality Standard, recording the nature and extent of any failures. Have deliverable and affordable plans for lifetime maintenance, delivering maintenance programmes efficiently and effectively.

- **Adaptations:** Responsive to the needs of applicants and the changing needs of existing tenants, adapting properties efficiently to meet medical need. Have good records about our adapted houses.
- **Energy Efficiency:** Ensure that Melville’s properties meet the energy standards set out in Energy Efficiency Standard Social Housing (ESSH) parts 1 & 2. The most critical aspect that underpins measuring this is the creation of an Energy Performance Certificate for each property.

## 8 Maintenance and Improvement

We use a range of policies and procedures to ensure that our properties are well maintained, comfortable, safe and secure, and that we provide high quality services to our tenants

- Reactive Repairs
- Planned Maintenance and Improvements
- Cyclic Maintenance
- Empty House repairs
- Adaptations

### 8.1 Reactive Repairs

The quality of our Reactive Maintenance service is very important to our customers. Our principal aim is to provide an effective and responsive day to day repairs service for tenants that provides 24-hour cover, every day of the year.

We strive to ensure that tenants can report or request repairs as easily and efficiently as possible using a full range of options.

The reactive maintenance contract was awarded following the completion of a full tender process. Through the tender process we can demonstrate significant value for money benefits, both through reduced core contract costs and administrative efficiencies which are built into the repairs ordering and invoicing processes.

In April 2014, we entered into a long-term agreement (*initial 5 year contract which was extended for a further 5 years until 2024*) with Novus Property Solutions Ltd. Through working in partnership with Novus, we aim to provide an effective, efficient, and economic repairs service.

Within the agreement, tenants are offered appointments within a 2 hour slot (*am or pm*) for the work to be carried out, at the time they report a repair.

Novus is the first point of contact for most reactive repairs’ calls, reducing the risk of delay and miscommunication in the repairs ordering process. We work with the contractor to provide greater flexibility for repairs appointments by offering early evening and weekend slots if required.



Our priorities for Reactive Maintenance is to implement and improve our services through working closely with our contractor and react to customer feedback throughout the term of the contract.

We have minimised the risk of future cost increases on Reactive maintenance by agreeing to 'Benchmark' any proposed increase using CPI and BMI indices as the basis for negotiation and agreement with the Reactive Repairs Contractor.

We will be undertaken a review of Reactive Repairs and a tender exercise will be undertaken during 2023/24.

## 8.2 **Planned Maintenance**

Robust and effective planning using accurate property related data, ensures that the quality of our properties is maintained and improved through the replacement of key components.

Renewing major internal components such as kitchens, bathrooms and heating systems helps meet tenant expectations and keep our properties in demand.

Addressing structural related issues (walls, roofs, doors and windows) maintains the integrity of the property, keeps the property wind and watertight and helps achieve the Scottish Housing Quality Standard.

For our long-term planning we use a 30-Year Life Cycle Cost plan, informed from specific property and cost data for key components.

This data, together with our ongoing property reviews, provides information for future Planned Maintenance programmes, that set out the projects and budgets to meet our key objectives.

The Planned Maintenance Programme for 2023/24 is attached at **Appendix 1**

The 30 Year Plan will be attached as **Appendix 2**

Specific information about the Key elements in our Planned maintenance Programme are detailed below:

### **Windows**

In 2010 we completed an ambitious programme to install energy efficient, PCVu double glazed windows to every property.

This proved to be an extremely successful programme, with high levels of tenant satisfaction. The new windows also helped to improve the comfort for our tenants and help to limit the impact of rising fuel bills. Another highly significant measure of success was the long-term saving on the cost of external maintenance paint programmes.

As a result of the actions already taken, we anticipate that the Association will not incur any significant costs for window replacement until 2040 at the earliest.

We have estimated that the investment in PVCu windows resulted in savings on maintenance paintwork of £1.9m over 30 years when compared with the cyclical maintenance of timber framed windows.

### **Doors**

We started an external door replacement program during 2022/23 and this will continue into 2023/24 with the replacement of all doors at 123 of our properties, 54 houses and 69 flats.

