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| TO: | MHA Board |
| PREPARED BY: | Mark Smith (Director of Asset Management) |
| SUBJECT: | Asset Management Strategy |
| DATE OF MEETING: | 14 April 2026 |
| APPROVED BY: | Paul Martin (CEO) |
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# Asset Management Strategy 2026-29

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**MS/APRIL.2026/REF S6**

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## 1.0 MILNBANK HOUSING ASSOCIATION (MHA) STRATEGIC OBJECTIVES

MHA's mission is to provide excellent homes and services in a thriving community. We believe that people living in the MHA community should:

- Have warm, safe, and affordable homes, and receive excellent services from MHA.
- Live in neighbourhoods that are clean and well cared for, with real community pride.
- Have access to opportunities and services that promote a good quality of life.

## 2.0 MHA's VALUES

Working as 'One Milnbank' so that we offer the same quality of services, support and housing to all tenants and residents.

## 3.0 LEGAL & REGULATORY COMPLIANCE

The Board leads and directs MHA to ensure good outcomes for its tenants and other service users. The Scottish Housing Regulator's Regulatory Framework Financial & Regulatory, Standard 6 states that the governing body and senior officers have the skills and knowledge they need to be effective. MHA adheres to all relevant legal employment requirements associated with this policy.

## 4.0 EXECUTIVE SUMMARY

The Asset Management Strategy (AMS) is a key component of Milnbank Housing Assocaition's (MHA) Business Plan and sets out our vision for the management, maintenance and continuous improvement of our stock and assets over the period 2026-2029.

MHA recognise that our housing stock is one of the Associations principal assets and therefore robust asset management is an integral element of our business planning process. Taking account of the above, the strategic objectives the Strategy will continue to meet are as follows:

- Maintain and invest in the housing stock to ensure tenants continue to live in homes that are warm, safe and fit for purpose.
- Continually monitor stock condition and our understanding of the true condition of our housing stock
- Identify adverse implications for Asset Management arising out of the current energy crisis and, in the longer-term, the Climate Emergency and respond effectively to new challenges that arise.

- Ensure compliance with statutory and regulatory requirements pertaining to Asset Management, including requirements relating to stock, tenant safety and climate change obligations.
- Establish the investment required to maintain and improve our assets over a thirty-year period.

Reflecting the importance of the AMS to our tenants and overall operations, the Association will plan annual Asset Management Scrutiny sessions for Board members to review the achievements during each year of the Strategy being in place, and to agree the necessary updates.

## 5.0 INTEGRATED ASSET MANAGEMENT APPROACH

In February 2023 the Scottish Housing Regulator (SHR) issued recommended practice to adopt a 'whole organisation' approach to managing assets.

An integrated approach to asset management focuses on every aspect of asset performance to establish if continued investment is sustainable. If an asset is fit for purpose, it should be:

- managed efficiently and generating demand;
- in good condition with a costed, affordable maintenance programme;
- making a positive contribution to the landlord's business plan;
- delivering value and amenity.

To achieve an integrated approach to asset management, the Scottish Housing Regulator recommends five practical principles:

- Principle 1: Governing bodies and committees lead the strategic response to asset management and should be assured that assets are managed effectively
- Principle 2: Social landlords should have a comprehensive understanding of their assets
- Principle 3: Social landlords should develop an approach to understanding the value of their assets
- Principle 4: Integrated asset management outcomes should be understood and used as evidence to inform future investment decisions
- Principle 5: Social landlords should use the integrated asset management outcomes to inform their asset management strategies.

MHA will commit to these 5 fundamental objectives, and this Strategy will be strongly influence by them alongside the business needs of the Association.

## 6.0 STONEWORK PROGRAMME

Contained within MHA's assets are 566 No. Pre-1919 tenement flats that present unique challenges. The below table outlines the number of Pre-1919 Sandstone tenements to which MHA, or our Factoring subsidiary Milnbank Property Services (MPS), have an obligation to maintain.

| **Summary of Responsibility towards Pre-1919 Tenement Blocks** | |
|---|---|
| **Tenure** | **No. Pre-1919 Tenement Blocks** |
| **MHA - Fully tenanted** | **6** |
| **MPS – Mixed Tenure** | **105** - 55 No. MHA majority<br>- 39 No. Owners majority<br>- 11 No. 50/50 split |
| **MPS – Fully Factored** | **62** |

The most prevalent issue associated with these blocks is the stonework condition due to the ageing condition and in appropriate materials used for historical repairs.

Historically MHA have encountered two incidents with stone mullion failure due to the exposed location of a particular tenement block. However, for recent notifiable events it is the render like material that has been applied as part of historical repairs that has become 'boss' and detached from the original stone substrate.

### 6.1 Identifying Risk

To ensure continuous monitoring of stonework condition and mitigate health and safety risks to residents MHA have established a robust stonework risk register to establish necessary improvement works and prioritise the most urgent repairs. This is based on annual drone building survey reports and weekly inspections completed by MHA's Estates Officer.

To categorise repairs, the risk register has been broken down into the various states of repair, and a programme has been established to respond to each criterion within associated timescales.

| **Category** | **Timescales** | **Status** |
|---|---|---|
| Immediate | Action required immediately | Ongoing and to be completed by July 2026 |
| Short Term | Action required within 12 months | Currently being planned by Asset team for completion by December 2026. |
| Medium Term | Action required within 1 to 3 years | Currently being planned by Asset team for completion by December 2028. |
| Management | Low to no action required | Monitoring through annual drone building survey report. |

## 6.2 Delivery Plan

In attempt to expedite future stone repairs to properties, MHA have undergone a tender process to establish a Stone Mason Framework. Working in conjunction with a consultant QS the Framework has established rates for varying stonework improvements, allowing MHA staff to instruct stone masons promptly once a necessary repair has been identified.

