

# Asset Management Policy

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# Asset Management Policy

Equal Opportunities Statement: We are mindful of the definition of equal opportunities set out within the Scotland Act 1998 which states that “equal opportunities” means the prevention, elimination or regulation of discrimination between persons on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinion.” As a Housing Association we are working towards building equalities considerations into all areas of our work.

Risk Management Statement: The purpose of the Asset Management Policy is to set out the strategic direction we will take to preserve our housing stock and sustain a high quality property management service to tenants. In accordance with our Risk Management Module, we require this policy to reduce and manage the risks associated with any deterioration in the condition of our housing stock, the demand for our housing, future stock valuations and our lender’s requirements.

Risk Assessment: Low if policy and practice is followed

## Part 1 – Policy Statement

Successful asset management is fundamental to achieve our Business plan objectives. We take a strategic approach to Asset Management to ensure our business remains viable. We want to ensure our stock remains in good condition, which people want to live in, and is fit for purpose.

For us this means;

- Having well maintained housing which meets local need and helps build and sustain communities.
- A healthy demand for our housing.
- Achieve our commitments to tenants, lenders and the Scottish Housing Regulator.
- Ensure our staff are equipped to deliver the strategy

This document will outline the framework within which we will operate and demonstrate how our stock will be maintained in the future. It will help ensure the necessary resources are available to deliver our commitments whilst maintaining long-term business viability and rental affordability.

Our Internal Management Plan, (IMP), is our key business plan. This is a 3 year plan subject to annual review and includes;

- Financial business plan and 30 year cash-flow
- 2 Year Investment Programme
- Sectional business plans
- Letting Plans
- Risk Management Strategy

It is drawn up with full co-operation of the Board and Staff. Our planning structure is based on maintaining quality homes for tenants, meeting our commitments to lenders and business sustainability. We are also mindful of our responsibility to help meet local and national need and to comply with regulatory requirements.

### **Annual Business Planning Cycle**

| <b>Month</b>   |   | <b>Action</b>  |
|----------------|---|----------------|
| September      | Pre-Budget Review: Review of Stock Information Database (SID) and preparation of the proposed investment programme for the following 2-3 years. | SAO/MO/HCS     |
| October        | Budget preparation by Management Team   | SMT            |
| November       |   |                |
|                | Cash-flow sensitivity analysis.   | HCor           |
| December       | Draft budgets & proposed rent increase presented to Board for consideration.  | DIR/HCor/Board |
| January        | Tenant Rent Consultation Event: Rent increase proposals and draft improvement programme circulated to tenants for consultation.                 | SMT            |
|                | Board approval of rent increase and improvement programme.  | Board          |
| February/March | Annual Board and staff review of Internal Management Plan.  | ALL            |
|                | Annual demand analysis.   | HCS            |
|                | Annual budget approved by the Board.  | Board          |
| April          | Annual approval of 30 year cash-flow.   | Lenders/Board  |
| May            | Annual approval of IMP.   | Board          |

### **Part 2 - Context**

Formed in 1997, Shire Housing was set up to take former public housing into local ownership and control and is still directed by a voluntary board of management.

We are a not for profit organisation with charitable status and exist to provide high quality housing and associated services in an efficient and friendly way. Initially we took ownership of some 1100 houses. Since that time we have invested around £10m in our housing stock.

Over past years, with the support of the Scottish Government and East Ayrshire Council, we supplemented our stock base with a range of new and refurbished properties. However, as housing association grant assumptions have changed we are unable to consider any new development which requires cross subsidy from our existing stock. We continue to work with selected developers and the local authority to make best use of potential development sites within our ownership and pursue modest stock growth through the Mortgage to Rent Scheme.

Locally based and controlled, we are sensitive to the needs of the communities we serve and we work hard to deliver quality and value. Our quality standards have been recognised by the achievement of Investors in People and Customer Service Excellence status.

