



**Fyne Homes Ltd**  
**Asset Management Strategy**  
**2023 - 2025**

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## **1.1 INTRODUCTION**

### **1.2 Introduction and Context**

Fyne Homes' Asset Management Strategy has been developed to provide the detail required for the management of the assets that Fyne Homes Housing Association owns and manages.

The Asset Management Strategy supports and is informed by the Fyne Homes Corporate Plan and the current thirty year projections.

The Scottish Housing Regulator's Strategic Asset Management Recommended Practice published August 2012 has been referred to as part of the development process of this strategy.

The Strategy has been developed by the Association's Senior Management Team (SMT) in consultation with Staff and Committee members, and the final copy approved by Fyne Homes Management Committee.

### **1.3 Scope of the Asset Management Strategy**

The Asset Management Strategy covers all of the housing and other property owned and managed by Fyne Homes and includes all assets such as play areas, garages and unadopted assets, such as roads, footpaths and septic tanks.

### **1.4 Definition**

Asset Management, broadly defined, refers to any system that monitors and maintains things of value to an entity or group. It may apply to both tangible assets (such as buildings) and to intangible assets (such as human capital, intellectual property, goodwill and/or financial assets). Asset management in this context relates to the development, operation, maintenance, upgrade, and disposal of Fyne Homes buildings and land cost-effectively.

It covers a range of activities required to ensure housing stock meets standards and needs, now and in the future, and is our action plan for ensuring the effective management and maintenance of all of Fyne Homes' buildings and land assets.

### **1.5 Mission Statement, Vision and Strategic Priorities**

Fyne Homes' Vision and Values

Fyne Homes aims to be the landlord of choice in Argyll and Bute.

- Fyne Homes aims to tailor its services to provide appropriate, reliable, accessible housing and support.
- Fyne Homes respects its customers, staff and committee, and approaches its business activities with openness and integrity.
- By engaging with its tenants and stakeholders, Fyne Homes is able to continuously improve its services to meet local needs.

- Through Fyne Homes' best value approach, it aims to ensure its housing costs are affordable, managing resources effectively to maintain and improve its homes to the highest standards.

## Fyne Homes' Strategic Priorities

### Meeting Housing Need

- Invest in Fyne Homes' properties through its programme of capital, cyclical and reactive maintenance.
- Provide high quality new build properties in response to strategic housing priorities.
- Invest in energy efficiency measures in new and existing housing to address fuel poverty and reduce carbon emissions.
- Provide adaptations to enable tenants to remain in their homes when circumstances change.

### Meeting the Needs and Aspirations of Fyne Homes' Customers

- Identify and respond to aspirations and needs of tenants through effective engagement.
- Ensure tenant satisfaction and effective handling.
- Provide support to assist tenants to deal with the impact of Welfare Reform.
- Ensure staff and committee have the skills, experience and abilities to meet the changing needs, issues and aspirations of customers.
- Deliver support for social inclusion, employability and skills development opportunities in the wider community.

### Ensuring Value for Money

- Maintain affordable pricing structure for rents, which provide adequate resources to deliver quality services and housing improvements.
- Minimise void properties and mitigate against the negative impact of welfare reforms.
- Maximise efficiency to provide value for money for tenants and stakeholders.
- Ensure high quality and affordability through effective procurement.

## **1.6 Purpose**

This Asset Management Strategy provides a framework to enable Fyne Homes to manage its stock and other assets proactively and support the Corporate Plan objectives. It helps to ensure that assets are well maintained, meet all legislative standards, and that any investment made supports the strategic direction of the Association.

The purpose of Asset Management is to assist with:

- Meeting housing needs
- Meeting the needs and aspirations of our customers
- Ensuring value for money
- Ensuring compliance with the relevant legislation and standards

## 1.7 Strategic Goals and Objectives

The Asset Management Strategy supports the strategic priorities as set out in the Corporate Plan for 2020-2025. The objectives relevant to the Asset Management Strategy are contained within Table 1.

Table 1 Our Strategic Priorities 2023-2025

Fyne Homes' Vision - 'Building Sustainable Communities'		
Meeting Housing Need	Meeting Needs and Aspirations of Customers	Ensuring Value for Money
Invest in Fyne Homes' properties, through a programme of capital, cyclical and reactive maintenance.	Identify and respond to aspirations and needs of tenants through effective engagement	Maintain affordable pricing structure for rents which provide adequate resources to deliver quality services and housing improvements
Provide high quality new build properties in response to strategic housing priorities	Ensure tenant satisfaction and effective handling	Minimise void properties and mitigate against the negative impact of welfare reforms
Invest in energy efficiency measures in new and existing housing to address fuel poverty and reduce carbon emissions	Provide support to assist tenants to deal with the impact of Welfare Reform	Maximise efficiency to provide value for money for tenants and stakeholders
Provide adaptations to enable tenants to remain in their homes when circumstances change	Ensure staff and committee have the skills, experience and abilities to meet the changing needs, issues and aspirations of customers	Ensure high quality and affordability through effective procurement
	Deliver support for social inclusion, employability and skills development opportunities in the wider community	

## 1.8 Equality

This strategy will comply with Fyne Homes' Equality & Diversity Policy, ensuring compliance with the provisions of the Equalities Act 2010.

## 2.1 ASSET PROFILE

This section describes the current assets owned or used by the Association. Please note that unless stated otherwise all the data in this section was current at the end of November 2023.