## 6.3 Management Board Reporting

In December 2025 MHA established a Stonework Working Group that meet bi-monthly. Comprised of MHA Leadership Team and Board Members the purpose of the Working Group is to provide assurance to the Group members, and in turn the Management Committee, with regards to resident health and safety risk associated with the stonework condition of pre-1919 tenement assets.

## 6.4 Cardross Street Project

The Cardross Street project represents the biggest stonework improvement for MHA and involves significant investment. Located at 64-134 Cardross Street and 30 Broompark Drive is a row of pre-1919 tenements that are factored by Milnbank Property Services and made up of a combination of MHA properties that are let for social rent and privately owned flats.

The stonework along Cardross Street varies in condition however improvement works are required to every block. Following much discussion with Glasgow City Council MHA completed a pilot scheme to 134 Cardross Street, as it owns the close outright, to establish rates for associated stonework improvements.

Following this project MHA and MPS have prepared a phased programme to continue stonework improvements along Cardross Street. Participation of private owners is crucial for this programme to continue and where required assistance will be provided to submit relevant grant applications, subject to ongoing commitment from Glasgow City Council.

## 6.5 Ongoing Programme

Given the extent of historical stone repairs that are present throughout the Milnbank area and the age of pre-1919 Victorian tenements the challenge to continually maintain these blocks is not an easy one.

However, throughout the time period of this AMS the proposed strategy in place for annual monitoring and the associated risk register, will position MHA and MPS in the best place possible to manage potential risk associated with stonework.

## 7.0 PRINCIPLE 1

**Governing bodies and committees lead the strategic response to asset management and should be assured that assets are managed effectively**

The MHA board leads and directs MHA to ensure positive outcomes for tenants and other service users. The Board adhere to an intensive programme of regular meetings and training to set corporate policies at a strategic level covering governance, compliance, service delivery issues and financial management.

To provide the Board with as much information and knowledge as possible the CEO, Depute CEO and Leadership Team provide monthly reporting to provide regular updates to the Board.

The flowchart below sets out a suggested approach that MHA can follow to assure our approach to asset management is both effective and integrated.

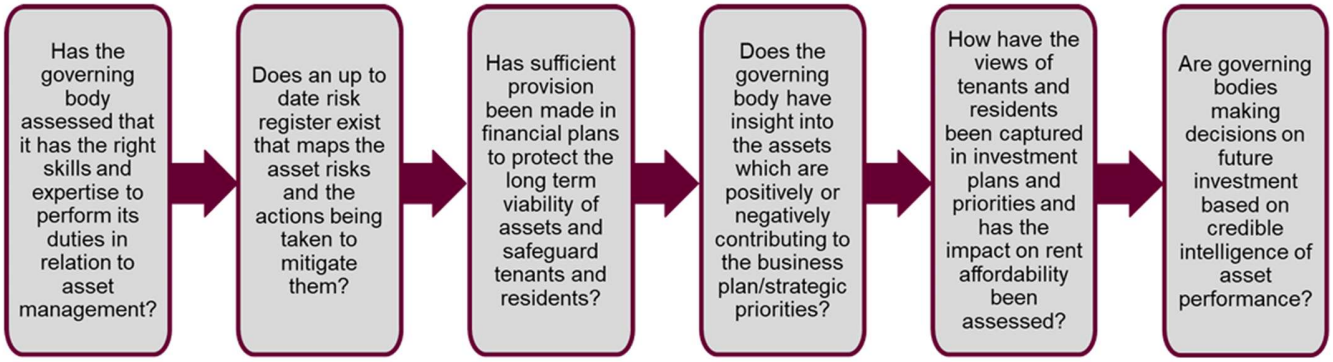



Fig. 1: SHR Integrated Asset Management February 2023 Recommended Practice Principle 1 Flowchart

Has the governing body assessed that it has the right skills and expertise to perform its duties in relation to asset management?

MHA has a proud history as one of Glasgow's original community-based housing associations and to this day the Board is comprised of local tenants and residents. The Board members use a standard MHA Committee Member Skills Audit Form to undertake their annual skills audit and develop any needs that are identified.

In accordance with MHA's Training and Development Policy a stringent series of training sessions are organised for the Board members to enhance their knowledge of current risks and relevant legislation changes.

Does an up-to-date risk register exist that maps asset risks and the actions being taken to mitigate them?

The Asset Management Strategy has an interface with some of the key organisational risks highlighted in MHA's Risk Management Strategy. Indeed, Asset related risks are featured within a monthly Risk Register that is presented to the Board with significant changes highlighted and discussed at Board meetings.

What is more a comprehensive risk register dedicated to stonework condition for the Pre-1919 tenement buildings is shared with the Board, along with a monthly progress report.

Has sufficient provision been made in financial plans to protect long term viability of assets and safeguard tenants and residents?

Provision for upgrading properties have been forecast with 30 year life cycle costing. This ensures that planned investment will maintain assets to a high standard, thus protecting their long-term viability.

MHA have also commissioned regular stock condition surveys to inspect 20% of our stock every year to make sure that all assets are reviewed within a five year period. These surveys will outline required spend to maintain assets to an acceptable standard.

Does the governing body have insight into the assets which are positively or negatively contributing to the business plan / strategic priorities?

Dedicated sessions to present current performance related to every team within the organisation are held bi-annually and this includes updates on stock condition and asset performance.

Prior to undertaking any asset improvement, relevant details are presented to the Board for their direction. Indeed, final approval for all strategic objectives related to MHA's asset management strategy lies with the Board.

Are governing bodies making decisions on future investment based on credible intelligence of asset performance?

From 2025 onwards asset information presented to the board is based on a minimum of 20% stock conditions surveys completed by external consultants to provide an independent analysis of the asset performance.

Proposed programmes for enhancing the stock portfolio are dictated by the survey findings and presented to the Board to allow them to assess improvement projects to ensure they provide value for money and present a positive financial contribution to the business plan.

How have the views of tenants and residents been captured in investment plans and priorities and has the impact on rent affordability been assessed?