Our IMP also reflects our strategic fit with the East Ayrshire Community Planning Partnership. In terms of our contribution to the priorities of the local outcome agreement. The priorities focus on four key themes;

- Delivering community regeneration
- Improving community safety
- Promoting health and well being
- Promoting lifelong learning

The Housing Needs and Development Assessment undertaken by East Ayrshire Council indicated a significant shortfall in housing supply across all tenures over the medium term. The Local Housing Strategy is currently being developed to address this issue. Whilst the shortfall in supply differs across the three geographical areas identified, it is reasonable to conclude that existing housing supply will continue to have a degree of demand attached to it. Local issues can influence demand factors from time to time however, these can be addressed through policy and procedural initiatives tailored to local needs.

We operate in 15 villages within East Ayrshire and are based in Cumnock. Many of the villages are former mining communities and suffer from economic challenges with people depending on a range of welfare benefits. Although East Ayrshire Strategic Housing Plan expects an overall population decline of 7.8% by 2018, the number of single households is expected to rise. Given the association's profile of mainly 3 bedroom properties, along with the proposed reforms to welfare benefits, this will provide a challenging environment in which to operate.

## **Part 3 - Asset Profile**

### **3.1 Current Housing Stock**

We currently own and manage 994 properties and 5 lock-up garages within East Ayrshire. The majority of our stock comprises mainstream housing and also includes 11 wheel-chair properties, 20 ambulant disabled properties and 26 properties designed for older people.

The undernoted table categorises our stock by build date and apartment size.

| Build Date    | 2 Apt     | 3 Apt      | 4 Apt      | 5 Apt    | Lock-up  | Totals     |
|---------------|-----------|------------|------------|----------|----------|------------|
| Pre - 1919    | 13        |            |            | 1        |          | 14         |
| 1919 –1944    |           | 1          |            |          |          | 1          |
| 1945 – 1964   |           | 171        | 617        | 3        |          | 791        |
| 1965 - 1982   |           | 2          |            | 1        | 5        | 8          |
| Post - 1982   | 20        | 133        | 31         | 1        |          | 185        |
| <b>Totals</b> | <b>33</b> | <b>307</b> | <b>648</b> | <b>6</b> | <b>5</b> | <b>999</b> |

The majority of our stock, 70%, is of non-traditional construction and the remaining 30% is of traditional masonry or timber frame construction. We have made significant investment in our stock over the years, and will continue to focus on preserving the quality and energy efficiency of our stock to maintain Scottish Housing Quality Standard compliance.

The undernoted table illustrates the breakdown of estates, stock and potential development sites;

| Location / Estate | Stock Number | Potential Development Site |
|-------------------|--------------|----------------------------|
| Auchinleck        | 31           | 1                          |
| Catrine           | 21           |                            |
| Craigens          | 75           |                            |
| Cumnock           | 68           |                            |
| Dalmellington     | 93           | 1                          |
| Galston           | 33           |                            |
| Hurlford          | 56           |                            |
| Kilmaurs          | 1            |                            |
| Logan             | 74           |                            |
| Mauchline         | 57           |                            |
| Netherthird       | 182          |                            |
| New Cumnock       | 142          |                            |
| Newmilns          | 36           |                            |
| Patna             | 125          |                            |
| Rankinston        | 5            |                            |
| <b>Total</b>      | <b>999</b>   | <b>2</b>                   |

### **3.2 Stock Condition**

We know our assets and possess accurate, accessible stock information. The Stock Information Database (SID) records stock condition, component life-cycle and replacement costs over 30 years. This provides a comprehensive management tool to enable evidence based stock investment decisions to be made and tracks our compliance with the Scottish Housing Quality Standard (SHQS).

SID was initially generated from a 10% independent stock condition survey in 2009. It subsequently increased by 20% each year by in-house stock condition surveys carried out by the Technical Staff in post at that time. We aim to achieve a 60%-70%

survey rate to give assurance that our stock condition information remains robust to support evidence based decisions on future stock investment and effective long term financial planning.

The database contains information on the condition and life expectancy of around 100 components in each property.