### **Heating**

Every Melville house has a full-house heating system installed. The breakdown of the fuel types is shown in the following table:

Heating Type	Number
Gas Boiler	2,036
Air Source Heat Pumps	33
Solid Fuel	4
Oil	5
Electric	11
Total	2,089

We continue to replace the older heating systems with high performance, energy efficient gas boilers and thermostatically controlled radiators, and plan to install new heating at 80 properties during 2023/24.

We have looked at other fuels, such as hydrogen and biomass boilers but the technology is not yet advanced enough to enable us to consider.

Our EESSH compliance strategy details how we will follow Scottish Government guidance to ensure we meet energy efficiency standards and net zero targets.

In Forth, South Lanarkshire, which is not connected to the gas grid, we have replaced many inefficient oil, coal, and electric systems with Air Source Heat Pumps. We will continue to engage with tenants, and carry out works at voids, to ensure that all our properties which are non-gas meet the minimum EPC Rating of D (SAP rating of 55) by 2025.

### **Kitchens**

A key commitment to our tenants prior to our two stock transfers was a promise to introduce a replacement kitchen programme. The programme was completed in 2004, before the Association's 10<sup>th</sup> Anniversary.

Since then, a rolling programme of kitchen replacements based on the last date of installation and an expected life of 15 years was put in place. We have also replaced a number due to tenant neglect and misuse.

The number of kitchens we aim to replace each year is informed by the 30 Year Plan and we propose to replace kitchens at 86 of our properties during 2023/24.

### **Bathrooms**

Our established programme to replace bathrooms includes installation of bathroom suites, complete with waterproof wall boarding and an over bath thermostatic or electric shower.

The number of bathrooms we plan to replace each year has been set out in the 30 Year Plan and during 2023/24 we expect to replace the bathroom in 79 of our properties.

### **Roofs**

Since Melville was established, the Association has replaced older poorly performing roofs during planned projects and on an ad hoc basis.

When we erected scaffolding for external wall insulation work, we took the opportunity to replace the roofs on 3 storey high flats and a number of houses where the roofs were in poor condition.

Despite this approach a number of properties that were part of our stock transfers still have their original roof coverings.

A significant issue when planning a replacement roofing programme is the impact of privately owned houses, particularly within blocks of flats where owners refuse to participate and do not agree to share the cost of the work.

We have identified the type of tile on each roof and noted the condition by visual inspection.

During 2023/24 we plan to replace the roof at 36 of our properties. We will continue to maintain the other roof coverings and associated components such as flashings, verges, and valley gutters as part of our Reactive Repairs service.

## **8.3 Cyclic Maintenance**

In addition to the improvement and upgrading programmes we also carry out a rolling programme of cyclical maintenance.

Included within this heading are Annual Heating Servicing and regular maintenance paintwork to external metal and timber.

The budgets for each of the headings are separately identified in the annual budget for Repairs and Maintenance.

Annual servicing of gas fired heating systems by landlords is set in legislation and has safety implications for our tenants. We have in place a robust process for gaining access to every house with gas heating, whether the tenant chooses to use the heating or not. Our approach to servicing gas heating systems is set out in our approved policy (**Ref PRO 007**).

We service every gas heating system (2,036) every year.

We also service 53 non-gas heating systems (e.g. air source heat pumps, solid fuel and oil fired) per year.

We do not carry out annual services for electric heating systems but will attend properties to provide advice and repairs as required.

#### 8.4 **Empty Homes**

We view the efficient management of empty homes as a key service priority. By minimising the period when a property is empty, we limit any rent loss and security issues, while making the most of the housing available to meet the demands of applicants.

Within the process, we aim to manage the critical steps to identify and complete necessary repairs in an efficient manner and let the properties to new tenants in an effective fashion.

We work with our partnering contractor to develop the process for managing our empty homes, that meets agreed standards relating to quality of work that is cost effective.

We have a target of 12 days for re-letting empty homes. Within this, the repairs period is 6 days.