As part of regular consultations and satisfaction surveys we carry out throughout the year, we record what our tenants prioritise from MHA as their landlord. This can be anything from investment in our properties, to improving services we provide to them. This data is recorded and then used to help us drive investment programmes to suit tenant requirements.

MHA rent levels are tested against the SFHA affordability tool, and this shows that the Association's rents fall into the affordable category. This is also confirmed by MHA having some of the lowest rents in Scotland and the most recent data from the SHR website shows that, on average, MHA rents are over £70pm lower than the Scottish Average.

## 8.0 PRINCIPLE 2

**Social landlords should have a comprehensive understanding of their assets**

This principle relates to collating intelligence surrounding the assets to develop a comprehensive asset database. This includes collating data for each property from a technical, operational, financial and customer perspective.

The following indicators benchmark MHA's performance in establishing a robust database that can then be interrogated to compare assets and identify those which most need financial investment.

### 8.1 General Property Indicators

**General Property Indicators**

- Property size / Property Type
- Construction Type
- Property Location
- Property Age

MHA's housing stock is made up of a range of property types with a variety of management and maintenance issues.

The below table provides a current breakdown of our housing portfolio by construction type and approximate build date.

**MHA Housing Stock Numbers by Construction Type**

| Construction Type | Stock Numbers |
|---|---|
| Post War Tenement Flat | 848 |
| Pre-1919 Tenement Flat | 565 |
| Post 1980 Flatted Block | 60 |
| Post 2005 Flat | 56 |
| Post 2005 House | 38 |
| Post 2000 Flat | 26 |
| Post 2000 House | 24 |
| Post 1990 House | 24 |
| Post 1990 Flatted Block | 22 |
| Post 1990 Flat | 15 |
| **Grand Total** | **1,678** |

The information in the above table provides a useful snapshot of the most common house types that MHA currently have. There are 7 key house types, albeit they differ in layout depending on size. The construction types can be narrowed down for the purposes of developing the standard specifications for MHA's stock types, particularly in relation to any future energy efficiency solutions.

### 8.1.2 Key Stock Types

MHA has a broad spectrum of property types with various ages of construction. Below is a summary of our stock portfolio typologies.

- Pre 1919 tenements
- Interwar stock (stock transfer from GHA in 2011)
- Post-war stock (Armadales)
- 1980 terraces and flats (previously SSHA housing)
- 1990 houses and flats (Appin Crescent and Cathedral Square)
- Post 2000 houses and flats (Todd Street and Corsock Street)
- Multi storey flats (Duke Wynd)



Pre 1919 Tenements, e.g. Roebank Street



Post 1980 Flats, e.g. Culloden Street



Interwar Tenements, e.g. Walter Street



Post 1990 Houses/Flats, e.g. Cathedral Square



Post-War Flats, e.g. Armadale Place



Post 2000 Houses/Flats, e.g. Todd Street

### 8.1.3 Property Location

MHA works within a relatively compact operating environment across the inner East End of Glasgow. For the purposes of the AMS, these areas have been consolidated into the following groups. The below breakdown shows the key tenanted community areas MHA operate within and the number of properties we have within these areas by construction type.

| **MHA Areas and Tenanted Housing Stock Breakdown** | |
|---|---|
| **MHA Area Breakdown** | **Stock Numbers** |
| **Armadale Area** | **235** |
| Post War Tenement Flat | 231 |
| Pre-1919 Tenement Flat | 4 |
| **Roebank Street Area** | **160** |
| Pre-1919 Tenement Flat | 160 |
| **Bluevale Area** | **203** |
| Post War Tenement Flat | 203 |
| **Cardross Street Area** | **85** |
| Pre-1919 Tenement Flat | 85 |
| **Cathedral Square Area** | **15** |
| Post 1990 Flat | 15 |
| **Great Eastern Area** | **48** |
| Post 2005 Flat | 48 |
| **Haghill Area** | **872** |
| Post 1990 Flatted Block | 22 |
| Post 1990 House | 24 |
| Post War Tenement Flat | 414 |
| Pre-1919 Tenement Flat | 316 |
| Post 2000 Flat | 26 |
| Post 2000 House | 24 |
| Post 2005 Flat | 8 |
| Post 2005 House | 38 |
| **Culloden Street Area** | **60** |
| Post 1980 Flatted Block | 60 |
| **Grand Total** | **1,678** |

It should be noted that the stock numbers within the Annual Return to Charter (ARC) reporting figures differ from the tables above due to 6 properties being leased to third party supported accommodation and, as such are not included within the ARC figures. However, for investment purposes these properties have been included.

### 8.1.4 Other MHA Assets

MHA also owns and leases several other non-domestic assets, outlined below.

**MHA Lock ups**

MHA owns 35 garage lockups all located within the Armadale area (Armadale Place). These lockups are rented to tenants and owners for a nominal monthly sum. The lockups could potentially be repurposed for other uses and given the small income streams currently generated by them, an options appraisal for the long term sustainability of the lockups will be undertaken.

**Land Ownership**

MHA own several gap sites which were acquired during the stock transfer, most of which are not suitable for any future development. A larger area of land located at Appin Road (Haghill) is of a sufficient size for future development which, together with other potential developments, is currently being reviewed.

**Commercial Properties**

MHA own and lease several commercial properties in various locations within our communities, as highlighted below:

| | |
|---|---|
| MHA Furniture Recycling Shop (MHA Owned) | MHA Furniture Recycling Shop (MHA Owned) |
| MHA Furniture Store 17 Roebank (MHA Owned) | MHA Community Café (MHA Owned) |
| Ballindalloch Drive Office (MHA Owned) | Culloden Street Office (MHA Owned) |
| Harcourt Drive Pantry (MHA Owned) | Sannox Gardens Depot (GCC lease) |

**Block Ownership Levels**

MHA have a considerable number of blocks with various factoring arrangements. These range from MHA fully factoring the blocks, through our subsidiary Milnbank Property Services (MPS) to external factoring agents. MHA also have properties in a small number of blocks with no factor, referred to as scatter flats.

