

ASSET MANAGEMENT STRATEGY 2025-28

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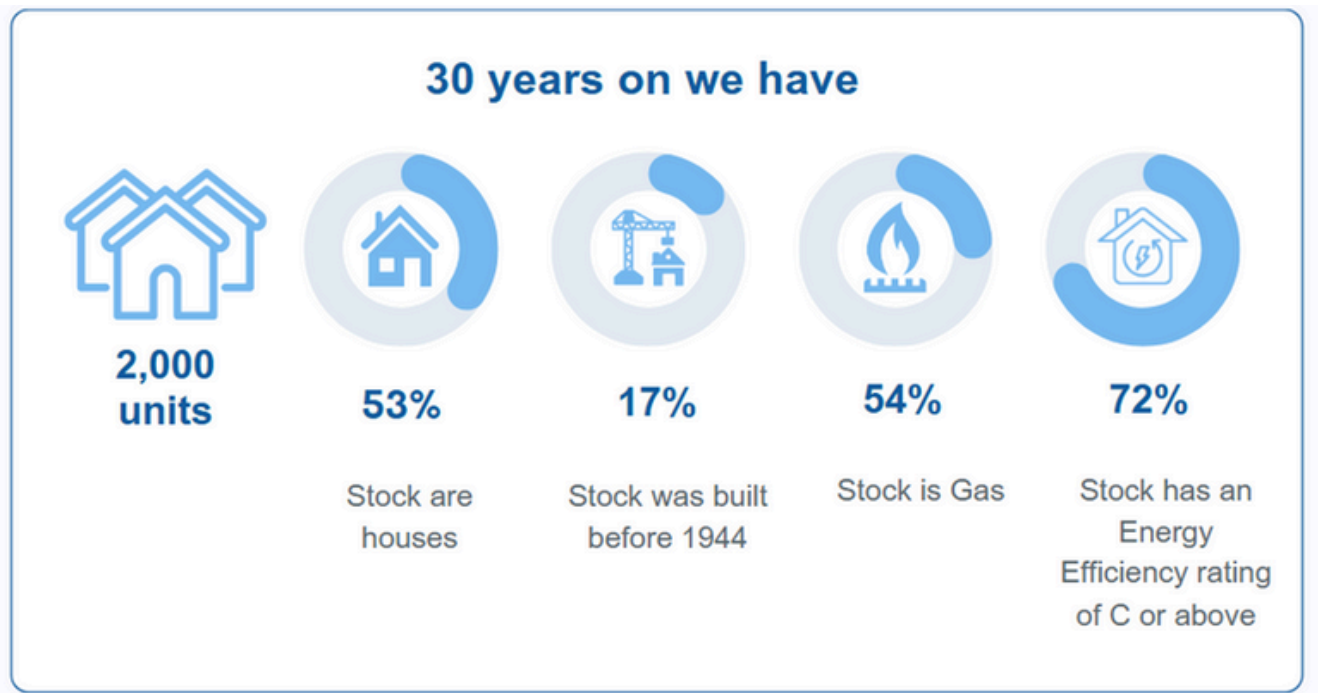
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01 Operating Context

Established in 1995, Berwickshire Housing Association (BHA) was a Local Authority Large Scale Voluntary Transfer (LSVT) with over 2,000 properties transferring over from Berwickshire District Council.



BHA has seen much change in the wider context in which we operate and we can also expect the profile of our customers to continue to change as well:

- They are becoming older
- Are more likely to have a physical or mental disability
- Are more likely to live alone
- Customers have the same expectations of their landlord as other service industries, in terms of communication and quality of service

But at the same time many things are staying the same:

- Our customers are not seeing the benefit of growth in the local economy as incomes remain low
- House prices remain high and inaccessible for many
- Affordability of our homes is key to enabling customers to **“To Realise the Power of Home”** and reach their potential in all aspects of their lives

The wider Scottish Borders area is seeing growth in the local economy, but our customers are not seeing the benefit in their pocket with 40% of our customers on incomes less than £15k.

The cost-of-living crisis has exacerbated the poverty challenge for our customers. As a result, homelessness is on the increase and whilst BHA makes a significant contribution to address this issue, at 7-8% turnover of properties per year we are not close to meeting demand. We currently experience an average of 80.4 applications per vacant home.

Whilst our customer profile is changing the profile of our stock is significantly more static. We have a predominance of 2+ bedroom houses and a significant proportion (38%) are also of an age where significant investment is required.

BHA has low levels of 'specialist housing' within our stock such as wheelchair and amenity housing, and our customers who have particular requirements in their homes also have limited alternative housing options. BHA is an inclusive organisation and will ensure, as much as we can that our new homes are well specified and designed to try and meet the needs of an ageing population and have low running costs.