#### 8.5 **Adaptations**

We recognise that the needs of our tenants will change over time and that by adapting a tenant's home to meet particular needs, helps individuals and families remain in their homes as long as practicable.

We have successfully accessed grant funding (Stage 3) provided by the Scottish Government to provide physical adaptations, equipment, resources, and facilities to help tenants continue to live safely in their homes.

To help us provide a comprehensive and efficient service for tenants, we rely on the recommendations of Midlothian Council's Occupational Therapist service to carry out assessments.

The budget available for adaptations is directly linked to the annual allocation of Stage 3 funding made available to Melville by the Scottish Government each year.

In future, if funding levels are reduced, we may need to consider funding Minor adaptations (*i.e. work costing up to £150*) from own budget resources.

Examples of Minor Adaptations include:

- Providing Handrails, grabrails and banisters.
- Fitting lever taps

## 8.6 Adaptation Budget

Each year we will submit a bid for Stage 3 funding to the Scottish Government based on the amount spent on Adaptations from the previous year and our assessment of current needs. We normally receive around £70,000 - £80,000.

We have worked hard to reduce the time taken to provide adaptations for tenants; last year the average time taken was 21.58 days from the date of the initial assessment.

## 9 Resources

- 9.1 Where possible, our planned maintenance, improvements and cyclical programmes will be funded from our long-term rental streams.
- 9.2 We will seek to supplement our internal resources by seeking new sources of funding, such as grants (for example to support alternative heating projects).
- 9.3 Where there are opportunities to increase the benefit of a planned project by adding additional elements to it (for example, including under floor heating to a heating project), we will examine whether there is the option to accelerate or substitute future budget in support of a project, however this will be agreed only after careful evaluation of the risks/benefits and subject to the affordability of the project.
- 9.4 We will not normally seek to use loan finance to deliver planned maintenance or improvement programmes unless a specific business case is made and approved by the Board.
- 9.5 We will use our internal staffing resources, supplemented by external professional advice where required, to deliver our planned programmes, providing close control over the projects and ensuring continued ownership of the projects by Association staff.

## 10 Development, Acquisition and Disposals

### Development

- 10.1 Melville HA is committed to developing and providing affordable good quality housing for a range of tenures to those in housing need.

The principles of our approach to achieving this, is set out in our Development Strategy (**DEV 001**).

### Acquisition

- 10.2 The Association has previously successfully added to its stock by acquiring properties from other sources, such as:
  - Mortgage to Rent
  - Purchasing properties from the Ministry of Defence
  - Off the shelf developments



Melville will consider any opportunities to add to its stock numbers subject to strategic fit, financial viability, and risk profile.

## **Disposals**

- 10.3 From time to time it will not be economically practical to retain properties that are 'difficult to let', or present significant management difficulties, such as persuading owners to agree to shared communal repairs.

In certain circumstances the Association will seek to dispose of such properties, by:

- Sale – (Voluntary disposal)
- Transfer
- Demolition

We will consider the disposal of any asset that we can demonstrate has become uneconomic to retain. We will only dispose of an asset where all options have been explored and exhausted.

## **11 Housing Standards**

### **Scottish Housing Quality Standard (SHQS)**

- 11.1 The Scottish Government introduced the SHQS in 2004 to establish a national minimum standard for all landlords in Scotland.

The government set a date of April 2015 for houses to meet the standard. Melville's houses achieved the standard before 31 December 2014.

- 11.2 To attain and maintain the standard properties must satisfy 5 criteria:

- Meet the Tolerable Standard
- be Free from Serious Disrepair
- be Energy Efficient
- have Modern Facilities
- be Healthy, Safe and Secure.

- 11.3 **Our Current Position**

#### **Criteria A -Tolerable Standard**

- All Melville houses meet the Tolerable Standard.

#### **Criteria B - Free from Serious Disrepair**

- We identified the roof covering to a block of modern tenement flats in Penicuik, affecting 2 Melville properties from a total of 13 flats, as a serious issue, but we have been unable to carry out the necessary repairs to effect a permanent solution because the other owners in the block have refused to agree to the works or to share the costs. These flats are therefore classed as an Abeyances. We disposed of 1 of these flats earlier

this year and are actively seeking an alternative housing solution for the remaining tenant.