The below table provides a breakdown of MHA's current block numbers and their factoring arrangements.

| **MHA Tenanted properties within Flatted Blocks** | |
|---|---|
| Total Number of Blocks | 346 |
| Factored by MPS | 315 |
| Factored by others | 28 |
| No building factor | 3 |

The table below lists the non-MHA factored blocks where MHA tenants reside. This includes stock factored by a private factor, or where no factor exists.

| Properties Not Factored By MPS | Number of MHA Flats in Block | Current Property Factor |
|---|---|---|
| 25 Aberfoyle Street | 1 | 91BC Property Services Limited |
| 34 Aberdour Street | 1 | 91BC Property Services Limited |
| 41 Aberfoyle Street | 1 | 91BC Property Services Limited |
| 438 Cumbernauld Road | 2 | 91BC Property Services Limited |
| 8 Aberfeldy Street | 1 | 91BC Property Services Limited |
| 49 Milnbank Street | 3 | 91BC Property Services Limited |
| 16 Birkenshaw Street | 2 | Hacking & Patterson |
| 21 Aberfoyle Street | 1 | Hacking & Patterson |
| 23 Marwick Street | 2 | James Gibb Residential Factors |
| 290 Cumbernauld Road | 2 | James Gibb Residential Factors |
| 4 Birkenshaw Street | 1 | James Gibb Residential Factors |
| 49 Aberfoyle Street | 1 | Park Property Management |
| 14 Aberfoyle Street | 2 | Redpath Bruce |
| 22 Birkenshaw Street | 2 | Redpath Bruce |
| 30 Aberdour Street | 1 | Redpath Bruce |
| 32 Aberfoyle Street | 1 | Redpath Bruce |
| 35 Marwick Street | 1 | Redpath Bruce |
| 37 Aberfoyle Street | 1 | Redpath Bruce |
| 420 Cumbernauld Road | 1 | Redpath Bruce |
| 53 Aberfoyle Street | 2 | Redpath Bruce |
| 41 Aitken Street | 3 | Ross & Liddell |
| 136 Ledaig Street | 2 | Lowther Homes - GHA |
| 2 Armadale Path | 2 | Lowther Homes - GHA |
| 3 Armadale Court | 2 | Lowther Homes - GHA |
| 440 Townmill Road | 2 | Lowther Homes - GHA |
| 354 Cumbernauld Road | 1 | NO FACTOR |
| 57 Milnbank Street | 1 | NO FACTOR |
| 7 Aberfoyle Street | 1 | NO FACTOR |

MHA have undergone an extensive process to transfer all asset information onto our CRM system, HomeMaster. This software is frequently updated to make sure that a comprehensive asset database is maintained to help group, compare and benchmark assets.

### 8.1.5 Acquisitions and Disposals

In 2024, the Association agreed a policy on Acquisition and Disposals setting out how we will identify and manage a strategic programme of property transactions to improve the overall quality of our stock portfolio over time.

**Acquisitions**

MHA will continue working in partnership with GCC, where grants are available and there are options that prove financially viable to MHA, to address housing need through acquisitions. The policy outlines MHA's strategic priorities which focus on blocks that MPS factor, and our process for assessing the value of such acquisitions in line with SHR's guidance on 'Integrated Asset Management'.

**Disposals**

MHA owns 43 properties in blocks that MPS do not factor. These properties were acquired over the years through various 'Acquisitions Programmes' and the majority are contained within pre-1919 tenements. In most instances, MHA only owns 1 or 2 properties per close making it difficult to ensure common maintenance is carried out.

During 2025/26 a few such flats were sold on the open market due to MHA being unable to offer its tenants properties that are deemed 'fit for purpose'. Given that these properties were originally purchased with grant assistance GCC approval to the disposal has been required.

The policy outlines MHA's strategic aims on disposing of unfactored properties, where repairs cannot be delivered or where the property is financially unsustainable. What is more, this is in line with the SHR guidance. Following Board and GCC approval, where MHA stock is disposed, our policy states that any funds received will be used to help pay for future acquisitions of land or property to ensure that letting numbers are maintained. Indeed, all financial income from disposal of flats is to be recycled into new acquisitions with the focus on contemporary properties which should present lower maintenance requirements.

## 8.2 Tenant and Resident Safety Performance

**Tenant and resident safety performance**

- Tenant and resident safety risk rating
- Tenant and resident safety

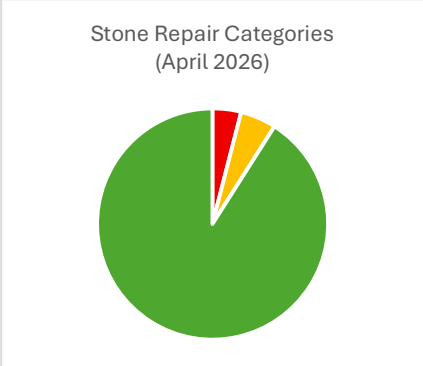
In order to protect the safety and wellbeing of our staff, tenants, owners and general public MHA has Health and Safety procedures to ensure compliance with applicable legislation and regulations relating to both people and property.

The Association utilises the EVH Health and Safety Manual to manage compliance with relevant health and safety requirements and legislation. Policies and procedures are regularly reviewed and updated when significant changes are made to legislation or guidance. MHA has in place policies and procedures to manage the key asset management risks:

- Gas Safety
- Fire Safety
- Damp & Mould
- Electrical Safety
- Asbestos
- Water Safety
- Lift Safety

Risk assessments and safe systems of work are in place and information on health and safety is communicated to staff, contractors and relevant personnel to ensure compliance with legislative and regulatory requirements. In addition to the above identified risks MHA have also undertaken an integrated approach to managing stonework conditions and associated hazards. This has included the development of a comprehensive risk register for all pre-1919 tenement blocks that are either fully owned by MHA or factored by MPS.

