



ASSET MANAGEMENT STRATEGY SYNOPSIS

INTRODUCTION

Our recently updated Asset Management Strategy sets out the framework and priorities for the ongoing care and improvement to our housing stock. The strategy links several Harbour strategies and policies including Maintenance, Procurement, Health & Safety, Housing Management, Energy Advice, and New Build Development.

PURPOSE

The purpose of the strategy is to review the current property portfolio, including any challenges identified, taking account of financial performance and future projections. The strategy also assesses Harbour's service performance and identifies how we aim to improve to meet the needs and aspirations of our customers both now and in the future. It comes at a time when we look back on 50 years of service, with a desire to mark this milestone in ways that will make a positive difference to Harbour Homes' customers and the wider community that we support.

INTEGRATED ASSET MANAGEMENT

The Scottish Housing Regulator (SHR) is the independent regulator of social landlords in Scotland. The SHR issued advisory guidance in February 2023 relating to "Integrated Asset Management" which sets out five practical principles.

Principles of Integrated Asset Management	
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.

The SHR guidance seeks to ensure that an effective approach to integrated asset management will enable our organisation to:

- Place tenants and service users at the heart of assessing asset performance and value.
- Ensure that assets are fit for purpose with targeted intervention to maximise performance.
- Enable the long-term impact of asset investment and disinvestment scenarios to be tested and understood from a business and tenant / resident perspective.

Achieving these will support Harbours' approach to keeping customers and residents safe. Through continuous review and focus on improvements to performance, Harbour strives to improve both value for money and levels of customer satisfaction and achieve our mission to make a positive impact on people's lives in Leith and north Edinburgh by providing affordable homes for delivering brilliant services to tenants and owners and playing a positive part in creating and maintaining resilient communities.

CURRENT STOCK

Harbour's stock is predominantly situated within the Leith and North Edinburgh area and includes sheltered, amenity and general needs housing which fits into five distinctive categories:

Age	All stock	Social rent only
Pre-1919	15%	18%
1965 - 1982	1%	1%
1983 - 1994	24%	29%
1995 - 2014	38%	42%
Post-2015	22%	10%

HOUSING DEMAND

Harbour advertise their void properties through EdIndex which is a partnership between The City of Edinburgh Council and 18 housing associations / co-operatives within Edinburgh. It provides a single access point to social housing throughout the city and maintains a common waiting list of applicants. We currently have more than 60% of our void properties being let to registered homeless applicants. The demand for social housing in Edinburgh is very high with around 25,000 applicants registered with EdIndex, so waiting times to get a home are long. It can take someone with a priority several years to be offered a home, without a priority the wait is significantly longer.

TURNOVER OF PROPERTIES

Of the 132 lettable homes that became vacant during 2024/2025, 20 were due to the death of the tenant. The current cost of living and housing crisis is limiting the opportunities for tenants to move, which in turn reduces the number of properties that are becoming available to let.

TENANT CONSULTATION AND INVOLVEMENT

Capturing the views, needs and aspirations of our tenants is vital when balancing investment and rent affordability priorities. Our approach aims to ensure that our rents are set at such a level as to:

- Be sufficient to ensure long term financial viability and generate sufficient income to support strategic decisions around investment in new and existing properties.
- Be affordable for our tenants and demonstrate value for money.

SAFETY PERFORMANCE

All landlords have a duty to ensure that their assets provide a safe environment for the people who live and work in them. Harbour ensures that policies and procedures are in place and regularly reviewed to meet its duties.

Our landlord health and safety compliance are in the following areas: Gas Safety, Fire Safety, Electrical Safety, Asbestos, Water Hygiene, Lifts and Damp, Mould & Condensation.