## 2.2 Housing Stock Profile

At 30<sup>th</sup> November 2023, Fyne Homes Housing Association owned a total of 1618 properties in Argyll & Bute.

This number is made up of 1582 wholly owned residential properties and 36 part owned residential properties under the Shared Ownership scheme.

In addition to this a further 14 non-residential properties are owned by Fyne Homes, these are: 12 garages in Kintyre, 1 store at A'Chrannag on Bute and 1 commercial property in Deanhood Place on Bute.

The housing stock is located throughout Argyll and Bute in four main geographic areas as set out in Table 2:

Table 2: Housing Stock by apartment size and geographic area:

Area	1apt	2apt	3apt	4apt	5apt+	Total	% of stock
Bute	26	232	208	31	16	513	32%
Cowal	0	204	156	36	10	406	26%
Mid Argyll	0	75	249	82	10	416	26%
Kintyre	0	57	93	95	2	247	16%
<b>TOTAL</b>	26	568	706	244	38	1582	100%

The stock varies in size from zero to 5 bedrooms, but is predominantly one bed (36%), two bed (45%) and three bed (15%).

66% of the properties are flats and 34% are houses.

32.43% of the stock is on the Isle of Bute and 1.14% (18 properties) are located on the Isle of Gigha, with the remaining 66.43% of properties being located on the Argyll mainland.

The housing stock on the mainland of Argyll is concentrated around the main towns of Campbeltown, Lochgilphead and Dunoon. However, Fyne Homes has a number of houses in smaller towns or outlying villages, as depicted below:

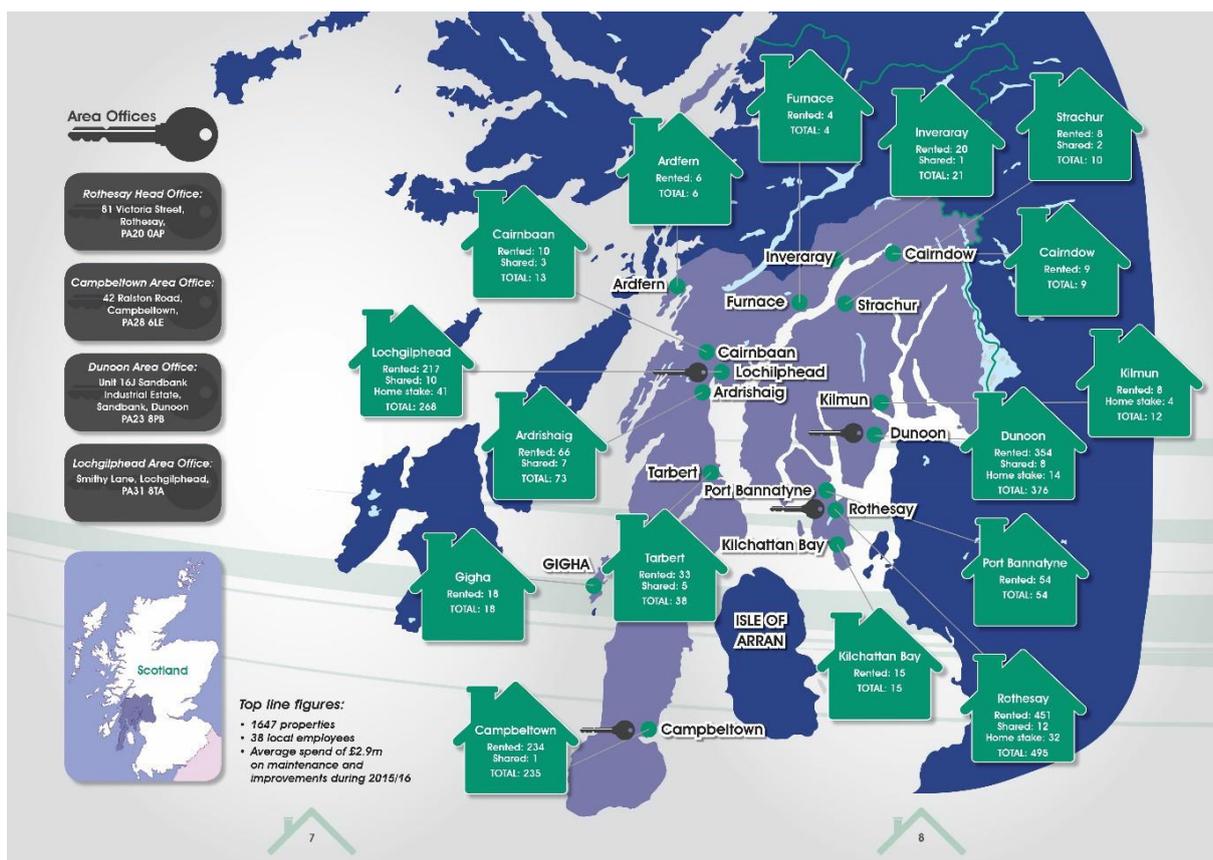


Table 3: Housing Stock by property classification:

Area	General	Ambulant disabled	Medium dependency	Amenity	Wheelchair Housing	Other Specially Adapted	LCHO	Total
<b>Bute</b>	372	8	13	73	6	41	8	<b>521</b>
<b>Cowal</b>	318	15	0	28	7	38	6	<b>412</b>
<b>Mid-Argyll</b>	314	9	8	47	13	25	22	<b>438</b>
<b>Kintyre</b>	143	2	0	63	7	32	0	<b>247</b>
<b>Totals</b>	<b>1147</b>	<b>34</b>	<b>21</b>	<b>211</b>	<b>33</b>	<b>136</b>	<b>36</b>	<b>1618</b>

Fyne Homes has 36 Shared Ownership (Low Cost Home Ownership or LCHO) properties which make up 2% of the housing stock. 27% of stock is classified as amenity or is adapted in some way, and 71% of the housing stock is for general needs.

