

## **Item: 18**

**Education, Leisure and Housing Committee: 7 June 2023.**

**Asset Management Strategy.**

**Report by Corporate Director for Education, Leisure and Housing.**

### **1. Purpose of Report**

To consider Asset Management Strategy for Housing Services for 2023 to 2028.

### **2. Recommendations**

The Committee is invited to note:

#### **2.1.**

That the Housing Service has a strong role in respect of Asset Management and is regulated by the Scottish Housing Regulator.

#### **2.2.**

That the Council's Housing Service holds various assets including land holdings, garages and housing stock.

#### **2.3.**

That strategic planning of the Council's housing assets is important to ensure housing stock is held of the right size, type and location, that the stock is managed appropriately, including that plans are in place to ensure required standards are met, necessary checks are undertaken, which interlinks with the Housing Revenue Account Business Plan and financial plans in order to plan efficiently and ensure rents remain as affordable as possible for tenants.

#### **2.4.**

That the Housing Service requires an Asset Management Strategy which aligns with the Scottish Housing Regulator's guidance on Integrated Asset Management (2023) and takes account of their guidance on Housing Revenue Account Business Planning (2015).

#### **2.5.**

That the previous Asset Management Strategy, which ran from 2014 to 2019, requires substantial review.

#### **2.6.**

The draft Asset Management Strategy, attached as Appendix 1 to this report.

**It is recommended:**

**2.7.**

That the draft Asset Management Strategy, referred to at paragraph 2.5 above, be approved for consultation.

**2.7.**

That the Corporate Director for Education, Leisure and Housing Committee should submit a report, to a meeting of the Education, Leisure and Housing Committee in early 2024, on the outcome of the consultation referred to above, together with an updated Asset Management Strategy.

### **3. Background**

**3.1.**

The Council developed its first Asset Management Strategy for Housing Services in 2014 as a result of requirements of the Scottish Housing Regulator, in line with its strategic guidance on asset management. It covered the period 2014 to 2019.

**3.2.**

A combination of staff vacancies, sickness absence and additional time pressures of undergoing the reaccreditation process of the National Standards for Advice and Information Providers, led to an unavoidable delay in the production of a revised Asset Management Strategy.

**3.3.**

During 2023, a significant amount of strategic planning is scheduled for development including the review of the Housing Needs and Demand Assessment, Local Housing Strategy, Strategic Housing Investment Plan and Housing Revenue Account Business Plan. The Asset Management Strategy, following consultation, will interlink closely with these documents.

**3.4.**

In line with the Scottish Housing Regulator's Guidance, the Asset Management Strategy should include demographic information, an assessment of whether the size and location of existing stock will meet future needs, how the Service will acquire stock, how it will dispose of surplus stock, its strategy in respect of physical standards and how it will fund this while keeping rents affordable to tenants, among other areas.

## 4. What is Asset Management?

### 4.1.

Asset Management within the Housing Service involves managing the Council's physical assets, that is its housing stock, garages and land holdings to meet the financial and service objectives of the Council. It is also about understanding the needs and aspirations of tenants and aiming to ensure the Council holds appropriate stock holdings to ensure it meets and continues to meet its statutory requirements.

### 4.2.

The Scottish Housing Regulator has published "[Recommended Practice on Integrated Asset Management](#)". In line with this guidance, for any asset to be considered 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".

### 4.3.

The Regulator's recommended practice guide contains five practical principles being:

- Committees lead the strategic response to asset management and should be assured that assets are managed effectively.
- Social landlords should have a comprehensive understanding of their assets.
- Social landlords should develop an approach to understanding the value of their assets.
- Integrated asset management outcomes should be understood and used as evidence to inform future investment decisions.
- Social landlords should use the integrated asset management outcomes to inform their asset management strategies.

### 4.4.

Asset Management involves ensuring properties are managed efficiently – that they meet appropriate standards including the Scottish Quality Housing Standard and Energy Efficiency Standards for Social Housing.

### 4.5.

Asset Management also necessitates ensuring health and safety requirements are met such as the checks and structures for ensuring, for example, safety around radon, legionella and asbestos.

#### **4.6.**

Asset Management provides the strategic base to ensure housing held is of the right size, type and location to meet demand from those in evidenced housing need, whilst considering affordability matters.

#### **4.7.**

It also seeks to ensure that housing stock generates income for the Housing Revenue Account, in tandem with performance structures which are in place and related policies around housing management practices such as rent arrears and allocation of property.

### **5. Revisions to the Asset Management Strategy**

#### **5.1.**

The Asset Management Strategy, attached as Appendix 1 to this report, sits within a detailed structure of legislation and national good practice.

#### **5.2.**

There have been significant changes to the guidance and good practice underpinning asset management since the previous strategy was developed and approved in 2014.

#### **5.3.**

The Scottish Housing Regulator has produced "[Recommended Practice on Integrated Asset Management](#)" (2023).

#### **5.4.**

In addition, the Scottish Housing Regulator has produced "[Business Planning: Recommended Practice](#)" (2015).

#### **5.5.**

The Scottish Government has produced "[Guidance on the Operation of Local Authority Housing Revenue Accounts in Scotland](#)" (2014).

#### **5.6.**

The [Scottish Social Housing Charter](#) (2022) includes a range of outcomes relevant to asset management, most specifically those relating to "quality of housing" and "repairs, maintenance and improvements".

## **5.7.**

In addition, the deadlines for meeting significant standards, specifically the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing required to be delivered by 2015 and 2020 respectively, both being significant challenges requiring substantial resources. Both were planned for through the previous Asset Management Strategy and related documents. A separate report on the rate of compliance is presented annually to the June cycle of meetings.

## **5.8.**

Also, substantial changes have taken place in relation to performance management across housing services generally including the requirement to produce an Annual Return against the Charter (introduced in 2014), an Annual Assurance Statement and publish an annual report for tenants.

## **5.9.**

Information around the context of Orkney, its demographic and economic information has been updated.

## **5.10.**

The Council has developed additional housing stock and undertaken some property purchases meaning that its stock base has increased since 2014. It currently holds 1,005 properties, in 2014 it held 928. An increase of 8.3% from 2014.

## **5.11.**

In addition, the level of housing demand has increased significantly with current waiting list figures totalling 1,061 in comparison to 505 in April 2014, an increase of 111%. However, evidenced housing need has not increased at quite the same level with the Council finding 329 households to be in housing need as assessed against the Lettings Policy in comparison to 183 in 2014, a growth of 79.8%.

## **5.12.**

At the same time the percentage of tenants who are in receipt of Housing Benefit or Universal Credit Housing Costs has risen to 61.8% of all tenancies in comparison to 55% of tenancies in 2014. This change is attributed to the impact of the pandemic followed by the cost of living crisis.

# **6. Revised Asset Management Strategy**

## **6.1.**

The Asset Management Strategy sets out Housing Services' vision for managing its housing assets over the next five years. The Asset Management Strategy underpins the Council's Corporate Asset Management Plan and is intended to highlight Housing Services' specific requirements and issues.

## **6.2.**

The Asset Management Strategy links closely to the Housing Revenue Account Business Plan and the Plan to meet the Energy Efficiency Standard for Social Housing 2 which is currently under development. It also links closely to the Local Housing Strategy and Strategic Housing Investment Plan.

## **6.3.**

The strategy considers some information in respect of Orkney's demography including its ageing population and declining school rolls in some areas. It also looks at the existing stock profile and considers what may be required in the future.

## **6.4.**

It is unlikely that within the next 5 years the Council would find any areas of Council housing impossible to let. Demand is generally reasonable across all rural and island areas.

## **6.5.**

Conversely, there is huge demand for housing in Kirkwall and this continues to outstrip supply. The same applies, to a lesser degree, in a broad range of areas across the Orkney mainland and in some island areas.

## **6.6.**

The strategy includes consideration of the acquisition of stock that is purchased or new build predominantly. In addition, it considers the disposal of stock which is generally through sale, or in certain circumstances, should condition merit this, may include demolition.

## **6.7.**

There is a section in the Strategy on physical standards of property including ensuring compliance with standards relating to general safety checks and also asbestos, gas safety, radon, legionella etc. In addition, the section covers continuing to meet the Scottish Housing Quality Standard, the Energy Efficiency Standard for Social Housing 1 and meeting the Energy Efficiency Standard for Social Housing 2.

## **6.8.**

There is also a section in the Strategy which aligns with the Housing Revenue Account Business Plan which covers a 40 year term and includes a range of variables including the value of the stock, anticipated rental income, cost of repairs and management costs, rent arrears etc.

## **6.9.**

Finally, the strategy includes some draft actions to be taken forward into an action plan following consultation.

## **6.10.**

The Asset Management Strategy is a draft document and there is now a need to consult with partner Services and tenants to get their views. A process of consultation should now follow.

## **6.11.**

During 2023, a significant amount of strategic planning is scheduled for development including the review of the Housing Needs and Demand Assessment, Local Housing Strategy, Strategic Housing Investment Plan and Housing Revenue Account Business Plan. The Asset Management Strategy will interlink closely with these documents. Therefore, there will be a need to consult all parties involved in the development of these documents.

## **6.12.**

Stakeholders involved in the piece of work outlined above, will be included in the consultation in order to ensure the documents interlink appropriately.

## **6.13.**

In addition to the strategic planning structure outlined in section 6.11 above, the Housing Service has a range of policy documents relating to Asset Management including its Repairs and Maintenance Policy, Improvements Policy, Service Delivery Plan (Repairs and Improvements), Voids (empty properties) Policy and Common Repair and Property Management Policy. It also has a policy on Individual Property Purchase. All are closely related to the delivery of the Asset Management Strategy.

# **7. Consultation**

## **7.1.**

The Council has a statutory requirement to consult its tenants on any changes which may affect them. Therefore, a process of consultation should be undertaken which should include the Council's tenants. In addition, this should involve relevant staff from across partner Council Services involved in the delivery of asset management tasks including Neighbourhood Services and Infrastructure and Customer Services.

## **7.2.**

The consultation process should also involve wider stakeholders as relevant and this should interlink with the development process of related strategic documents as outlined at section 6.11 above.

## **7.3.**

Following completion of a process of consultation, the Asset Management Strategy will be updated to take account of relevant comments and changes and will be presented to Committee in early 2024.

## **8. Equalities Impact**

An Equality Impact Assessment has been undertaken and is attached as Appendix 2 to this report.

## **9. Island Communities Impact**

An Island Communities Impact Assessment has been undertaken and is attached as Appendix 3 to this report.

## **10. Corporate Governance**

This report relates to the Council complying with governance and scrutiny and therefore does not directly support and contribute to improved outcomes for communities as outlined in the Council Plan and the Local Outcomes Improvement Plan.

## **11. Financial Implications**

### **11.1.**

This Strategy covers the existing service in respect of repairs, improvements and meeting required standards including the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing 1. There are no specific financial implications arising directly in respect of these aspects of asset management.

### **11.2.**

The costs of meeting the Energy Efficiency Standard for Social Housing 2 are significant. These are currently being modelled and built into the Housing Revenue Account Business Plan. These costs will be covered separately in a specific report covering the plan to meet the Energy Efficiency Standard for Social Housing 2.

### **11.3.**

The development of housing is built into the Strategic Housing Investment Plan (SHIP) and reported to committee separately on an annual basis. Individual projects progress through the Capital Project Appraisal process and seek governance for individual financial plans accordingly. This is also built into the Housing Revenue Account Business Plan.

## **12. Legal Aspects**

### **12.1.**

The Housing (Scotland) Act 2001 requires that the Council ensure its dwellings are wind and watertight and includes requirements in respect of repairs including the Right to Repair.



## **12.2.**

The Housing (Scotland) Act 2001 also requires that the Council consult with its tenants on any changes to policy.

## **12.3.**

The Housing (Scotland) Act 2010 section 31 introduced changes to the basis on which the Scottish Housing Regulator would be responsible for regulating housing services.

## **12.4.**

The Scottish Social Housing Charter does not replace any of the legal duties that apply to social landlords, but in several cases the outcomes describe the results social landlords should achieve in meeting their legal duties.

## **12.5.**

Therefore, although not laid down formally in legislation, the Scottish Social Housing Charter determines the outcomes against which social landlords will be regulated. This includes a requirement for a regular tenants' satisfaction survey to be undertaken, which includes questions around property condition, and for a performance report to be published and requirements around property standards.