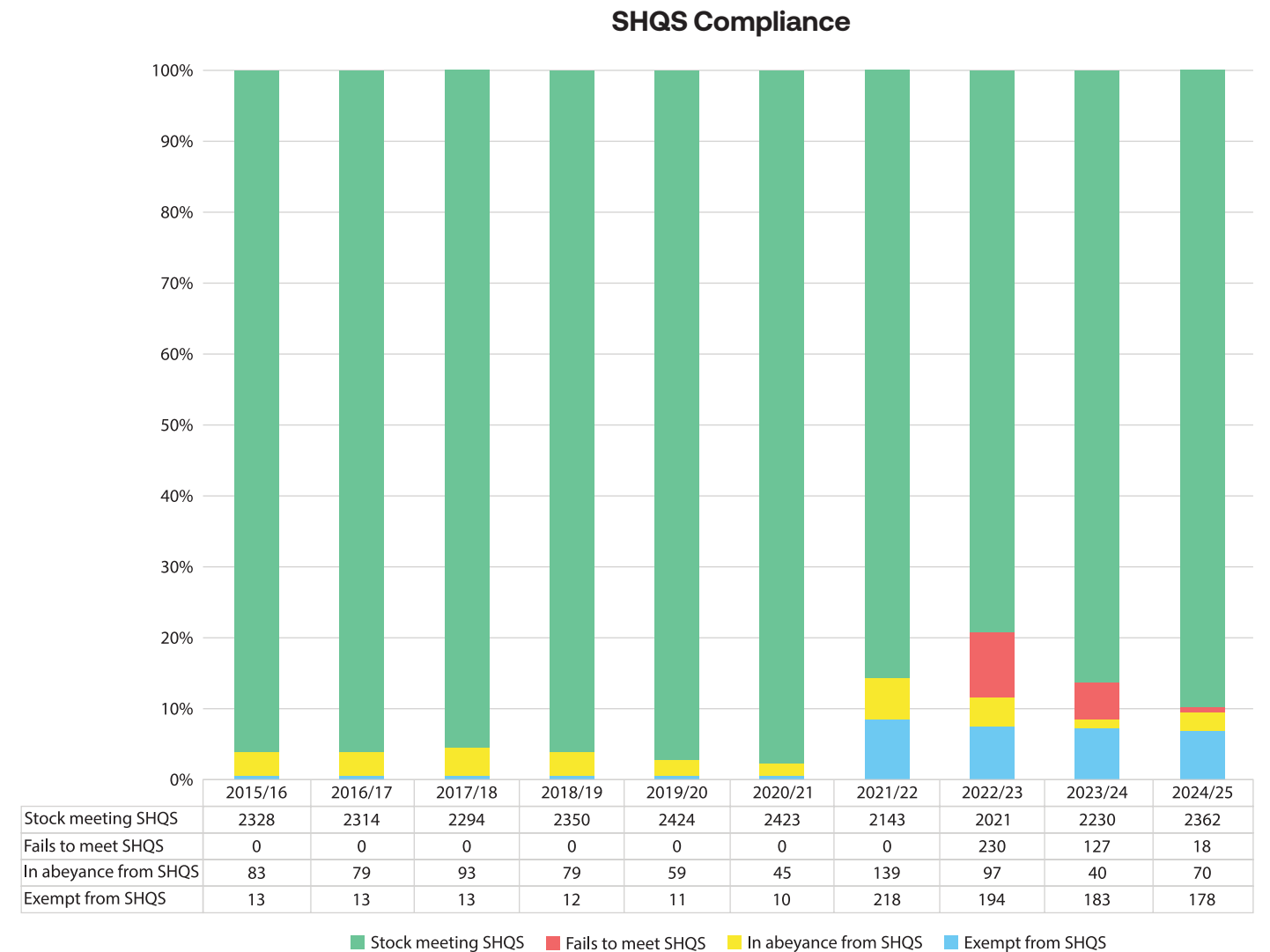
PROPERTY PERFORMANCE

Future investment needs of our properties are supported by independent stock condition survey. We intend to commence procurement of new five-year surveying contracts during 2026 and data will be recorded directly into our new core business system. These survey contracts will provide internal and external survey data for post-1980s housing stock and external survey data for pre-1919 housing stock.

Harbour has employed specialist surveyors for the inspection of Passenger Lifts and Mechanical and Electrical equipment for several years. The role of these consultants is to assist the organisation in procuring and managing cyclical maintenance contracts, equipment condition surveying and to advise with procurement and project management of replacement / modernisation works of current equipment.

SCOTTISH HOUSING QUALITY STANDARD (SHQS)

When the Scottish Social Housing Charter was launched in 2012 the requirement to maintain properties to the Scottish Housing Quality Standard was included as the standard measure of the quality of housing. The graph below details the organisation’s performance against SHQS over the past 10-year period.