Based on the findings of annual drone building surveys completed by a consultant building surveyor, sandstone improvement works are categorised into immediate, short term (12 months) or long term (1-3 years). MHA have established a stonework repair programme to address the findings of the survey reports that is currently ongoing and is expected to continue fo the lifespan of this AMS. Necessary finances have been set aside in annual budgets to address stonework improvements.




| Item | Delivery Plan |
|---|---|
| **Immediate** | - To be completed by July 2026 (60% complete) |
| **Short Term (12 months)** | - Schedule to be created, to complete works by October 2026 (9 No). |
| **Medium Term (1 to 3 years)** | - To be programmed following completion of short-term blocks (153 No). |

Fig. 3: Stonework Repair Categories

## 8.3 Investment Performance

**Investment performance**

- Internal component costs
- External component costs
- Non-traditional investment costs
- Mixed tenure costs
- 10-30 capital costs

MHA's Asset Management Strategy aligns with the Business Plan and as such, sets out a committed approach to the maintenance and refurbishment of our assets to secure their long-term future. A central part of our decision-making centres on the ability to collect and maintain data that is accurate and reliable. Therefore, MHA carry out stock condition surveys to continually gather information and update our asset database and life cycle costing information. We aim to have a 20% stock condition survey assessment carried out on an annual basis. This objective will provide confidence that our assumptions and methodology relating to our long-term future investment needs is as accurate and effective as possible.

Our information base includes stock condition surveys that incorporate internal and external condition of properties as well the status of common close areas. As part of this process, completed by external consultants, MHA are also presented with Life Cycle Costing model, with cost projections for 30 years, that can be integrated with internal financial modelling. This survey process and associated costs allow the alignment of planned maintenance, cyclical maintenance and other programmes that are considered asset management priorities

## 8.4 Mixed Tenure Performance

**Mixed Tenure performance**

- Funding available
- Minority ownership
- Front funding requirements to meet property targets

Within the 307 blocks that are factored by MPS, there are varying levels of MHA ownership. A summary of the percentage ownership levels is shown in the below table:

| **MHA Ownership % by Block** | |
|---|---|
| **MHA % Ownership** | **MHA % summary (by block)** |
| 1%-24% | 13 |
| 25%-49% | 39 |
| 50%-74% | 92 |
| 75%-99% | 76 |
| 100% | 87 |
| **Grand Total** | **307** |

MPS also provide a fixed factoring service to owners within our communities and currently factor 76 additional blocks where MHA do not own any flats within the close.

Whilst front funding of major projects is not provided due to the associated financial risk, where applicable MPS will consult with owners and offer guidance on what funding is available to them.

## 8.5 Customer Performance

**Customer Performance**

- Turnover
- Refusals
- Demand – Waiting List: Turnover ratios
- Quality / satisfaction rating

As well as completing a largescale tenant satisfaction survey every three years, MHA complete consultations and satisfaction throughout the year also. Everything from repairs satisfaction to tenants' future needs and service satisfaction are embraced within this consultation. Tenants are invited to report their priorities in terms of tenancy, property or services, and this data is then fed back into our forward planning. This data has been used to identify the needs for new kitchens, bathrooms and windows within our stock, and this has been factored into our investment plan.

MHA are fortunate to enjoy high tenancy sustainment (95.7%) and low turnover (6.09%). Recent figures do show increasing levels of customers who refuse an offer of a property (40.3%) for varying reasons including area and property type; however, the Association do not have any stock that is classed as difficult to let. Our continued values, noted below, guide how we work with customers to ensure high levels of satisfaction are maintained.




Fig. 4: MHA's Values

## 8.8 Energy Performance and Fabric First

**Energy Performance**

- EPC rating
- Heating system
- Energy investment costs
- Net zero/decarbonisation costs

The Scottish Government is yet to respond to consultation on Social Housing Net Zero Standard (**SHNZS)**. At present there is no indication as to when there may be any further guidance from the Scottish Government.

In attempt to be proactive MHA commissioned an energy consultant to carry out an in-depth study into our house types and how they could be improved to improve their thermal performance.

The report, completed in April 2026 is an extensive body of work that identifies three typical house types within our stock portfolio and investigates appropriate energy efficiency improvements. In addition, the study outlines what clean energy solutions are available for our properties.

Fuel poverty is a driving force for the outcome of this report in attempt to ensure that proposed energy improvements place MHA tenants and their heating costs at the forefront of decisions.

It is hoped that the study will lead to, at the very least, a pilot project being completed over the lifetime of this current Asset Management Strategy. Future phases of works will be very much dependant on available funding. Indeed, due to the scale of the work, there will be a requirement for considerable tenant engagement. This would include identifying any current fuel poverty issues and ensuring everyone fully understands the objectives and process of the proposed works.

Pilot projects will help to inform the way forward for all the stock and give an indication of the feasibility of a roll-out across our portfolio, in terms of timescales and costs, but particularly in terms of tenant buy-in to this scale of investment.

