

Wellhouse: the Place to Be

22nd October 2020

Dear Member,

The next Management Committee will be held on 29th October 2020, at 11:00am via Zoom

	Agenda Item	Lead	Time	
1.	Welcome, Sederunt & Apologies.		1 min	Verbal
2.	Declarations of Interest.	Chair	1 min	Verbal
3.	Internal Audit Reports	Scott McCready	15 min	Approval
4. 4.1	Minutes of the Committee Meeting of 27 August 2020 Minutes of the Governance items following the AGM 2020	Chair	3 min	Approval
5.	Matters Arising & Actions from the minutes report	Director	2 min	Note
6. 6.1	SHAPS Viability Survey OSCR Annual Statutory Return Appendix 1 – OSCR Statutory Return	Finance Manager	10 min	Note Approval
7.	Rent Arrears Update	Housing Manager	10 min	Note
8.	Financial Regulations Update	Finance Manager	5 min	Approval
9.	Operational updates	Management Team	10 min	Note
10.	Gutter Cleaning Tender Returns	Maintenance Manager	10 min	Approval
11.	AOCB	Chair		
	 Agreement committee meeting dates and times Governance Items – Election/confirmation of Audit & Risk Committee Chair 	Corporate & Governance Officer	5 min	Approval
	3. SGM	Director	5 min	Discussion

Meeting close: 12:30pm, Next Meeting: 24th November 2020, time to be confirmed.



Management Committee	29 th October 2020
Agenda Item	3
Title of Paper	Internal Audit Reports and Draft Management Responses
Author	Gordon Kerr, Finance & Corporate Services Manager
Attachment(s)	Business Planning Development

FOR INFORMATION

1 PURPOSE

1.1 To present the findings from the two audits carried out in the first visit of 2020/21 as part of the previously agreed Internal Audit Programme.

2 RECOMMENDATIONS

- 2.1 That the attached reports are discussed, the findings are noted and that any follow-up actions are agreed.
- 2.2 That the Committee approve the draft management responses.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objective to provide good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values:-
 - Accountability
- 3.3 This Report also meets point 12:7 from 2020/21 Operational Plan "Internal Audit".
- 3.4 This Report should contribute towards our overarching Aim and Vision of making Wellhouse "the Place to Be"

4 BACKGROUND

- 4.1 This is the third and final year of an agreed extension to the original contract with Wylie & Bisset, Internal Auditors. The original three-year internal audit programme was established in 2015/16. The areas identified and audited in this first visit of year 3 were:-
 - Business Planning;
 - Development.



4.2 The audits were carried out during week commencing 3rd August 2020. Due to the current pandemic and resulting Government restrictions imposed, both audits were carried out remotely. The Audit staff liaised with relevant Wellhouse staff members during the "fieldwork". The Auditors were then able to produce draft reports which were circulated to the Wellhouse staff members involved, allowing them to add a Management Response stating whether they were in agreement or not with the audit findings. Wylie & Bisset subsequently updated the Reports to include all draft Management Responses and produced final reports.

5. MAIN ISSUES

5.1 Business Planning – this Report has highlighted just one recommendation, which has been graded as low. The recommendation is to review the fall out of Covid-19 and to take into account global pandemics when drafting future business plans. Similar audits undertaken at other Associations to benchmark against show an average of three recommendations – one medium and two low recommendations. This demonstrates that Wellhouse is faring better than other Associations in this area.

Management response is to review the effect Covid-19 has had on financial and operational activities and to include global pandemics as potential risks in future business plans

The audit highlighted 11 areas of good practice, which is also very reassuring.

The overall conclusion from this Audit is that Wylie & Bisset is able to provide a strong level of assurance from its review. This Report is attached as Appendix 1.

5.2 Development - this Report has highlighted three recommendations, all of which are graded as low. Two of the recommendations relate to the relationship between Wellhouse and its Development agent and the third recommendation relates to the Sustainability policy, which is still in draft form. Similar audits undertaken at other Associations to benchmark against show an average of four recommendations – one medium and three low recommendations. This demonstrates that Wellhouse is faring slightly better than other Associations in this area.

Management responses are to:-

- Update the service level agreement;
- Introduce a smooth process for invoicing; and
- Review, update and obtain Committee approval for Sustainability policy.

The audit highlighted five areas of good practice, which is reassuring.

The overall conclusion from this Audit is that Wylie & Bisset is able to provide a strong level of assurance from its review. This Report is attached as Appendix 2.



6. DISCUSSION

6.1 Committee is asked to review the Management Responses and to discuss them.

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 Under the new SHR Regulatory Framework it is now a regulatory requirement for Wellhouse to have a comprehensive internal audit programme in place to allow it to prepare and submit an Annual Assurance Statement.
- 7.2 As a result of the intervention, it was recognised as a weakness that Wellhouse had no Internal Audit function in place. Wellhouse is, therefore, now committed to have a robust Internal Audit programme in place.
- 7.3 The Management Letter produced as a result of the Annual External Audit had consistently recommended that Wellhouse implement a comprehensive internal audit programme.

8. FINANCIAL IMPLICATIONS

There will be no additional cost implication to the Association as a result of these audits, however, cash reserves will be affected as development work carried out for the last 4 years will need to be invoiced by New Gorbals HA and paid by Wellhouse HA.

9. KEY RISKS

9.1

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks	
There is a risk that if recommendations are not agreed to and implemented that there could continue to be weaknesses in the internal controls of the Association.			
Mitigation	Mitigation	Mitigation	
Accept, where appropriate, Wylie Bisset recommendations and implement them as soon as possible.			

10. EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

10.1 None apparent.

11. SUSTAINABILITY

11.1 Not applicable.



12. SWOT ANALYSIS

Not applicable as no new business planned

13. CONCLUSION

13.1 Both audits have achieved an overall conclusion of Strong, which is very encouraging. Only one recommendation has been graded higher than low.



Wellhouse Housing Association

Internal Audit 2020-21

Business Planning August 2020

Overall Conclusion

Strong

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(Bus Planning)

3.1 Internal Audit Reports Appendix 1

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The matters raised in this report came to our attention during our audit and are not necessarily a comprehensive statement of all weaknesses that exist or all improvements that might be made.

This report has been prepared solely for the Wellhouse Housing Association's individual use and should not be quoted in whole or in part without prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any third party.

We emphasize that the responsibility for a sound system of internal control rests with management and work performed by internal audit should not be relied upon to identify all system weaknesses that may exist. Neither should internal audit be relied upon to identify all circumstances of fraud or irregularity should there be any although our audit procedures are designed so that any material irregularity has a reasonable probability of discovery. Every sound system of control may not be proof against collusive fraud. Internal audit procedures are designed to focus on areas that are of greatest risk and significance.

Overview

Purpose of review

We undertook a review of the business planning arrangements within the Association and considered its compliance with regulatory guidance. We sought to ensure that the Management Committee were fully involved in the development of the business plan. We also reviewed the methods in place to monitor the progress of the business plan and the reporting arrangements to ensure that the Management Committee received regular updates.

This review was agreed as part of the 2020/21 Annual Audit Plan.

Scope of review

Our objectives for this review were to ensure:

- > The Association has robust planning processes in place to develop the Business Plan.
- > The Association's Business Plan complies with regulatory guidance from the Scottish Housing Regulator.
- The Association regularly reviews and monitors the Business Plan.
- > The Management Committee were fully involved in the development of the Business Plan and receive regular updates on the progress of the Plan.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was no limitation of scope.

Background Information

Wellhouse Housing Association drafted a new 3-year business plan covering 2019 to 2022. The Plan was a result of collaboration between the Management Committee, various members of staff and partners such as Glasgow City Council, Easterhouse Housing & Regeneration Alliance, Employers in Voluntary Housing.

The initial consultation with the Management Committee took place throughout 2018. The full and formal consultation with the Management Committee and partners started on 13 December 2018, with the circulation of the final draft plan. The full version of the plan was approved by the Management Committee on 28 February 2019.

Review

The Business Plan is subject to a comprehensive review every 3 years. Each year, an update of the Plan will be prepared to incorporate new financial projections, operational plans and to highlight any changes that are relevant to the Association's strategy and operating environment.

Following the review in 2019/20, the Association dropped the service charge and asked TPAS (Tenant Participation Advisory Service) to communicate with tenants to assess what they deem as priority areas for the Association to invest money and time.

In 2020/21, the Association will be moving into its third year of operating within the Common Housing Register (CHR) with 4 of its neighbouring RSLs. As a result of this, the Association intends to review the CHR outcomes to ensure it is meeting the outcomes it wants to deliver on. The Association is focusing on increasing lets to homeless applicants, it has set a target of 35% for homeless households, up 10% from 2019/20.

Strategic Objectives

To remain focused on transforming its business and making the desired social impact, the Association set 6 strategic objectives over the next 3 years. They are to:

Deliver excellent services.

(Bus Planning)

3.1 Internal Audit Reports Appendix 1

1 EXECUTIVE SUMMARY

- Provide good quality homes.
- Anticipate, understand, and respond to local needs.
- > Foster an attractive, successful, and thriving community.
- > Maintain good governance and financial management; and
- > Value and invest in its people.

Values

The Business Plan outlines the Association's values, these being:

- > Trust.
- > Honesty.
- Integrity.
- > Excellence.
- Accountability; and
- > Sustainability.

Business Plan Contents

The Business Plan is made up of 8 sections. They are as follows:

- > Section 1: Introduction.
- > Section 2: About Us.
- > Section 3: Operating Environment.
- Section 4: Business Strategy.
- Section 5: Priorities & Plans.
- Section 6: Resources.
- > Section 7: Risks; and
- > Section 8: Review.

Work Undertaken

As part of our review, the following work was undertaken:

- Discussions with key personnel to identify the processes involved in developing the Business Plan.
- > Reviewing the Business Plan to ensure that it adheres to regulatory guidelines and to provide comments on appropriateness of detail and length.
- Reviewing the reporting and approval process in place regarding the Business Plan.
- > Reviewing of the financial assumptions to ensure that these were appropriate and would achieve its strategic objectives.
- > Comparing the Business Plan with other Register Social Landlord's Business Plans to ensure good practice.
- > Reviewing the Business Plan to ensure it complies with guidance from the Scottish Housing Regulator.

Conclusion

Overall conclusion

Overall Conclusion: Strong

We can provide a strong level of assurance over the controls in place regarding the Association's Business Plan and that these have been embedded throughout the whole Association. We have, however, raised 1 low grade recommendation for improvement. Please see section 3 for further information.

Summary of recommendations

Grading of recommendations				
	High	Medium	Low	Total
Business Planning	0	0	1	1

As can be seen from the above table there were no recommendations made which we have given a grading of high or medium.

1 EXECUTIVE SUMMARY

Areas of good practice

1.	The Association created a "Business Plan Preparation Programme". This document contained a timeline and the actions that had to be completed to allow the Business Plan to move from draft to final stage. For example: data necessary for the Business Plan had to be collected and analysed by November 2018. The budget and financial projections had to be updated and ready by December 2018.
2.	During our review of the Association's Business Plan, we noted that it incorporated the regulatory guidance standards as set out by the Scottish Housing Regulator.
3.	Section 4 of the Business Plan, Business Strategy of the Business Plan sets out the strategic direction and strategic objectives of the Association. The strategic direction is defined as a period of confident momentum as an ethical, not-for-profit business and RSL (Registered Social Landlord). To stay focused on transforming its business and making a positive social impact, the Association developed 6 strategic objectives. The 6 objectives are: 1. Deliver excellent services. 2. Provide good quality homes.
	3. Anticipate, understand and respond to local needs.
	4. Foster an attractive, successful and thriving community.
	5. Maintain good governance and financial management; and
	6. Value and invest in our people.
4.	The Business Plan is subject to a comprehensive review every 3 years. Each year, an update of the Plan will be prepared to incorporate new financial projections and operational plans and to highlight any changes that are relevant to the Associations strategy and operating environment.