The data base consists of:

- Property description including, age, construction and heating type.
- Component condition and current life expectancy, for example;

|                   |          |
|-------------------|----------|
| Kitchen           | 20 years |
| Central Heating   | 20 years |
| Window & Doors    | 20 years |
| Bathroom          | 30 years |
| Electrical Wiring | 30 years |
| Roofs             | 60 years |
| Structure         | 60 years |

- A Schedule of Rates providing a cost per component replacement, updated annually in line with BCI indices.
- Reporting and scenario planning tools to produce 30 year lifecycle reports;
  - 30 year summary report. Costed 30 year investment plan, submitted annually to Head of Corporate Services to review long-term financial plans and appropriate sensitivity analysis.
  - 30 year scenario report. As above but relating to scenarios e.g. bringing component replacement forward or back by replacement years to establish the effect on business viability or investment programmes.
  - Property Report. Individual property report, detailing replacement year of components and cost.
  - SHQS Fail Report. Summary of SHQS failures.

SID is regularly updated following completion of investment work and stock condition surveys. Life-cycles and costs are reviewed annually with current price information from new tenders and an annual uplift is applied to costs in line with BCI indices to minimise financial risk.

Independent stock condition surveys are usually carried out on a 5 yearly cycle, the purpose of which is to provide independent assurance to support stock valuations and our stock condition information. The latest independent stock condition survey was undertaken in March 2013 to provide assurance that our stock is on target to comply with SHQS by 2015.

### **3.3 Demand: Lettings Plans**

We need to know if people want to live in our properties now and in the future. We will market our properties and promote our quality services to our existing and prospective customers. We also consider local market information to compare ourselves to other housing providers in the area. Demand for our housing is

considered and reviewed annually. The IMP contains lettings plans which provide an analysis by area of demand, turnover and lettings activity. The Letting plans help identify future challenges in relation to any changing demand for our housing. Analysis over the last 5 years, suggest that periods of low demand tend to be localised and correct themselves over time as demand increases.

Although the recent HNDA undertaken by East Ayrshire Council indicates a continuing short fall in supply across all tenure types, we have experienced a fall in demand in some areas for larger family accommodation since the effects of welfare reform from April 2012. We will continue to monitor the impact of this and carry out option appraisals to ensure all relevant factors and alternatives are taken into consideration before any decision to remodel, rebuild, develop, dispose or demolish is made. This will include;

- Cost Benefit analysis
- Risk Analysis
- Customer satisfaction
- Community benefit
- Alternative Uses
- Consultation with the Local Authority
- Consultation and engagement with customers
- Compliance with contractual and legal obligations

### **3.4 Estates and Neighbourhoods**

We carry out regular landscape maintenance in our estates, common areas and play-areas to ensure our local neighbourhoods are attractive, well-maintained and safe places to live.

We provide a subsidised Garden Maintenance service for elderly and disabled tenants. This helps sustain tenancies and maintain garden areas. We enforce tenancy conditions, in accordance with our Estate Management policy, and work with other agencies to help build and sustain communities.

### **3.5 Our Customers**

We consider the needs and priorities of our customers as part of our tri-annual survey and at regular consultation events. The outcomes of these help to inform our onward business and service priorities, ensuring we are on track to continue to meet the needs of our customers.

## **Part 4 - Performance Requirements**

### **4.1 Scottish Housing Quality Standard, SHQS**

Our performance to achieve full compliance with SHQS by 2015 is monitored within our Standard Delivery Plan. This measures the compliance of our stock against 5 SHQS criteria and we are on track to fully comply with the 2015 deadline.

| SHQS Criteria | 2013 | 2014 | 2015 |
|---------------|------|------|------|
|---------------|------|------|------|

|                                |   |   |   |
|--------------------------------|---|---|---|
| Below Tolerable Standard       | 0 | 0 | 0 |
| Free from Serious Disrepair    | 0 | 0 | 0 |
| Energy Efficiency              | 3 | 1 | 0 |
| Modern Facilities and Services | 0 | 0 | 0 |
| Healthy, Safe & Secure         | 3 | 1 | 0 |

From the table above, 4 properties fail the Energy Efficiency criteria due to heating type and unfilled cavities.

We are mindful of the changing policy environment and the likelihood of higher SHQS targets being introduced in the future.

#### **4.2 Energy Efficiency**

NHER (National Home Energy Rating) and SAP (Standard Assessment Procedure) Monitoring are the energy performance measures we use to determine the energy efficiency of our stock. To meet SHQS energy efficiency criteria, our stock must achieve a minimum NHER target of 5 or a SAP rating of 50 by April 2015.