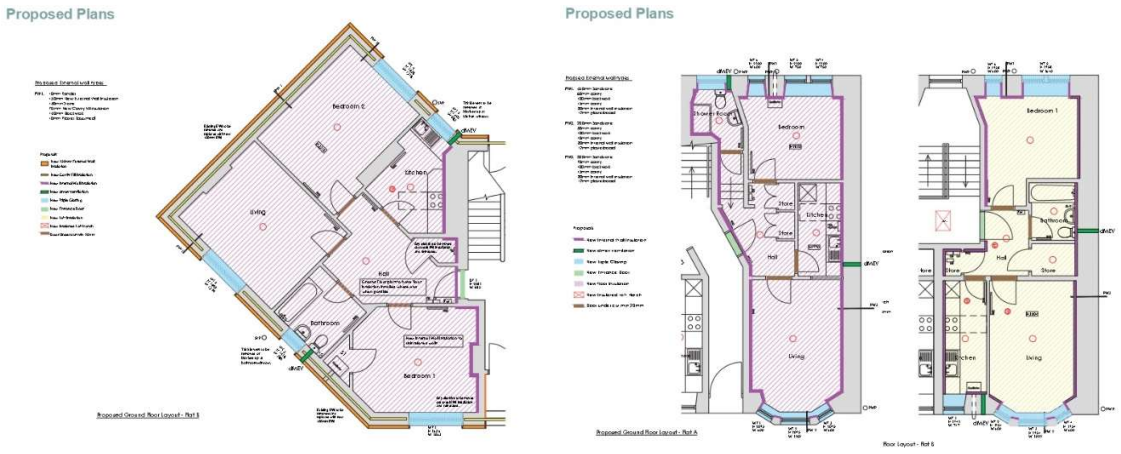



Fig. 5: Proposed works from recent Typology Study

## 9.0 PRINCIPLE 3

**Social landlords should develop an approach to understanding the value of their assets**

The main factors influencing MHA's asset management approach, outlined in the Business Plan are:

- The age, condition, and performance of the housing stock
- Demand for our housing
- Future investment needs to ensure our housing continues to meet the SHQS, mandatory energy efficiency standards, and the aspirations of tenants.
- MHA's financial capacity – what we can afford to spend in our homes and at what pace.
- Whether we should consider alternative uses or disposal for any of our property assets.

The Association is now in receipt of considerably more information relating to the condition of its stock both internally and externally due to the recent Stock Condition Surveys (SCS). Whilst the results of the survey have been analysed in relation to the current year, there is still further work to be done regarding the programme during the next 5 years and how this affects financial projections, and ultimately the Business Plan. This is a key challenge for the Asset Team who will continue to work closely with the Finance Team.

Over the lifespan of this strategy, it is intended to establish an evidence-based database for improving our housing stock that will be dictated by the ongoing SCS programme. This database will categorise our stock portfolio to put forward a scoring system that will guide decision making on continued investment. This process has commenced, however will be enhanced by the ongoing SCS programme.

In addition, by categorising our stock this will allow a comparison against our peers and the Scottish average to identify the assets which may not be fit for purpose and to assess what's driving poor performance. A traffic light system, as peer the below guidance provided by the SHR, will be established and this will allow MHA to identify where the greatest impact can be made in terms of improving assets.




Fig. 6: SHR Integrated Asset Management February 2023 Recommended Practice Asset Performance Scores

At present, MHA are aware that a percentage of our housing stock does not comply with Scottish Housing Quality Standards (SHQS). The SHQS provides the minimum quality baseline for MHA's homes. The current compliance levels with SHQS is 73% (at March 2026) made up as follows:

| **SHQS Performance 2023/24 (ARC Indicator C9)** | | | |
|---|---|---|---|
| | | **End of the reporting year (2025-26)** | **End of the next reporting year (2026-27)** |
| C9.1 | Total self-contained stock | 1,679 | 1,674 |
| C9.2 | Self-contained stock exempt from SHQS | 68 | 68 |
| C9.3 | Self-contained stock in abeyance from SHQS | 49 | 47 |
| C9.4.1 | Self-contained stock failing SHQS for one criterion | 193 | 100 |
| C9.4.2 | Self-contained stock failing SHQS for two or more criteria | 9 | 9 |
| C9.4.3 | Total self-contained stock failing SHQS | 202 | 109 |
| C9.5 | Stock meeting the SHQS | 1,360 | 1,450 |

There are certain aspects of the SHQS requirements that our properties cannot meet and the SHQS abeyances and exemptions are typical of the pattern shown by housing associations whose stock includes significant numbers of pre-1919 tenements that were renovated during the 1970s to 1990s. Most are mixed tenure blocks. The most common reasons for exemptions and abeyances in MHA's stock include:

- Exemptions: Works cannot physically be carried out because of the size or layout of a property; works are needed to common areas in a building where MHA is not the factor. It is known this accounts for 4% of the stock.

- Abeyances**:** Works are prevented because tenants or owner's object. Currently, this accounts for 2% of the stock.

Stock meeting the standard, current known exemptions, and abeyances accounts for 88% of the stock. The remaining stock (12%) which does not meet the standard is due to EESSH indicators associated with SHQS compliance. Considerable improvements in this area have been made due to an extensive programme of fitting energy efficient boilers, and it is hoped that by continuing this strategy future figures will show a further reduction in the number of SHQS and EESSH failures. Maintaining and improving tenants' homes to meet SHQS is a priority in terms of improving the value of our assets, and MHA will continue to carry out improvements and upgrades where reasonably practical.

## 10.0 PRINCIPLE 4

**Integrated asset management outcomes should be understood and used as evidence to inform future investment decisions**

The importance of accurate and up to date stock condition survey information is vital in continuing to accurately planned investment within MHA's assets. As highlighted in various areas throughout this document, key information is now on our central database contained within Home Master. This includes asset and financial information, results of the SCS, component information, cyclical information, compliance related issues such as gas servicing, asbestos etc.

Through scrutinising the central database, MHA will categorise the assets to be prioritised for improvement works and establish a phased approach best suit budget projections to ensure continued financial viability.

### 10.1 Risk Management

The Asset Management Strategy has an interface with some of the key organisational risks highlighted in MHA's Risk Management Strategy. These relate to statutory and regulatory obligations, performance management of voids and tenant safety. In order to obtain best value, the Associations assets should be maximised and well maintained. Where required MHA and MPS will liaise with owners of mixed tenure or fully factored blocks to access any available grant funding for major external investment works.

### 10.2 Development Programme

The Association is keen to consider new build development sites, in order to meet tenant aspirations for quality homes. However, the Management Boards' strategic position is that MHA will only develop where it is demonstrated there is no detriment to the Association or its tenants from the proposed development e.g. the NPV of the new development results in a financial improvement in MHA's Business Plan. This position protects existing rent levels for tenants and maintains or reduces Milnbank's level of debt.