## **12.6.**

There is a wealth of legislation and good practice guidance covering the broader area of asset management. This includes regulations covering the control of asbestos, legionella testing and health and safety at work.

## **13. Contact Officers**

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## **14. Appendices**

Appendix 1: Asset Management Strategy.

Appendix 2: Equality Impact Assessment.

Appendix 3: Island Communities Impact Assessment.



**Housing Services**

**Asset Management Strategy**

**2023 to 2028**

## Version Control

<b>Document Reference.</b>	<b>Rev.</b>	<b>Issue date.</b>	<b>Reason for issue.</b>	<b>Reviewer.</b>
HD STRAT 115.	01.	15/07/2014.	New.	Head of Housing and Homelessness.
HD STRAT 115.	02.	12/02/2015.	Draft updated following consultation.	Head of Housing and Homelessness.
HD STRAT 115.	02.	25/03/2015.	Approved at Education, Leisure and Housing Committee.	Head of Housing and Homelessness.
HD STRAT 115.	03.	11/04/2023.	Draft.	Head of Community Learning, Leisure and Housing.

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This strategy is available, on request, in different formats such as audio-format, for example, compact disc, Braille and in large print. It can also be made available in other languages, on request.

## Foreword

The Asset Management Strategy sets out Orkney Islands Council's Housing Services' vision for managing its housing assets over the next five years. The Asset Management Strategy underpins the Council's corporate Asset Management Plan and is intended to highlight Housing Services' specific requirements and issues.

Housing Services' Asset Management Strategy links closely to a range of other documents including the Housing Revenue Account Business Plan, Local Housing Strategy, Repairs and Maintenance Policy, Improvements Policy, Service Delivery Plan (Repairs and Improvements) and the Plan to meet the Energy Efficiency Standard for Social Housing 2.

This strategy has been produced within the context of the Council undertaking a review of its Housing Revenue Account Business Plan and developing a plan to meet the Energy Efficiency Standard for Social Housing 2.

This document sets out the actions which will be undertaken during the next five years to ensure our housing stock is well managed. This requires close attention to the level and type of stock required, the area in which it is sited and its physical condition. In addition, there is a need to ensure that we address the critically important issue of improving energy efficiency, net zero, fuel poverty and climate change.

The Council recognises the importance of good quality housing to the social and economic sustainability of the island group and the well-being of its residents.

The current financial climate has increased the need for joined up working to provide better quality services whilst achieving efficiencies. Orkney Islands Council is committed to joint working with other agencies and its communities to ensure the most appropriate response is delivered.

The implementation of this strategy will help to achieve the continuous improvement to which all partner agencies are committed.

Cllr Gwenda Shearer, Chair of Education, Leisure and Housing Committee.

## Introduction

This represents the Council's Asset Management Strategy specifically for Housing Services and as such runs very much in tandem with the corporate Asset Management Plan and seeks to compliment rather than duplicate this.

We define asset management as being the process of ensuring that we manage, maintain and invest in our properties to ensure that we provide good quality homes at an affordable rent.

We recognise the importance of taking a strong approach to strategic asset management and that this is central to the success of a social landlord. It is vital that our staff understand the importance of this and their role in this respect. In addition, we recognise the importance of ensuring our approach is balanced. Being Scotland's smallest Local Authority Housing Service there is a need to ensure our approach is proportionate, targeted and ensures our tenants obtain value for money.

## National and Local Policy Context

### Legal and Strategic Framework

This sits within a detailed structure of legislation and national good practice. In addition, it interlinks with the Scottish Government's "Guidance on the Operation of Local Authority Housing Revenue Accounts in Scotland"<sup>1</sup>, affordability criteria and procurement requirements.

In addition, it links to the Scottish Housing Regulator's "Business Planning; Recommended Practice" (2015).<sup>2</sup>

There is a significant range of legal and good practice requirements that are relevant to the field of asset management. Each policy includes a section on the legal requirements and therefore these have not been reproduced in full.

These legal and good practice requirements include:

- The Housing (Scotland) Act 2010;
- The Housing (Scotland) Act 2001;
- Equality Act 2010;
- Scottish Social Housing Charter 2022;
- Audit and regulation;
- Legislation on building standards;
- Energy performance and climate change;
- Health and safety;

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<sup>1</sup> Scottish Government "Guidance on the Operation of Local Authority Housing Revenue Accounts in Scotland" Available from: <https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2014/03/guidance-operation-local-authority-housing-revenue-accounts-hras-scotland/documents/00445684-pdf/00445684-pdf/govscot%3Adocument/00445684.pdf>

<sup>2</sup> Scottish Housing Regulator "Business Planning; Recommended Practice" (2015) Available from: <https://www.housingregulator.gov.scot/media/1034/advice-for-landlords-recommended-practice-business-planning-rp-14-december-2015.pdf>

- The Scottish Housing Quality Standard; and
- The Energy Efficiency Standard for Social Housing 1 and 2.

Asset management involves managing the Council's physical assets, that is, its housing stock, garages and land holdings to meet the financial and service objectives of the Council. It is also about understanding the needs and aspirations of tenants and aiming to ensure the Council holds appropriate stock holdings to ensure it meets and continues to meet its statutory requirements.

The Scottish Housing Regulator has published "Recommended Practice on Integrated Asset Management"<sup>3</sup>. In line with this guidance, for any asset to be considered 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".

The Regulator's recommended practice guide contains five practical principles being:

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

Accordingly, our approach has been aligned with the Regulator's recommended practice guide on integrated asset management, and will:

- "ensure that assets are fit for purpose with targeted interventions to maximise performance;
- ensure that continued investment in assets provides value for money and is fundable;
- make informed decisions on investment plans based on intelligence of asset performance;
- use evidence to produce transparent options for investing in assets;
- enable the long-term impact of asset investment and disinvestment scenarios to be tested and understood from a business and tenant and resident perspective;
- involve tenants and service users in assessing asset performance and value."

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<sup>3</sup> Scottish Housing Regulator "Recommended Practice on integrated Asset Management" (2023) Available from: <https://www.housingregulator.gov.scot/media/1882/recommended-practice-on-integrated-asset-management-pdf-feb-2023.pdf> page 5.

**We will ensure that we meet all duties on tenant and resident safety and that we obtain appropriate assurance about our compliance with all relevant safety requirements.**

In addition we will:

- develop housing, in line with our partners, that is affordable to tenants and service users;
- incorporate effective procurement principles throughout all planning processes in line with the Council's Procurement Strategy; and
- maximise the importance of planned maintenance programmes to reduce reliance on responsive repairs.

Critically, too, our Asset Management Strategy takes the views of tenants and other service users into account. This ensures that services are subject to continuous improvement in line with best value principles.

Asset management is concerned, therefore, with a diverse range of strategic policy matters, namely:

- affordability;
- assessment of need and demand;
- investment planning;
- regeneration initiatives; and
- sustainable communities, including community capacity building and tenant participation.

These issues, it is highlighted, are covered in other strategic policies that have been developed by the Council.

The Council is committed to ensuring its stock is of good quality and related services are proportionate and affordable. In implementing this aim we will seek to work jointly with relevant partners.

In developing this strategy we have ensured the outcomes and standards of the Scottish Social Housing Charter<sup>4</sup> are central to our strategy. Its relevant outcomes and standards are as follows:

**The customer / landlord relationship:**

**2: Communication.**

Social landlords manage their businesses so that:

- tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides.

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<sup>4</sup> <https://www.gov.scot/publications/scottish-social-housing-charter-april-2017/pages/2/>



This outcome covers all aspects of landlords' communication with tenants and other customers. This could include making use of new technologies such as web-based tenancy management systems and smart-phone applications. It is not just about how clearly and effectively a landlord gives information to those who want it. It also covers making it easy for tenants and other customers to make complaints and provide feedback on services, using that information to improve services and performance, and letting people know what they have done in response to complaints and feedback. It does not require landlords to provide legally protected, personal or commercial information.

### **3: Participation.**

Social landlords manage their businesses so that:

- tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with.

This outcome describes what landlords should achieve by meeting their statutory duties on tenant participation. It covers how social landlords gather and take account of the views and priorities of their tenants, other customers and bodies representing them such as registered tenant organisations; how they shape their services to reflect these views; and how they help tenants, other customers and bodies representing them such as registered tenant organisations to become more capable of involvement – this could include supporting them to scrutinise landlord services.

## **Housing quality and maintenance:**

### **4: Quality of housing.**

Social landlords manage their businesses so that:

- tenants' homes, as a minimum, meet the Scottish Housing Quality Standard (SHQS) when they are allocated; are always clean, tidy and in a good state of repair; and also meet the Energy Efficiency Standard for Social Housing (EESH) by December 2020.

This standard describes what landlords should be achieving in all their properties. It covers all properties that social landlords let, unless a particular property does not have to meet part of the standard.

If for social or technical reasons, landlords cannot meet any part of these standards, they should regularly review the situation and ensure they make improvements as soon as possible.

### **5: Repairs, maintenance and improvements.**

Social landlords manage their businesses so that:

- tenants' homes are well maintained, with repairs and improvements carried out when required, and tenants are given reasonable choices about when work is done.

This outcome describes how landlords should meet their statutory duties on repairs and provide repairs, maintenance and improvement services that safeguard the value of their assets and take account of the wishes and preferences of their tenants. This could include setting repair priorities and timescales; setting repair standards such as getting repairs done right, on time, first time; and assessing tenant satisfaction with the quality of the services they receive.

### **Neighbourhood and community:**

#### **6: Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes.**

Social landlords, working in partnership with other agencies, help to ensure that:

- tenants and other customers live in well-maintained neighbourhoods where they feel safe.

This outcome covers a range of actions that social landlords can take on their own and in partnership with others. It covers action to enforce tenancy conditions on estate management and neighbour nuisance, to resolve neighbour disputes, and to arrange or provide tenancy support where this is needed. It also covers the role of landlords in working with others to tackle anti-social behaviour.

### **Getting good value from rent and service charges:**

#### **13: Value for money.**

Social landlords manage all aspects of their businesses so that:

- tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

This standard covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; and giving better value for money by increasing the quality of services with minimum extra cost to tenants, owners and other customers; and involving tenants and other customers in monitoring and reviewing how landlords give value for money.

The Scottish Housing Regulator sets out five practical principles in its "Recommended Practice on Integrated Asset Management". These five principles have been used as a guide to formulate the Asset Management Strategy.

## The Aims of the Strategy

The main aim of the Local Housing Strategy is:

Orkney Islands Council is committed to ensuring that every citizen has access to a warm, dry, secure, and affordable home, suited to their particular needs and, wherever possible, in a community of their choice.

The main aim of the Asset Management Strategy is:

To deliver appropriate / proportionate housing investment and new build development that will ensure the Council's housing portfolio is one that in 5 – 10 years' time is:

- of a quality, type, size and location to meet the needs of a wide range of current and future customers including those with particular needs;
- meets all required quality standards, within relevant timescales, including those of energy efficiency;
- are environmentally sustainable;
- capable of being managed and maintained economically in the long-term;
- integrated into successful neighbourhoods which promote strong communities and enhance community development;
- creating places where people want to live;
- are affordable for our tenants and service users.

In order to deliver these aims, we have identified the following asset management objectives:

- develop a strategic approach to reviewing and where necessary restructuring our stock portfolio;
- gearing our activities towards investment to deliver high quality homes;
- use assets and resources to continue to build strong communities;
- build asset value;
- ensure affordability for tenants.