Fyne Homes has a current active development programme, and in the last 5 years has built new properties in Cairndow, Tighnabruaich and Minard.

### 2.3 Stock Valuations

Fyne Homes' total stock valuation at 30/11/2023 was £67,925,643.

As of 30/11/2023, 956 units were pledged as security with various lenders. Summary of Valuations:

<b>Lender</b>	<b>No. of Units</b>	<b>Security</b>
Bank of Scotland	54	£3,280,004
Clydesdale Bank	98	£4,540,006
Royal Bank of Scotland	504	£21,122,010
Santander	300	£15,657,518
<b>Total</b>	<b>956</b>	<b>£44,599,538</b>

Revaluations were carried out in 2019 for Santander, RBS and Clydesdale and Bank of Scotland revaluations due February 2020.

At 30/11/2023, 663 units were unencumbered.

### 2.4 Non Housing Stock

Fyne Homes owns 2 non-housing properties:

1 store at A'Chrannag on Bute – leased to a resident of the building; 1 commercial property in Deanhood Place on Bute – leased and operating as a barber shop.

### 2.5 Related Assets

The Fyne Homes related assets include:

- Garages
- Play Areas
- Septic Tanks

### 2.6 Land

The current landbank includes the Former Rothesay Upper Academy Site, acquired in 2008.

### 2.7 Temporary Accommodation

Fyne Homes leases 2 properties to Argyll and Bute Council for use as temporary homeless accommodation and 1 property leased to Education for teacher accommodation.

### 2.8 HMO (House of Multiple Occupancy)

Fyne Homes has 2 properties in Mid-Argyll that are licensed HMOs (House of Multiple Occupancy) and are leased to the Health & Social Care Partnership.

## 2.9 Owners

Fyne Homes acts as factor for 332 properties.

The current Factoring Policy is V6, approved IN July, 2020, and is in line with the Property Factors (Scotland) Act 2011 and Code of Conduct which was revised and effective from August, 2021.

## 2.10 Adaptations

Some properties have been adapted to assist tenants with mobility or other health problems. Fyne Homes applies to the Scottish Government for funding to carry out adaptations to tenants' homes on an annual basis.

## 3.1 INVESTMENT IN ASSETS

In terms of Fyne Homes' investment, the priorities will be matters of safety, followed by compliance with the Energy Efficiency Standard for Social Housing, continued compliance with the Scottish Housing Quality Standard and addressing the relative condition of stock.

The stock is maintained by an efficient response repairs service, a planned programme of cyclical maintenance and a programme of capital works based on compliance with standards and condition of elements. These programmed works are detailed within Fyne Homes' life cycle costings.

## 3.2 Response Repairs and Void Repairs

### 3.2.1 Response Repairs

#### a. Response Targets

Response repairs cover all routine 'breakdown' repairs causing inconvenience or a safety risk that are reported by a tenant, factored owner (common area only) or a member of staff. Response repairs are prioritised according to their urgency, with set response times for each category.

Reactive repairs are prioritised on the basis of urgency:

- *Emergency repairs* – complete or made safe within 6 hours. These are repairs necessary to prevent serious damage to the building, danger to health, risk to safety or risk of serious loss or damage to the occupiers of the property.
- *Urgent Repairs* – complete within 3 working days from the date immediately following the date of notification. These are repairs that seriously affect the comfort or convenience of the occupier.
- *Routine repairs (standard)* – complete within 10 working days from the date immediately following the date of notification. These are repairs that will not seriously interfere with the comfort or convenience of the occupier.

## b. Right to Repair

Under the Housing (Scotland) Act 2001, Scottish secure tenancies and short Scottish secure tenancies provide tenants with the right to have small urgent repairs carried out within a given timescale. This is called the Right to Repair scheme.

Repairs which cost up to £350 are covered by the right to repair scheme.

The repairs covered by this legislation are known as 'qualifying repairs' and they include repairs to:

- unsafe power or lighting sockets or electrical fittings
- the electricity or gas supply
- blocked flues to fires or boilers
- external windows, doors or locks that are not secure
- space or water heating systems, if no other sources of heating are available
- toilets that won't flush (unless there is another toilet in the home)
- blocked or leaking drains
- blocked sinks, baths or basins
- the water supply
- leaking or flooding from pipes, tanks or cisterns
- unsafe floorboards or stairs
- unsafe access to the property (for example, an unsafe path)
- loose banisters or handrails
- a broken extractor fan for a kitchen or bathroom with no external window or door

Depending on the urgency of the repair, it has to be carried out within one, three or seven working days. For example:

- a blocked flue, drain, toilet, sink or bath should be repaired within one working day
- a leak from a pipe, tank or cistern should be repaired within one working day
- a problem with the heating should be repaired within one working day
- a loose banister or handrail should be repaired within three working days
- a broken extractor fan should be repaired within seven working days

## c. Pre & Post Inspections

In specific cases, the Association will pre-inspect repair work in line with the Repairs and Maintenance Policy. Such cases will include circumstances where:

- the estimated cost of the repair is over £1,000
- the repair cannot be diagnosed from the information provided by the tenant
- the repair is recurring regularly and may have been misdiagnosed
- the tenant may have caused the repair as a result of damage, for which the tenant may be recharged
- there may be structural problems with the property
- multi-trades are required to complete the works

Where a repair is to be pre-inspected, the tenant will be advised in advance and an access time arranged.