The energy efficient potential of our homes is good; however, this comes at a time when energy efficiency is being lost to a drive for decarbonisation. This creates added complexity in how we meet the needs of our customers. BHA will continue to balance the need for more affordable housing in the context of a cost-of-living crisis whilst contributing to the decarbonisation agenda and the drive to clean heat, where electricity costs are reported as being 400% the cost of gas.

Our ability to pay for a 'Just Transition' to decarbonisation is also a challenge, but one that affects the whole sector. Whilst significant grants are needed to fund this work, BHA's approach to procurement and supporting the local contracting market whilst achieving value for money is key to how we move forward.

Over the years BHA has strived to be a true community based Registered Social Landlord and in January 2023, BHA's Board approved a new vision and set of values which were co-created by colleagues, board members and reflecting the customer voice.

BHA's vision "To Realise the Power of Home" places our focus very much on the importance of home, which goes beyond bricks and mortar. We believe everyone has the right to a high quality, safe and affordable home and a good quality of life.

BHA's values are shown below:-



Brilliant Basics - Doing what we say we will do, communicating well, taking a person centred approach in our dealings with both customers and colleagues, taking ownership and accountability.



Embrace Change - Actively supporting and embedding change, being flexible and adaptable, a commitment to continuous improvement and actively seeking best practice.



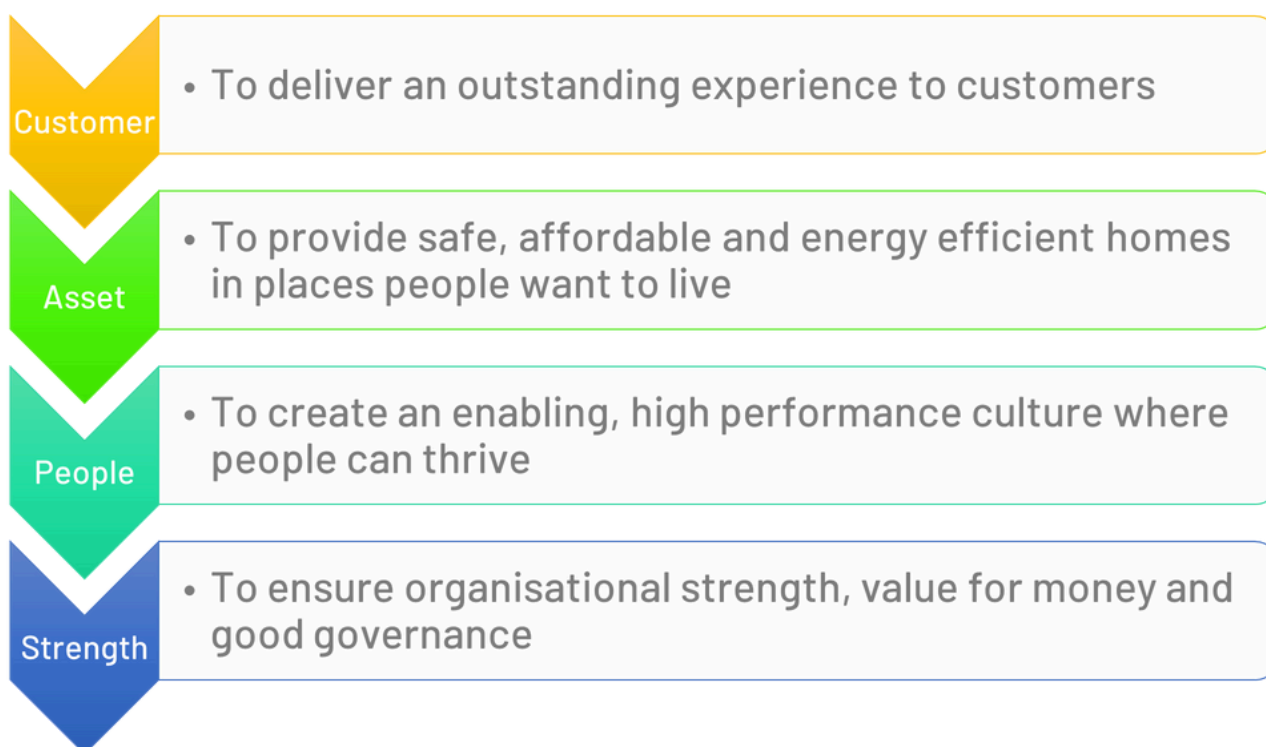
Learn & Grow - A willingness to participate and learn, support the learning and wellbeing of others, providing learning and development opportunities.