## Orkney Context

This section contains some contextual information. This is not intended to be a robust analysis of demographic processes but rather an overview of the key factors affecting Orkney's demography. Our Housing Need and Demand Assessment (HNDA) and Local Housing Strategy provide more detail. The Local Housing Strategy (2017 – 2022) can be found at the following web link:

<https://www.orkney.gov.uk/Council/C/local-housing-strategy-2017-2022.htm>

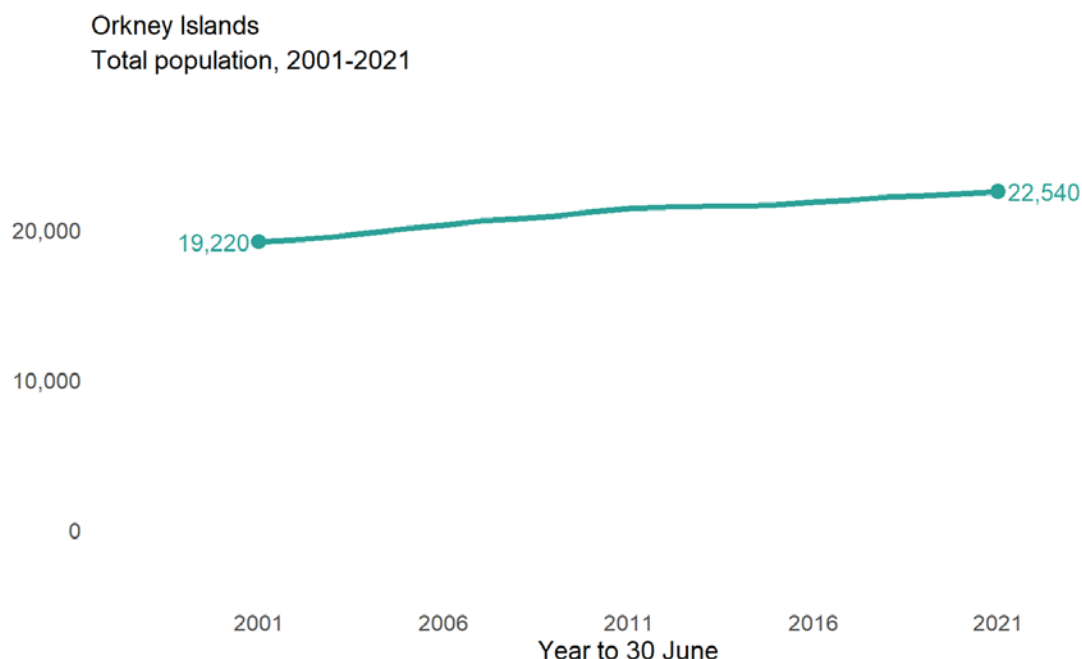
During 2023 we are undertaking a significant piece of strategic work in the and this includes reviewing the Housing Need and Demand Assessment, the Local Housing Strategy, the Strategic Housing Investment Plan and the Housing Revenue Account Business Plan. This will be completed by the end of 2023. In addition, a specific, inter-related, piece of work is being undertaken around the housing needs of

essential workers. Once available this demographic information will be used to inform this Asset Management Strategy amongst other strategic documents.

Orkney comprises 70 or so islands, of which 20 are inhabited (depending on the time of year) with various sizes of populations. A map of Orkney can be found at Appendix 1.

Demographic projections for Orkney show a slow but steady population increase. The number of households shows a significant increase.

On 30 June 2021, the population of Orkney was 22,540. This is an increase of 0.6% from 22,300 in 2020. Over the same period, the population of Scotland increased by 0.3%<sup>5</sup>. The population of Orkney rose by 17.3% between 2001 and 2021<sup>6</sup>. The Census in Scotland was delayed due to the pandemic and was carried out in 2022. It is expected that information from the 2022 Census will be published from 2023 onwards.



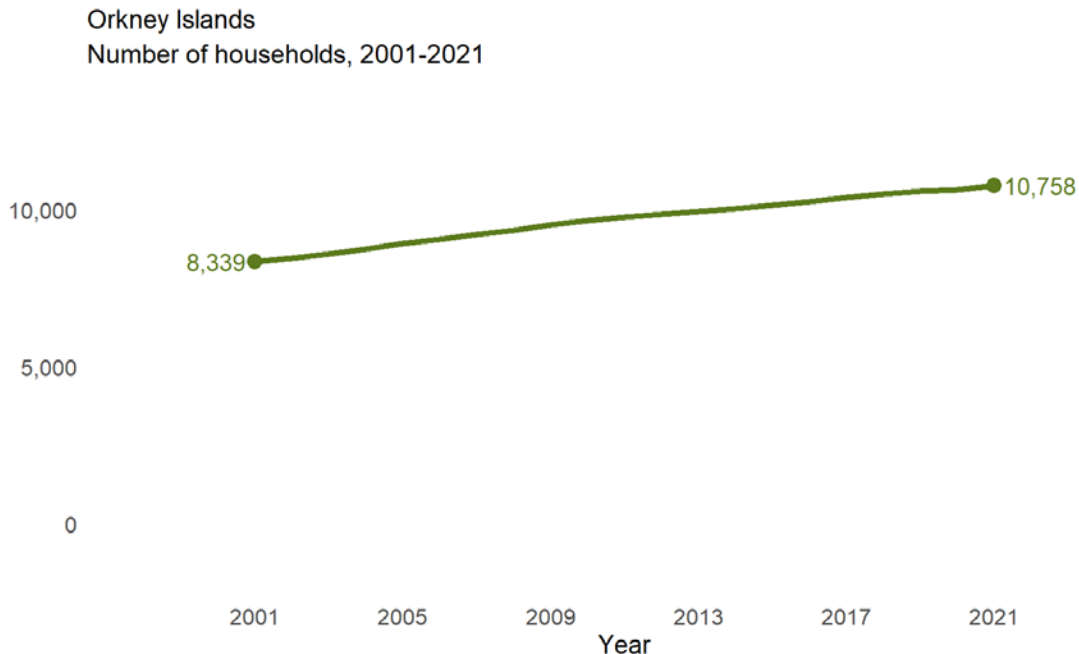
Between 2018 and 2028, the population of Orkney is projected to increase from 22,190 to 22,311. This is an increase of 0.5%, which compares to a projected increase of 1.8% for Scotland as a whole. The projected “increase” in population is slightly lower than the population estimates quoted above for June 2021. Publication of the census data will allow greater clarity around population levels.

<sup>5</sup> National Records of Scotland, Orkney Islands Council Area Profile, Available from: <https://www.nrscotland.gov.uk/files/statistics/council-area-data-sheets/orkney-islands-council-profile.html>

<sup>6</sup> National Records of Scotland Mid-Year Population Estimates for Scotland 2021 <https://www.nrscotland.gov.uk/statistics-and-data/statistics/statistics-by-theme/population/population-estimates/mid-year-population-estimates/mid-2021>

In 2021, the number of households in Orkney was 10,758. This is a 1.2% increase from 10,635 households in 2020. In comparison, the number of households in Scotland increased by 0.8%.

In comparison to 2001, the number of households in Orkney has increased by 29%. This is the highest percentage change out of the 32 Council areas in Scotland and a more rapid change than the Scottish average of 15.2%<sup>7</sup>.



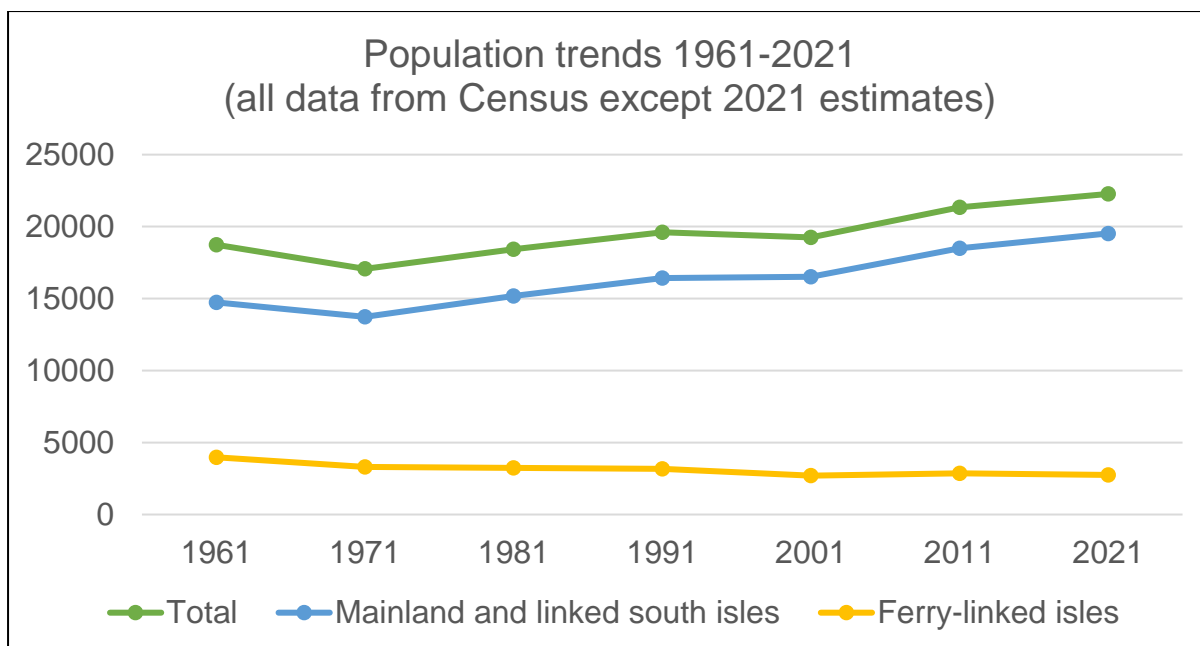
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## Population on the outer isles

The majority of the population lives on the mainland as shown by the graph below. While Orkney's population increased over time, conversely the population of Orkney's outer isles declined between 1961 and 2021 as shown in the graph below.

<sup>7</sup> National Records of Scotland, Orkney Islands Council Area Profile, Available from: <https://www.nrscotland.gov.uk/files//statistics/council-area-data-sheets/orkney-islands-council-profile.html>

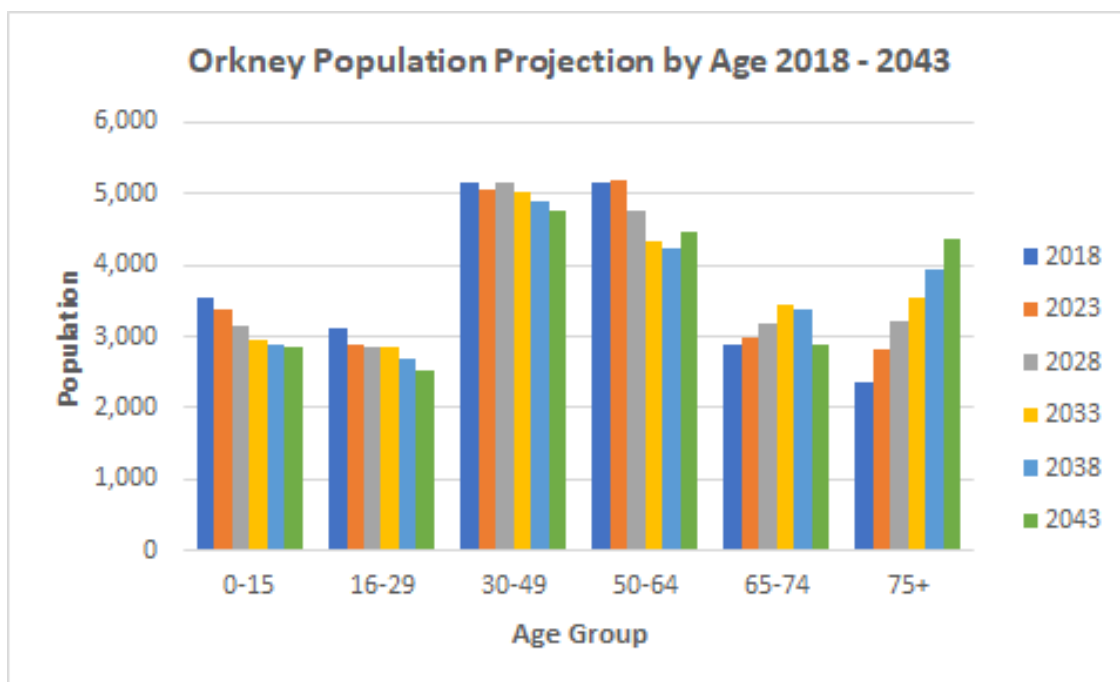
<sup>8</sup> National Records of Scotland, Orkney Islands Council Area Profile, Available from: <https://www.nrscotland.gov.uk/files//statistics/council-area-data-sheets/orkney-islands-council-profile.html>



This has now levelled off and in some cases started to rebound. However, there is still a concern about the sustainability of some vulnerable island communities. Falling school rolls, an aging demographic and increased care needs are all factors that can come into play. There is a general drift from outlying areas of the Mainland and isles to the larger settlements. It is at present still unclear whether this drift to the main settlements reflects the preference of households or whether a potential lack of housing options, economic opportunities and wider infrastructure precipitates migration to other parts of Orkney. It is also unclear how the impact of the pandemic may affect this in the longer term with a potentially increased ability for many people to be able to work from home. Population projections developed by the Housing Service, based on National Records of Scotland projections and births, deaths and migration levels over the last 20 years would suggest that isles populations may decline from approximately 2,692 in 2021 to 2,575 by 2027.