### **Criteria C - Energy Efficiency**

- Our properties meet the Energy Standards set, apart from those with particular challenges :
  - Houses that were not on the mains gas distribution network in Forth, South Lanarkshire (Exemptions).
  - Individual houses where tenants had chosen not to switch to a more efficient heating system (Abeyances).

### **Criteria D - Modern Facilities**

- The data collected from our Property Surveys confirmed that every Melville house met the criteria by having the required bathroom and kitchen facilities

Maintaining the standard

- We have an ongoing kitchen replacement programme.
- We have a long-term bathroom replacement programme

### **Criteria E - Healthy, Safe and secure**

- Details held on record for: the annual heating service visits, monthly common stair cleaning, certificates for safe electrical systems and our regular detector (Smoke, heat and CO) checks, provide us with the necessary information on our properties achieving the standard.

Maintaining the standard

- Landlord's certificates following annual heating services
- Regular detector checks
- Electrical certificates for properties

### **Energy Efficiency Standard for Social Housing (EESH)/ Net Zero**

11.4 EESH was launched by the Scottish Government in March 2014 to contribute towards the carbon emissions reduction target, set by the Climate Change (Scotland) Act 2009 and to reduce fuel poverty.

11.5 EESH sets targets based on the Standard Assessment Procedure (SAP) rating system used to measure the energy efficiency of a property through Energy Performance Certificates. The Scottish Housing Regulator monitors compliance through a return linked to the ARC.

- 11.6 Melville achieved 97.4% of our stock meeting the standard at the last Annual Report on the Charter (ARC) return on 31 March 2022, with remainder of our stock (2.6%) exempt on 'social' grounds because the tenants have previously refused to participate in the installation of energy efficient measures.
- 11.7 In late October 2022 the Scottish Government published 'Interim Guidance for Social Landlords during the review of the Energy Efficiency Standard for Social Housing post 2020 (ESSH2)'. This guidance came into immediate effect and superseded the previous ESSH2 guidance for social landlords. This interim guidance will be replaced by the new standard following the ESSH2 review and it is anticipated the review will be completed by mid-2023.
- 11.8 The interim guidance puts the 2025 and 2032 ESSH Milestones temporarily on hold but advises that RSLs should continue to invest in energy efficiency measures to help reduce running costs, and in zero direct emissions heating systems. It also advises that RSLs should continue to draw available grant support, for example the Social Housing Net Zero Heat Fund.
- 11.9 The 2025 milestone for ESSH2 is that no social housing is to be re-let below EPC Band D, and no energy efficiency improvements should worsen either the environmental impact or the air quality of a home.
- 11.10 The 2032 milestone for ESSH2 is all social housing meets, or can be treated as meeting, EPC Band B, or is as energy efficient as practically possible, within the limits of cost, technology, and necessary consent.
- 11.11 Melville has a detailed ESSH compliance strategy which is based on Scottish Government Guidance and was approved by our Board in November 2022.

## **12 Stock Condition**

- 12.1 Pre 2011 Melville employed consultants to survey a representative sample of its stock and prepare a report based on the results to give an indication of the condition of our houses.
- 12.2 In 2011 we changed our approach by using our own staff to carry out Property Surveys, allowing us to conduct our own self-assessment of the condition of our stock and every property has been surveyed at least once by our staff.
- 12.3 All property details are recorded and maintained in our ActiveH housing management system. We regularly review the property information held in the database and update the detail using: contract completion data, major component replacement information, energy efficiency upgrades, EPC documentation and Annual Gas Servicing data.
- 12.4 The Zero Emissions Social Housing Taskforce (ZEST) Report, published by the Scottish Government in August 2021, recommends that RSLs should undertake an in-depth and updated stock condition survey to assist in mapping the existing

stock, including details of new builds, adaptations, and previous retrofit measures.