The Association carries out post inspections on a random sample of 10% of all completed repairs as part of performance monitoring of its contractors. The sample will be randomly selected from our property database based on the undernoted criteria:

- where work completed has exceeded the estimated cost and/or level of work instructed
- where a tenant has made a complaint about the quality of the repair work undertaken
- checking that the repair was completed to the standard and relevant specification
- represented good value for money and provided tenant satisfaction

Post inspections will be carried out on 100% of works meeting the undernoted criteria:

- where the cost of the work is above £1,000.00
- where the work is an aid or adaptation

### 3.2.2 Void Repairs

#### a. Void Standard

Works will be carried out to bring vacant properties up to Fyne Homes' minimum lettable standard. Work will be processed in accordance with the Void Management Policy.

The overall aim of this policy is to ensure empty properties are let in an efficient, cost effective and equitable way.

#### b. Minimum Lettable Standard

This is the minimum standard to which all houses should be brought before being re-let. It is the standard which makes a house safe and secure for occupation.

Before a property is re-let, all repairs which are considered essential to make the property habitable for health and safety and security will be done.

The repairs checklist attached to the back of the Void Inspection Report is a useful prompt to ensure the necessary checks have been carried out and repairs instructed accordingly.

#### c. Rechargeable Repairs

Where a repair is required as a result of accidental or deliberate damage by the tenant or owner, a member of their household or visitor to their home, the tenant/owner will be held responsible and will be recharged for the cost of the repair.

The recovery of the cost of these repairs is detailed in the Rechargeable Repairs policy.

The tenant has a responsibility to report repairs promptly to avoid deterioration in the property. They should ensure the property is occupied, heated and appropriately used by members of their household and visitors in line with the tenancy agreement.

#### d. Pre-Allocate Property

In line with the Home Argyll Common Housing Register Policy the Association will pre-select an applicant for a vacant property as soon as possible after the notice has been received. This is to minimise any void rental loss.

### **3.3 Cyclical Maintenance**

‘Cyclical maintenance’ refers to work that is carried out at regular intervals and in some cases to comply with statutory requirements.

Works covered include external painting, grounds maintenance, servicing of heating systems for gas and woodburning stoves.

#### 3.3.1 Cyclical Painterwork

Fyne Homes has an annual painting programme which aims to paint all housing stock on a five-year cycle. Pre-painting repairs are arranged at the same time and are administered by the technical services department.

#### 3.3.2 Gas Servicing

The Association has 894 properties with gas installations that require to be serviced annually to the regulatory standard. As of 30<sup>th</sup> November 2023, 100% of these properties had a valid certificate.

10% of gas services are subject to a check by a suitably qualified independent service provider and these demonstrate that a high quality of service is being delivered.

Landlord Gas Safety Records are submitted by the contractor electronically and held in the dedicated house files. The Association checks and maintains records of the gas certification of the contractor and the qualifications of the engineers employed to ensure compliance with the relevant gas regulations.

Fyne Homes has a robust administrative system to arrange for the servicing of gas installations and is working to a 10-month cycle based on best practise and to ensure compliance. All the necessary steps involved in gaining access to properties for servicing are documented in the gas servicing procedures. These include follow up letters and an explanation of proposed actions.

#### 3.3.3 Wood Burning Stove Maintenance

Solid Fuel is the supplementary fuel type in 14 houses within Fyne Homes’ stock. The solid fuel appliances are serviced annually with a second sweep of flues approximately six months after the date of the annual service, and the repair, replacement of minor components, equipment etc., forming part of the solid fuel installations.

### 3.3.4 Smoke Detectors and Carbon Monoxide Detectors

All houses require smoke detectors and heat alarms (as per legislation in effect as of February 2021) and all properties with gas, oil or solid fuel heating require a carbon monoxide detector. All installations need to be serviced every year and planned for replacement every 10 years.

### 3.3.5 Pressurised Water Cylinders

Fyne Homes owns 497 unvented pressurised water cylinders that are serviced annually.

### 3.3.6 Disabled Adaptations – Maintenance/Service

Fyne Homes works closely with Occupational Therapists and Argyll and Bute Council to facilitate adaptations to allow tenants to remain in their homes despite their changing needs. The Association services installed adaptation equipment annually.

### 3.3.7 Non mains (private) sewerage systems

Fyne Homes owns 4 septic tanks, which are cleaned annually and in line with manufacturer's recommendations. A formal servicing agreement has been developed for the maintenance of these systems.

### 3.3.8 Electrical Installations – domestic

Electrical fixed wire safety inspections of housing stock are carried out every ten years in line with current legislation.

### 3.3.9 Play Area Inspections

Fyne Homes has 16 play areas throughout its area of operation.

The play areas in Fyne Homes' control are inspected monthly by technical services officers; the Association's insurers undertake a full inspection and risk assessment of all play areas annually.