1 EXECUTIVE SUMMARY

The follow	ving is a list of areas where the Association is operating effectively and following good practice.
5.	Section 2 of the Business Plan: About Us provides a detailed narrative on the strengths and weaknesses of the Association. The Association aims to build on its current successes and strengthen the weaknesses within the next 3 years.
6.	The Business Plan contains both a 5 year and 30-year financial projection. The projections cover the following: Cashflow, over the next 5 years the Association projects an increase in cashflow by £0.5 million. The Association will comfortably meet the financial covenants agreed with its lenders.
7.	The Association state in their Business Plan that the goals of their strategy are to reduce their operating costs per unit on a year on year basis, improve its performance on costs compared to other RSLs operating in the Easterhouse area and to ensure it is making the best possible use of its assets to meet its objectives.
	The Association set a target of 0.60% for the percentage of rent lost via void properties. In quarter 1 of 2020/21, this number was 0.08%, this was a decrease of 0.11% when compared to the 2019 the year end result of 0.19%.
	The annual target for refused tenancies is set at 30%; in 2019 the year end result was 46.97%. However, at the end of quarter 1 of 2020/21, the percentage of tenancies refused was 0%.
	TPAS (Tenant Participation Advisory Service) will be working closely with the Association throughout year one of this plan on value for money issues and spend priorities for tenants to help inform future planning.

The following is a list of areas where the Association is operating effectively and following good practice.

8. The Association sets KPI's (Key Performance Indicators) on an annual basis. The Association discusses the areas noted below and the associated KPI's on a regular basis. The figures are reported to the Management Committee every quarter.

The KPIs cover the following areas:

- > Rent Management
- Allocations
- Maintenance.
- > Adaptations.
- Estate Management.
- Satisfaction; and
- Complaint Handling.

Performance wise, the target for allocations/re-lets was set at 12 days, at the end of quarter 1 in 2020/21, the Association was allocating properties at 30 days against 14.46 days at year end 2019/20. The delay in re-letting properties was due to COVID-19.

The average time for emergency repairs to be complete was set at 4 hours, at the end of quarter 1 in 2020/21, emergency repairs were completed within 2.4 hours against 2.06 hours at year end 2019/20.

Customer satisfaction for factored owners was set at 70%, at the end of quarter 1 in 2020/21, 87.5% of customers were satisfied with the overall service provided by the Association. This figure has stayed the same when compared to the year-end 2019/20 - 87.5%.

1 EXECUTIVE SUMMARY

The follow	ing is a list of areas where the Association is operating effectively and following good practice.
9.	The Business Plan sets out the base case assumptions as it recognises the Association will be operating in harsher and less certain financial environment (At the time of writing, the key consideration within the Business Plan for financial uncertainty was Brexit):
	Inflation has noted at 3% for the full 30-year plan.
	 Rent would increase by 3% in year 1, 4% in years 2-10 and then 3% thereafter. Reactive repairs profiled to include a real term increase of 0.5% per annum for the life of the plan.
	 Planned repairs profiled to include a real term increase of 0.5% per annum for 10 years and then revert to 0%.
10.	We compared the Business Plan of the Association with a sample of our other RSL (Registered Social Landlord) clients.
	No issues were highlighted during the comparison. The Association's Business Plan contained all the relevant points as
	expected in such a plan. Furthermore, the Business Plan complies with guidance on busines plans as provided by the Scottish Housing Regulator.
11.	The Association was able to evidence the Management Committee was fully involved and provided with regular updates as to the progress of the Business Plan.

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year.

Business Planning

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar audits	0	1	2	3
Number of recommendations at Wellhouse Housing Association	0	0	1	1

From the table above it can be seen that the Association has a lower number of recommendations compared to those associations it has been benchmarked against.

3 DETAILED RECOMMENDATIONS

External Risk Factors				
Ref.	Finding and Risk	Grade	Recommendation	
1.	The COVID-19 pandemic brought fast moving and unexpected variables, some of which existing businesses failed to consider during business planning and/or crisis management. During our review, we noted that the Business Plan for the Association considered the direction of the economy, the potential impact of Brexit and actions by the UK, Scottish and Local Governments such as national and local legislation. However, the Business Plan did not consider the current COVID-19 pandemic or any similar events. The risk for the Association is that if it does not adjust to/consider the current pandemic it may face financial and operational challenges should a similar event occur in the future.	Low	We recommend the Association reviews the Business Plan and considers the fallout COVID-19 may have on its future forecast. The Association should also consider global pandemics when drafting future business plans.	
Management response			Responsibility and implementation date	
Agreed. Towards the latter part of the financial year, we will review the effect Covid-19 has had on the financial and operational activities of the organisation. Any findings will be included in future Business Plans as risks faced by Wellhouse of any future pandemics.			Responsible Officer: Director Implementation Date: February 2021	

4 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	3 August 2020
Closing meeting	17 August 2020
Draft report issued	26 August 2020
Receipt of management responses	9 September 2020
Final report issued	9 September 2020
Audit Committee	29 October 2020
Number of audit days	4

5 KEY PERSONNEL

We detail below our staff who undertook the review together with the Association staff we spoke to during our review.

Wylie & Bisset LLP					
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com		
Manager	Scott McCready	Internal Audit Manager	scott.mccready@wyliebisset.com		
Auditor	Faisal Kayani	Internal Audit Senior	faisal.kayani@wyliebisset.com		

Wellhouse Housing Association				
Key Contacts:	Martin Wilkie-McFarlane	Director	martin@wellhouseha.org.uk	
	Gordon Kerr	Head of Finance & Corporate Services	gordon@wellhouseha.org.uk	
Wylie & Risset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance				

Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.

APPENDICES

A GRADING STRUCTURE

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

GRADING STRUCTURE

For each recommendation we assign a grading either as High, Medium or Low priority depending on the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the Association as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the Association as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

3.1 Internal Audit Reports Appendix 1 (Bus Planning)

Purpose of review

We will undertake a review of the business planning arrangements in place with consideration of compliance with regulatory guidance. We will also look to ensure that the Management Committee were fully involved in the development of the business plan. We will also review the methods in place to monitor the progress of the business plan and the reporting arrangements to ensure that the Management Committee receive regular updates.

This review was agreed as part of the 2020/21 Annual Audit Plan.

Scope of review

Our objectives for this review are to ensure:

- The Association has robust planning processes in place to develop the Business Plan.
- The Association's Business Plan complies with regulatory guidance from the Scottish Housing Regulator.
- The Association regularly reviews and monitors the Business Plan.
- > The Management Committee were fully involved in the development of the Business Plan and receive regular updates on the progress of the Plan.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation of scope.

Audit approach

Our approach to the review will be:

- > Discussions with key personnel to identify the processes involved in developing the Business Plan.
- > A review of the Business Plan to ensure that it adheres to regulatory guidelines.
- > Discussions with key personnel to identify the processes involved in developing the Business Plan.
- > A review of the reporting and approval process in place regarding the Business Plan.

Potential key risks

The potential key risks associated with the area under review are:

- Planning processes are not robust.
- The Association's Business Plan does not comply with regulatory guidance from the Scottish Housing Regulator.
- There is no monitoring of the plans by the Association.
- > The Management Committee were not fully involved in the development of the Business Plan and do not receive regular updates on the progress of the Plan.



Wellhouse Housing Association

Internal Audit 2020-21

Developments August 2020

Overall Conclusion

Strong

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Overview

Purpose of review

The purpose of this assignment was to ensure the development arrangements in place at the Association were robust. We looked to ensure that the Service Level Agreement in place with the Development Agent reflected best practice and protected both parties. We also looked to ensure that the Management Committee fully reviewed and approved the Service Level Agreement in place and that invoices and payments were made in line with the agreement. We reviewed if the Association was accessing all grants available.

This assignment is part of the Annual Internal Audit Plan for 2020/21.

Scope of review

Our objectives for this review were to ensure:

- > Roles and responsibilities for the developments are clearly defined and understood by staff.
- > The Association has adequate development management controls and procedures in place.
- There is a strong relationship in place between the Association and the Development Agent.
- The Service Level Agreement in place with the Development Agent is suitable for both parties, is being adhered to and invoices and payments between both parties are issued/made in line with the SLA.
- Payments to contractors/consultant are fully reviewed and authorised by the Development Agent prior to payment being made by the Association.
- The Association are reviewing and accessing all grants available to them and that there are robust procedures and segregation of duties in place for claiming grants.

1 EXECUTIVE SUMMARY

Wellhouse Housing Association Developments

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There was limitation of scope.

(Development)

3.2 Internal Audit Reports Appendix 2

Background Information

Strategic Asset Management

The Association has a Strategic Asset Management Plan. The Plan was created in December 2017 and reviewed by the Management Committee in March 2019 at business planning day. The date of the next review is March 2022. The Asset Management Strategy is a process that monitors and maintains things of value (assets) to the Association. The document sets out the assets owned by the Association. The Management Committee, staff and service users must recognise the intended outcomes of the strategy – that is to manage the asset the Association needs to operate its business more effectively and provide value for money.

The Association's Business Plan sets out the direction of the Association in the short to medium term and the resources required. The Asset Management Strategy is a vital part of delivering the Business Plan and is designed to both reflect and help deliver the objectives and business strategy.

Developments

The Association do not have an active development plan in place. However, it is important to note the Association have 3 sites for future developments. In the event the Association proceeds with a development, the 3 sites will be utilised for development of houses. This will allow the Association to address and cater for social housing needs in its catchment area.

The Association wholly owns one site on Wellhouse crescent; the second site on Balado road is owned by Glasgow City Council (GCC). In the event GCC decide to sell this site, the Association has first refusal. Lastly, the third site is also on Wellhouse crescent but not owned by the Association.

The Association carried out feasibility studies, groundwork inspections etc, sadly, all three sites are subject to flooding. This is a large-scale issue in the area, it also involved Scottish Water and has resulted in development plans being placed on hold for the foreseeable future.

(Development)

3.2 Internal Audit Reports Appendix 2

The Association has an agreement with New Gorbals Housing Association, who provide a Development Agent. There is a Development Services Agreement (DSA) in place between both Associations.

The DSA was created in 2016 and still in a draft stage. However, in the absence of a live project both parties have a cordial relationship. The Development Agent undertakes small scale services such as consultancy work for the Association and raises the necessary invoices. These invoices are not always raised in a timely manner, thus resulting in the Association chasing the Development Agent. Please see section 3 for further information.

In the event the Association had a live project in place, the Development Agent would be expected to liaise with all relevant agencies in connection with the development to ensure all necessary statutory warrants, permissions and approvals were obtained in a timely manner. The Development Agent would assist and advise the Association on the appointment of all necessary technical consultants and provide advice on procurement legislation, methods and processes. He would also assist in procuring consultants and contractors.

Long Term Strategy

The Association will continue to seek support from Glasgow City Council for new developments in the greater Easterhouse area. The prospects for achieving this are limited in the short term and no firm decision has been made in relation to development, therefore, no new projects are included in the Business Plan for 2019/22. The Head of Finance and Corporate Services confirmed this was due to no firm contractual commitments between the Association and contractors. The Association do not have a real guarantee of any development being undertaken soon.

Application Process and Grants

The Scottish Governments website contains a section dedicated to "More Homes"; the page contains links to

- Housing and Planning Delivery Framework.
- > Affordable Housing Supply Programme.
- Housing Infrastructure Fund.
- > Innovative Financing.
- > Empty Homes.

- Offsite construction; and
- Grants and loans.

The following grants are available to the Association when undertaking developments:

Housing Infrastructure Fund (HIF)

As part of the More Homes Scotland approach and linked to the delivery of 50,000 affordable homes by 2021, the Scottish Government launched a 5-year Housing Infrastructure Fund in February 2016. The fund operates nationally and is managed/administered by the Scottish Government.