## An Ageing Population

Population projections also reveal an increasingly older population. The graph below shows the estimated population projections based on 2018 National Records of Scotland statistics. As can be seen there is a large variance between age groups over the time period. The number of people in the 0 – 15 and 16 – 29 age group drops over the period. The 30 – 49 age group remains stable and then drops slightly while the 50 – 64 age group declines and then starts to build. The 65 – 74 range climbs and then declines down to earlier levels. The most notable change is amongst the 75+ age group. The 75+ age group is climbing significantly from a starting point of around 2,300 in 2018 and reaching 4,300 by 2043. The percentage of the population that is 75+ is predicted to rise from 11% in 2018 to 20% in 2043. This is significant and will pose challenges to various services. As well as an aging native population the increase in older people may also be influenced by the inward migration of older people into Orkney from elsewhere in Scotland and the UK.



Data provided by NHS Orkney enables us to look at the population (by age) distributed across Orkney and shows us that across Orkney the 45 – 64 age group represents the most significant proportion of those registered at GP surgeries in Orkney.

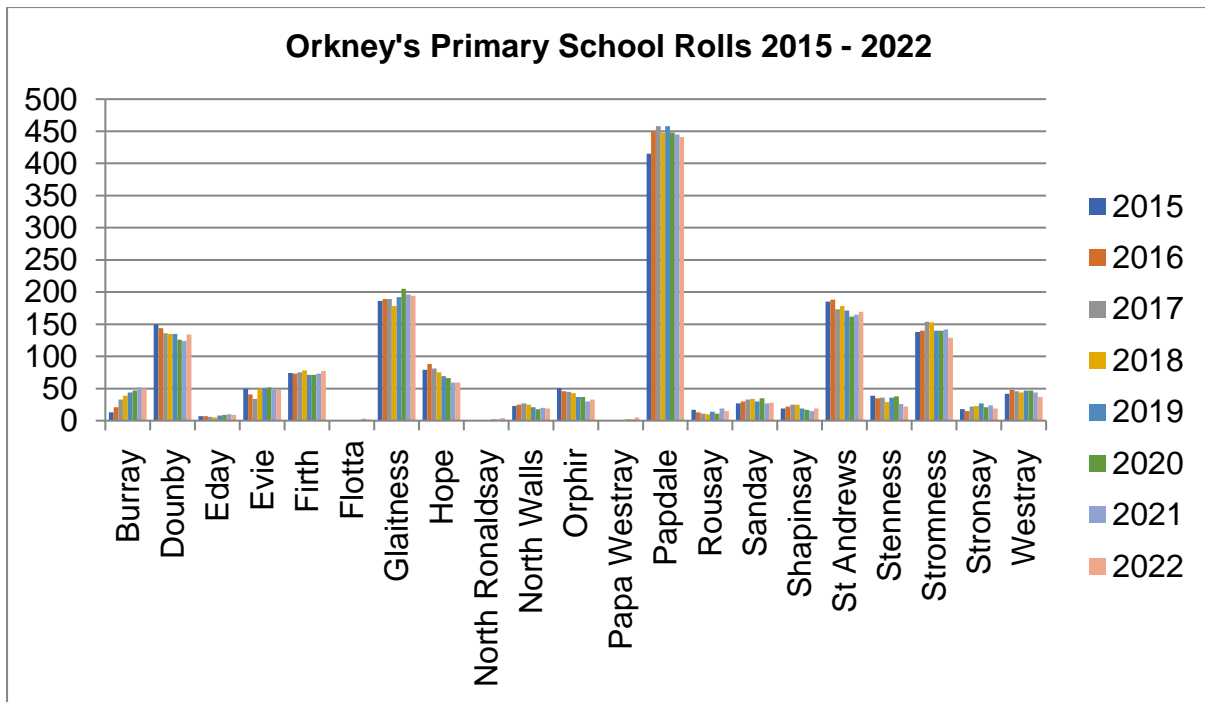
Isles populations by age group are outlined below.<sup>9</sup>

Isles populations by age group (estimated at January 2021).			
Age group.	Mainland and linked south isles.	Ferry-linked isles.	Orkney Total.
0-15.	3,189.	393.	3,582.
16-59.	10,525.	1,250.	11,775.
60-74.	3,781.	700.	4,481.
75+.	2,032.	400.	2,432.
Total.	19,527.	2,743.	22,270.

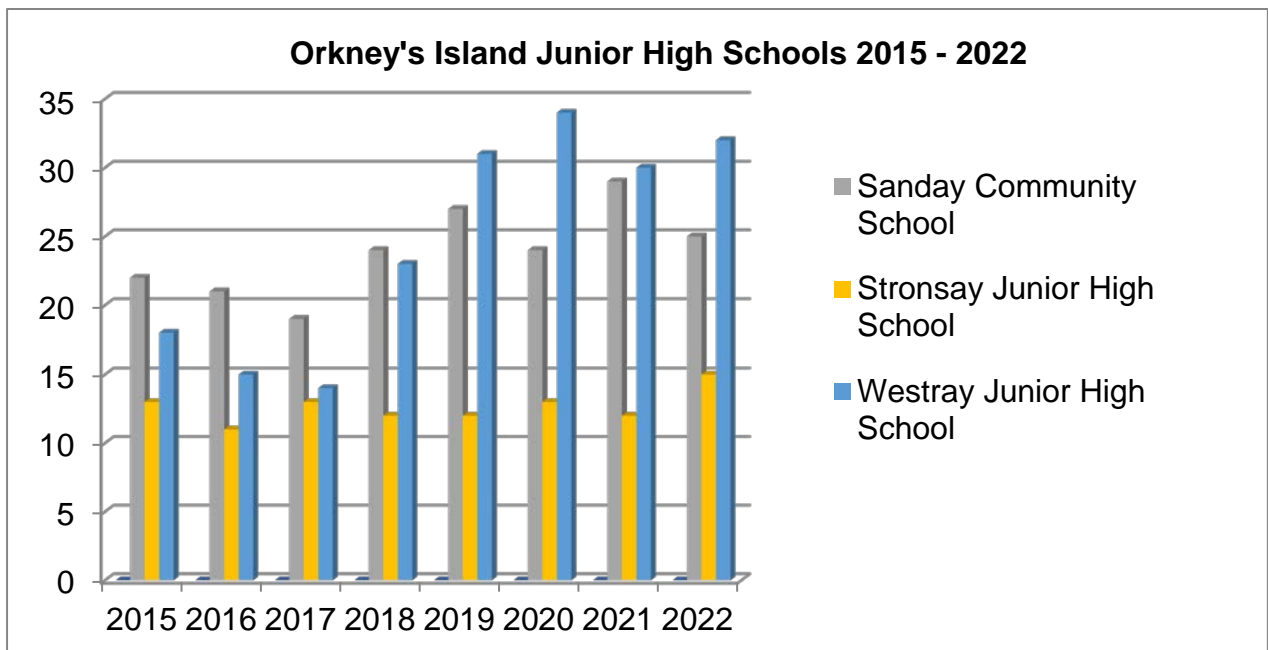
## School rolls

Orkney has a total of 21 primary schools, three junior high schools and two secondary schools. The graphs below outline the school rolls for each type of school in Orkney between 2015 and 2022.

<sup>9</sup> Orkney Partnership Orkney Community Plan 2023-30 <https://s3-eu-west-1.amazonaws.com/s3.spanglefish.com/s/34034/documents/orkney-community-plan-2023-30.pdf>



The graph above highlights the difference in scale between schools across Orkney, most notably between settlements on the mainland and schools on the islands.



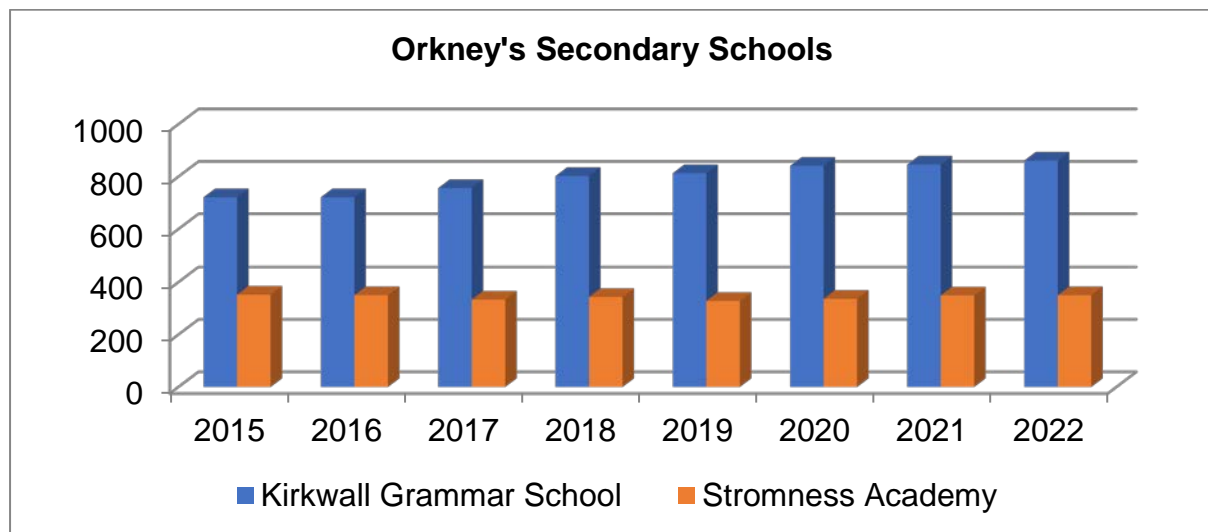
10

Junior high school rolls in the outer islands have generally risen over the period from 2015. It should be noted that senior school children in the islands and in some cases younger secondary school children may also attend Kirkwall Grammar School and

<sup>10</sup> Orkney Islands Council school roll data (2015 – 2022).



stay in Papdale Halls of Residence through the week therefore these figures are not a fully accurate picture of the number of school age children in each of the islands.



11

Orkney has one secondary school in each of the two main towns. As can be seen from the graph above, Stromness Academy's roll has remained around the 350 mark for a number of years, while the number of pupils at Kirkwall Grammar School has increased consistently since 2016.

Overall the school roll in Orkney as a whole has risen from 3,110 in 2015 to 3,191 in 2022 – a slight increase of around 3%. Population projections from the Scottish Government estimate that the school age population is expected to remain roughly the same over the next 20 years.

## Housing Benefit Claimants

As of 21 April 2023, 262<sup>12</sup> of the Council's 904 tenants are claiming Housing Benefit and a further 297 are in receipt of Universal Credit, Housing Costs. This equates to 61.8% of all tenancies.

## Economic statistics

The average household income in Orkney is £42,239<sup>13</sup>. This compares to a Scottish average of £41,878 and a United Kingdom average of £44,844. Highland and Moray Council areas have higher household incomes than Orkney, Shetland records a lower household income. Data could not be sourced for Western Isles at this time.

Orkney also has the highest economic activity rate in Scotland with 81.7% of the working age population being economically active, this compares to the national

<sup>11</sup> Orkney Islands Council school roll data (2015 – 2022)

<sup>12</sup> Orkney Islands Council, Housing Benefit Records.

<sup>13</sup> CACI PayCheck 2022 data. The applicable copyright notices can be found at <http://www.caci.co.uk/copyrightnotices.pdf>

average of 77.2% at September 2022<sup>14</sup>. Orkney shows signs of displaying a tight labour market. A tight labour market is one where “the demand for labour is near or exceeds the supply of labour” as defined by FutureSkills Scotland.

## Housing Trends

As of the 25 April 2023 Orkney had a total housing stock of 11,676<sup>15</sup> properties. The majority of these properties are houses, with flats only accounting for 6.9% of the stock<sup>16</sup>. The stock is also relatively old, with 33% of properties built before 1945, in comparison to the national average of 30% (Scottish House Condition Survey 2019).