## **3.4 Adaptations**

Fyne Homes undertakes adaptations for its tenants based on their needs as defined by the Occupational Therapy Service and within the grant allocation available from Scottish Government.

The Scottish Government calls for annual bids for a grant allocation for disabled adaptations and the allocation awarded determines the number and value of adaptations Fyne Homes can undertake.

The cost of adaptations is reclaimed as grant from the Scottish Government up to the amount of grant allocation available each year. When the grant funds are fully

committed, adaptation work ceases. All referrals received after that time are held on a waiting list pending the new financial year and the next grant allocation.

### 3.5 Stock Condition and Compliance with Standards

#### 3.5.1 Scottish Housing Quality Standard

The Scottish Housing Quality Standard requires to be delivered by meeting the 5 broad criteria, 55 elements and 9 sub-elements of the standard. For each element, the property is designated as pass, fail, not applicable, exemption or abeyance.

As of 30<sup>th</sup> November 2023, 93.7% of Fyne Homes' stock meets SHQS.

#### 3.5.2 Energy Efficiency Standard for Social Housing

The Scottish Government published the Energy Efficiency Standards for Social Housing (EESH) in March 2014. The EESH set target energy efficiency standards to be met by all social housing by 31<sup>st</sup> December 2020. A second milestone (EESH2) was confirmed in June 2019, for social rented houses to meet by December 2032, and was reviewed in 2023 with a view to aligning it with net zero targets. The purpose of the EESH is to cut carbon emissions and to alleviate the impacts of fuel poverty.

The standards are based on the Standard Assessment Procedure energy rating system (SAP) used to measure the energy efficiency of a property.

As of 30<sup>th</sup> November 2023, 86.2% of Fyne Homes stock meets EESH.

### 3.5 Capital Investment Programme

The capital investment programme is developed in line with life cycle costings and the 30 year business plan.

#### 3.5.1 Current Investment Programme

The current investment programme to end March 2026 is shown in Table 4.

Table 4 Capital Investment Programme to 2025/26

Workstream	2023/24	2024/25	2025/26	Totals
R&M	£1,206,600	£1,367,300	£1,467,000	£4,040,900
Cyclical	£637,100	£776,900	£835,100	£2,249,100
Capital	£1,654,000	£1,908,300	1,960,200	£5,522,500
Med Adapt	£55,000	£72,000	£80,000	£207,000
<b>TOTALS</b>	<b>£3,552,700</b>	<b>£4,124,500</b>	<b>£4,342,300</b>	<b>£12,019,500</b>

### 3.6 Current Capital Investment Programme Framework

A major procurement exercise was undertaken in compliance with the Public Procurement Directive to establish a series of measured term maintenance contracts for a range of works in the period from summer 2023 for a minimum of three years up to a maximum of five years.

Table 5 lists the work packages, the relevant geographic area and framework contractors.

Table 5 Maintenance Packages and Contractors

Lot	Name	Area	Contractor
RMCC Lot 1	Reactive Maintenance and Cyclical & Capital Investment Framework	Bute	George Hanson (Building Contractors) Ltd
RMCC Lot 2	Reactive Maintenance and Cyclical & Capital Investment	Cowal	John Brown (Strone) Ltd
RMCC Lot 3	Reactive Maintenance and Cyclical & Capital Investment	Mid Argyll	MacLeod Construction
RMCC Lot 4	Reactive Maintenance and Cyclical & Capital Investment	Kintyre	McKinven & Colville
GS Lot 1	Gas Services Maintenance	Bute	Bute Gas Services
GS Lot 2	Gas Services Maintenance	Cowal	Alba Gas Ltd
GS Lot 3	Gas Services Maintenance	Kintyre	Argyll Homes For All Limited
GM Lot 1	Ground Maintenance	Cowal	Argyll Groundcare
GM Lot 2	Ground Maintenance	Kintyre	Andrew Duncan
GM Lot 3	Ground Maintenance	Mid Argyll	Andrew Duncan
n/a	Cyclical Painterworks	All Areas	Bell Group

### **3.7 Related Assets**

In addition to houses, the Association owns a variety of related assets (or liabilities) and has implemented strategies for their improvement and repair.

#### **3.7.1 Play Areas**

Fyne Homes is responsible for the maintenance of 16 plays areas and will prepare and implement maintenance plans and review their long-term contribution to communities when they require major renewal.

#### **3.7.2 Garages**

After a programme of demolition, sale and refurbishment, the Association owns 12 garages. Fyne Homes will prepare and implement maintenance plans and review their long-term economic benefit when they require major renewal in the future.

#### **3.7.3 Private Sewage Systems**

The Association has or shares the responsibility for the maintenance of 4 septic tanks.

#### **3.7.4 Private Water Supply**

The Association has one private water supply at Manson View, Cairndow.

### **3.8 Non-Housing Stock**

#### **3.8.1 Store at A'Chrannag and Deanhood Place**

### **3.9 Land**

Fyne Homes owns land at the Former Rothesay Upper Academy Site, which was acquired in 2008.

## **4.0 MEETING HOUSING NEED**

### **4.1 HOME Argyll**

Fyne Homes is part of the successful HOME Argyll Partnership which operates a Common Housing Register in Argyll & Bute. This means that, as well as the many other benefits of partnership working, housing applicants in Argyll & Bute need only submit one housing application for all social housing providers in the area. Fyne Homes works closely with Argyll & Bute Council, Argyll Community Housing Association, Dunbritton Housing Association and West Highland Housing Association, sharing common policies and procedures relating to the housing register and allocations.