Affordable Housing Supply Programme (ASHP)

This is connected to the Scottish Governments target of delivering 50,000 affordable homes including 35,000 for social rent. The delivery of affordable homes through the programme includes the following:

- ➤ Homes for social rent provided by Councils and Registered Social Landlords.
- > Homes for Mid-Market Rent (MMR), which have higher rents than social rented housing but lower rents than privately rented properties in the surrounding area.

With regards to the grant funding application process; in the event the Association had a live development in place, it would submit the application via the HARP (Housing and Regeneration Programme) system (online portal). The Development Agent will assist the Association with any application.

At the time of writing, the Association did not have an active grant application in place nor have they made an application in the past few years.

Work Undertaken

As part of our review, the following work was undertaken:

- Discussions with key personnel to establish the current arrangements for developments.
- > Evaluating these arrangements to confirm their adequacy and compliance with Association rules and any external requirements.
- Assessment of whether roles and responsibilities for the project were clear.
 - o The Development Agent is New Gorbals Housing Association.
- > Review of the DSA (Development Services Agreement) in place with the Development Agent and testing to ensure that this is being adhered to.
- > Undertaking sample testing to ensure payments made to contractors/consultants are fully reviewed and approved by the Development Agent prior to payment by the Association.
 - We were unable to complete this test as the Association has not been invoiced by the Development Agent on a regular basis. Please see recommendation 2 for more details.
- > A review of the grant funding application process and the grants available to the Association in the event it proceeded with a development.

Conclusion

Overall conclusion

Overall Conclusion: Strong

We were able to provide a strong level of assurance over the Association's management of developments. Whilst we appreciate the Association do not have an active development in place as a development is on hold for the foreseeable future, we have raised 3 recommendations for where the processes can be improved. Please see section 3 for further information.

Summary of recommendations

Grading of recommendations				
	High	Medium	Low	Total
Developments	0	0	3	3

As can be seen from the above table there were no recommendations made which we have given a grading of high or medium.

Areas of good practice

EXECUTIVE SUMMARY

The foll	owing is a list of areas where the Association is operating effectively and following good practice.
1.	The Association do not have an active development plan in place. However, it is important to note the Association have 3 sites for future developments. In the event the Association proceeds with a development, the 3 sites will be utilised for development of houses. This will allow the Association to address and cater for social housing needs in its catchment area. The Association wholly owns one site on Wellhouse crescent; the second site on Balado road is owned by Glasgow City Council (GCC). In the event GCC decide to sell this site, the Association has first refusal. Lastly, the third site is also on Wellhouse crescent but not owned by the Association.
2.	The Association has a "Strategic Asset Management" Plan. This plan was created in December 2017, reviewed by the Management Committee in March 2019 at business planning day. The date of the next review is March 2022. This plan is robust as it sets out the Association aims to maintain and monitor its assets etc.
3.	The Association will continue to seek support from Glasgow City Council for new developments in the greater Easterhouse area. The prospects for achieving this are limited in the short term and no firm decision has been made in relation to development, therefore, no new projects are included in the Business Plan for 2019/22. The Head of Finance and Corporate Services confirmed this was due to no firm contractual commitments between the Association and contractors.
4.	In the event the Association proceeds with a development, it will submit the grant funding application via the HARP (Housing And Regeneration Programme) system (online portal). The Development Agent will assist the Association.
5.	The Association and Development Agent have evidenced a good working relationship with each other. This was evident throughout our review and discussions with both parties.

We include for your reference comparative benchmarking data of the number and ranking of recommendations made for audits of a similar nature in the most recently finished internal audit year.

Developments

Benchmarking				
	High	Medium	Low	Total
Average number of recommendations in similar audits	0	1	3	4
Number of recommendations at	0	0	3	3

From the table above it can be seen that the Association has a lower number of recommendations compared to those associations it has been benchmarked against.

Development Services Agreement Ref. Finding and Risk Grade Recommendation Agreements are intended to safeguard all parties concerned. Sometimes one 1. Low The Association should ensure the party may alter the terms of the agreement without consulting the other party. **Development Services Agreement is** Therefore, it is important to have a valid, live agreement in place which has updated and signed by the been approved by senior management. Association's Management Committee. During our review, we noted that the Development Services Agreement between the Association and Development Agent was still draft and dated August 2016 and it had not been approved by the Association's Management Committee. The Association were asked for clarification as to why a draft agreement was still in place. The Finance and Corporate Services Manager explained as there were no "live" developments, there was no requirement as such within the Association to request the Management Committee to approve the agreement. The risk to the Association is by not having a valid, live agreement in place, it could (potentially) be bound by elements of the agreement it does not agree with.

DETAILED RECOMMENDATIONS

DETAILED RECOMMENDATIONS 3

Management response	Responsibility and implementation date
Although, currently, there are no live developments in progress, there is still some work being undertaken by the Development Agent, albeit more from an administration focus. The Service Level Agreement will be updated to reflect current dates and current practices and will be approved by Management Committee	Responsible Officer: Director/Development Agent Implementation Date: November 2020

3.2 Internal Audit Reports Appendix 2 (Development)

3 DETAILED RECOMMENDATIONS

Invoices			
Ref.	Finding and Risk	Grade	Recommendation
2.	Receiving invoices on time is crucial for any business as this aids cashflow management. During our review, we were informed by both parties that the Development Agent was not always submitting invoices to the Association in a timely manner or in line with the draft Development Services Agreement. There is the risk by not receiving invoices in a timely manner, the Association may receive a large unexpected invoice which it has not budgeted for. This may affect the Association's cashflow.	Low	We recommend the Association instructs the Development Agent to submit invoices in a timely manner in-line with the draft Development Services Agreement.
Manageme	nt response		Responsibility and implementation date
all outstandi Wellhouse's Wellhouse F	ere have been numerous requests by Wellhouse to have an invoice submitteding hours and work to date. An estimated cost of this work has been accrued in accounts, ensuring no major surprises. Sinance Manager may deal directly with NGHA Finance Manager to try and intocess for future invoicing.	Responsible Officer: Finance & Corporate Services Manager Implementation Date: December 2020	

3 DETAILED RECOMMENDATIONS

Policies &	Procedures		
Ref.	Finding and Risk	Grade	Recommendation
3.	A policy is a statement that outlines principles and views of the organisation. It provides an overview of certain rules it should have in place to align with the overall business goals and plans. During our review, we noted the Sustainability Policy was still noted as "draft" and the next review date was "April 2020". In the absence of such document, there is the risk that the correct process may not be followed.	Low	We recommend the Association review the policy, update it and seek approval from the Management Committee.
Manageme	ent response	Responsibility and implementation date	
	vill be reviewed, updated where appropriate and be presented to Managemer for approval.	nt	Responsible Officer: Director Implementation Date: November 2020

4 AUDIT ARRANGEMENTS

The table below details the actual dates for our fieldwork and the reporting on the audit area under review. The timescales set out below will enable us to present our final report at the next Audit Committee meeting.

Audit stage	Date
Fieldwork start	4 August 2020
Closing meeting	17 August 2020
Draft report issued	26 August 2020
Receipt of management responses	9 September 2020
Final report issued	9 September 2020
Audit Committee	29 October 2020
Number of audit days	4

5 KEY PERSONNEL

We detail below our staff who undertook the review together with the Association staff we spoke to during our review.

Wylie & Bisset LLP			
Partner	Graham Gillespie	Partner	graham.gillespie@wyliebisset.com
Manager	Scott McCready	Internal Audit Manager	scott.mccready@wyliebisset.com
Auditor	Faisal Kayani	Internal Audit Senior	faisal.kayani@wyliebisset.com

Key Contacts:	Martin Wilkie-McFarlane	Director	martin@wellhouseha.org.uk
	Gordon Kerr	Head of Finance & Corporate Services	gordon@wellhouseha.org.uk

Wylie & Bisset appreciates the time provided by all the individuals involved in this review and would like to thank them for their assistance and co-operation.

APPENDICES

A GRADING STRUCTURE

For each area of review, we assign a level of assurance in accordance with the following classification:

Assurance	Classification
Strong	Controls satisfactory, no major weaknesses found, no or only minor recommendations identified.
Substantial	Controls largely satisfactory although some weaknesses identified, recommendations for improvement made.
Weak	Controls unsatisfactory and major systems weaknesses identified that require to be addressed immediately.
No	No or very limited controls in place leaving the system open to significant error or abuse, recommendations made require to be implemented immediately.

A GRADING STRUCTURE

For each recommendation we assign a grading either as High, Medium or Low priority depending on the degree of risk assessed as outlined below:

Grading	Classification
High	Major weakness that we consider needs to be brought to the attention of the Audit Committee and addressed by senior management of the organisation as a matter of urgency.
Medium	Significant issue or weakness which should be addressed by the organisation as soon as possible.
Low	Minor issue or weakness reported where management may wish to consider our recommendation.

Purpose of review

The purpose of this assignment is to ensure the development arrangements in place at the Association are robust. We will look to ensure that the Service Level Agreement in place with the Development Agent reflects best practice and protects both parties. We will also look to ensure that the Management Committee fully reviewed and approved the Service Level Agreement in place and that invoices and payments are made in line with the agreement. We will also look to ensure that the Association are accessing all grants available.

This assignment is part of the Annual Internal Audit Plan for 2020/21.

Scope of review

Our objectives for this review are to ensure:

- Roles and responsibilities for the developments are clearly defined and understood by staff.
- The Association has adequate development management controls and procedures in place.
- There is a strong relationship in place between the Association and the Development Agent.
- The Service Level Agreement in place with the Development Agent is suitable for both parties, is being adhered to and invoices and payments between both parties are issued/made in line with the SLA.
- Payments to contractors/consultant are fully reviewed and authorised by the Development Agent prior to payment being made by the Association.
- The Association are reviewing and accessing all grants available to them and that there are robust procedures and segregation of duties in place for claiming grants.

Our approach to this assignment took the form of discussion with relevant staff, review of documentation and where appropriate sample testing.

Limitation of scope

There is no limitation of scope.

Audit approach

Our approach to the review will be:

- > Discussion with key personnel to establish the current arrangements for developments.
- > Evaluating these arrangements to confirm their adequacy and compliance with Association rules and any external requirements.
- > Assessment of whether roles and responsibilities for the project were clear.
- > Review of the SLA in place with the Development Agent and testing to ensure that this is being adhered to.
- > Sample testing to ensure payments made to contractors/consultants are fully reviewed and approved by the Development Agent prior to payment by the Association.
- > Review of the grants applied for and received by the Association to ensure the Association are considering all options available.

Potential key risks

The potential key risks associated with the area under review are:

- > Roles and responsibilities for the developments are not clearly defined and understood by staff.
- > The Association does not have adequate development management controls and procedures in place.
- > There has been a breakdown in the relationship between the Association and the Development Agent.
- > The Service Level Agreement in place with the Development Agent is not suitable for both parties, is not being adhered to and invoices and payments between both parties are not issued/made in line with the SLA.
- Payments to contractors/consultant are not fully reviewed or authorised by the Development Agent prior to payment being made by the Association.
- > The Association are not reviewing and accessing all grants available to them and that there are no procedures and segregation of duties in place for claiming grants.



WELLHOUSE HOUSING ASSOCIATION MINUTES OF THE COMMITTEE MEETING HELD ON 27 AUGUST 2020 AT 11AM - VIA ZOOM

1. Welcome, Sederunt & Apologies.

Present:

Darron Brown Chair Maureen Morris Vice-Chair

Jane Heppenstall Committee Member
Clare Monteith Committee member
Michelle Harrow Committee Member

Shona McKenna Co-optee

In Attendance:

Martin Wilkie-McFarlane Director

Gordon Kerr Finance & Corporate Services Manager Carol Hamilton Housing & Customer Services Manager

Bill Black Assets & Maintenance Manager

Linda Logan Minute taker

Linda Ewart Consultant, Item 2 only
Nneamaka Ochuba Scott Moncrieff, item 4 only

Apologies:

Sarah Morris Committee Member

Carol Torrie Co-optee

Michelle Harrow Committee Member

Shona McKenna Co-optee

The Chair welcomed Nneamaka Ochuba (Scott Moncrieff) to the meeting.