We have adopted various measures over the years and benefited from energy grants to provide loft insulation programmes and replacement central heating. Through our investment programme, all our stock now benefits from double glazed windows and our ongoing commitment will deliver more efficiencies through central heating replacement.

We have invested in obtaining Energy Performance Certificates (EPC's) for our entire stock base. These certificates provide an alphabetic illustration of energy performance of each house based on estimated CO2 emissions. They, give an indication of energy use of the property and list improvements to reduce improve energy efficiency and further reduce CO2 emissions;

| <b>Energy Rating</b> | <b>CO2 retention level</b> |
|----------------------|----------------------------|
| A                    | 92 - 100                   |
| B                    | 81 – 91                    |
| C                    | 69 – 80                    |
| D                    | 55 – 68                    |
| E                    | 39 – 54                    |
| F                    | 21 – 38                    |
| G                    | 1 - 20                     |

EPC's are a requirement of the EU Energy Performance of Buildings Directive (EPBD). Each member of the EU has an obligation under this directive to promote energy efficient improvements to new and existing buildings.

A database of energy rating certificates of our housing stock has been compiled. A copy of a certificate is provided to every new tenant and displayed in the property. EPC's are valid for 10 years and only require to be renewed after this period when a new tenant takes up occupancy.



### **4.3 Targets**

The sectional business plans, within the IMP, contain targets we aim to achieve to demonstrate we deliver successful asset management, summarised below;

| <b>Target</b>                             | <b>Performance Monitoring</b>  | <b>Timescale</b>                                   |
|---|--|--|
| Strengthen & Validate SID System          | Achieve 60% stock condition survey ratio of stock.<br>Validation of in-house stock condition surveying, next independent stock condition survey March 2013 | September 2013                                     |
| Comply with SHQS                          | Annual Reporting.  | 2015   |
| Annual Repair Trend Analysis              | To inform onward investment programme  | September 2013                                     |
| Maintain the quality of housing stock     | Onward investment programme  | 2 year investment programme                        |
| Maintain stock valuation and validate SID | Independent Stock Condition Survey, 5 yearly survey cycle.<br><br>Bi-annual desk-top valuations and in-house surveys.                                      | March 2013<br><br>Bi-annual Valuation January 2014 |

### **Part 5 - Maintenance Investment**

To ensure we have well maintained housing, we use different types of maintenance to effectively manage our commitments and investment. These are;

Reactive Maintenance – responsive day to day repairs usually at the request of tenants.

Void Maintenance – Work to properties at end of tenancy to allow re-let of the property.

Cyclical Maintenance – Repetitive preventative work undertaken to set timescales.

Planned Maintenance – Programmed major replacement works

We aim to maximise planned and cyclical maintenance to achieve a 60:40 balance of planned to reactive maintenance expenditure, in line with accepted good practice indicator's recognised by Audit Scotland.

#### **5.1 Reactive & Void Maintenance**

Reactive and void maintenance is delivered to a clear set of customer standards in accordance with our repair and maintenance policy. This service is procured every 5 years from a multi-trade contractor to ensure the varied maintenance requirements and geographical challenges of our service can be efficiently met. The service is monitored against Key Performance Indicator's to achieve high standards of workmanship, response times and value for money.

We have used a number of different contract models in the past, from Schedule of Rates (SOR), Partnership models and our current NEC3 Term Service Contract, average order value (AOV) approach. This approach works well for us having delivered administrative efficiencies, value for money and improved financial management in comparison to a traditional SOR model. It has provided an effective mechanism for future procurement. The approach is independently reviewed at regular intervals by an independent Quantity Surveyor to assess costs, value for money and offer critical assessment to help us consider areas of continuous improvement.

Void properties are prepared for relet to a re-let specification and inspected to ensure quality standards are maintained. We use a bespoke computer package to effectively control the void process and ensure that properties are relet as quickly as possible. Sectional business plans, within the IMP, set out targets we aim to achieve for day to day service provision. Void costs are audited regularly to ensure they stand up to scrutiny, identify any cost concerns and highlight areas of potential cost reduction.

We analyse and review reactive maintenance trends as part of the annual SID review to highlight any areas of concern to inform future long-term maintenance decisions.