In 2022, Glasgow City Council invited the Association to consider the acquisition and development of the former Haghill Primary School, which is within our core stock area. The project which comprises of 48 new homes has been fully designed and programmed for a late 2027 completion.

Whilst MHA would not commit to breaking ground with another newbuild development until the Haghill Primary School project is complete we are not averse to completing feasibility studies to investigate other potential development sites within our locale.

## 10.3 Appraising the options

The key factors influencing MHA's asset management approach as outlined in the Business Plan are:

- The age, condition, and performance of the housing stock
- Demand for our housing
- Future investment needs to ensure our housing continues to meet the SHQS, mandatory energy efficiency standards, tenant aspirations
- MHA's financial capacity – what we can spend at an affordable pace

The Association is now in receipt of improved information relating to the condition of its stock both internally and externally due to the ongoing programme of stock condition surveys. Whilst the results of the survey have been analysed in relation to the current year, there remains further work to be done regarding the 5 years investment programme and how this affects financial projections, and the Business Plan. This is a key challenge for the Asset Team who will continue to work closely with the Finance Team.

Future investment programmes must not supersede necessary cyclical maintenance works that are essential to ensure regulatory compliance and well-maintained assets. The primary areas our cyclical maintenance programme will cover over the course of the next 5 years will be:

- Annual gutter cleaning (where necessary to ensure money is well spent)
- Gas servicing
- Electrical 5-year period inspections (EICRs)
- Common ventilation system upgrades, including servicing and maintenance.
- Common close painter work, including externals.
- Timber window painting and inspections.
- Inspection and repair of non-adopted footpaths, roadways & drainage.
- Annual fire risks assessments and associated regulatory maintenance.
- Asbestos testing as required to accommodate works.
- Lift servicing and maintenance
- Water safety and legionella Hygiene

Preventative maintenance must continue to be carried out in areas most at risk of deterioration and to preserve the aesthetics of our common areas and blocks. By ensuring budget projections allow for essential maintenance programmes, future investment projects can be better planned. Close collaboration with MHA's finance team will allow the true impact of investment and improvement interventions to be aligned with business plan ambitions.

Moreover, a cohesive approach will meet future newbuild ambitions by creating opportunities to review whether additional capacity can be created within an investment programme to support borrowing for new development.

## 11.0 PRINCIPLE 5

**Social landlords should use the integrated asset management outcomes to inform their asset management strategies**

## 11.1 Setting asset management strategy targets

The AMS attempts to reconcile activities associated with maintaining stock in a good condition, meet the aspirations of tenants and achieve compliance with legislative and regulatory requirements whilst ensuring MHA's assets remain fit for purpose. Whilst a plan is in place for the time period covered by this AMS there are many challenges ahead, some of which are out with MHA's control, that could impact on our AMS.

It is important to recognise challenges for the immediate financial year 2026/27

***Economic Uncertainty.***
Recent world events have a knock-on effect on the financial climate that could increase costs for projects.

***Cost of addressing component replacements***
Recent kitchen programme has provided a sound knowledge of current prices. Next programme is being tendered for 3 years (kitchens and bathrooms) to maximise value for money.

***Availability of up-to date stock condition information.***
There can be no doubt that information has improved and commitment to survey 20% of our stock on an annual basis will only improve our knowledge of assets.

By continually updating our stock condition information the Asset team will be able to categorise every property into a traffic light system as detailed in Principle 3 section of this report.

***Lack of comprehensive guidance over Net Zero targets and legislation***
MHA is committed to reducing energy consumption and reducing our carbon footprint as both Landlord and Employer. Fuel poverty for our Tenants must be the forefront of this commitment.

However, until any comprehensive targets are confirmed any project is at risk of failing to meet future performance criteria.

***Can MHA upgrade our stock, meet the regulatory requirements, and keep rents affordable and maintain current service levels?***
Costs versus rent levels/income and the effect the cost-of-living crisis and fuel crisis require constant monitoring. From an Asset view, improvement programmes must continue to address MHA's ageing housing stock.

### 11.2 Action Planning

Action plans will be prepared for every financial year based on available budget and priority projects. Annual updates to the AMS will highlight targets and commitments that MHA have prioritised for implementation each year to improve the sustainability of our housing asset base.

Below is the anticipated expenditure for 2026-27.

| **Capital / Non-Capital Repairs 26/27** | **Works Costs (inc. VAT)** | **Consultant fees (inc. VAT)** | **Total (inc. VAT)** |
|---|---|---|---|
| **Component Replacement** | | | |
| Kitchens (75 No.) | £325,000.00 | £7,900.00 | £332,900.00 |
| Bathrooms (25 No.) | £105,000.00 | | £105,000.00 |
| Boiler Programme | £80,000.00 | | £80,000.00 |
| Armadale Court flat alterations | £136,800.00 | £5,000.00 | £141,800.00 |
| Reactive Replacements | £100,000.00 | | £100,000.00 |
| SDHD Replacements | £100,000.00 | | £100,000.00 |
| **Non-Component Replacement** | | | |
| Stonework | £150,000.00 | | £150,000.00 |
| Drone surveys | £22,500.00 | | £22,500.00 |
| Backcourts Pilot | £50,000.00 | £5,000.00 | £55,000.00 |
| SHNZS Pilot | | | Funding Dependant |
| EPCs | £6,600.00 | | £6,600.00 |
| 64,70,76 Cardross Street | £300,000.00 | £15,000.00 | £315,000.00 |
| Culloden balconies | £73,728.00 | | £73,728.00 |
| Stock Condition Surveys | £40,000.00 | | £40,000.00 |
| **Accumulative Total** | | | **£1,522,528.00** |
| Budget | | | £1,550,000.00 |

The above targeted projects will be subject to ongoing budget monitoring and owner participation, where applicable.

It is imperative that planned investment work s must not compromise cyclical maintenance and compliance to ensure homes remain safe and to prevent deterioration of MHA's assets.