2. Committee Appraisals/Succession and Development Plan.

Linda Ewart discussed the committees annual review outcomes and the succession/development plan with committee in closed session. Staff were not in attendance for this part of the meeting. The Chair will advise of actions arising.

Linda Ewart left the meeting at this time.

3. Declarations of Interest.

There were no declarations of interest.

4. Draft Annual Statutory Accounts Report

Nneamaka Ochuba, Scott Moncrieff presented the report to consider the annual financial statements, the management letter from the external auditors and to seek approval of the Association's response to the management letter. She highlighted that the audit had been completed remotely. She thanked the finance team for assistance and co-operation during this process.



She asked committee to note the statement of financial controls at page 35 which confirms their opinion that the financial statements give a true and fair view of the Association's affairs at 31 March 2020 and have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator.

She took committee through the Statement of Comprehensive Income which shows a slight increase in operating expenditure, a slight increase in interest receivable and no movement on fair value of commercial due to no valuation being required this year. A healthy surplus for the year of £846,379 was achieved, a slight decrease on last year, further detailed information was provided on these variances in the Audit Management Report. Other comprehensive income records a large actuarial gain of £309,542 in respect of the defined benefits scheme. She provided an explanation on the asset value provided by the pension scheme which is based on market assumptions. She highlighted that Wellhouse had a small asset of £12,000 however given advice taken from the Scottish Housing Regulator we are expecting a large loss again next year, as such, a zero-value closing balance showing no liability and no asset has been recognised. Total comprehensive income for the year was £1,155,903.

She took committee through the changes in Capital and Reserves which provided a closing balance as at 31 March 2020 of £6.5M. She highlighted the Statement of Financial position on page 40 providing an overview of the total assets less current liabilities. The Cash Flow Statement at page 41 indicated that cash balance has increased by £250,000 which was in the main due to savings from planned renewals programmes and operational surpluses. She highlighted the notes to the financial statements which provided comprehensive detail for the year ended 31 March 2020.

Audit Management Report:

Nneamaka confirmed that the audit conclusion identified no issues affecting the Association's ability to continue as a going concern. They agreed with the Management Committee's conclusion that the impact of Covid-19 should not significantly affect the going concern of the Association and that the disclosures in the financial statement of this was appropriate. They did not identify any subsequent events which required amendments or disclosures to be made in the financial statements. The report had been discussed with the Director and the Finance Manager.

She discussed audit risk areas identified at the planning stage and provided an overview of the audit findings. They were satisfied that all necessary adjustments had been correctly recorded in the financial statements and had gained assurance in respect of the mitigation of this risk.

She asked committee to note 4 Audit Adjustments where the effect on the Total Comprehensive Income was a decrease of £12,475 which were in the main due to the pension adjustment and other small disposal of assets during the year. There were 3 unadjusted items where the effect on Total Comprehensive Income resulted in a decrease of £7,624. It had been agreed with the Finance Manager that these amounts were not material and thus had not been incorporated into the financial statements.

Nneamaka confirmed that they did not identify any issues in relation to fraud or irregularity as at page 74 of the report nor did they identify any instances of concern with regards to the legality of transactions or events.

She provided a detailed review of financial performance from the Statement of Comprehensive Income as detailed at page 75 of the report.

She highlighted one observation per review of purchase invoices being posted to the nominal ledger, it was identified that invoices had been incorrectly posted into the wrong period. An audit adjustment was raised in the current year for invoices posted to the incorrect period.



The Finance Manager asked committee to note that we take a more pragmatic approach with invoices and relevant periods particularly at year end. He noted our approach to post them directly into the correct period as opposed to positing them into the "incorrect" period which is consistent with the date of the invoice but not consistent with the period which the expenditure relates. He stated that this other approach results in several adjustments having to be made to ensure the invoice amount is finally charged to the correct period and he considers there is more risk of human error with this approach.

Letter of Representation:

Nneamaka noted that the Letter of Representation was to allow the Management Committee to declare in writing that the financial statements and other presentations to the auditors are sufficient and appropriate and without omission of material facts to the best of the Management Committees knowledge She asked committee to note one small change this year at number 5 in relation to the impact of Covid-19.

Scottish Housing Regulator AFS on-line Return:

The Finance Manager stated that the AFS Return was a regulatory requirement designed to collate selected information from the annual audited financial statements of RSLs in Scotland. He sought delegated authority to proceed to submit the AFS On-line Return to SHR once the Financial Statements have been approved.

FCA Annual Return:

The Finance Manager sought delegated authority to submit the FCA Annual Return by the specified deadline of 31 October 2020 once the Financial Statements have been approved. The Director will sign the return for submission.

Committee were asked if they had any queries to the audited accounts.

Committee thanked Nneamaka for her detailed and comprehensive presentation stating that it had provided a clear understanding of the accounts.

The Director asked committee to note two typographical errors. At page 26 – point 3.2 early 2021 should read early 2020 and will be amended. He sought clarification from Nneamaka that due current remote working, if an authorised scanned signature could be used for the audited accounts. She confirmed that she a scanned signature could be used at this time, however, when possible an actual signed copy would be required.

The following adjustments were noted within the accounts:

Carol Torrie's name was not listed on page 21, this will be amended; Darron Browns name was incorrectly spelt on the Balance Sheet and will be amended Page 92 - the number of members will be amended to read 8 rather than 7 as stated.

Resolution:

Committee;

1. The Management Committee considered and approved the annual financial statements for the year to 31 March 2020.



Maureen Morris proposed and Jane Heppenstall seconded the annual financial statement for the year to 31 March 2020.

Members who had been unable to attend the meeting had been asked to approve the annual financial statements via email. These are attached at appendix 1 of the minute for clarify.

2. Committee considered and approved the Audit Management Letter/Report from the external auditors in respect of their audit of financial statements to 31 March 2020 and the Association's response to the Audit Management Letter/Report.

Jane Heppenstall proposed and Clare Monteith seconded the Audit Management Letter/Report and the Association's response to such.

3. The Management Committee agreed the contents of Letter of Representation, signed version of which will be issued to the external auditors.

Maureen Morris proposed and Clare Monteith proposed the contents of the Letter of Representation.

4. The Management committee that the Finance Manager should proceed to submit the to submit the AFS On-line Return to SHR.

Submission of the AFS On-line Return to the SHR was proposed by Jane Heppenstall and seconded by Clare Monteith.

5. Committee approved that the Finance Manager submits the FCA Annual Return by the specified deadline of 31 October 2020.

Maureen Morris proposed and Jane Heppenstall seconded submission of the FCA Annual Return by the specified deadline of 31 October 2020.

Nneamaka Ochuba left the meeting at this time.

5. 30 Year Financial Projections.

The Finance Manager presented the report to provide committee members with detail of the projected financial position of the Association over the medium and long term.

He highlighted that the setting of the long-term projections forms part of the annual business planning cycle which reflects the Associations current business/operational and longer-term plans. The Financial Projections will include the 5-year annual projections and will be reported and submitted to the Scottish Housing Regulator and sent to Wellhouse lenders to comply with financial covenant requirements. He noted that the submission had been postponed by approximately 4 months by the SHR due to the uncertainty during the Covid pandemic. A new life cycle costing model has been included for all life cyclical maintenance and replacement components and will reflect current prices and feedback from our contractors to reflect the impact they have advised.

Year 1 is based upon the approved 20/21 budget, however, because the life cycle costing is more up to date any additional spend has been delayed to year two. He highlighted that a fuller review of the budget



will be completed and due to the current situation, we may need to revisit the budget to explore any significant changes which would be reflected in the 30-year plan.

External factors such as inflation and interest rates are supplied by the RBS business planning. He highlighted that the Association use their acceptable assumptions model for long term planning and had been used during the business planning process in May. The Finance Manager has had further discussion with the business planning department to ascertain if there would be significant changes to assumptions. Feedback from the RBS had been that they were no long-term changes due to the Covid-19 pandemic.

He led the committee through the Assumptions and Cash Flow over the period and outlined variances

He asked committee to note the following assumptions;

Inflation levels had been assumed at 2% for the 30-year term and include a rent increase as per the 20/21 budget and assumes a rental increase of 1% above inflation for years 2 until 8. Year 9 onwards assumes inflation only rent increase.

Void losses have averaged 0.4% over the last 3-4 years and the model assumes an annual increase to the void losses until it reaches 1.5% in year 4. Real planned maintenance costs increase at 0.5 above CPI for the full plan period.

The current staff structure mains in place for the full 30-year term.

LIBOR rates increase annually up to a maximum to 3.5% by year 4. These rates are consistent with RBS Housing Finance Base Case assumptions.

Surpluses will be generated annually over the 30-year period. The cash position starts at just over £2M. There are surpluses made each year as the cash balance rises steadily until year 14. He highlighted that between years 15 and 23 that there were a few cash deficits however these are the years where there is there is expected to be considerable investment in stock with a large amount being spent on replacement components.

There are no issues with lender covenant compliance being achieved comfortably apart from Year 1, which only just manged to achieve interest cover. This was discussed at great length by the management committee when the 20/21 budget was being approved.

He asked committee if they had any questions regarding the assumptions as outlined within the report.

Resolution:

Committee noted and approved the 30-year projections.

Maureen Morris proposed and Jane Heppenstall seconded the 30-year projections.

Committee granted authority for the Finance Manager to electronically submit the approve figures to the SHR in their 5-year financial projections format.

Clare Monteith proposed and Maureen Morris seconded submission of the 5-year financial projections to the SHR.



6. Operational Update:

Director:

Development:

The Director noted that we have now completed the buy back of the home in Bartiebeith Road. The Government Grant has been received. He asked committee to note that the property had been allocated to a homeless application which had been a condition of the grant.

Remote Working:

He noted the next stage of permitted office work of 14 September had been further delayed: in all likelihood by 6 weeks. He will continue to monitor and feedback as required. It is expected that home working will remain the preference of the Government.

SGM/AGM:

The Director asked committee note that the SGM will be held before the AGM to adopted the Model Rules. Early notification and confirmation of attendance and nomination forms have been sent to the membership. There will be no shareholder participation this year and the event will be held via Zoom and a dial in connection to listen to the meeting.

Communications:

The Director highlighted very positive comments and feedback on the financial gains article. The article re digital inclusion had been picked up by Third Force News. A further article is planned relating to our budgeted 1.1M investment in stock.

Housing & Customer Services Manager:

The Housing Manager stated the Housing Officer continue to offer support to tenants and monitoring rental income by contacting tents re: missed payment and assisting for Universal Credit.

Neighbour disputes and complaints in relation to refuse collection continue to increase. Glasgow City Council have been supportive in proving solutions for estate management issues.

The Community Wellbeing Fund has supported 15 household with food parcels and a further 35 tenants with fuel top-ups.

The Income Advisor is in the process of distribution of the payment awarded by the Supporting Communities Fund to support the community with digital assistance. To date 4 mobile phones have been purchased and 20 tablets supplied.

The normal allocation process has restarted. 3 properties were successfully offered, viewed and accepted in July.

Eviction:

The Housing Manager informed committee that the proposed eviction had been cancelled. Shelter has assisted and applied to 4 different organisation to offer support to the family which has managed to clear their arrears. In addition, they have set up a support plan for them with Loretto Care. Shelter has written to us to express their appreciation to the Housing Association.



Clare Monteith sought clarification if the anti-social aspect of the tenancy would be monitored. Carol highlighted that we were only given permission by the family to discuss the financial aspect. Carol has asked the Housing Officers to liaise with Loretto Care to monitor the anti-social behaviour.

The Chair sought clarification if there was a timeframe in which lenders could keep the tablets and was there a protocol in place for damage or non-returning of the tablets.

Carol considered that the timeframe may be for 1 month and if the tablet was not returned, we would switch off the data. She will clarify further information on the protocol and forward to committee for information.