## **5.2 Cyclical Maintenance**

Cyclical Maintenance is our programme of preventative work which helps us deliver quality housing and meet our statutory responsibilities, this includes;

- Gas Servicing Annual
- Smoke & CO Alarm Testing Annual, aligned with gas servicing
- Gutter Cleaning bi-annual
- External Painter-work 5-yearly
- Electrical Inspection 5-yearly

## **5.3 Planned Maintenance**

Planned Maintenance is investment work carried out to a planned programme. Programmes are designed, typically over a 2 year period, from the stock condition information from SID. Priorities relate to compliance with SHQS and replacement of components which have reached the end of their useful life.

The onward investment programme is informed by SID, our in-house programme of surveys and outcomes from the annual Repair Trend Analysis. The database uses component life cycles to predict replacement years. This may occasionally result in

programmes which are unaffordable in any one given year. In these circumstances, it may be necessary to review programmes over longer timeframes in order to undertake work within available resources. Once sustainable 30 year cash flows are achieved, the onward investment programme is subject to tenant consultation.

Planned maintenance is normally procured from multi-trade contractors where multiple component replacement is required over a programme period. This work is competitively tendered. Delivery of work is monitored against key performance indicators to achieve high quality provision, customer service and value for money.

Our programme of planned and cyclical maintenance ensures we maintain the quality of, and maximise the lifespan, of our housing stock.

Over the short to medium term, planned maintenance investment will be funded from rental income. However, it is also subject to review as part of our 3 year Business Plan cycle.

#### **5.4 Medical Adaptations**

We support the Scottish Government’s policy approach to achieve Life Time Homes, to enable our tenant’s to live independently in their home. Our programme of adaptations is currently funded in full from Scottish Government grant.

We responded to Government consultation regarding the future funding of this work and although we support the overall policy approach, our financial projections do not include for future funding of this work.

When the new position is clarified and further guidance is available, we will review our policy on adaptations.

#### **Part 6 – Procurement & Value for Money**

A key principle to our procurement approach is that we are able to demonstrate openness, clarity, accountability and value for money. We procure services and works contracts competitively on a quality and price basis to achieve value for money and, where necessary, comply with EU procurement guidelines. We adopt different forms of contract depending on our service requirement, the value and timescale of work.

Our portfolio of contracts includes;

| <b>Contract</b>              | <b>Term</b> | <b>Expected Value over term</b> | <b>Conditions of Contract</b>                               | <b>Renewal</b> |
|------------------------------|-------------|---------------------------------|---|----------------|
| Planned Maintenance          | 4 year      | £1.5m                           | Standard Building Contract Scotland, (SBCC) with quantities | March 2013     |
| Repair & Maintenance Service | 5 year      | £2m                             | New Engineering Contract (NEC) 3 Term Service               | April 2016/17  |

|   |        |       |  |                  |
|---|--------|-------|--|------------------|
|   |        |       | Contract, Option C: Target Price             |                  |
| Gas Servicing & Maintenance             | 5 year | £500k | SBCC Measured Term Contract, Fixed Price     | November 2016/17 |
| Landscape & Garden Maintenance Contract | 3 year | £100k | Joint Contract Tribunal, (JCT'98) Firm Price | April 2014       |

We utilise Quantity Surveyor expertise to assist with the procurement of the above contracts to ensure full compliance with procurement and EU regulations. Encouraging open completion via our procurement practice, provides good evidence that our maintenance and investment contracts are awarded at the lowest possible cost for the quality required.

In line with our financial regulations, we will seek 3 quotes for ad hoc capital works between £2000 and £9,999 and competitively tender for work over £19,999.

## **Part 7 - Financial Prudence**

The investment programme is our largest area of expenditure and is reviewed and updated annually to inform annual budgets and long term cash flows. We exercise sound stewardship of our resources to manage future investment in our stock, maintain rental affordability and meet our commitments to Lenders.

### **7.1 Annual Budget Setting**

The annual budget process determines if the levels of rental income projected (RPI+1% or+2%) can sustain the total expenditure in each year and cumulatively.

Budget preparation starts in October for all departments, with the draft budget presented to the Board in December, Tenant Rent Consultation event held in January each year before final approval in March.

### **7.2 Long Term Cash Flows**

The long term cash flow details expected income and expenditure over a 30 year period to a specified range of operating assumptions. It is subject to annual review and approval by Board and lenders.