## 11.3 Developing the asset management strategy: Who to involve?

In order to implement a truly integrated Asset Management Strategy, input will be sought from the below groups, and any others deemed relevant, to ensure that the impact of proposed improvements and ongoing maintenance is maximised throughout our Asset base.

***Management Board***

Prior to undertaking any asset improvement, relevant details are presented to the Board for their direction. Indeed, final approval for all strategic objectives related to MHA's asset management strategy lies with the Board.

***MHA Tenants***

Annual customer satisfaction surveys and ongoing repair satisfaction surveys will be interrogated to influence future investment decisions and repair programmes.

***MHA Teams: Asset and Maintenance Team & Housing Team***

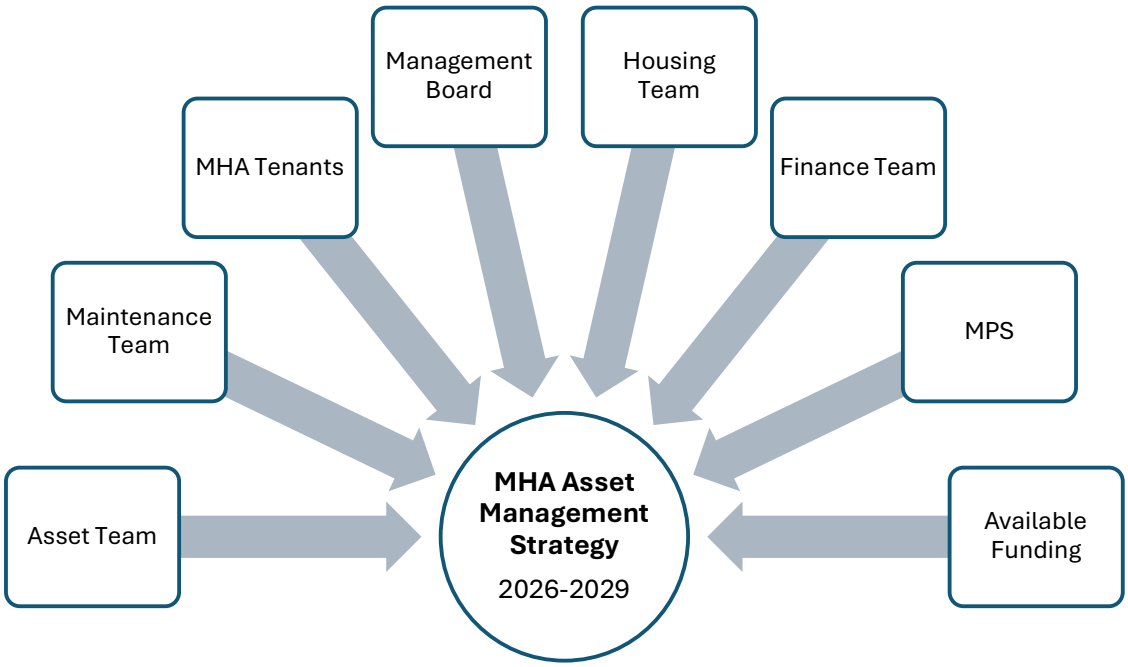
Analysis of day-to-day repairs and tenant visits will play a major part in creating a knowledge bank that will strongly influence investment programmes.

***Finance Team***

Budget monitoring and financial appraisals are fundamental to steering cyclical and planned investment programmes.

***Milnbank Property Services***

Dialogue with private owners within mixed tenure and fully factored blocks will be essential to common improvement works throughout MHA's asset base.



### 11.4 Performance Snapshot – Repairs & Maintenance

External contractors provide all necessary services to carry out reactive repairs, gas maintenance and void works, all in accordance with the Associations target timescales. MHA has an above average performance for the Charter Indicators that relate to repairs, in comparison with other social landlords. For our most recent performance report to the Scottish Housing Regulator (24/25)

- **77% of MHA homes meet the Scottish Housing Quality Standard**
  Failures are generally due to electric heating which we hope to phase out.
- **Emergency repairs are completed in just 2.56 hours**
  Scottish average of 3.89 hours, showing our commitment to rapid response.
- **Non-emergency repairs are completed in an average of 4.5 days**, significantly outperforming the national average of 9.13 days.
- **91.9% tenant satisfaction with repairs and maintenance**
  compared to a national average of 86.75%.

| Key Indicators | 2024/25 | 2025/26 (Up to end Jan.) | Scottish average (2024/25) |
|---|---|---|---|
| **Overall satisfaction with repairs service** | 91.9% (Last year 91.9%) | 91.57 % | 86.75% (Last year 87.3%) |
| **Reactive Repairs completed 'right first time'** | 88% (Last year 87.5%) | 97.86 % | 88.02% (Last year 88.4%) |
| **Average time to complete emergency repairs** | 2.56 hours (Last year 2.7 hours) | 2.71 hours | 3.89 hours (Last year 4 hours) |
| **Average time to complete non-emergency repairs** | 4.5 days (Last year 4 days) | 5.3 days | 9.13 days (Last year 9 days) |
| **Stock achieving the Scottish Housing Quality Standard (SHQS)** | 77.42% (Last year 72%) | 81.02% | 87.24% (Last year 84.4%) |
| **Stock meeting Energy Efficiency Standard for Social Housing (EESSH)** | 81.08% (Last year 75.8%) | 84% | N/A |

### 11.5 Procurement

MHA's procurement policy sets out the Associations aims to achieve value for money whilst maintaining the highest standards of service for our tenants and complying with all relevant legislation and regulatory standards.

Commencing on 1st April 2026, MHA are now utilising the Procurement for Housing I Flair DPS for reactive repair services. Value for money reports from this framework agreement will be provided annually and reported within the AMS for continuous monitoring.

## 12.0 Review

The Asset Management Strategy will be reviewed every 3 years with annual updates provided to the board with regards to budget and action plan for investment projects.