- 12.5 In accordance with our corporate plan, to test the stock condition information that we hold, we plan to employ consultants to undertake a stock condition survey on a sample of all stock types during 2023/24 & 2024/25.
- 12.6 The stock condition information gathered will be compared with the property information we hold to determine the level of accuracy and establish whether further surveys may be required.

### **13 Allocations and Lettings**

- 13.1 Our Allocations Policy (***Policy Ref PRO 001***) complies with current legislation and ensures are properties are allocated to those in greatest housing need, whilst making the best use of our stock.
- 13.2 We work in partnership with Midlothian and South Lanarkshire Council to allocate properties through Common Housing Registers. For vacant properties in other areas, we seek individual nominations from the relevant Local Authorities as and when required.

Melville also assists existing tenants who wish to be considered for a move through our Transfer List.

We hold an on-line Mutual Exchange list to help tenants of the Association and other social landlords move to properties which may better suit their individual needs.

- 13.3 We strive to achieve challenging targets concerning our relet time (currently 12 days)
- 13.4 Periodically we have a number of properties that are more 'Difficult to Let'.

The most significant factors are size and location (e.g. Top floor, 3 bedroom flats in Mayfield). In such instances, to ensure these houses are let and rental streams are protected we will consider an alternative allocation approach outwith our Policy, including advertising in the private market and considering under occupation.

### **14 Financial Planning**

- 14.1 To ensure that the Association meets its commitments and objectives we have an established 30 Year Plan that is informed using the data for replacing key components such as windows, doors, kitchens, bathrooms, and roofs.

The individual elements for each component that drive the plan are:

- the agreed life cycle
- planned replacement date (measured from last replacement date)
- current cost of replacement

- 14.2 The 30 year plan is the basis for setting the annual Planned Maintenance budget that Board are asked to approve before the beginning of each financial year.
- 14.3 Clear links between the 30 Year life cycle costs and the annual Planned Maintenance Programme also allow us to present a recurring 5 year programme to ensure that we can effectively and efficiently plan improvement programmes in the short medium and long term.

## **15 Procurement**

- 15.1 Melville HA has a robust **Procurement Policy (PRO 009)** that provides the Association with clear principles and guidance for selecting contractors, consultants and suppliers who carry out work and provide services and goods to the Association.
- 15.2 The Policy ensures that we comply with all relevant legislation and achieve best value for Melville in selecting Contracts, recognising that the lowest cost will not always represent best value.

## **16 Health and Safety**

### **Melville Housing**

- 16.1 Health and Safety is paramount to every aspect of the services provided by Melville HA. We have in place a range of Management Plans, Policies and Procedures to mitigate potential risks.
- Asbestos – Management Plan
  - Gas Maintenance – Servicing and Maintenance
  - Smoke, Heat and Carbon Monoxide Detectors – Checking and replacement.
  - Electrical Systems – Condition Reports

### **Contractors**

- 16.2 Every contractor working on behalf of Melville Housing must have current comprehensive Health and Safety procedures that will be assessed by us before we place any work with the contractor. We also ensure that each contractor carries valid public liability and third-party insurance cover with appropriate levels of cover.

## **17 Value for Money**

- 17.1 Effective asset management provides an important opportunity for the Association to ensure that we achieve value for money, both in the identification and timing of investment and in the effective procurement of services.
- 17.2 Within our internal policies, procedures, and control systems, we seek to ensure that all staff are aware of the costs which flow from their decisions. Budgets are closely monitored, and corrective action taken when required.
- 17.3 We seek to achieve value for money in the delivery of our key programmes through a balance of effective procurement and, where appropriate, establishing



long-term partnerships through which both parties benefit from the ability to effectively and efficiently plan and implement the resources required to deliver the project.

- 17.4 Where possible, we seek to benchmark our costs using a variety of methods, including information published by the Scottish Housing Regulator, membership of the Scottish Housing Network and where appropriate through networking with other Registered Social Landlords.
- 17.5 We also aim to involve tenants in the design of the service prior to significant changes being made, to ensure that the service we deliver best meets the needs of the end customer.