Assets and Maintenance Manager:

The Maintenance Manager informed committee that gas servicing is continuing and we have caught up with all servicing following the end of shielding on 31 July 2020. The last outstanding service was carried out on 7 August.

We have fully committed our £25,00 for stage 3 adaptations on referrals received, GCC have been approached and asked for more funding.

Finance Manager:

The Finance Manager provided a brief summary of the ongoing day to day operational activity of the finance section. He asked committee to note the results of two resent internal audits in relation to development and the business planning. He was pleased to report that both audits had received a Strong recommendation.

FOI Request

He highlighted that we had calculated the cost to be levied for the gathering of the information for the recent FOI Request. The applicant had been contacted with the charge and we have had no reply from him.

7. AOCB

Arrear update/Policy update.

Committee noted the arrears update as provided by the Director under separate cover. Minor updates to the Rent Management Policy were noted and committee approved adoption of the policy for a further 3 years.

Maureen Morris proposed and Jane Heppenstall seconded the Rent Management Policy for a further 3 years.

There was no further business. Meeting closed 1:30PM. Next meeting: SGM/AGM – 23 September 2020

Trust	Honosty	Integrity	Fycellence	Accountability	Sustainahility
Signed (Chair)			Date:		
certify that the	above minute h	as been approve	d as a true and ac	curate reflection of the	proceedings:



Appendix 1.

Email agreement for the Draft Statutory Accounts as presented on 27 August 2020

From: Shona Redmond <redmond.shona@yahoo.co.uk>

Sent: 28 August 2020 11:08

To: Sarah Morris <sarahlmorris98@gmail.com>

Cc: Linda Logan <Linda@wellhouseha.org.uk>; Michelle Harrow <michelleharrow@icloud.com>; Carol Torrie

<caroljtorrie1978@gmail.com>

Subject: Re: Draft Annual Statutory Accounts

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi

Yes happy to approve

Cheers Shona

From: Sarah Morris <sarahlmorris98@gmail.com>

Sent: 27 August 2020 22:42

To: Linda Logan <Linda@wellhouseha.org.uk>

Cc: Shona McKenna <redmond.shona@yahoo.co.uk>; Michelle Harrow <michelleharrow@icloud.com>; Carol Torrie

<carolitorrie1978@gmail.com>

Subject: Re: Draft Annual Statutory Accounts

Hi Linda

Yes happy to approve

Thanks Sarah

From: Carol Torrie <caroljtorrie1978@gmail.com>

Sent: 27 August 2020 22:26

To: Linda Logan <Linda@wellhouseha.org.uk>

Cc: Shona McKenna <redmond.shona@yahoo.co.uk>; Michelle Harrow <michelleharrow@icloud.com>; Sarah Morris

<sarahlmorris98@gmail.com>

Subject: Re: Draft Annual Statutory Accounts

Hi Linda

Yeah I approve of this

Thanks carol

Sent from my iPhone



DRAFT MINUTES OF MANAGEMENT COMMITTEE MEETING FOLLOWING THE AGM HELD ON Wednesday 23rd September 2020 6:45 PM VIA ZOOM

1. Welcome, Sederunt & Apologies

Present:

Darron Brown Chair Maureen Morris Vice-Chair

Jane Heppenstall
Sarah Morris
Committee Member
Committee Member
Carol Torrie
Committee Member

In Attendance:

Martin Wilkie-McFarlane Director & Secretary Linda Logan Minute Secretary

Apologies:

Clare Monteith Committee Member

2. Declarations of Interest.

There were no declarations of interest.

3. Governance matters following the Annual General Meeting.

i. Signing of Code of Conduct for Governing body and Declarations of Interest.

The Secretary explained that in accordance with point 3.17 of WHA's standing orders, no committee member may take office until they have signed the Code of Conduct and declared any personal or other external interests on an annual basis. He sought clarification that these items had been completed by all members.

The Corporate & Governance Officer confirmed that all members had signed the Code of Conduct and completed the required Declarations of Interest.

ii. Election of Office Bearers.

Chair:

The Secretary asked if there were further nominations for the role of Chair. There were none. The Secretary ask Darron Brown if he was willing and Darron confirmed that he was willing to serve as Chair. The Secretary declared that Darron Brown was therefore properly elected as Chair until the next AGM

Shona McKenna proposed and Sarah Morris seconded that Darron Brown was properly elected as Chair until the next AGM.

Darron Brown assumed the role of Chair at this time.

1

Vice-Chair

The Chair advised that Maureen Morris has indicated her willingness to continue to stand for the role of Vice-Chair. He asked if there were further nominations. There were none. The Chair declared that Maureen Morris was there properly elected as Vice-Chair until the next AGM.

Jane Heppenstall proposed and Sarah Morris seconded that Maureen Morris was properly elected as Vice-Chair until the next AGM.

Treasurer.

Maureen Morris sought clarification as to whether we were seeking nominations for the role of Treasurer. The Director confirmed that constitutionally we are not required to appoint a Treasurer, however he considered that it was good practice. It was agreed that the Audit and Risk Committee would discuss this issue at its next meeting.

iii. Re-appointment of members to Audit & Risk Committee.

The Chair recommended that Clare Monteith and Maureen Morris continue as continuing members of the Audit & Risk Committee. 2 further members were required to be appointed to the Audit & Risk Committee to ensure quorum. Members were asked to confer with each other before the meeting to identify who was willing to serve on the Audit & Risk Committee. Jane Heppenstall and Michelle Harrow indicated their willingness to serve on the Audit and Risk committee whilst they are being held via Zoom Meetings.

The Chair asked if there are any further nominations and/or a member willing to stand as Chair of the Audit and Risk Committee until the next AGM. There were none.

The Chair asked if Clare Monteith was willing to continue her appointment as Chair to the Audit and Risk Committee. Due to Clare Monteith offering apologies for this meeting her willingness to stand as Chair will be sought via email and reported at the next committee meeting on 22nd October 2020.

iv. Re-appointment of members of the Staffing Committee.

Clare Monteith, Sarah Morris and Michelle Harrow were confirmed as continuing members of the Staffing Committee. The Chair sought volunteers to join the Staffing Committee to ensure quorum. Darron Brown nominated Stewart McIntosh. Stewart McIntosh accepted the nomination and confirmed his willingness to serve.

Claire Monteith had confirmed and was duly re-appointed as Chair of the Staffing Committee.

Maureen Morris proposed and Shona McKenna seconded the election of the Staffing Committee.

v. Annual Programme of Meetings.

Committee noted the Annual Programme of Meetings for information and consideration. Agreement of dates would be sought at the committee meeting on 22nd October 2020.

Meeting closed 7:15pm. There was no further business.

I certify that the above minute has bee	n approved as	s a true and	accurate re	eflection of	of the
proceedings:					

Sianed (Chair)	Date:	
oigi ica (Onan	/	Dato	



ACTIONS ARISING FROM PREVIOUS MANAGEMENT COMMITTEE MEETINGS October 2020

MINUTE REFERENCE	ACTION	OWNER	DUE BY	STATUS OPEN/	PROGRESS		
KEI EKENCE				CLOSED			
	24 October 2019						
11. Management Team Report	Site at the former Wellhouse Primary School; The Director will report on the feasibility of progressing a development and a bid for this site.	Martin Wilkie- McFarlane	March 2020	Open	Site Investigations are suspended during Covid 19 lockdown period.		
			T	T -			
13. Rent Arrears	Universal credit will be included on the November committee meeting agenda	Carol Hamilton	November 2019	Open	The Housing and Customer Services Manager will provide an update at the 29 October 2020 committee meeting.		
				mber 2019			
11. Management Team Report	The Finance Manager will email proposed dates for fraud training to interested members	Gordon Kerr	January 2020	Open	The Finance Manager is still waiting for proposed dates for fraud training from the auditors. Suspended during Covid 19 lockdown period		
			Ap	ril 2020			
	·	.		_	,		
10. AOCB Return to work.	The Director will bring a further report to the next committee with regards a recovery plan and measures to be put in place for return to work. He considered the risk to be too high at present and will continue to follow Government advice.	Director	May 2020	Open	The Director continues to follow government advice and will report on progress and measures being put in place as the need arises.		
			M	ay 2020			

Rent Arrears	Action: The Director will forward to committee further details on the Universal Credit suspension following discussion with the housing team	Director	June 2020	Open	An update was emailed to committee members and is also provided at item 13 – Rent Arrears in the matters arising above.
August 2020					
There were no	actions arising from the min	utes of 27 Aug	ust 2020		
September 2020 – Governance items following the AGM					
Election of the Audit and Risk Committee Chair	Due to Clare Monteith offering apologies for this meeting her willingness to stand as Chair will be sought via email and reported at the next committee meeting on 22 nd October 2020	Corporate & Governance Officer	October 2020	Open	The Corporate & Governance Officer spoke to Clare Monteith to ascertain her willingness to stand as Chair for the Audit and Risk Committee. Clare indicated that she would prefer just to remain Chair of the Staffing Committee however if no other member of the Audit and Risk Committee was willing to take on the role of Chair, then she would consider being reappointed.



Management Committee	29 th October 2020
Agenda Item	6
Title of Paper	2019/20 SHAPS Financial Viability Assessment
Author	Gordon Kerr, Finance Manager
Attachment(s)	

FOR INFORMATION

1 PURPOSE

1.1 To update Committee of the Risk category of Wellhouse based on SHAPS (Scottish Housing Association Pension Scheme) Financial Viability assessment survey.

2 RECOMMENDATIONS

2.1 That the Committee notes the result of the SHAPS Financial Viability assessment survey.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objective to provide good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values:-
 - Accountability
- 3.3 This Report also meets point 12:13 from 2020/21 Operational Plan "Demonstrate Viability".

4 BACKGROUND

- 4.1 All employers participating in SHAPS with any defined benefit (DB) liabilities are required to complete a short online financial assessment questionnaire each year, regardless of results from previous years.
- 4.2 The financial assessment process is vital for member's financial security. It helps reduce the risk of insolvent employers leaving liabilities in SHAPS for the remaining employers to manage. In addition, it gives the SHAPS Pensions Committee the necessary information to assess and manage financial risk and monitor employer covenant.

5 MAIN ISSUES

5.1 There are three separate KPIs to this assessment:-



- Affordability;
- · Balance Sheet; and
- Forecasting.
- 5.2 Affordability this KPI is a measure of historic pension scheme contribution cover and is an indicator of the earnings strength of an employer. It is calculated using the average earnings over the last three years.
- 5.3 Balance Sheet this KPI is a measure of an employer's balance sheet (Statement of Financial Position) strength relative to the size of their pension obligations. This is also based on average information over the last three years
- 5.4 Forecasting this KPI is a measure of future pension scheme contribution cover and is an indicator of the earnings strength of an employer for the next three years.
- 5.5 Affordability Target >= 3.0, Result 22.17
 Balance Sheet Target >= 0.9, Result 1.25
 Forecasting Target >= 3.0, Result 11.31
- 5.6 The overall risk is categorised as "Low Risk".
- 6. DISCUSSION
- 6.1 Not applicable.

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 There is a regulatory requirement for Wellhouse to complete this Financial Viability Assessment survey on an annual basis.
- 7.2 It is also considered Good Practice for Wellhouse to regularly carry out financial viability exercises.
- 8. FINANCIAL IMPLICATIONS
- 8.1 Not applicable.

9. KEY RISKS

9.1

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
If Wellhouse is categorised as "High Risk", it will only be able to offer a lower risk benefit		
structure for future pension benefits.		
Mitigation	Mitigation	Mitigation
Through regular robust forecasting and good financial viability practice, Wellhouse should always be categorised as "Low Risk".		