## **4.2 Low Demand Stock**

TBC

### **5.1 DEVELOPMENT PLAN**

#### **5.2 Introduction**

The Association's new build strategy and development plans are presented annually to the Management Committee and included within the Strategic Housing Investment Plan (SHIP) which is submitted each year to the Scottish Government by the Council. Since July 2008, when Argyll and Bute Council formed a Strategic Housing Investment Plan Development Group, Fyne Homes has been an active member, and the area SHIP was developed by this group. The SHIP includes all the local RSLs' development proposals. This ensures that Fyne Homes is able to develop in line with local priorities. Fyne Homes also meets the Council's lead officer on a regular basis to discuss development plans and agree housing mix and design issues on proposed sites, in consideration of housing demand and Argyll and Bute Council's Local Housing Strategy.

Priorities and targets require to be regularly reviewed as the new build and investment programme develops to take account of changes in local demand, the effect of housing association development and available funding. Additional development opportunities continue to be made available to Fyne Homes on a regular basis. Factors other than housing demand also require to be considered in prioritising projects, as there is a need to strengthen communities, to meet strategic objectives, and work in partnership with Argyll and Bute Council and other key agencies. Fyne Homes is fully aware of the need to ensure that resources are targeted in areas of high housing demand, but is also aware of the need to balance these competing pressures.

#### **5.3 Development Projects in the SHIP Programme**

The development projects listed below are included in the Strategic Local Programme for 2022/23-2026/27 (please see the SHIP core programme table at Appendix 1).

##### **4.2.1 Existing Projects On-site**

Fyne Homes is currently developing 6 affordable homes for rent as Phase 9 of development at Baddens, Lochgilphead, and most recently took handover of 6 units at Cairndow.

##### **4.2.2 New Projects**

Fyne Homes intends to develop a site for 16 units at Inveraray in 2024/25 and has funding included in the SHIP table for future developments at Lochgilphead Phases 6 and 7, the Rothesay Upper Academy site, Tighnabruaich Phase 2 and Cairndow Phase 2

All future SHIP projects will be progressed in line with Fyne Homes' assessment of local housing need, in terms of unit numbers as well as house mix and type. This

assessment of need may also affect programming in terms of target site starts being brought forward for high pressure areas.

### **5.3 New Build Development Funding**

The development funding package comprises three key elements: the Scottish Government's Affordable Housing Supply Programme (AHSP) grant fund, Argyll and Bute Council's Strategic Housing Fund (SHF) and Fyne Homes private finance. Fyne Homes is supported by the AHSP grant to build new housing for affordable rent and other tenures. Ultimately the Scottish Government decides on the level of support available for this each year within their budgetary process and the benchmarks applied to individual developments. The SHF provides support of up to £12,000 per unit to assist development projects and is critical to the ability of projects to meet Government benchmarks.

The Housing Association grant calculation identifies the amount of private finance borrowing required to support new housing developments. Developments are profiled in 30-year projections to assess their impact on the long-term viability of the Association. Fyne Homes has in the past benefitted from private finance facilities with Santander and RBS.

## **6.1 PROCUREMENT**

### **6.2 Procurement Policy**

Fyne Homes Procurement Strategy & Policy clarifies the procurement route to be followed for the provision of supplies, works and services within the organisation as per Fyne Homes' financial regulations and the Scottish Government Procurement Reform Act 2014 and Procurement Regulations.

Fyne Homes' current arrangements cover the use of 3-year Framework Agreements, extendable to a maximum of 5 years, being in place for reactive maintenance, capital investment, cyclical painterwork, garden maintenance and gas servicing.

In addition, the Association's new build programme is procured and delivered in line with Public Contracts Scotland Regulations 2015 and is compliant with all other relevant legislation.

Fyne Homes' Strategy & Policy are aimed at promoting efficient, effective and sustainable procurement practices throughout the organisation which will reflect the Association's vision, values and priorities.

## **7.1 FUNDING**

### **7.2 Funding Availability and Sources**

The main sources of funds to support the asset management plan are rent received, the business plan support grant from Scottish Government and private lending from various lenders. The cost of the investment profile has been modelled in the 30-year Business Plan against the available budget.

## 7.2.1 Rent

The table below details the rent increases since 2015.

Table 6 Rent increases per annum

Year	Percentage Rent Rise
2015/16	2.8% RPI plus 0.5%
2016/17	1.8% RPI plus 1.0%
2017/18	2.0% RPI Only
2018/19	3.9% RPI Only
2019/20	3.3% RPI Only
2020/21	2.4% RPI Only
2021/22	No Increase
2022/23	3.5% CPI plus 0.5%
2023/24	5%

The 2024/25 rent rise is to be confirmed subject to Management Committee approval. Fyne Homes is committed to the principles of open and transparent consultation with tenants where rental increases are proposed, as required under the Housing (Scotland) Act 2001.

The annual rental income is estimated at £8.2M in 2023/24.

## 7.2.2 Private Finance

Fyne Homes has the following loan facilities in place:

- Private finance from various lenders – Total loan facility of £21,745,809

## 7.2.3 New Build Development

### a. AHSP Grant (Scottish Government)

Fyne Homes is supported by the Scottish Government Affordable Housing Supply Programme grant to build new houses for affordable rent and shared equity.