## **18 Performance and Monitoring**

- 18.1 We regularly monitor and report on our progress towards achieving the aims and objectives detailed in this strategy by:
- Key Performance Indicators
  - Budget reports
  - Regular PM progress reports to the Board
  - SHQS submissions to Scottish Housing Regulator (ARC Return)
  - EESSH Monitoring and Reporting to Scottish Housing Regulator

### **Budgets**

- 18.2 Managers from Property Services and Finance meet monthly to review progress and expenditure against approved budgets for all improvement and maintenance headings.

Finance provides the Board with regular updates on all facets of the Association's income and expenditure that highlight variances. Property Services present progress reports to the Board that includes information on progress of individual programmes and to give specific detail on budget variances noted by Finance Services.

Together with the month to month monitoring there is a Mid-Year review that considers progress on the programmes and expenditure to identify and project significant anomalies in the budgets. Finance and Property Services will seek Board approval for any adjustments to the original budget.

### **Quality Control**

- 18.3 Property Officers check a percentage of completed installations on our Planned Maintenance improvement projects to ensure quality of work, tenant satisfaction and value for money. Where appropriate other work (Reactive, cyclic and Medical Adaptations) with a cost of more than £500 is also post inspected.
- 18.4 We analyse tenant satisfaction returns and liaise with the relevant contractors to ensure that the quality of workmanship, level of service and tenant satisfaction is maintained.

18.5 Property Services meet regularly with our main contractors to review service and to discuss performance against our agreed targets and other Key Performance Indicators.

### **Partnering Agreements**

18.6 To provide a consistent quality of work we have developed a number of long term partnerships with a range of contractors that have followed our robust tendering process. Agreements for extending partnerships are reviewed annually against set objectives to ensure that the value for money offered in the contract is sustained and that levels of workmanship, service and tenant satisfaction is delivered.

## **19 Risk Management**

19.1 We maintain a Risk Management plan that identifies and mitigates any known risk that might affect the operational aspect of the services we provide to tenants and other customers.

In particular, our Risk Management plan highlights the following:

- Most significant Risks
- Emerging Risk

## Appendix 1 - Planned Maintenance Programme

Line	Description	Budget 2023/24
1	Window Replacement (5 properties)	20,900
2	Door Replacement (123 properties)	193,881
3	Bathroom Upgrading (79 properties)	316,603
4	Kitchen Upgrading (86 properties)	299,938
5	Roofs (36 properties)	512,924
6	Structural Repairs	20,000
7	Heating Systems (80 properties)	322,289
8	Decoration/Disturbance Allowances	20,600
9	Smoke and CO (and Heat) Detectors	22,782
10	Door Entry System Repairs	6,005
11	Ad Hoc Major Repairs	32,473
12	Open Space and Landscaping	30,000
13	Fencing and External Works	47,844
14	Asbestos Costs	73,500
15	Communal Landscaping, Maintenance & Cleaning	38,549
16	Service charge items not recharged	27,849
17	Ironmills Property Repairs	5,500
18	Gas Heating Maintenance and Servicing	334,822
19	Other Heating Maintenance and Servicing	8,187
20	Paintwork	15,905
21	Electrical Testing	150,000
22	Fees - RETROFITTING COSTS	500,000
23	Fees (Consultancy Fees)	80,000
24	Newbyres	1,360
25	Planned/Cyclical Maintenance (Gross)	3,081,912
27	Service Charges	68,939
28	Adaptations	66,000
29	Reactive Maintenance	980,000
30	Fire & Weather Damage	-
31	Void Maintenance	320,000
	<b>Total Programmed Expenditure</b>	<b>4,516,851</b>