HARBOUR HOME STANDARD

All existing Harbour properties, potential acquisitions and new developments are assessed against the Harbour Home Standard which comprises four levels (Ungraded, Bronze, Silver, Gold and Platinum). Increased levels of Gold and Platinum standard have been achieved, rising from 33% in 2016 to over 62% in 2025.

STOCK RATIONALISATION

During 2015 the Board approved our Stock Rationalisation Policy and Implementation Approach, with approval to dispose of 113 properties over a 10-year period (Tranche 1). As part of the development of the Stock Rationalisation Policy, during 2020 a review of all pre-1919 properties identified suitable properties for Tranche 2, covering a further 91 properties in 19 stairs where our ownership accounted for less than 44% within a stair. Tranche 3 was approved by Board in August 2025 for the disposal of a further 200 flats in 24 Stairs, also one house currently leased commercially.

SOCIAL HOUSING NET ZERO STANDARD

This new regulatory standard will replace the current Energy Efficiency Standard for Social Housing (EESH2) and provide the timescales for social housing providers to meet the new requirements. It is recognised that the social housing sector has been leading the way on energy efficiency and the new standard aims to provide more clarity to social landlords to guide retrofit and investment planning.

The Scottish Government is currently committed to reaching net-zero by 2045, having abandoned plans to cut emissions by 75% by 2030. During April 2025 the Scottish Federation of Housing Associations called for urgent funding solutions for decarbonising social housing and launched a Policy Paper titled 'Road to 2026: Meeting the Challenge of Net-Zero'.

PROCUREMENT AND COMMUNITY BENEFITS

Harbour is committed to promoting enhanced social, economic and environmental values through its procurement of goods and services wherever possible. Many of our contracts contain a clause that is designed to benefit the local community through the provision of resources and services.

ICT SYSTEMS

We have implemented a new integrated data platform provided by MRI Software and anticipate huge benefits for staff, tenants and other customers to enjoy in due course. New processes and working practices will become established, avoiding duplication between teams and individuals. By developing a neighbourhood management approach, where we have all the skills and attributes required to engage with our customers on an individual and community level, together with maximising use of our new integrated MRI systems, allows us to demonstrate our values when delivering work.

INVESTMENT PLANNING

Harbour's property investment and maintenance delivery activities are separated into three main areas: Major Repairs in line with the 30-year life cycle costings, Planned Maintenance which covers Cyclical Works and Statutory Responsibilities, and Reactive Maintenance which are responsive repairs usually carried out at the resident's request. All areas of work go towards ensuring properties continue to meet the Scottish Housing Quality Standard and progress towards the forthcoming Social Housing Net Zero Standard.

RISK MANAGEMENT

Harbour is committed to maintaining the long-term health of the organisation with regard to financial stability, management of resources and the quality of service provision. Risk reviews are conducted, recorded and reported in accordance with our documented risk management procedures. We have a robust framework and procedure for identifying, analysing, controlling and monitoring risk to achieve our business goals.

BUSINESS PLANNING

As part of the preparation for the annual review of the business plan, the management and staff of Harbour contribute to an analysis of the operational environment of the organisation and condition of the organisation in relation to its ability to deliver its objectives. This is done using the well-established STEP and SWOT analysis tools.

STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

SOCIAL	TECHNOLOGICAL
ECONOMIC	POLITICAL

This process is used to highlight hazards, events and situations which are known at the point in time of the analysis which are currently, or will be, in the plan period under review, affecting the organisation either by way of opportunity or threat.

SUMMARY

Harbour places a significant emphasis on involving customers in all relevant functions of the organisation. We believe it is important that we have a robust, coherent, organisation-wide view and approach to help us achieve this. In working with our customers and ensuring that we hold relevant demographic and support needs information through our engagement with them, we strive to ensure that they can influence the decisions we make to deliver better services and achieve positive outcomes for all who use our service.

Our total investment required over the next 30 years is estimated to be almost £132 million which equates to £1,667 per unit per annum. The effectiveness of these estimates highlights the importance of the quality of the data held on our organisation's core business system and the high level of investment into our MRI digital system. The quantity of planned maintenance work which has been identified to be carried out within the next five to seven years may need to be further refined in line with staffing resources, co-operation levels of private owners and current tender prices.



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