### b. Strategic Housing Fund (Argyll & Bute Council)

Fyne Homes can apply for funding from the Council's Strategic Housing Fund to support new build development.

### c. Private Finance

The Scottish Government grant calculation identifies the amount of private borrowing required to support new housing developments. The developments are profiled in the 30-year projections to assess their impact on the long-term viability of the Association.

Over the last few years Fyne Homes' development programme has benefited from private funding of £5M from Santander.

## 7.2.4 External Grants

There are a range of external grants that are available to Fyne Homes for asset management purposes, such as:

Scottish Government 'Stage Three' grants to support the adaptation of properties to meet tenant mobility or health problems.

Energy Efficiency grants, which can be obtained from utility companies, the Scottish Government, and a range of other agencies, for energy efficiency improvements or the installation of renewable energy products.

## 8.1 POLICIES

### 8.2 Relevant Policies

Asset Management is supported and delivered through a range of policies and procedures as follows:

- Allocations Policy – HOME Argyll
- Repairs and Maintenance Policy
- Estate Management Policy
- Void Management Policy
- Factoring Policy
- Equality & Diversity Policy
- Complaints Handling Procedure
- Procurement Policy
- Design Guide
- Asbestos Management Policy
- Gas Safety Policy
- Legionella Policy

## 9.1 RISK MANAGEMENT

### 9.2 Risk Register

A Risk Register has been developed focused on the key risks that arise from the Asset Management Strategy and is provided in Appendix 2.

Action – the Risk Register will be reviewed annually.

### 9.3 Health and Safety

In carrying out its maintenance responsibilities, Fyne Homes will ensure that it complies with the Health & Safety at Work etc. Act 1974 and with all supporting legislation and statutory regulations.



## 10.4 IT resources

IT is essential to hold and analyse the significant asset management data that Fyne Homes holds. The main IT resources that contribute to asset management and the areas for development are listed below:

- Capita housing management system: this system holds the property and tenant records, and provides rental management and response repairs management.
- Open Finance: this Finance Management System records all financial details of goods and services purchased.
- Investment programme monitoring database.
- Stock condition database: this has the results of the stock condition survey carried out each year and is updated annually with the elemental completions. The base data was collected in 2009 and 2011 and a percentage of the housing stock is surveyed every year. Last stock condition survey was carried out in October, 2023.
- 30 Year Life Cycle Costing.

## Appendix 1 SHIP Core Programme Table

**TABLE 3: SHIP Core Programme - Potential Completions by March 2027**

Project address	Developer	Units	Anticipated Completion <sup>1</sup>
Keills, Islay	ACHA	4	Feb. 2022
North Connel Phase 2	ACHA	2	2022
Rowan Cottage, Port Appin	WHHA	6	2022
Creamery, Port Charlotte	WHHA	8	2022
Inveraray, Phase 2	ACHA	10	2022
Eton Avenue, Dunoon	ACHA	4	2022
Jeanie Deans site, Helensburgh	Dunbritton	12	June 2022
Sawmill field, Helensburgh	Wheatley Group	36	Sept. 2022
Tobermory (Phase 3)	WHHA	12	Sept. 2022
Colonsay	WHHA	5	Oct. 2022
Rosneath	LINK	49	Oct. 2022/tbc
Bowmore (Phase 4)	ACHA	18	Oct. 2022
Imereval, Islay, Phase 4	WHHA	20	Jan. 2023
18 <sup>th</sup> Tee, Helensburgh	Dunbritton	16	Feb. 2023
Lonan Drive, Oban	LINK	46	March 2023
Hospital Field, Oban	LINK	50	May 2023
Inveraray	Fyne Homes	16	2023
Salen, Mull	WHHA	8	Aug. 2023
Dalintober, Campbeltown	ACHA	25	Nov. 2023
Golf Club Site, Helensburgh	Dunbritton	52	March 2024
Tighcargaman, Port Ellen	ACHA	20	March 2024
Lochgilphead Phase 6	Fyne Homes	2	2022/23
Dunbeg Phases 4, 5 & 6	LINK	150	Feb. 2025
Lochgilphead Phase 7	Fyne Homes	12	2023/24
Glencruitten, Oban	LINK	100	2026
Cardross	DHA	35	2025
Tighnabruich Phase 2	FYNE Homes	10	2026/27
Port Appin Phase 2&3	WHHA	24	TBC
Rothesay Academy, Bute	FYNE Homes	20	2025
Cairndow Phase 2	FYNE Homes	4	2026
<b>Argyll and Bute Total</b>		<b>776</b>	<b>2022-2027</b>

## Appendix 2 Risk Register

Original Ref.	Risk	Risk Appetite	Grs L'hd 1-5	Grs Imp 1-5	Grs Risk Total	Managed by (key systems / processes):	Lead Individual	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Total	Action Required
1	<p>Cost of living crisis</p> <p>Change in welfare benefits affects tenants' ability and willingness to pay.</p> <p>Also includes recharge arrears, service charges and court costs</p>		4	4	16	<p>-Good arrears prevention and management</p> <p>-Have identified all those affected by Universal Credit and other benefit restrictions.</p> <p>-Ongoing provision of welfare advice to affected tenants</p> <p>Continue to transfer tenants to affordable appropriate stock.</p> <p>- Continue to monitor arrears team resources</p> <p>- Ongoing training and communication within the team</p> <p>- Revised allocations policy available early 2020</p> <p>- Arrears work group in place</p>	Housing Director	3	3	9	<p>-Ongoing training on legislative changes</p> <p>-Review of key policies – e.g. arrears management</p> <p>-Cumulative impact of Universal Credit/Direct Payments to be considered</p>
2	Maintaining high standard of Housing Stock		3	4	12	<p>Asset Management Strategy</p> <p>ESSH/ESSH 2, SHQS</p> <p>Life Cycle Costs</p> <p>5/30 year projections</p>	Technical Services Director	2	2	4	<p>-Monitoring of stock</p> <p>Annual Stock condition surveys</p> <p>-Annual updates to 30 year life cycle costs and projections</p>