30 Year Life Cycle Costing

Planned/Cyclical Maintenance

		Bathrooms/ Cloakrooms	Kitchens	Heating	Windows	Doors	Roof	Structural Repairs	Smoke Detectors	CO Detectors	Gas servicing	Solar PV	Other Charges	Total	Investment Totals
End Mar 2021	£	484,825	£ 252,000	£ 277,200	£ 4,945	£ 181,000	£ 241,276	£ 23,175	£15,438	£ 5,700	£ 238,956		£ 529,311	£ 2,253,826	£ 1,464,421
End Mar 2022	£	480,000	£ 78,000	£ 86,400	£ 14,835	£ 29,200	£ 12,000	£ 23,870	£ 15,948	£ 18,600	£ 238,956		£ 529,311	£ 1,527,120	£ 724,305
End Mar 2023	£	116,000	£ 132,000	£ 226,800	-	£ 172,500	-	£ 23,870	£ 38,682	£ 36,750	£ 238,956		£ 529,311	£ 1,514,869	£ 671,170
End Mar 2024	£	292,000	£ 255,000	£ 374,400	£ 4,945	-	£ 8,000	£ 23,870	£ 31,171	£ 8,850	£ 238,956		£ 529,311	£ 1,766,503	£ 958,215
End Mar 2025	£	400,825	£ 231,000	£ 493,200	£ 24,725	£ 16,900	£ 12,000	£ 23,870	£ 33,387	£ 11,100	£ 238,956		£ 529,311	£ 2,015,274	£ 1,202,520
End Mar 2026	£	304,000	£ 228,000	£ 356,400	£ 29,670	£ 25,300	£ 4,000	£ 23,870	£ 33,249	£ 23,700	£ 238,956		£ 529,311	£ 1,796,456	£ 971,240
End Mar 2027	£	16,000	£ 174,000	£ 187,200	£ 19,780	£ 10,100	-	£ 23,870	£ 15,215	£ 60,750	£ 238,956		£ 529,311	£ 1,275,182	£ 430,950
End Mar 2028	£	36,000	£ 516,000	£ 115,200	£ 415,380	£ 6,300	£ 6,000	£ 23,870	£ 39,596	£ 70,950	£ 238,956		£ 529,311	£ 1,997,563	£ 1,118,750
End Mar 2029	£	100,000	£ 339,000	£ 378,000	£ 123,625	£ 10,150	£ 8,000	£ 23,870	£ 42,258	£ 42,300	£ 238,956		£ 529,311	£ 1,835,470	£ 982,645
End Mar 2030	£	72,000	£ 246,000	£ 230,400	£ 49,450	£ 9,000	£ 38,300	£ 23,870	£ 82,877	£ 59,100	£ 238,956		£ 529,311	£ 1,579,264	£ 669,020
End Mar 2031	£	72,000	£ 438,000	£ 320,400	£ 9,890	£ 102,900	£ 12,000	£ 23,870	£ 72,856	£ 43,800	£ 238,956		£ 529,311	£ 1,863,983	£ 979,060
End Mar 2032	£	60,000	£ 594,000	£ 777,600	-	£ 13,700	-	£ 23,870	£ 30,854	£ 58,800	£ 238,956		£ 529,311	£ 2,327,091	£ 1,469,170
End Mar 2033	£	148,000	£ 864,000	£ 496,800	£ 771,420	£ 34,200	£ 20,000	£ 23,870	£ 38,682	£ 69,900	£ 238,956		£ 529,311	£ 3,235,139	£ 2,358,290
End Mar 2034	£	183,800	£ 906,000	£ 248,400	£ 796,145	£ 252,800	-	£ 23,870	£ 31,171	£ 34,800	£ 238,956		£ 529,311	£ 3,245,253	£ 2,411,015
End Mar 2035	£	212,825	£ 591,000	£ 255,600	£ 59,340	£ 770,600	£ 8,000	£ 23,870	£ 33,387	£ 34,950	£ 238,956		£ 529,311	£ 2,757,839	£ 1,921,235
End Mar 2036	£	180,000	£ 492,000	£ 306,000	£ 227,470	£ 57,800	-	£ 23,870	£ 33,249	£ 30,000	£ 238,956	£ 22,250	£ 529,311	£ 2,140,906	£ 1,287,140