- 10. EQUALITY AND DIVERSITY IMPLICATIONS
- 10.1 None apparent.
- 11. SUSTAINABILITY
- 11.1 Not applicable.
- 12. SWOT ANALYSIS
- 12.1 Not required.
- 13. CONCLUSION
- 13.1 Wellhouse quite comfortably meets all the KPIs and is able to offer any available benefit structure, however, Wellhouse has already taken the decision to close the DB scheme to any new joiners



Management Committee	29 th October 2020
Agenda Item	6.1
Title of Paper	Statutory Annual Returns FCA and OSCR
Author	Gordon Kerr, Finance & Corporate Services Manager
Attachment(s)	Office of Scottish Charity Regulator Annual Return

FOR APPROVAL

1 PURPOSE

1.1 To request authorisation for Gordon Kerr, Finance & Corporate Services Manager to submit the Annual Return to Office of Scottish Charity Regulators (OSCR) for Wellhouse Housing Association.

2 RECOMMENDATIONS

2.1 That the Finance & Corporate Services Manager submits the OSCR Annual Return by the specified deadline of 31 December 2020.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objective to provide good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values:-
 - Accountability
 - Excellence
- 3.3 This Report meets point 12:18 from 2020/21 Operational Plan "OSCR Return".
- 3.4 This Report should contribute towards our overarching Aim and Vision of making Wellhouse "the Place to Be".

4 BACKGROUND

4.1 There is a statutory requirement for Wellhouse to complete and submit the Annual Return to OSCR by 31 December 2020.

5 MAIN ISSUES

5.1 The figures in the Annual Return reflect the figures in the Annual Statutory Accounts approved by Management Committee on 27 August 2020. The format of this Return has changed from previous years with the financial information being more



streamlined, possibly due to the fact that a full set of accounts will accompany each return.

5.2 A scanned copy of the signed Annual Statutory Accounts will be submitted alongside the Annual Return.

6. DISCUSSION

6.1 Questions or points of clarity are invited.

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

7.1 As a registered charity there is a statutory requirement to complete and submit Annual Returns to OSCR.

8. FINANCIAL IMPLICATIONS

8.1 There is no fee to pay while submitting this Return.

9. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
That Wellhouse will fail in one of its legal obligations by not submitting the Annual Return by the required deadline date.		
Mitigation	Mitigation	Mitigation
Ensure all Finance staff are aware of the deadline dates for all statutory, legal and regulatory returns.		

10. EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None apparent.

11. SUSTAINABILITY

11.1 Not applicable.

12. SWOT ANALYSIS

12.1 Not required.

13. CONCLUSION

13.1 Wellhouse will have complied with its statutory obligations to submit this Annual Return to OSCR by 31 December 2020.

Charity: SC036552 - Annual Return: SC036552.2020.1

Principal Contact Details Title Mr **Forename** Surname Wilkle-McFarlane Suffix Position in the organisation Director Address Line 1 1 The Hub Address line 2 | 49 Wellhouse Crescent Address line 3 🐑 Glasgow Address line 4 🖭 Address Line 5 🐑 Postcode 📆 G33 4LA Country Scotland Telephone number 01417811884 Mobile number Fax number 01417811885 martin@wellhouseha.org.uk Principal Office Or Trustee Address 🐑 Principal Website Address 🐑 www.wellhouseha.org.uk Alternative Contact Email

Annual Return / Monitoring Return Details

finance@wellhouseha.org.uk

Section A

/oscronline.oscr.org.uk/Oscr/Monitoring/Annual Return/Print/297630

V10/2020 Print View

Charity Number

SC036552

Legal Name 🖭

Wellhouse Housing Association Limited

1. Accounting Reference Date 🐑

31/03/2020

2. Gross Income 🐑

£4,218,435

3. Gross Expenditure 🐑

£3,506,350

4a. Does your charity publish its annual reports and accounts on its website?

4b. Copy & paste the link to your published accounts here 🐑



https://wellhouseha.org.uk/financial-information

5. Total Number Of Charity Trustees

6. Total Number Of Paid Staff

7.a Does your charity have children and/or vulnerable adults as beneficiaries?

7.b If yes, can you confirm that your charity has appropriate policies in place to protect these vulnerable individuals?

7.c If you do not have appropriate policies, please explain how you plan to resolve this?

Accounts Information

Accounts Submission Option

I will attach an electronic copy of my signed accounts (including a signed trustees' annual report and signed auditor's or independent examiner's report) in .pdf format.

View Accounts Files

Declaration Information

I certify that the information entered in this form is correct to the best of my knowledge

I confirm the information entered has been approved by the charity trustees and I am authorised to submit this information

Name of person submitting

Role of person submitting

Declaration Date

tps://oscronline.oscr.org.uk/Oscr/Monitoring/AnnualReturn/Print/297630



Management Committee	29 October 2020
Agenda Item	7
Title of Paper	Rent Arrears Update
Author	Carol Hamilton, Housing & Customer Service Manager
Attachment(s)	None
Executive summary	 The following information is recorded at the end of Period 6, 30 September 2020: Gross current tenant rent arrears are £317,133.13–9.61% of annual income Net arrears are £309,082.52 – 9.37% of annual income Former Tenant's arrears are £37,086.71 Rent collection is currently 90.38% (cumulative 6 months to end September 2020) 110 tenants owing £1000+ now owe £228,232.47 collectively – 71.97% of current arrears and 6.92% of annual rent income. 62 of these are UC recipients (£137,427.19). The number of tenants claiming UC is 167. The amount of UC arrears figure is £180,128.98

FOR INFORMATION

1 PURPOSE

1.1 To update Committee on the arrears position

2 RECOMMENDATIONS

2.1 That the update on the arrears position be noted.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 The production of an arrears report is consistent with:
 - our strategic objective 5: to maintain good governance and financial management and:
 - our values of excellence and accountability

4 BACKGROUND

- 4.1 Committee have requested regular arrears reports
- 4.2 This summary forms an update to the end of September position.



5. MAIN ISSUES:

- 5.1 Since the last Committee update, gross current tenant rent arrears had increased by £14,693.66k at end of August and have since increased by £7,913.64 at the end of September. While there were 314 and 331 tenants with rent arears for these months respectively, the total in arrears at end of September is 347.
- 5.2 21.11% of all tenants are now in receipt of Universal Credit (UC) and arrears attributable to UC have increased by £10,447.68 to £180,128.98 since July.
- 5.3 WHA are quite clear that if a tenant is doing all they can to mitigate Covid related rent arrears, then legal action will not be taken. However, for those who exploit the system and repeatedly fail to reduce their arrears, then legal action will be enforced. Housing Officers are reporting that there are several tenants whose arrears balance are being affected due to Covid 19 as a result of being furloughed, losing employment and restarting new jobs. In addition, some Universal Credit arrears payments have ceased mainly due to their changing circumstances.
- 5.4 It is anticipated that 12 Notices of Proceedings (NOPs) will be served by the end of October although the notice period is still extended to 6 months due to recent temporary legislative changes. 4 recently served NOPs will not be raised in court until February 2021.

6. DISCUSSION

6.1 The full extent of the impact of Covid-19 on the rental income of the Association remains to seen. It remains unclear at this stage how it has affected the ability of some tenants to pay their rent on time. Similarly, the ongoing impact of UC will be monitored closely and further reports will be provided to Committee.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 ARC report will include our performance.
- 7.2 Regulatory and current legislation dictates that legal action will not be pursued where arears have occurred solely as a result of the Covid-19 situation.

8. FINANCIAL IMPLICATIONS

8.1 Dealt with in the body of the report.

9 KEY RISKS

- 9.1 Failure to robustly manage arrears is a failure to deliver on core KPI and reduces income to the Association. Mitigation persistent and consistent application of policy and staff performance management.
- 9.2 Any rise in evictions may lead to reputational damage. Mitigation- use only as a last resort and adhere to Coronavirus (Scotland) Bill.



10 EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

10.1 The rent management policy has been written with our commitment to diversity included.



Wellhouse: the Place to Be

Management Committee	29 th October 2020
Agenda Item	8
Title of Paper	Updates re Financial Regulations and Procedures
Author	Gordon Kerr, Finance & Corporate Services Manager
Attachment(s)	Financial Regulations Authorised Signatories listing

FOR DECISION

1 PURPOSE

1.1 To advise Management Committee of the proposed changes to the financial regulations.

2 RECOMMENDATIONS

- 2.1 That the Management Committee considers the changes made and, subject to satisfaction, approve the updated document.
- 2.2 That the changes are circulated to all staff members for the purposes of awareness.

3 BUSINESS PLAN, VISIONS AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objectives: -
 - Objective 5: To maintain good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values: -
 - Accountability
 - Excellence
 - Honesty and Integrity
- 3.3 This Report also meets the following points from the 2020/21 Operational Plan: -
 - 12:1 "Review and update financial regulations and procedures as appropriate".
- 3.4 This Report should contribute towards our overarching Aim and Vision of making Wellhouse "the Place to Be"

4 BACKGROUND

4.1 The Financial Regulations & Procedures were originally approved in July 2015, then updated in December 2015 and again in December 2016.



- 4.2 As part of our 3-year cycle of Policy review, these Financial Regulations and Procedures were reviewed again in February 2020.
- 4.3 We need to update the list of current cheque signatories and the Finance Officer is completing the form to submit to Clydesdale Bank. However, during this exercise it has been noticed that there is a slight inconsistency in the processes of cheque signatories and BACS payments and this report aims to resolve this issue.

5 MAIN ISSUES

- 5.1 The issue highlighted as part of this exercise is as follows: -
- 5.2 The majority of payments to suppliers and staff are made by BACS electronic payments and the Regulations state that the Housing Manager and Finance Manager may submit these payments as well as the Director.
- 5.3 As far as cheque signing goes the Procedures state: -
 - ➤ 13.4 If a cheque is required it shall be presented for signature together with authorised invoices for inspection. All cheques must require two signatures, with no more than one staff member signing each cheque.

This would imply that there is the option for more than one staff member being a cheque signatory and internal controls are already in place.

- However, in the listing of Authorised Signatories in the Regulations (Appendix 1), it only lists the Director and Office Bearers as cheque signatories.
- 5.5 This report is aiming to bring a bit more consistency to the practice of supplier/staff payments by enabling another senior member of staff to be able to sign cheques in addition to the Director. It would also eliminate the issue of 2 Committee members having to sign a cheque without it being signed beforehand by a senior officer of the organisation, if the Director were unavailable for any period of time.
- 5.6 The BACS Payments Listing, BACS Payments (Online Banking) and Cheque Payments have also been amended to reflect the Finance Assistant being able to prepare these.

6 DISCUSSION

6.1 Discussions have already taken place internally regarding the practicalities and logistics of the current arrangements.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 This Report complies with SHR Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being and economic effectiveness.
 - Standard 3.1: The RSL has effective financial and treasury management controls and procedures to achieve the right balance between costs and outcomes and



control costs effectively. The RSL ensures security of assets, the proper use of public and private funds, and access to sufficient liquidity at all times.

- 7.2 There is a legal requirement for Wellhouse to report on its systems of Internal Financial Controls, including policies and procedures in the Statutory Accounts and the External Auditor will express their opinion on these controls.
- 7.3 Good practice dictates that proper policies and procedures are in place, reviewed regularly and all staff are aware of them and adhere to them.
- 8 FINANCIAL IMPLICATIONS
- 8.1 N/A

9 KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
	 The Association has Financial Regulations and Procedures that Staff and Committee are not aware of. There is a failure to follow the requirements contained within these documents. Could result in failure in respect of compliance with expected standards. 	
Mitigation	Mitigation	Mitigation
	 Regularly review and update Financial Regulations and Procedures. Ensure all staff and Committee are aware of them and their contents and are advised of updates. Ensure staff are aware of consequences of failing to comply with expected standards. 	

10 EQUALITY AND DIVERSITY IMPLICATIONS

- 10.1 None apparent
- 11 SUSTAINABILITY
- 11.1 Not applicable.
- 12 SWOT ANALYSIS
- 12.1 Not required as no new business activity identified.
- 13 CONCLUSION



13.1 The Regulations are more reflective of the current processes currently undertaken in Wellhouse Housing Association and are being updated to accommodate proposed changes to processes.