The profiling of the major repairs programme is crucial ensuring adequate funds are available to operate and sustain future viability. If the modelling process gives cause for concern, budget and programme assumptions must be reconsidered and re-profiled until an acceptable long term model is achieved. Alternatively, changes in rent increase assumptions could be considered.

The operational cash flow allows us to plan when payments can be made to ensure all commitments can be met.

The Association takes a prudent approach when calculating the operating assumptions for Office Management, Day to Day repairs and Major Repairs to ensure it can deliver its commitments to tenants and funders.

### **7.3 Funder Requirements/Covenants**

The Association has borrowings from the Co-operative Bank and the Dunfermline Building Society. The Long Term Cash flow is a requirement of the Facilities agreement between the Association and the Co-Operative Bank.

The majority of the loan, £9.8m from the Co-operative bank, financed the original Large Scale Voluntary transfer purchase in 1997. These assets, (excluding RTB sales), are held as security by the Co-operative Bank and includes monies borrowed for the new build developments.

From 2012, we provide a bi-annual valuation of assets to the Co-operative bank. The actual business income and expenditure details for the year ended, together with the future operating assumptions from the long term cash flows and life cycle costs from SID are provided to DTZ to produce the valuation documentation for the Co-operative Bank.

The Association forwards the Management Accounts quarterly to our Funders together with the Covenant calculations. The covenants are based on 4 calculations.

- Debt per unit
- Income/ Expenditure
- Total Income/ Total Interest Ratio
- Operating Cash Flow/Total Interest

If for any reason the Association foresees a possible breach this must be notified immediately to the Co-operative bank and a resolution agreed. A covenant breach is a Notifiable Event to the Scottish Housing Regulator.

The Dunfermline Building Society holds security of 45 new build properties at Browns Institute 4, Westgate House, 19 and Curling Stone Place, 22

### **7.4 Component Accounting**

Component Accounting is part of Generally Accepted Accounting Practice covering Tangible Fixed Assets. The 2010 Statement of Recommended Practice (SORP) covers this in detail. It requires each component should be accounted for separately and depreciated over its useful economic life. We have agreed with our external Auditors the components which will be depreciated are;

|                 |                                |
|-----------------|--------------------------------|
| Structure       | 50 years life for depreciation |
| Central Heating | 20 years                       |
| Windows/doors   | 20 years                       |
| Kitchens        | 20 years                       |
| Bathrooms       | 30 years                       |

Component accounting was implemented 2011/12, with prior years adjustment in the accounts effective from 1997.

### **Part 8 - Outcome Reporting and Review**

From April 2014, the Regulator will monitor our SHQS compliance from the Annual return on the Charter (ARC).

Performance is monitored by Management Team during regular meetings, quarterly reports to Board and at half-yearly intervals. This ensures we monitor our business plan commitments in respect of budget, service quality, set timescales and customer service. Performance results are reported to and reviewed by the Board and more widely through our Annual Report and our website

In addition, we review performance of contractors against contractual KPI's to ensure the continuance of longer term contracts. We use a range of methods to assess customer satisfaction to inform our approach to services, these include;

- A comprehensive tenant opinion survey on a tri-annual basis.
- Service and contract specific surveys issued to all participants.
- A range of participative events.
- Use of the web site
- Monitoring feedback from complaints
- Consultations on specific areas of work

These mechanisms provide us with a valuable resource to ensure we continue to provide services which tenant's value.

To ensure our policies are fit for purpose, reflective of current regulatory and legislative requirements, we will review this policy in line with the Internal Management Plan every three years.

### **Part 9 - Regulatory Standards of Governance and Financial Management**

In carrying out this policy the Association aims to demonstrate compliance with the following standards:-

1. The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
  - 1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's strategic and financial plans to achieve its purpose and intended outcomes for its tenants and other service users.
- 2 The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.

- 2.4 The RSL is open, co-operative and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in our notifiable events guidance.
- 4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
  - 4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.
- 5. The RSL conducts its affairs with honesty and integrity.
  - 5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.
- 6. The governing body and senior officers have the skills and knowledge they need to be effective.
  - 6.5 The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job.