## Housing tenure in Orkney

Owner occupation is the predominant tenure in Orkney, with 65% of the population owning their own property in 2019 (Scottish Government Housing Statistics, stock by tenure 2020). Social renting from a local authority or housing association is considerably less prevalent in Orkney than in the rest of Scotland at just 15%, well under the national average of 23%.

Council housing is predominantly concentrated in the main settlements of Kirkwall and Stromness with only a quarter of all Council properties located outside these areas and although the Council has housing stock in most islands there is no Council owned social housing provision in North Ronaldsay, Papa Westray or Graemsay. Total Council housing stock is 1006 including 72 Council owned properties used for emergency housing.

A map of the Council’s housing stock is appended at Appendix 1.

There is one Registered Social Landlord in Orkney – Orkney Housing Association Ltd (OHAL). OHAL’s stock is situated again mainly in Kirkwall and Stromness. It has some but limited provision in rural mainland areas or the outer isles and this includes South Ronaldsay, Burray, Shapinsay and Westray. OHAL have a total of 788 rented properties along with 167 Shared Ownership and Shared Equity properties.

In Orkney the private rented sector (which comprises households in private rented, tied accommodation and with a ‘life rent’) is understood to stand at 10% and is roughly the same size as that estimated for Scotland as a whole – 14% (Scottish Government Housing Statistics, 2020). It is unusually large in comparison with the social rented sector. There are over 1,100 registered private rents in Orkney and these do not include tied accommodation or properties let to close family members, of which Orkney is believed to have a significant number. Although housing options are limited outwith the owner occupied sector, which poses particular problems for low-income households, the private rented sector can provide a valuable option to those who cannot access the social rented sector.

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<sup>14</sup> <https://www.nomisweb.co.uk/reports/lmp/la/1946157427/printable.aspx>

<sup>15</sup> OIC figures from Council Tax Records

<sup>16</sup> National Records of Scotland, Orkney Islands Council Area Profile, Available from:

<https://www.nrscotland.gov.uk/files//statistics/council-area-data-sheets/orkney-islands-council-profile.html>

## **Stock Profile**

### **The Social Housing Waiting List**

The Council and Orkney Housing Association Ltd operate a Common Housing Register. This means that households can be considered for housing with both organisations.

As of the 11 April 2023 there were 1142 households on the Common Housing Register (CHR). Of these the majority (664) have Kirkwall as their first area choice, with Stromness coming in second at 140 households followed by St Margaret's Hope with 29. Three other mainland settlements record between 23 and 28 households (Dounby, Burray and Finstown). The isles evidence lower demand with Hoy at 17, Westray recording 10 but Flotta and Stronsay recording 3 and 2 respectively.

Of the 1142 households on the waiting list for social rented housing the Council has found 329 of them to be in housing need as assessed against the Council's Lettings Policy. Of these the vast majority, 222 or 67%, have Kirkwall as their area of first choice. This shows that the primary area of housing need is Kirkwall. Stromness follows with 41 and there then is a large drop to the other major population areas that have between three and eight households on the waiting list with assessed housing need.

There are challenges in respect of some island areas where demand for social housing is very small. Equally there is a strategic need to sustain the island and social housing provides part of that picture.

A good understanding of who customers are and their needs and preferences is important to effective asset management and this data is held through a range of systems including the waiting list, tenant profile information and customer satisfaction feedback.

### **Council Housing Provision**

#### **Stock by age**

It is important to determine whether the Council's stock remains reflective of housing need and whether that will also be the case in five years. This is true in respect of area, house size and to a lesser degree style.

The Council has housing stock located across mainland Orkney including the majority of the islands with the exception of Papa Westray, Graemsay and North Ronaldsay (the latter has a Schoolhouse only). The bulk of stock (74.9%) is in the major population centres of Kirkwall and Stromness. The table below shows a breakdown of the Council's Housing stock by area as well as by age.

<b>Area.</b>	<b>Pre 1919.</b>	<b>1919 – 1944.</b>	<b>1945 – 1964.</b>	<b>1965 – 1982.</b>	<b>1983 – 2002.</b>	<b>Post 2002.</b>	<b>Total.</b>
Burray.	1.			10.		6.	17.
Deerness.				3.			3.
Dounby.				10.		4.	14.
Eday.	1.				5.	1.	7.
Egilsay.	1.						1.
Evie.		2.		5.			7.
Finstown.				5.		22.	27.
Flotta.				10.			10.
Holm.				5.	1.	12.	18.
Hoy.	1.			28.			29.
Kirkwall.	3.	38.	82.	244.	54.	164.	586.
North Ronaldsay.	1.						1.
Orphir.					4.		4.
Rousay.	1.			8.			9.
Sanday.				9.		4.	13.
Shapinsay.				8.			8.
Stenness.					2.		2.
St Margaret's Hope.				9.	7.	27.	43.
Stromness.		18.	13.	77.	25.	35.	168.
Stronsay.	1.			11.			12.
Tankerness.					1.		1.
Toab.					1.		1.
Westray.	1.			14.	6.	4.	25.

NB: Many properties which were substantially redeveloped at a given point in time will be shown as being built later than was actually the case. For example, as Andersquoy was originally built around 1883 and substantially redeveloped in 2010, it will appear in the column dated post-2002.

Properties shown as post-2002 include the Council's house build programme which was re-established in 2010. This has provided new properties in many of Orkney's communities.

In terms of older stock most of the pre-1919 houses in the Council's portfolio are in the isles and were built as schoolhouses. The Council owns a small number of historic properties which have been subject to substantial upgrades in respect of energy efficiency.

The majority of the Council's stock is of post war construction and the percentage of the stock that is post-2002 is proportionately high.

### Stock by property size

The table below shows the Council's housing stock by area broken down into the different property sizes.

Area.	Bedsit.	1 Bed.	2 Bed.	3 Bed.	4 Bed.	5 Bed.	Total.
Burray.		6.	6.	5.			17.
Deerness.		3.					3.
Dounby.		8.	2.	4.			14.
Eday.		2.	2.	3.			7.
Egilsay.				1.			1.
Evie.		2.		5.			7.
Finstown.		7.	12.	8.			27.
Flotta.		3.		7.			10.
Holm.		4.	9.	5.			18.
Hoy.		6.	2.	21.			29.
Kirkwall.	17.	244.	198.	110.	14.	3.	586.
North Ronaldsay.				1.			1.
Orphir.			3.	1.			4.
Rousay.		2.		7.			9.
Sanday.		5.	1.	7.			13.
Shapinsay.		6.		2.			8.
Stenness.			2.				2.
St Margaret's Hope.		23.	17.	3.			43.
Stromness.	11.	53.	65.	35.	4.		168.
Stronsay.		3.		9.			12.
Tankerness.			1.				1.
Toab.				1.			1.
Westray.		8.	6.	11.			25.
Total.	28.	385.	326.	246.	18.	3.	1,006.

As can be seen from the table above the overall stock split by size is quite well balanced in general.

### Housing need by property size

The table below highlights households on the current waiting list for social housing in Orkney as of 11 April 2023. The households concerned all have a priority pass as determined by the Council's Lettings Policy and have been assessed as requiring a particular size of property. Our waiting list also records demand from those who are without a priority pass that is they have no assessed housing need. These applicants are not included in the figures below. This shows that the vast majority of households that have been determined to be in housing need have Kirkwall as their area of first choice. It also shows that the majority of households in housing need require 1 bedroom properties.

Area.	Bedsit.	1.	2.	3.	4.	5+.	Total.
Birsay.		1.		1.	1.	1.	4.
Burray.		14.	6.	1.	1.		22.
Deerness.		7.		4.	1.		12.
Dounby.	2.	16.	4.	1.			23.
Eday.		6.	2.				8.
Evie.		4.	4.	3.			11.
Finstown.	3.	15.	7.	2.		1.	28.
Flotta.		2.	1.				3.
Holm.	1.	9.	5.	3.			18.
Hoy.		14.	1.	1.		1.	17.
Kirkwall.	57.	417.	104.	46.	27.	13.	664.
North Ronaldsay.		1	1				2.
Orphir.		6.	5.	6.	1.	1.	19.
Rendall.		4.					4.
Rousay.	1.	5.	3.	1.	1.		11.
Sanday.		7.	1.	1.			9.
Shapinsay.		7.	2.	1.			10.
St Margaret's Hope.	3.	22.	3.		1.		29.
Stenness.	1.	6.		1.	1.		9.
Stromness.	12.	94.	19.	8.	3.	4.	140.
Stronsay.	1.	1.					2.

Tankerness.		2.	2.				4.
Toab.		1.		1.			2.
Westray.	1.	8.	1.				10.
Total.	82.	669.	171.	81.	37.	21.	1,061.

An analysis of demand versus stock profile highlights that although there is a good spread of stock between property sizes, the majority of housing need refers to the smaller 1 bedroom properties, while there is no demand whatsoever for the smallest stock type, bedsits.

Over time variations in housing need by area becomes evident. Therefore, the Council's broad range of property size by area is a strength. However even with a good range of stock there are occasions when housing need is more prevalent in a certain house size.

### **Property allocations and stock turnover**

The table below shows the allocation of the Council's housing stock by area between January 2018 and December 2022 as well as the percentage of the overall allocations by area. There have been 498 property allocations over the previous four and a half years. Of these, 88% were relets of existing stock and 12% have been first time allocations to new build housing stock.

As would be expected the majority of allocations took place in areas that have the largest concentration of housing stock particularly Kirkwall, Stromness and St Margaret's Hope.

However, when broken down into the number of allocations in each area compared to the number of properties in each area it can be seen that the ratio of allocation to stock turnover was higher in areas such as Toab, Eday and St Margaret's Hope. Kirkwall and Stromness have seen around 47.2% of their stock turn over in the previous five years.

<b>Area.</b>	<b>Number of allocations between 2018 and 2022.</b>	<b>Percentage of total allocations.</b>	<b>Stock.</b>	<b>Number of allocations per property.</b>
Burray.	10.	2.0%.	17.	0.59.
Deerness.	1.	0.2%.	3.	0.33.
Dounby.	5.	1.0%.	14.	0.36.
Eday.	6.	1.2%.	7.	0.86.
Evie.	3.	0.6%.	7.	0.43.
Finstown.	15.	3.0%.	27.	0.56.
Flotta.	6.	1.2%.	10.	0.60.
Holm.	11.	2.2%.	18.	0.61.
Hoy.	19.	3.8%.	29.	0.66.
Kirkwall.	283.	56.8%.	586.	0.48.
Orphir.	1.	0.2%.	4.	0.25.
Rousay.	5.	1.0%.	9.	0.56.
Sanday.	10.	2.0%.	13.	0.77.
Shapinsay.	5.	1.0%.	9.	0.63.
St Margaret's Hope.	35.	7.0%.	42.	0.81.
Stromness.	72.	14.5%.	167.	0.43.
Stronsay.	3.	0.6%.	12.	0.25.
Toab.	1.	0.2%.	1.	1.00.
Westray.	7.	1.4%.	25.	0.28.
Total.	498.	100.0%.	1000.	-

In reality some properties will not have become available for re-let in the time period whereas another will have become available more than once. It should be remembered that tenants may transfer to other areas / property size or types over a period of time. Many tenants sustain a tenancy for a substantial period of time and tenancies can exist for 30 or more years. In 2021/22 90% of new tenancies were sustained for at least a year.

### **Breaking down housing need by area**

The Housing Needs and Demand Assessment (HNDA) for Orkney is currently under development and must be determined to be “robust and credible” by the Scottish Government.



The HNDA will determine the number of additional households who require affordable housing over the next 5 year period. Further detail on the HNDA relative to the supply of social housing will be outlined in the Local Housing Strategy for 2023 and as such will not be replicated in the Asset Management Strategy.

### **Requirements for future housing provision**

The information throughout this section shows that housing need remains significant throughout, particularly in the main population centres of Kirkwall, Stromness, St Margaret's Hope. In addition, housing need is predominantly in respect of smaller properties, particularly one and two bedroom.

The housing development programme is ongoing and consequently there is a need to continually review the levels of stock to need ratios to ensure the stock profile remains relatively reflective of need.