31. Authorised Signatories

BACS Payment List	
	Finance Officer/Finance Assistant
Prepared by	
Authorised by	Housing Manager / Finance Manager / Director
BACS Payment (Online	
Banking)	
Prepared by	Finance Officer/Finance Assistant
Authorised by	Housing Manager / Finance Manager / Director
Cheque Payments	
Prepared by	Finance Officer/Finance Assistant
Authorised by	Finance Manager / Director / Office Bearers
Grant Offers	
Authorised by	Office Bearers / Director
·	
HAG Claims	
Prepared by	Finance Officer
Authorised by	Office Bearers / Director
,	
Private Finance Drawdown	
Prepared by	Finance Officer
Authorised by	Office Bearers / Director
	5 ··· 5 · 5 · 5 · 5 · 5 · 5 · 5 · 5 · 5
Scottish Government Grants	
Prepared by	Finance Officer
Authorised by	Office Bearers / Director



Management Committee	29 October 2020	
Agenda Item	9	
Title of Paper	Operational Update Report	
Author	Management Team	
Appendices:	Draft Collaboration Tender Brief	

FOR INFORMATION AND DECISION

EXECUTIVE SUMMARY:

1. Director - Main Issues

1.1 Glasgow North East Foodbank.

I met with the Manager of the Foodbank recently. She contacted me with plans to extend their service. I have briefly outlined below some of the main points:

- The foodbank would like to consider opening a food bank in the area of Wellhouse HA.
- They would be keen to include the other local HA's
- They feel that as Easterhouse is a large area that the existing food bank at Blairtummock can be a bit of a trek for people from Barlanark, Wellhouse and the surrounding area.
- Given that it is unlikely that there will be any more COVID funding for food it is likely that demand will increase as more people lose their jobs or have hours reduced.
- The foodbank would recruit, train and manage all volunteers
- They would also not be looking for any financial contribution to the outreach in our area
- They would require a room and small storage space for food for a service to take place 2 hours per week (or fortnight depending on need)

It is possible that we could facilitate this in the Hub and I recommend that we explore this further. **Committee approval is sought**.

The other part of the discussion was around their need for a distribution centre. They are looking for a centre that has reasonable storage, easy access and parking for a van, a small office and must be in Glasgow North East. They are happy to pay a small rent and pay for utilities. They would need to discuss costs if a possibility arises. Again, this may be an option for the Hub or indeed, Newhills Road. I recommend that we explore this further. **Committee approval is sought**.

1.2 Governance/ Continuing Assurance

The Management Committee are in the second year of self-assessment for the assurance statement and this year's will be brought to you by November.

The committee have also been conducting appraisals for some 5 years with the support of Linda Ewart.



Finally, committee members attend conferences and have carried out mutual committee shadowing.

In order, to keep this good governance under constant and transparent review, I am recommending that we take part in a joint initiative with a range of Housing Association partners outside of greater Easterhouse. I am part of an informal group of chief officers with a number of partners and this group are working on this – led by Elderpark HA. Wellhouse HA contribution is in the region of £2,000 and the work should take place in 2021. The specification document is included as an appendix. I believe this will be very helpful to the committee and compelling to the SHR when we approach year 3 of the Assurance framework.

1.3 Development

Both DRS (Glasgow City Council) and Scottish Water have been in touch recently to begin some discussions around ground water flood issues and carry out a site visit on 29 October. We were informed just before lockdown that foul water (sewage) capacity is no longer an issue. There was a recent news article referring to the 'completion' of the north east ground water work – we have had no formal communications on this issue. I hope we are now approaching a stage where we can see new development on the horizon (post 2021 Scottish Government plans).

2. Housing & Customer Services Manager – Main Issues

- The annual review of the housing waiting list is underway;
- The annual Landlord Report to tenants has been delivered to all tenants and added to the website;
- A review of the Common Housing Register Allocation Policy is ongoing and a report will be provided to Committee upon completion;
- Officers are continuing to offer support to those tenants and families affected by Covid-19 and monitoring rental income by contacting tenants regarding missed payments and assisting with claims for Universal Credit / Housing Benefit;
- The Team are dealing with an increase in neighbour disputes and complaints in relation to refuse collections and fly-tipping. Some of which is becoming a fire hazard. Extra resources have now been deployed;
- Discussions are continuing with GCC Homeless Services to explore the possibility of maximising lets to homeless applicants. A response has been sent to the HSPC that we will support the challenge they face by increasing our homeless offers where practically possible;
- The £9750 awarded by the Supporting Communities Fund for digital assistance has so far supported 29 households. To date 5 mobile phones and 24 tablets have been supplied. Feedback from the recipients has been collated and the comments reflect the success of the scheme. The support has now been extended to pupils at the local school as well as residents in properties leased by Women's Aid;



- The Income Advisor continues to support tenants by providing benefit advice and offering claim support as well as supporting the Housing Officer with arrears cases and providing Universal Credit early intervention support for new claims;
- Results of the 3rd quarter survey of tenants have been extremely positive. We have 100% satisfaction rates for how we keep our tenants informed as well 100% of respondents satisfied with the opportunity for them to participate in our decision-making process. All other indicators are favourable and improving.

3. Assets & Maintenance Manager - Main Issues

- The Veranda works at Wellhouse Gardens is progressing well and is on program. There has been a delay with obtaining the new windows due to supply chain issues. As such the contractor will have to fall back and fit these following the building works. Tenants have been informed.
- Estate Services the Team have been working on clearing the bin areas, other areas of bulk and other items, close cleaning and void clearances are continuing the grass cutting is about to finish and work will begin on back court winter pruning etc.
- Stage 3 Adaptations, we have fully committed our £25,000 allocation we have currently 2 referrals on hold once we have submitted our latest HAG claim we can ask GCC for more funding to complete these.
- Gutter Cleaning & Roof Anchor Testing, the tenders have been returned and are Currently being checked by the Consultant we will submit a paper for approval once we have the successful Contractor.
- Window and Door replacements in properties at:

Balado Rd, Bartiebeith Rd, Rigg Place, Wellhouse Gardens & Wellhouse Crescent Phases 1, 2A & 2B, which are 3-29 Balado Road, 1-3 Rigg Place, 1-11 Wellhouse Gardens, 142-162 Bartiebeith Road & 103-111 Wellhouse Crescent. Tender Documents are being drawn up and the QS is due to start surveying mid-October.

4. Finance & Corporate Services Manager – Main Issues

4.1 Operational Update

The following is a summary of the ongoing day-to-day operational activity of the Finance & Corporate Services Team continuing to be carried out since remote working began:

- Adjusting to home working, with the following functions continuing to be carried out remotely;
- Posting all rent payments to tenant's accounts;
- Posting all factoring payments to owner's accounts;
- Sending out sales invoices to commercial customers;
- Processing purchase invoices and paying suppliers;
- Processing payroll and paying staff, HMRC and Pensions Trust;



- All statutory and regulatory reporting and Returns: –
- SHR Loan Portfolio (Jun'20);
- SHR AFS (Aug'20);
- SHR FYFP (Sep'20);
- o FCA Annual Return (Sep'20);
- Additional Covid-19 Regulatory returns completed for SHR (monthly return and one-off staff costs) and SFHA Financial Data Collection return – quarterly;
- Internal management reporting;
- Treasury management and loan repayments;
- Liaising with Lenders and ensuring that all requirements included in the financial covenants are met – quarterly management accounts, 30-year forecast and annual statutory accounts by Sep'30;
- Dealing with GDPR and FOI requests Two requests, one which resulted in a charge being levied was not followed up;
- Quarterly FOI/GDPR statistical return submitted May & August;
- Internal and external audit functions 2 internal audits carried out at beginning of August –
 Development and Business Planning and 2 further audits carried out in October Factoring and Fixed Assets Register along with the follow-up review;
- Liaising with Hiper and Resource to ensure IT/Telephony functions continue to operate smoothly
- Update website:
- Finalised Year-End Annual Statutory Accounts exercise;
- Regular staff contact and conducting 1-2-1's.

In addition to these day-to-day activities, the following tasks have been undertaken: -

- Hand sanitisers dispensers, hand sanitiser portable bottles, face masks, gloves all available in
 office in preparation of staff returning;
- Allander now carrying out office cleaning on a regular basis, consistent with work pattern prelockdown;
- Office Care have now carried out a full deep clean of the office IT equipment in preparation of staff returning to office-based work;
- Liaising with Insurers in preparation of staff returning to office-based work;
- New mobile phone handsets have been delivered to staff who use a business mobile phone and set up for business use;
- Inserting financial information in Hub Business Plan;
- Liaising with Hiper with a view to having the IT back-up performed remotely, with no need for manual use of tapes.









Wellhouse: The Place To Be



Trust Honesty Integrity Excellence Accountability Sustainability and Ardenglen HA

Consultant Brief for a Collaborative Governance Project

September 2020

to be delivered during 2020/2021 considering the Scottish Housing Regulator's Regulatory Framework and associated governance best practice for the following six Housing Associations:

Ardenglen Housing Association, Clydebank Housing Association, Elderpark Housing, Hawthorn Housing Co-operative, Maryhill Housing and Wellhouse Housing Association.

1. Purpose

For the purposes of this project we are seeking a suitably qualified and experienced governance consultant to work with the six participating association to conduct a review of our governance processes across a range of areas together with developing and sharing good practice between the six Registered Social Landlords.

The participating organisations are seeking to utilise their existing shared approach to close partnership working to carry out a joint exercise reviewing aspects of governance which will both assist in meeting our requirements under the self-assurance framework and provide us with excellent high quality governance systems.

This loose collaborative group has been developed over the previous few years as part of an informal network of Chief Executives who share a level of trust and which can ensure any joint peer group exercise provides enhanced benefits through shared learning.

The commission will focus on the following areas which will be outlined further later on within the brief:

- Sample review of some key governance policies that will be determined through
 discussions between the appointed consultant and the six participating RSL's using
 both the consultants' knowledge of areas of weakness across the sector and our own
 individual perceptions of our existing policies. It is expected that this policy review
 will be limited to no more than 10 policies with recommendations and potential
 good practice examples considered.
- An assessment of the approach taken by each of the six participating RSL's to gathering and achieving assurance including a review of the framework with spot checks of evidence
- Basic review of each organisation's compliance against the seven Regulatory
 Standards of Governance and Financial Management not every single standard in full depth but a selection of the key principles behind each.
- A desktop review of key areas like notifiable events, annual committee review process, publication of reports and minutes in line with FOISA and the model registers with each RSL's processes assessed and good practice models identified.
- Production of reports specific to each RSL together with a combined shared report which also includes the identification of good practice examples within each association
- In presenting these reports we would anticipate they would potentially include sessions presenting to the six RSL's as one group but also to each of the individual RSL's management teams / management committees.

This exercise should provide the six RSL's and in particular their Governing Bodies with a broad understanding of how effective their current governance processes are, where areas of improvement could be made, how we meet the Scottish Housing Regulators Regulatory Framework and where example of good practice are identified within each of the group members.

This exercise will form part of each Association's assurance processes against the Scottish Housing Regulator's Regulatory Framework. The consultant will be required to report back directly to the Associations' Governing Bodies on their findings.

It is recognised that due to the size and scale of the governance requirements for each RSL that not every aspect will be assessed in significant depth however we anticipate that the expertise and knowledge of the appointed consultant would be able to provide a guide on what areas will require most focus and attention during this project.

2. Participating Registered Social Landlords

Ardenglen Housing Associations

Insert brief description of organisation here.

Clydebank Housing Association

Clydebank Housing Association (formerly Central & East Clydebank Housing Association) was established in January 1985 and currently owns and manages 1168 rented homes. It also provides a factoring service to over 500 owner occupiers. The Association is a community based "not for profit" organisation, a registered Scottish Charity (Charity no SC033962) and is registered under the Rules of the Co-operative and Community Benefit Societies Act 2014.

The Association has a wholly owned combined heating and power subsidiary, CHA Power, which provides heat and hot water to over 300 tenants and has an active wider role programme delivered from Centre81, its regeneration and community centre. The Association also continues to grow via its active development programme. Our Management Committee currently comprises 12 members and employs around 30 permanent and temporary staff to deliver our varied services.