Inspire Together - Collaborate internally and externally being approachable, helpful and kind, being non-judgemental, displaying emotional intelligence.

In meeting our vision, the challenge for this Asset Management Strategy is to set out our asset priorities and provide a framework to support asset investment decisions.

Our Business Plan has already identified that our strategic aim in relation to our assets is as set out below, within the context of the other strategic aims relating to customer, people and strength.



02 What are we trying to achieve

The asset strategic aim sets out the ambition for all of our homes, existing and new. However, to achieve this we need to deliver on the following:

Customer – Ensure customer requirements are a key consideration in any asset investment and new build plan.

- We collect the views of our customers in a variety of ways and at a variety of touchpoints (phone calls/formal surveys/transactional surveys/perception surveys) and we will continue to do this, but we will also utilise the knowledge of our Scrutiny Panel to deep dive into specific topics and the willingness of our customer voice group to test specific ideas/initiatives.

Investment Priorities – Set out the investment priorities to enable us to actively manage our assets over the next 5 years.

- As a baseline we need the homes we provide to meet the Scottish Housing Quality Standard, but we want to provide the best homes we can. We will therefore focus on establishing a robust Investment Plan that delivers component replacement in a timely manner and establish a BHA standard which will operate across our reactive repairs, planned and new build programmes aimed at ensuring our homes can meet the needs of an ageing population and are as affordable and easy to run as we can achieve.

Financial Planning – Support BHA's approach to long term financial and other resource planning.

- We have to be realistic with our aspirations and ensure that they can be delivered. We will drive the best value for money out of our procurements and be agile in our Investment Plan to ensure the overall financial strength of BHA.

02 What are we trying to achieve

New Build - Establish the requirements of any future new build plan.

- We will ensure we have robust processes in place to deliver any new build programme minimising risk to BHA but maximising the benefit to our customer and business plan, through careful specification choices, reducing where possible, maintenance requirements.

Decarbonisation - Understand BHA's ability to meet the needs of the decarbonisation agenda.

- At the current time so much is unclear in terms of the wider policy agenda and what we will be required to do. BHA will take a proactive response where it is practical to do so, ensuring the needs of our customers are put first.

Underpinning all of the above is the following two aims:

Data -Taking an evidenced based approach to decision making through our stock condition data and confirm which areas require more information analysis to inform strategic decision making.

- We will continue to review and reflect on the robustness of our data to ensure that we achieve an evidence based approach to decision making. In the first instance we will identify those areas where we need more data or need to improve how our data is managed.

02 What are we trying to achieve

Continuous Improvement – ensuring that we continue to identify and embed improvements in our day to day operations, such as the repairs and compliance functions.

- We will continue to seek out new learning from within and without the housing sector and look to technology to drive continuous improvement in our repairs, compliance and planned functions.
- We will ensure that we are up to date with training particularly in relation to compliance.

Given the lack of clarity at the current time on key asset related government policy positions and the strong inter-relationship with our business and financial planning, this strategy will be aligned with the Business Plan timescale and will be reviewed in 2028.

Delivering our Asset Management Strategy

In order to deliver this strategy and meet the aims identified the following key actions have been identified.

- Develop a 5 year investment plan which can be communicated to our customers and a specific investment plan for meeting decarbonisation requirements.
- Support this investment plan with a planned approach to procurement, to ensure we achieve value for money.
- Introduce an integrated asset management approach to asset management to ensure we are investing in the right places/stock to the right levels, and in the right way. This approach will assess the performance of our stock across a number of criteria, agreed with Board, highlighting those properties which require more investment or alternative options to be considered.
- Develop a criterion to assess which new build sites are most advantageous for us to take forward.
- Develop a plan for ensuring the customer voice is heard in relation to the assets function.
- Consider how to understand better the running costs of our homes to inform the BHA Standard development, with the aim of reducing running costs for the customer.
- Establish a BHA Standard which will sit across our maintenance and new build programmes which will meet the needs and where possible, aspirations of our customers going forward but reflect the ageing population and affordability.
- Introduce a rolling programme of stock condition data collection to ensure that we have a robust baseline to inform the planned programme which is then added to with local and technical knowledge.
- Continue to develop an understanding of our current position in relation to decarbonisation and continue to assess the opportunities partnership working can bring in meeting the aims of the Asset Management Strategy.
- Develop our understanding and appreciation of alternative ways of delivering our asset related services and carry out an options appraisal.

04 Conclusion

The challenges for BHA are not fully clear as we await further guidance in relation to net zero. The ambition is clear though and how we will set out to achieve these.



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