### **Other assets**

In addition to dwellings the Council is also responsible for the management of a number of assets related to dwellings for example garages, garage plots, unadopted roads, paths and lights and a shop. The Council owns 290 garages, 17 garage plots and 12 sheds.

Strategically the Council does not intend to expand its garage stock at this point in time, though occasionally developments may incorporate a garage as a result of a design need.

Land is also held for the purposes of future and current house building.

## **Increasing Stock**

### **Acquisition of stock**

The Council has generally strong demand for housing and consequently will endeavour to expand its stock as far as possible inside resource restrictions.

### **Purchase**

The Council may need to expand its stock of housing of a certain type / in a certain area to meet demand. Various options may be considered. In some situations purchase may be viable. This requires the consideration of cost, condition, need for repairs to bring the property up to the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing relative to the cost and practicalities of building an alternative.

The Council will consider the mortgage to rent scheme in situations where this is a viable option to prevent homelessness, where resources allow this approach and where the additional property would be beneficial to the Council.

## **New Build**

Various areas of Orkney have benefited from additional Council housing over the last decade. These include Kirkwall, Stromness, Burray, St Margaret's Hope, Westray and Sanday. Orkney Housing Association has also developed housing in various locations including Orphir.

The 2022 – 2027 Strategic Housing Investment Plan sets out the proposed affordable housing investment of both the Council and our housing association partner, Orkney Housing Association (OHAL) for the next 5 years and this programme will reflect the need for housing in areas of high demand and need. It also outlines our approach to assisting rural and island areas with accessing the Rural and Islands Housing fund to assist with the development of affordable housing, through a community body to aid community sustainment.

## **Housing for Particular Needs**

While the Council owns a range of housing for particular needs, occasions may arise when there is a need to meet a housing need which cannot be done from within the Council's existing stock. This raises consideration such as the adaptation of an existing property, building a property specifically or acquiring it from outwith the Council's stock. This may include consideration of long-term leasing arrangement. The latter incurs additional risks where a secure tenancy requires to be offered.

## **Disposal of stock**

Generally disposal of stock would indicate sale on the open market, after redevelopment and alternative use has been considered. Sale has the potential to yield cost savings and minimise resource waste. This could in turn assist in the process of reinvestment and further development.

Our stock is generally in good condition. On occasion demolition may be considered. This may apply where a property's condition or structure was such that further investment would not be financially or practically viable. In addition the site could be used for alternative development.

In both cases above approval would be sought directly from our Education, Leisure and Housing Committee.

## **Housing Standards**

### **Maintaining Stock Condition**

The Council is committed to ensuring its stock is of a high standard and has a range of policies aimed at ensuring this aim is realised. This Strategy will cross reference the policies concerned but will not seek to replicate them.

These are:

Improvement Works Policy.	Outlines our approach to delivering planned improvements, including those required to continue to meet the Scottish Housing Quality Standard, the Energy Efficiency Standard for Social Housing and aim to meet the Energy Efficiency Standard for Social Housing 2.
Repairs and Maintenance Policy.	This covers our approach and legal obligations in respect of response repairs, right to repair, timescales and objectives in this respect.
Common Repairs Policy.	In order to ensure we meet the requirements of the Scottish Government's "Guidance on the Operation of Local Authority Housing Revenue Accounts in Scotland" <sup>17</sup> (2012), we have developed a policy on common repairs (repairs which affect properties in private ownership as well as our stock). This includes our property management processes in respect of factored services to owner occupiers. It is vital that limited resources are targeted appropriately.
Service Delivery Plan (Repairs and Improvements).	This considers our business purposes in respect of the repairs and improvements service. It considers our overall aims, who we are delivering the service for, our legal obligations and our resources to deliver this (including staff resources). Finally it includes customer feedback and ensures this is used to inform developments to the service.
Voids Policy.	This policy outlines our approach to void (empty) properties, including the maintenance of them while empty, the appropriate standard for re-let and timescales in this respect. It is vital to ensure this process is efficient as void properties do not attract rent and therefore represent a loss to the Council for the period during which they are empty.

In addition the Council produces a regular update report in respect of maintenance of the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing and progress towards the Energy Efficiency Standard for Social Housing 2. This is to ensure progress continues to be delivered. A report is presented to Education, Leisure and Housing Committee on an annual basis.

## Compliance with housing standards

The Council takes a rigorous approach to statutory and regulatory obligations such as gas safety, asbestos and legionella. Our approach to Housing Standards is as follows:

<sup>17</sup> Scottish Government "Guidance on the Operation of Local Authority Housing Revenue Accounts in Scotland" Available from: <https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2014/03/guidance-operation-local-authority-housing-revenue-accounts-hras-scotland/documents/00445684-pdf/00445684-pdf/govscot%3Adocument/00445684.pdf>

## Safety Checks

A wide range of safety checks are carried out across the housing stock on a cyclical basis ranging from legionella preventative work to fire prevention systems checks. These include:

<b>General Safety Checks.</b>	
Lifts	We have no domestic properties which contain lifts.
Emergency lighting.	Lighting of this type is held in communal areas only. This is subject to an annual inspection.
Fire safety.	Properties are fitted with interlinked smoke and heat alarms to LD2 standards. These required to be fitted by February 2022 and will be updated every 10 years through a rolling contract. We also install carbon monoxide alarms where relevant. Alarms are subject to electrical tests every 5 years or on change of tenancy. Tenants are provided with information to advise them how to test the alarms.  Housing for particular needs is fitted with an enhanced service in situations where staff are employed. This is in respect of the Health and Safety at Work Act 1974.
Electrical Installation Condition Report (EICR).	Subject to tests every 5 years (maximum) under a rolling programme and on change of tenancy.
Electrical Appliances.	The Council does not supply electrical appliances to Housing Revenue Account tenants but properties used for temporary accommodation with contain appliances. Council owned electrical appliances are subject to PAT testing every 2 years.
Oil and Solid Fuel Central Heating Systems.	Carbon monoxide alarms are subject to electrical tests every 10 years or on change of tenancy. Tenants are provided with information to advise them how to test the alarms. Oil boilers are serviced annually.
Spalling concrete.	The level to which this applies given the style of our stock is minimal. Properties don't generally face onto public highways. Visual inspections are undertaken regularly with a random selection being undertaken annually.

## Asbestos

The Council has a legal duty to manage any known asbestos containing material (ACM) within the properties managed, under the following legislation:

- Health and Safety at Work Act 1974;
- Management of Health and Safety at Work Regulations 1999;
- The Construction Design and Management Regulation 2007;

- Control of Asbestos Regulations (CAR) 2012;
- Policy on Asbestos Management in Council Housing (May 2009); and
- The Council's Corporate Asbestos Management Policy (under review 2023).

A full stock condition survey was undertaken in 2007. This includes a type 1 survey by an accredited asbestos consultant. In addition type 2 surveys (sampling) were undertaken for all properties which have communal areas. Our policy on Asbestos Management covers this in more detail.

Existing information regarding the location and condition of asbestos containing materials at given sites is held on the web-based asbestos register. This is available at <http://modusaims.net>.

This web-based system allows information relating to asbestos in our properties to be freely available to our staff and also to contractors who are working for us.

### **Gas Safety**

Orkney is not on the mains gas grid. Consequently no mains or bottled gas installations have been undertaken by the Council, and so there are no installations under 'The Gas Safety (Installation and Use) Regulations 1988 as amended' which require testing.

These regulations would be complied with should the Council install equipment which falls under these Regulations.

The Council has no direct control over fixed or portable gas equipment / appliances that the tenant may use, these are excluded from the regulations. The tenancy agreement covers requirements in respect of fitting, usage and storage of gas appliances cylinders etc.

### **Legionella**

In cases of buildings that are multiple occupancy, it is the Council's responsibility to test for legionella. The Council generally holds properties with individual water tanks.

Buildings remain to be assessed in respect of Health and Safety Guidance note 274 (HSG) to identify potential risks after which an action plan will be formulated. An article will be placed in Housing News and on our website.

### **Radon**

The Council has a legal duty to control the levels of Radon within its properties under the following legislation:

- Ionising Radiation Regulations (2017) (IRR);
- Health and Safety at Work Act 1974; and
- The Construction Design and Management Regulation 2007.

The Council has a Policy on Radon (under review 2023).

We have undertaken tests to determine radon readings in properties. This has shown that 4.1% of those surveys which were returned have readings above the action level and remedial measures are being taken.

### **Scottish Housing Quality Standard**

The Council required to meet the Scottish Housing Quality Standard (SHQS), across its social housing stock, by 2015 and continue to do so thereafter.

The Scottish Housing Quality Standard (SHQS) is a much more detailed standard than the Tolerable Standard.

To meet the standard a property must be:

- Compliant with the tolerable standard;
- Free from serious disrepair;
- Energy efficient;
- Provided with modern facilities and services; and
- Healthy, safe and secure.

More information can be found on the SHQS on the Scottish Government's website at <http://www.scotland.gov.uk/Topics/Built-Environment/Housing/16342/shqs>.

The Council will undertake an inspection of 10% of its properties annually to ensure they meet and continue to meet the SHQS.

### **Energy Efficiency Standard for Social Housing (EESH)**

The Council is required to meet the Energy Efficiency Standard for Social Housing 1 (EESH1) and will be required to meet the Energy Efficiency Standard for Social Housing 2 by 2032. These standards aim to improve the energy efficiency of social housing in Scotland. The intention is to help to reduce energy consumption, fuel poverty and the emission of greenhouse gases. The standard was expected to contribute to reducing carbon emissions by 56% by 2020 and is expected to reduce emissions by 75% by 2030, 90% by 2040 and net zero emissions of all greenhouse gases by 2045 in line with the requirements set out in the Climate Change (Emissions Reduction Targets) (Scotland) Act<sup>18</sup>.

The Scottish Government proposes to review EESH2 in 2023 to strengthen and realign the standard with the target for net zero heat in houses from 2040, as set out in the Climate Change Update, the Heat in Buildings Strategy and the Housing to 2040 Route Map<sup>19</sup>.

The costs of meeting EESH2 will be significant and will be factored into the Housing Revenue Account Business Plan once the Scottish Government has completed its review and a re-evaluation of work required has been undertaken. A

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<sup>18</sup> Scottish Government <https://www.gov.scot/policies/home-energy-and-fuel-poverty/energy-efficiency-in-social-housing/>

<sup>19</sup> <https://www.gov.scot/policies/home-energy-and-fuel-poverty/energy-efficiency-in-social-housing/>

fully costed plan to meet EESSH2 will be presented to a future committee for consideration. Every attempt will be made to secure any available funding to assist with the costs involved.

The first milestone Standard was based on minimum Energy Performance Certificate (EPC) Energy Efficiency (EE) ratings. As Standard Assessment Procedure Software is updated new ratings are declared. An example of these is shown in the ratings table below, and vary depending on the type of property and the fuel used to heat it.

Dwelling Type.	Energy Efficiency Rating as at 2009.	Energy Efficiency Rating as at 2012.
	Electric.	Electric.
Flats.	65.	63.
Four-in-a-block.	65.	62.
Houses (other than detached).	65.	62.
Detached.	60.	57.

The following table represents the current position with respect to the first EESSH milestone as at 31 March 2023. Exempt properties are due to factors like disproportionate cost of those in abeyance because the tenant does not want, or feel able to cope with, any works.

	31 March 2023.	31 March 2022.
Total properties.	1006.	983.
Properties achieving EESSH1.	937.	902.
Remaining properties.	69.	81.
Exempt.	49.	61.
Failed.	20.	20.
<ul style="list-style-type: none"> <li>• EPC update required following works.</li> </ul>	9.	6.
<ul style="list-style-type: none"> <li>• Awaiting survey.</li> </ul>	0.	3.
<ul style="list-style-type: none"> <li>• Scheduled 23/24.</li> </ul>	11.	11.

## Value for Money

It is important that our approach to Asset Management creates the optimum balance between cost and quality. There is a need to ensure that all processes are as efficient as possible including procurement and obtaining appropriate contracts that ensure value for money, rent collection, void turnover etc.

Appropriate financial planning is in place through our Housing Revenue Account Business Plan to ensure the Housing Revenue Account can meet required

investment in property and the development of new builds. This covers a 40 year term. The business plan considers a range of factors including property development costs, debt repayment, cost of delivering the service, void rental loss etc, versus value of stock held, rental income etc. It is vital that affordability remains central.