End Mar 2037	£	140,825	£ 81,000	£ 374,400	£ 103,845	£ 48,600	£ 8,000	£ 23,870	£ 15,215	£ 42,900	£ 238,956	£ 202,475	£ 529,311	£ 1,809,397	£ 780,540
End Mar 2038	£	628,000	£ 141,000	£ 381,600	£ 519,225	£ 71,500	-	£ 23,870	£ 39,596	£ 35,850	£ 238,956		£ 529,311	£ 2,608,908	£ 1,765,195
End Mar 2039	£	636,000	£ 255,000	£ 777,600	£ 2,536,785	£ 163,900	-	£ 23,870	£ 42,258	£ 34,500	£ 238,956		£ 529,311	£ 5,238,180	£ 4,393,155
End Mar 2040	£	818,625	£ 231,000	£ 586,800	£ 1,330,205	£ 82,450	-	£ 23,870	£ 82,877	£ 49,650	£ 238,956		£ 529,311	£ 3,973,744	£ 3,072,950
End Mar 2041	£	625,900	£ 231,000	£ 342,000	£ 1,256,030	£ 217,000	-	£ 23,870	£ 72,856	£ 21,000	£ 238,956	£ 10,500	£ 529,311	£ 3,568,423	£ 2,695,800
End Mar 2042	£	688,000	£ 174,000	£ 86,400	£ 1,246,140	£ 666,750	-	£ 23,870	£ 30,854	£ 1,500	£ 238,956		£ 529,311	£ 3,685,781	£ 2,885,160
End Mar 2043	£	388,825	£ 516,000	£ 226,800	£ 9,890	£ 124,800	£ 152,100	£ 23,870	£ 38,682	£ 1,650	£ 238,956	£ 33,040	£ 529,311	£ 2,283,924	£ 1,442,285
End Mar 2044	£	692,000	£ 339,000	£ 374,400	£ 113,735	£ 109,500	£ 4,000	£ 23,870	£ 31,171	£ 1,050	£ 238,956		£ 529,311	£ 2,456,993	£ 1,656,505
End Mar 2045	£	456,825	£ 246,000	£ 493,200	£ 34,615	£ 29,600	-	£ 23,870	£ 33,387	£ 1,650	£ 238,956		£ 529,311	£ 2,087,414	£ 1,284,110
End Mar 2046	£	528,825	£ 441,000	£ 356,400	£ 148,350	£ 57,079	-	£ 23,870	£ 33,249	£ 900	£ 238,956		£ 529,311	£ 2,357,940	£ 1,555,524
End Mar 2047	£	480,000	£ 594,000	£ 187,200	£ 108,790	£ 58,600	-	£ 23,870	£ 15,215	£ 3,450	£ 238,956		£ 529,311	£ 2,239,392	£ 1,452,460
End Mar 2048	£	116,000	£ 864,000	£ 115,200	£ 4,945	£ 15,700	-	£ 23,870	£ 39,596	£ 2,550	£ 238,956		£ 529,311	£ 1,950,128	£ 1,139,715
End Mar 2049	£	292,000	£ 906,000	£ 378,000	£ 242,305	£ 128,202	£ 8,000	£ 23,870	£ 42,258	£ 8,550	£ 238,956		£ 529,311	£ 2,797,453	£ 1,978,377
End Mar 2050	£	400,000	£ 588,000	£ 230,400	-	£ 192,500	£ 449,476	£ 23,870	£ 82,067	£ 24,450	£ 238,956		£ 529,311	£ 2,759,030	£ 1,884,246
End Mar 2051	£	304,000	£ 240,000	£ 324,000	£ 54,395	£ 192,900	£ 476,600	£ 23,870	£ 57,418	£ 9,000	£ 238,956		£ 529,311	£ 2,450,450	£ 1,615,765
<b>Total</b>	<b>£</b>	<b>9,869,275</b>	<b>11,931,000</b>	<b>10,087,200</b>	<b>£ 10,255,930</b>	<b>3,670,531</b>	<b>1,226,476</b>	<b>716,100</b>	<b>1,229,281</b>	<b>843,000</b>	<b>7,168,690</b>	<b>268,265</b>	<b>15,879,330</b>	<b>73,145,078</b>	<b>47,756,512</b>