Original Ref.	Risk	Risk Appetite	Grs L'hd 1-5	Grs Imp 1-5	Grs Risk Total	Managed by (key systems / processes):	Lead Individual	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Total	Action Required
3	Financial impact of interest rate rises, insurance & pension costs and unsustainable overheads which impacts on financial sustainability		5	5	25	-Balanced portfolio of loans -Monitor the market -continue to monitor affordability of current pension arrangements	Business Services Director	3	4	12	-Ongoing monitoring  Monitoring investments/in interest rates  -monitoring of Savings/explo ring funding income streams  financial covenants
4	Not able to dispose of land bank in Bute (Rothesay Academy)		4	3	12	-Discussion with Scottish Government ongoing. -Master plan and valuations being taken forward  Caretaker's cottage purchased.	Technical Services Director	2	2	4	-Develop proposals with partners for SG consideration
5	Loss of IT systems (including business interruption, cyber attacks, malicious activity by staff, etc.)		5	5	25	-Business Continuity Plan for IT -Rev & capital budget for IT Backup and Recovery Systems -IT Strategy & IT policy	Business Services Director/IT Manager	3	4	12	Update plans & policy as advised by TIAA  Continued investment in backup solutions
6	Reputational risk to Fyne Homes and staff		4	4	16	-Code of Conduct for staff -Unacceptable Actions Policy -Staff Support  -Monitoring of Social Media and press releases	SMT	2	3	6	-Continuous monitoring and actioned where appropriate

Original Ref.	Risk	Risk Appetite	Grs L'hd 1-5	Grs Imp 1-5	Grs Risk Total	Managed by (key systems / processes):	Lead Individual	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Total	Action Required
7	Lack of succession planning for Committee Members leading to ineffective governance and Committee composition		3	5	15	-Programme of persuasion -Review of timetable of meetings -Advertising through newsletters -Committee training program in place (eLearning) -Committee skills assessments to identify gaps so that recruitment could be more targeted -Skills assessment carried out -Local authority representation on CoM -available VC facilities	CEO/Corporate Manager	3	3	9	-Gender and age balance to be considered -Geographic coverage to be considered. -emphasis on VC
8	Recruitment and retention of skilled and trained workforce.		3	3	9	-Ongoing identification of succession planning needs through bi-annual workforce planning -High age profile of some key staff -Key roles succession plan in place and reviewed bi-annually	Human Resources Director	2	3	6	-Continuous monitoring
9	Unsustainable overheads for Fyne Homes Group		3	3	9	-Structure in place for parent company to monitor the subsidiaries -Overlap of Board membership and copying of Board papers -Budget monitoring process -Innovative ideas for making savings	SMT	2	2	4	-Ongoing monitoring and review -Innovative ideas

Original Ref.	Risk	Risk Appetite	Grs L'hd 1-5	Grs Imp 1-5	Grs Risk Total	Managed by (key systems / processes):	Lead Individual	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Total	Action Required
10	Major health and safety incident occurs including tenant & resident safety.		3	4	12	-Health & Safety Committee in place - BCMT group and Business Continuity Plan in place -First Aiders -Risk Assessments carried out -All H & S policies and procedures in place to try to reduce risk -Vulnerable person register	Technical Services Director/Technical Services Manager	2	3	6	-Link into local emergency group -Keep all policies, procedures and registers up to date -Various training carried out as and when required
11	Sustainability of subsidiaries impacts on the financial resources/sustainability of Fyne Homes		3	3	9	-Overlap of Board membership and copying of Board papers -SLA between Fyne Homes and subsidiaries for budget management, accounting and HR services;	CEO/Corporate Manager  Business Services Director/Human Resources Director	2	2	4	-Ongoing monitoring and review
12	Pandemic or further Covid outbreak  Major business interruption event.		5	5	25	BCMT and Business Continuity Plan	BCMT	3	3	9	Adhere to Guidelines  Internal processes  Ongoing and reviewed by BCMT

Original Ref.	Risk	Risk Appetite	Grs L'hd 1-5	Grs Imp 1-5	Grs Risk Total	Managed by (key systems / processes):	Lead Individual	Net L'hd (1-5)	Net Imp (1-5)	Net Risk Total	Action Required
13	Regulatory compliance		3	3	9	Accurate and timely completion of returns which include ARC, Annual Assurance Statement, AFS, LP and 5 year projections.  Effective tenant and stakeholder engagement  ARC Validation by external consultant  Comparisons with other RSLs	SMT and Corporate Manager	2	2	4	Adhere to Guidelines and deadlines
14	Non-achievement of Net-Zero targets					Sustainability Audit scheduled October 2023	SMT				Will follow audit