The section on Maintaining Stock Condition outlines our approach to common repairs and making most effective use of the Housing Revenue Account in this respect.

## **Procurement**

The Authority procures works, supplies and services in accordance with the Council's 'Contract Standing Orders' and Financial Regulations.

Contractors / consultants are assessed for competency, resources, financial standing, insurances and a range of other factors, and only those approved are permitted to work for the Authority.

Methods of procuring works are varied and range from open or restricted procurement to quick quotations including those directed at those on the Council's Dynamic Purchasing System (DPS). A range of contracts are utilised from the Joint Contracts Tribunal (JCT) (National Standards) suite of contracts, with the Measured Term Contracts, Standard Building Contract and Design and Build Contract predominantly used.

A rigorous system operates to separate out the duties of client/ budget holder and officer delegated to invite and manage tenders, supported by a Scheme of Delegation, the Scheme of Administration and the Council's Contract Standing Orders and Financial Regulations.

Public Contracts Scotland procurement portal is regularly used to procure works either by means of quick quotes, restricted or open tenders in compliance with the relevant procurement legislation in accordance with the Procurement Legislation for Regulated (with a value of over £50,000) procurements and over Threshold projects. This provides a complete auditable process which supports internal practices.

## **Rental Charges**

The average weekly rent for Council properties in 2022/23 was £83.39 which is slightly lower than the Scottish average of £85.36, though other similar authorities record relatively comparable rents.

A comprehensive rent setting policy has been in place since 2008 and this allocates points related to features of the property concerned and the area in which it is situated. This will be subject to review during 2023.



## Involvement of Stakeholders

A small group of core staff across Housing Services and Neighbourhood Services and Infrastructure have been involved in the development of the Asset Management Strategy and a review of the processes underpinning it.

The views of our customers have been included in the development of this strategy through a range of customer satisfaction processes including the tenant satisfaction survey undertaken in 2022.

A process of consultation will require to take place to include a range of stakeholders including our tenants. The Strategy will require to be updated following consultation to include comments.

A wider piece of related work will take place during 2023, including the development of our Housing Needs and Demand Assessment, revised Local Housing Strategy and revised Housing Revenue Account Business Plan. This will interlink with the consultation process for the Asset Management Strategy to ensure all inter-relate appropriately.

## Performance Management

Performance processes within Housing Services are significant and detailed. These include the extensive monitoring required by the Scottish Housing Regulator and also include benchmarking through Scotland's Housing Network and an independent check of the data that we hold, across Housing Services and Neighbourhood Services and Infrastructure on an annual basis. The independent check is undertaken by CD Consultancy - a housing performance consultant, specialising in analysis of data ahead of submission to the Scottish Housing Regulator.

<b>Performance Processes in Place.</b>	<b>Detail.</b>
Annual Return against the Charter (ARC) submitted May.	ARC data is analysed quarterly in our internal quarterly performance meeting and plans for performance improvement are discussed. Reasons behind particular figures are also discussed. Information behind the data is analysed by Head of Community Learning, Leisure and Housing and textual information is added into relevant ARC fields so the Scottish Housing Regulator gets useful contextual information to assist them to understand any issues which affect our performance.
Annual Assurance Statement submitted October.	The above information is also used in the written section of the Annual Assurance Statement which, along with the committee report and action plan is considered by committee. The Chair of the

	committee must confirm that the committee is assured in respect of the quality of our performance.
Membership of Scotland's Housing Network.	<p>We are a member of SHN and consequently provide data through their required returns. In tandem they compare our data against our peer group i.e. other small councils, and also in relation to the Scottish average. We report this information to committee annually.</p> <p>We also have a meeting where SHN presents their findings to all our staff and other relevant staff, for example from Neighbourhood Services and Infrastructure, such as Team Manager (Maintenance and Heritage), Building Inspectors and Finance Services (Revenues Manager, Clerical Assistant (Rents).</p>
Reporting against key areas including Homelessness and EESSH.	An annual update report is presented to committee re Homelessness and also around Energy Efficiency Standard for Social Housing (EESH) (previously SHQS) and will shortly become EESH2.
Independent review of our data at the 9 month stage.	Christine Dugan of CD Consultancy is contracted to undertake an independent review of our data at the 9 month stage, to enable time to address any issues ahead of us submitting our data to the Scottish Housing Regulator. This includes data held within Neighbourhood Services and Infrastructure.
Annual Report for Tenants required October.	This includes all data which is likely to be of interest to tenants. This includes properties meeting the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing. It is published on our website.

## Risk Assessments

We apply a comprehensive risk management framework. This includes consideration of specific risks associated with strategies. The more significant risks appear in our Risk Register for Education, Leisure and Housing. This includes an assessment of the likelihood of the risk posing difficulty and where relevant actions in place to mitigate risks.

The main risks identified that are relevant to the Asset Management Strategy are:

<b>Risk.</b>	<b>Level of risk.</b>	<b>Actions in place to mitigate.</b>
Financial Pressures (funding of new build is challenging in a context of rising costs, increased rent arrears etc	Medium risk.	Business Plan being developed covering HRA activity to consider scenario planning. Review of HRA underway.

impacting on affordable housing provision).		
Recruitment Challenges (some posts remain very difficult to fill).	Medium risk.	Support for 'grow your own' staff to be secured. This may include incentives to encourage staff retention. Alternatives including use of agency supply to be explored.
Ability to pay rent (Rising rent arrears may impact on financial resource to deliver housing improvements etc).	Medium risk.	HRA Business Planning review to include scenario planning. Review of HRA is underway. Issues of affordability are considered in respect of potential impact of annual rental increase. Monitor situation and reassess plans for new build against demand on regular basis.
Appropriate IT.	Medium risk.	Continue to monitor effectiveness of Northgate and undertake upgrades as a planned process. Concerto continues to be enhanced.
Ability to achieve SHQS (and later EESSH).	Medium risk.	Review progress on an annual basis. Develop detailed plan to ensure properties meet the Energy Efficiency Standard for Social Housing (2) within the designated timescale. Likely to become a greater risk with the introduction of EESSH2.
Assault on staff.	Medium risk.	Ensure lone working policy remains valid, staff continue to follow guidance and risk assessments are in place.
Affordability of Housing Revenue Account.	Medium risk.	Develop HRA Business Plan to include scenario planning. Continue to review HRA modelling.

## Actions

The Council intends to take the following actions to achieve our objectives:

- **Develop a strategic approach to reviewing and where necessary restructuring our stock portfolio.**

- Undertake a review of size / area of property held relative to current demand and plan for enhancement / reduction accordingly while considering affordability to the Housing Revenue Account.
- Consider alternative provision for achieving aims of housing Head Teachers in outer isles.
- **Gearing our activities towards investment to deliver high quality homes.**
  - To continue to ensure our investment is targeted towards continuing to deliver the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing<sup>1</sup> and aiming to meet Energy Efficiency Standard for Social Housing 2 as well.
  - To develop a fully costed plan to meet Energy Efficiency Standard for Social Housing 2.
  - To assess buildings in respect of Health and Safety guidance note 274 (HSG) re legionella testing where required, identify potential risks and develop an action plan accordingly.
  - To mitigate environmental impact of new developments, set a higher standard that future proofs the housing stock.
  - When opportunities arise as properties become vacant, consider undertaking major upgrade to future proof the property.
  - Implement new procedures in relation to dealing with damp and mould in Council homes in line with the Chartered Institute of Housing's guidance<sup>20</sup> and that of the Housing Ombudsman<sup>21</sup>.
- **Use assets and resources to continue to build strong communities.**
  - To continue to invest in communities which require social housing where affordable.
  - To continue to consider sale of properties which are surplus to requirements due to location, size or condition.
- **Build asset value.**
  - To continue to build houses as cost effectively as possible whilst developing the HRA resource base.
  - To continue to purchase off the shelf or second hand purchases where appropriate and affordable to expand the asset base.

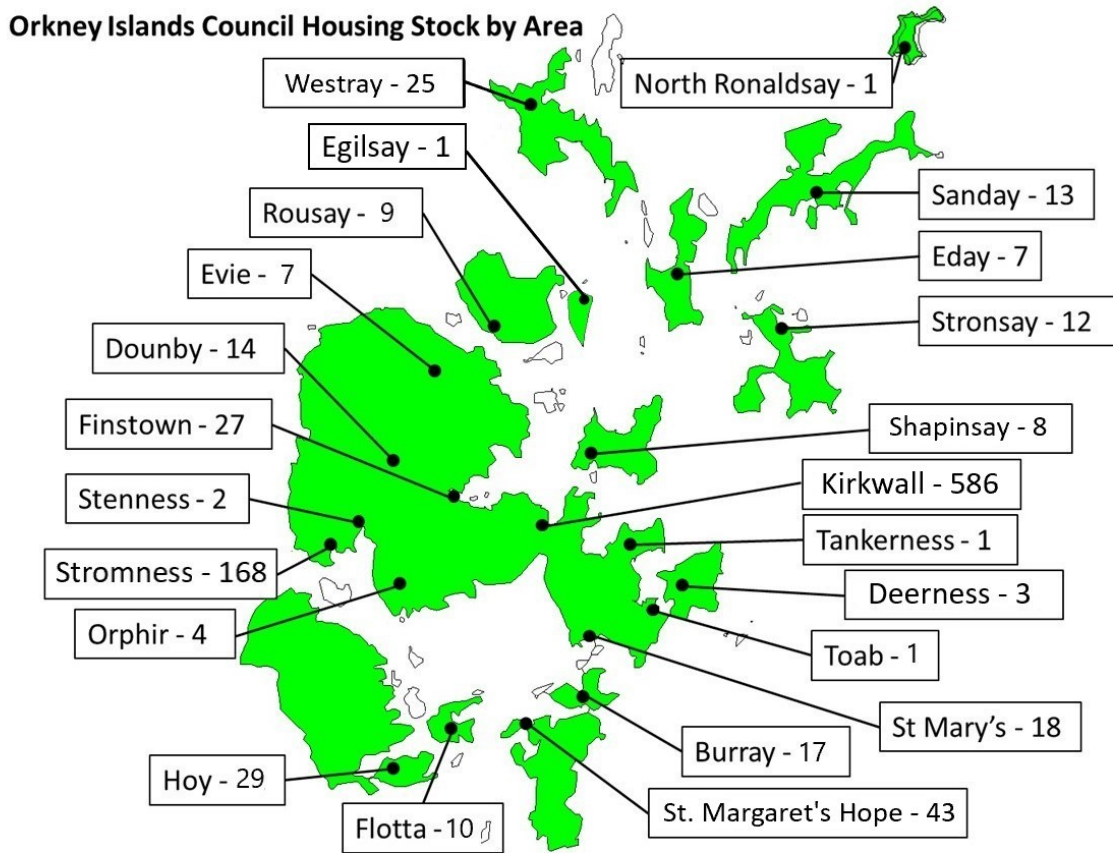
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<sup>20</sup> How to Deal with Damp and Mould" Chartered Institute of Housing, December 2022.

<sup>21</sup> "Spotlight on Damp and Mould, It's Not Lifestyle" Housing Ombudsman Service, October 2022.

- **Ensure affordability for tenants.**
  - To continue to monitor the financial position of the Housing Revenue Account.
  - To consider policy reviews where relevant to seek to improve efficiencies and in turn affordability for tenants.

# Appendix 1





## Equality Impact Assessment

The purpose of an Equality Impact Assessment (EqIA) is to improve the work of Orkney Islands Council by making sure it promotes equality and does not discriminate. This assessment records the likely impact of any changes to a function, policy or plan by anticipating the consequences, and making sure that any negative impacts are eliminated or minimised and positive impacts are maximised.

<b>1. Identification of Function, Policy or Plan</b>	
Name of function / policy / plan to be assessed.	Asset Management Strategy
Service / service area responsible.	Housing Services
Name of person carrying out the assessment and contact details.	Frances Troup, Ext 2177 E-mail <a href="mailto:frances.troup@orkney.gov.uk">frances.troup@orkney.gov.uk</a>
Date of assessment.	26 April 2023
Is the function / policy / plan new or existing? (Please indicate also if the service is to be deleted, reduced or changed significantly).	Existing - revised

<b>2. Initial Screening</b>	
What are the intended outcomes of the function / policy / plan?	To ensure appropriate strategic planning of Asset Management in relation to delivery of housing services and that there is clarity around standards to be met, safety checks to be undertaken etc.
Is the function / policy / plan strategically important?	Yes, the Council holds 1005 Council houses and requires to deliver high quality housing services and ensure specific standards are met, checks are undertaken etc. It interlinks with the Council's Corporate Policy on Asset Management.
State who is, or may be affected by this function / policy / plan, and how.	Council tenants are provided with the service though this is covered by existing policies covering repairs and maintenance, improvement works etc.

<p>How have stakeholders been involved in the development of this function / policy / plan?</p>	<p>This is a review of an existing strategy.</p> <p>Stakeholders haven't been directly involved per se. Tenants have been involved in relation to Customer Satisfaction results relating to delivery of the service (wholesale satisfaction survey undertaken every 2 years, last undertaken in summer 2022).</p> <p>Stakeholders' views are routinely collected in relation to their most recent repair.</p> <p>There will be a need to consult / inform tenants and also staff. However, the basis of the strategy is around legislative and regulatory requirements.</p> <p>During 2023, a significant amount of strategic planning is scheduled for development including the review of the Housing Needs and Demand Assessment, Local Housing Strategy, Strategic Housing Investment Plan and Housing Revenue Account Business Plan. The Asset Management Strategy will interlink closely with these documents. Therefore there will be a need to consult all parties involved in the development of these documents.</p>
<p>Is there any existing data and / or research relating to equalities issues in this policy area? Please summarise. E.g. consultations, national surveys, performance data, complaints, service user feedback, academic / consultants' reports, benchmarking (see equalities resources on OIC information portal).</p>	<p>The Scottish Housing Regulator has produced guidance on Integrated Asset Management and also in relation to Business Planning. This is a general housing matter rather than one which would impact from an equalities perspective per se.</p>
<p>Is there any existing evidence relating to socio-economic disadvantage and inequalities of outcome in this policy area? Please summarise. E.g. For people living in poverty or for people of low income. See <a href="#">The Fairer Scotland Duty Guidance for</a></p>	<p>The Scottish Housing Regulator has produced guidance on Integrated Asset Management and also in relation to Business Planning. This is a general housing matter and not necessarily related to socio-economic disadvantage as no charge would be levied other than the rental commitment which may be covered by benefit entitlement (where relevant).</p>



<a href="#">Public Bodies</a> for further information.	
Could the function / policy have a differential impact on any of the following equality areas?	(Please provide any evidence – positive impacts / benefits, negative impacts and reasons).
1. Race: this includes ethnic or national groups, colour and nationality.	Potentially if for instance there was a language barrier but our Accessibility Policy is specifically intended to address this. We keep service records which include records of any requirements for information in different formats and languages.
2. Sex: a man or a woman.	Impact is unlikely to be significant.
3. Sexual Orientation: whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes.	Impact is unlikely to be significant.
4. Gender Reassignment: the process of transitioning from one gender to another.	Impact is unlikely to be significant.
5. Pregnancy and maternity.	Impact is unlikely to be significant.
6. Age: people of different ages.	Impact is unlikely to be significant.
7. Religion or beliefs or none (atheists).	Impact is unlikely to be significant.
8. Caring responsibilities.	Impact is unlikely to be significant.
9. Care experienced.	Impact is unlikely to be significant.
10. Marriage and Civil Partnerships.	Impact is unlikely to be significant.
11. Disability: people with disabilities (whether registered or not).	Impact is unlikely to be significant.
12. Socio-economic disadvantage.	Impact is unlikely to be significant.

### 3. Impact Assessment

Does the analysis above identify any differential impacts which need to be addressed?	Language barriers are a possibility in relation to different ethnic groups.
How could you minimise or remove any potential negative impacts?	Potential language barriers can be addressed through normal working arrangements and our Accessibility Policy.

Do you have enough information to make a judgement? If no, what information do you require?	Yes
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#### 4. Conclusions and Planned Action

Is further work required?	No.
What action is to be taken?	N/A
Who will undertake it?	N/A
When will it be done?	N/A
How will it be monitored? (e.g. through service plans).	Monitoring will be five yearly as part of Housing Services' rolling review programme.

Signature: 

Date: 26.4.23

Name: Frances Troup

(BLOCK CAPITALS).

Please sign and date this form, keep one copy and send a copy to HR and Performance. A Word version should also be emailed to HR and Performance at [hrrsupport@orkney.gov.uk](mailto:hrrsupport@orkney.gov.uk)

## Island Communities Impact Assessment [Asset Management Strategy, Housing Services]

Preliminary Considerations	Response
Please provide a brief description or summary of the policy, strategy or service under review for the purposes of this assessment.	Asset Management Strategy.
Step 1 – Develop a clear understanding of your objectives	Response
What are the objectives of the policy, strategy or service?	To ensure appropriate strategic planning of Asset Management in relation to delivery of housing services and that there is clarity around standards to be met, safety checks to be undertaken etc.
Do you need to consult?	<p>Yes. There will be a need to consult / inform tenants and also staff. However, the basis of the strategy is around legislative and regulatory requirements.</p> <p>During 2023, a significant amount of strategic planning is scheduled for development including the review of the Housing Needs and Demand Assessment, Local Housing Strategy, Strategic Housing Investment Plan and Housing Revenue Account Business Plan. The Asset Management Strategy will interlink closely with these documents.</p>
How are islands identified for the purpose of the policy, strategy or service?	The strategy covers the whole local authority area which includes all the inhabited islands.
What are the intended impacts/outcomes and how do these potentially differ in the islands?	To ensure the Housing Service has in place an appropriate strategy to facilitate the appropriate management of our housing assets. This includes ensuring we deliver our statutory requirements in respect of the provision of repairs etc under the Housing (Scotland) Acts 1987

	<p>and 2001. In addition we are required to meet certain standards relating to the Scottish Social Housing Charter and the Housing (Scotland) Act 2010.</p> <p>It also ensures we meet our wide ranging legislative requirements in relation to health and safety including ensuring we meet the Scottish Housing Quality Standard, Energy Efficiency Standard for Social Housing, have appropriate arrangements are in place around electrical checks, smoke and heat alarms, legionella, radon etc</p> <p>The legislative provision is the same in the islands. Service delivery would be around contracts with island contractors where relevant.</p>
Is the policy, strategy or service new?	No it is a revised strategy.
Step 2 – Gather your data and identify your stakeholders	Response
What data is available about the current situation in the islands?	<p>Data on stock holdings, service delivery of repairs, improvements, compliance with Scottish Housing Quality Standard, Energy Efficiency Standard for Social Housing, Customer Satisfaction Information and House Build. Data would routinely be looked at by area in relation to stock holdings, demand for housing, house build etc. In relation to delivery of repairs, improvements and physical standards, this information could be broken down by island if necessary but compliance is required across the whole of the island group. Data would only be shown in this manner if there were an issue with compliance in a given location.</p>
Do you need to consult?	<p>Yes. There will be a need to consult / inform tenants and also staff. However, the basis of the strategy is around legislative and regulatory requirements.</p>

How does any existing data differ between islands?	The numbers will differ based on the level of housing stock and other physical assets on each island. Data in respect of repairs is demand led, as is the customer satisfaction information relating to that. Data around delivery of required standards will be affected by the level of housing stock on each island.
Are there any existing design features or mitigations in place?	No there are potential issues around speed of delivery in certain locations if there is not a local contractor who can undertake work but we would work around that and endeavour to find a suitable alternative who would visit the island and undertake the work required. It is important to be clear this is an Asset Management Strategy as opposed to a repairs policy so mitigations aren't around day to day delivery of a service.
<b>Step 3 – Consultation</b>	<b>Response</b>
Who do you need to consult with?	<p>There will be a need to consult / inform tenants and also staff. However, the basis of the strategy is around legislative and regulatory requirements.</p> <p>During 2023, a significant amount of strategic planning is scheduled for development including the review of the Housing Needs and Demand Assessment, Local Housing Strategy, Strategic Housing Investment Plan and Housing Revenue Account Business Plan. The Asset Management Strategy will interlink closely with these documents. Therefore consultation will need to involve those parties involved in the development of these documents. A separate consultation will be undertaken as relevant around strategic planning, particularly the development of the Local Housing Strategy.</p>
How will you carry out your consultation and in what timescales?	Article in Housing News in next edition. Involvement of staff through regular staff meetings. Involvement of those parties involved in other

	aspects of strategic planning through regular meetings already in place.
What questions will you ask when considering how to address island realities?	There will be a need to consult / inform tenants and also staff. However, the basis of the strategy is around legislative and regulatory requirements. This won't involve specific questions.
What information has already been gathered through consultations and what concerns have been raised previously by island communities?	Information is routinely collected from tenants and service users as a result of frontline service delivery. This relates to day to day service delivery as opposed to strategic planning per se.  Orkney Matters meetings included discussions relating to housing provision which will be considered in relation to the development of the Local Housing Strategy.
Is your consultation robust and meaningful and sufficient to comply with the Section 7 duty?	N/A. There will be a need to consult / inform tenants and also staff. However, the basis of the strategy is around legislative and regulatory requirements.
<b>Step 4 – Assessment</b>	<b>Response</b>
Does your assessment identify any unique impacts on island communities?	No.
Does your assessment identify any potential barriers or wider impacts?	No.
How will you address these?	N/A.
<p><b>You must now determine whether in your opinion your policy, strategy or service is likely to have an effect on an island community, which is significantly different from its effect on other communities (including other island communities).</b></p> <p>If your answer is <b>No</b> to the above question, a full ICIA will NOT be required and <b>you can process to Step 6.</b></p>	

If the answer is **Yes**, an ICIA must be prepared and **you should proceed to Step 5**.

To form your opinion, the following questions should be considered:

- Does the evidence show different circumstances or different expectations or needs, or different experiences or outcomes (such as different levels of satisfaction, or different rates of participation)?
- Are these different effects likely?
- Are these effects significantly different?
- Could the effect amount to a disadvantage for an island community compared to the Scottish mainland or between island groups?


Step 5 – Preparing your ICIA	Response
In Step 5, you should describe the likely significantly different effect of the policy, strategy or service:	
Assess the extent to which you consider that the policy, strategy or service can be developed or delivered in such a manner as to improve or mitigate, for island communities, the outcomes resulting from it.	
Consider alternative delivery mechanisms and whether further consultation is required.	
Describe how these alternative delivery mechanisms will improve or mitigate outcomes for island communities.	
Identify resources required to improve or mitigate outcomes for island communities.	
Stage 6 – Making adjustments to your work	Response
Should delivery mechanisms/mitigations vary in different communities?	Asset Management is generally driven by legislative and regulatory requirements so would not vary in different locations in general.
Do you need to consult with island communities in respect of mechanisms or mitigations?	No.

Have island circumstances been factored into the evaluation process?	Yes, island circumstances are always factored into our strategies and policies relating to Housing as we deliver Housing Services across a broad range of island communities.
Have any island-specific indicators/targets been identified that require monitoring?	No.
How will outcomes be measured on the islands?	The outcomes will be measured through statutory monitoring against our performance through the Annual Return against the Charter (and quarterly internal monitoring against this) and our Annual Assurance Statement both of which are submitted to the Scottish Housing Regulator. This data is produced across Orkney generally.
How has the policy, strategy or service affected island communities?	Asset Management is generally driven by legislative and regulatory requirements so would not vary in different locations in general.
How will lessons learned in this ICIA inform future policy making and service delivery?	N/A.
<b>Step 7 – Publishing your ICIA</b>	<b>Response</b>
Have you presented your ICIA in an Easy Read format?	Yes.
Does it need to be presented in Gaelic or any other language?	No.
Where will you publish your ICIA and will relevant stakeholders be able to easily access it?	Orkney Islands Council's Website with Committee Report and Minute on Asset Management Strategy.
Who will signoff your final ICIA and why?	James Wylie, Corporate Director of Education, Leisure and Housing – line manager of Frances Troup.

ICIA completed by:	Frances Troup
Position:	Head of Community Learning, Leisure and Housing



Signature:	
Date complete:	26 April 2023

ICIA approved by:	James Wylie
Position:	Corporate Director of Education, Leisure and Housing
Signature:	
Date complete:	18 May 2023