Elderpark Housing Association

Elderpark Housing was established in 1975 and currently owns approximately 1340 homes with the majority being in Central Govan although we also have a number of properties within the areas of Ibrox, Kinning Park and Cessnock.

In addition to being a landlord we provide a factoring service to approximately 240 owners. The vast majority of our homes are tenemental flats which account for over 80% of the stock the Association provides for rent.

The Association is a "not for profit" organisation, registered and regulated by the Scottish Housing Regulator and is governed by a voluntary Management Committee of up to 15 people and currently employ around 25 staff. Furthermore we are a registered Charity under the Rules of the Co-operative and Community Benefit Societies Act 2014.

Hawthorn Housing Co-operative

Hawthorn Housing Co-operative was set up in 1987 following the transfer of housing from Glasgow District Council. The Co-op has 316 houses [with a further 48 under construction] located in a very compact area of Possilpark.

As a fully mutual co-op we have no privately owned stock in out area of operation and consequently no factoring service. The Co-op has no subsidiaries and is governed by a management committee of up to 15 people. The Co-op has 9 staff and is registered and regulated by the Scottish Housing Regulator. We are registered under the rules of the Co-operative and Community Benefits Societies Act 2014

Maryhill Housing Association

Maryhill Housing is a charitable, community-based housing association operating in Maryhill and Ruchill in North West Glasgow.

The Association owns over 3,050 homes including tenements, retirement housing and multistorey apartments. The Association is in the process of building a further 100 homes. Most of the Association's properties are for rent however it also develops some homes for shared equity. In addition, a factoring service is provided for around 700 properties.

The Association is in the process of developing the Governance Structures around its subsidiary Maryhill Communities in order to develop and manage mid-market rent properties.

Wellhouse Housing Association

In 1989, a tenants steering group was set up to seek the transfer of 335 homes from Glasgow City Council to community ownership. Their success led to the creation of Wellhouse Housing Co-Operative, registered as a social landlord in 1994 and becoming Wellhouse Housing Association in time for our 10 year anniversary. A second successful stock transfer from Glasgow Housing Association in 2010 resulted in all the social rented homes in Wellhouse being owned by the Housing Association.

Wellhouse Housing Association operates solely in the Wellhouse neighbourhood of Easterhouse.

- WHA owns and manages 791 good quality homes; 1 HMO property (3 tenancies); 1 non self-contained property (two tenancies) and provide factoring services to 55 owners. In addition, we own the Hub and 4 commercial units in Newhills Road.
- WHA is a significant social business, with an annual turnover of 3.8 million.
- We are led by an experienced and very committed voluntary Management Committee made up of both local residents and others elected for their skills and expertise.
- WHA employs 18 members of staff, led by our Director who is responsible for the day to day management of the Association.

WHA provides a comprehensive range of services; all focused 100% on the needs of our tenants and community. These services include tenancy and neighbourhood management, repairs and property management, property development, asset management, environmental works, income maximisation and factoring.

3. Detailed Scope of Works

The below section is designed to give you an overview of the proposed works involved in the commission. This may change during the initial discussions between the RSL's and the appointed consultant however for the purposes of preparing a submission please use this as the guide to the works involved.

Works Package

Further Information

An initial joint meeting with the six RSL's Senior Officers to go through the detailed scope of works agreeing a project plan, timeline and methodology.

Following the initial joint scoping meeting with the six RSL Senior Officers hold meetings with each individual association to discuss areas of work and potential specific issues relevant to their particular organisation. These six meetings will be hosted by the senior officer of the organisation and will include representation from their governing bodies and any other relevant staff likely to be involved in the project.

Sample review of some key governance policies

This element of the project will examine each of the six RSL's existing governance policies (up to a maximum of 10 specific policies) in relation to areas including:

- Standing Orders
- Notifiable Events
- Membership
- Code of Conduct / Declaration of Interests
- Risk Management
- Entitlements, Payments and Benefits
- Whistleblowing

This review will involve reading each of the association's policies and providing comment on compliance against the standards, good practice and observations of positive areas within each which can be shared across the group.

For a number of mutually agreed policies there should be an element of testing of the policies should be carried out to ensure that the organisation is delivering against the policy aims and objectives.

It should also consider whether each association has the appropriate range of governance policies in place and identify any gaps which may expose the organisation(s) to risk.

An assessment of self-	This element will involve a review of the methods used
assurance framework process	by each of the organisation in achieving assurance. It will
	include a review of the templates used to record
	compliance and locations of evidence, consideration of
	the processes used to involve and engage with the
	management committee and the final assurance letter
	signed and submitted to the Scottish Housing Regulator.

It is envisaged that this area of work would identify elements of good practice across the six RSL's which can be drawn out into the conclusions including how we could develop an enhanced approach in future years.

Basic review of each organisation's compliance against the seven Regulatory Standards of Governance and Financial Management It is recognised that there are a number of standards and it would be impossible to review compliance against them all.

Looking at the specific seven regulatory standards the appointed consultant would identify (using their experience and knowledge) no more than 10 guiding standards to be examined. The same 10 guiding standards should be identified across all participating organisations. You will provide the RSL's with a template to complete to allow them to demonstrate compliance against the elected standards.

A desktop review of key areas like notifiable events, annual committee review process, publication of reports and minutes in line with FOISA and our model registers

This element will review the following areas:

- The notifiable events submitted by each RSL over the previous 12 months. The purpose of this exercise will be to assess how the association follows the guidance in relation to notifiable events to consider how consistent the approach is for each RSL. This exercise should also explore how an RSL decides whether an issue is a notifiable event and what level of advice / engagement with SHR is included within their decision making process.
- The annual committee review process most recently undertaken which will review the methodology used and any particular themes emerging from the summary reports
- The introduction of FOISA placed a requirement to make available committee minutes and reports. Looking at the content provided by each participating RSL on our website outline how it complies with FOISA and ensures appropriate commercial and personal confidentiality.

- Each of the model registers used by the RSL's to determine the quality and content of the registers and whether improvements could be made to this area.
- Compliance with the rules of the association in relation to the AGM and committee election process.

This desktop exercise will briefly assess each of these areas providing recommendations for how each RSL could operate more effectively.

Production of reports specific to each RSL together with a combined shared report which also includes the identification of good practice examples within each association.

It is envisaged that each RSL will receive their own personalised report on the areas outlined above together with an appended summary report which each RSL will receive outlining how we compare to our peers within this project, what examples of good practice could be adopted and recommendations for collective works in relation to governance we could take forward as a group.

In presenting these reports we would anticipate they would potentially include sessions presenting to the six RSL's as one collective group of CEO's / Governance Staff but also to each of the individual RSL's management teams / management committees therefore for the purposes of the commission assume a further seven meetings presenting the reports and recommendation would be required.

4. Selection Process

Following return of the submissions a selection panel of representatives of the RSL's will carry out an exercise scoring them using the following methodology. It will be based on price and quality with a weighting of 40% price / 60% quality.

Quality

Quality will be assessed by scoring the completed questions outlined at the quality section below with an overall maximum score of 100 available and representing 60% of the overall weighting.

Quality will be assessed at Appendix A and based upon the following questions:

Quality Criteria	Scores Available
Background of Governance Consultant and key personnel who will deliver the commission	15
Specific experience delivering governance reviews and services within the housing sector, particularly in relation to the RSL sector with a maximum of three examples provided	35
An outline of your approach to delivering the proposal including methodology you will use, outline timeline and project plan and how they meet our requirements outlined above.	30
Any 'added value' elements not outlined within the brief which you would provide including how based upon your experience these would provide additional benefits to the project	10
Two Referees capable of providing references relating to the aspects outlined above	10

Price

Price will represent 40% of the overall selection process. The Price assessment will be based on the following aspects:

- Number of days work and costs associated with the each stage of the exercise and also whether VAT would apply. If more than one individual / organisation delivering this commission please provide a narrative on the different costs associated with each.
- A total anticipated project cost for the service your company is seeking to provide
- Any price differentials per RSL, for example it is recognised that each of the RSL's participating are of a different size and scale therefore should the price differ between RSL's this should be broken down in an appended table.
- All prices should inclusive of travel expenses and any other associated costs you will incur in delivering this commission.

While it is recognised that detailing the final costs at this stage may be difficult to quantify please be as clear as possible on each of the elements above. As Registered Social Landlords bound by various legislation, procurement guidelines and a regulatory framework we are obliged to demonstrate best value on the commissioning of any project.

This proposal is designed to act as a guide to those interested in submitting a proposal on the types of works we foresee within the project. The six participating RSL's are keen to use the experience and expertise of a relevant consultant / organisation to ensure the project is something which is unique, delivers positive outcomes and can be seen as market leaders within the sector therefore we will collaborate with whoever is appointed to adapt the project activities and outcomes to deliver these aims.

The fee submitted should be broken down for each of the two tables included at Appendix B.

The most economically advantageous price (the price which deliver greatest value for money in terms of commission days, daily rate and overall total cost) will be awarded 100 points and the other tenders will receive points calculated by their distance from this price.

This is outlined in the table below. The price will be assessed as the total price for all RSL's involved in the tender.

	Cheapest tender	Tender A	Tender B
Price	£10,000	£12,000	£13,000
Score	100	83	77

5. Timescales

The below timescales primarily outline the shortlisting and assessment process together with a rough guide to the delivery of the project although it is anticipated that the submission provided by the consultant / organisation will provide more detail on the specific elements required to complete the commission. At this stage that the works should be concluded no later than the 31st July 2021 to allow the associations to utilise the outcome of this exercise in their 2021 Annual Assurance Statement submission to the Scottish Housing Regulator.

The indicative programme for this tender is shown in the table below:

Tender brief published on Public Contracts Scotland	Monday 14 th September 2020
Deadline for questions regarding the content of the brief to be submitted via Public Contracts Scotland	12 noon on Friday 16 th October 2020
Closing date for receipt of proposals via PCS	12 noon on Friday 23 rd October 2020
Shortlisting exercise conducted using selection criteria outlined above	w/c 2 nd November 2020
Potential interviews to clarify tender proposals (may be by video-conferencing dependent on current Scottish Government guidance on physical distancing measures)	w/c 16 th November 2020
Tender award made	By Friday 27 th November 2020
Appointment commencing	Monday 7 th December 2020
Initial introductory scoping meeting with the six participating RSL's Senior Officers and other key staff	w/c 14 th December 2020
Following initial meeting with RSL's Senior Officer and other key staff a clear outline of the consultants approach to the project, including key stages to be to be provided	By Friday 22 nd January 2021
All other timelines will be based on the successful consultant / organisations's revised proposal and workplan with a an agreed completion date	By 31 st July 2021

6. General Information

Confidentiality of information

All information contained in the invitation to tender is confidential. Likewise, all information included by the tenderer in their proposals will be treated in confidence.

Guarantee of work

Each association involved in the joint procurement reserves the right to award the contract in full, in part or not at all. The price for the remaining Associations will not change in this instance.

Appointment terms

The successful tenderer will be required to enter into separate contracts with each Association. The terms are attached at Appendix C

Further Information

This can be provided on request by Gary Dalziel, Chief Executive on 0141 440 6160 / 07917 671 558 or alternatively email gary.dalziel@elderpark.org

Appendix A - Quality Assessment

Quality Questions

The assessment of quality will be based upon the answers you provide for each of the following sections with the number of points attributed to each section outlined in Section 4. Please consider the weighting for each section prior to completion as this will assist you in understanding how much emphasis is being placed on each element within the quality scoring process.

To ensure consistency across each of the submissions there is a maximum word count for each section.

quality questions		
Background of Governance Consultant / Organisation and any key personnel who will		
deliver the commission		
(This section should encompass no more than 500 words however appendices in relation to the individual employees and staffing structure may also be included)		

Specific experience delivering governance reviews and services within the housing sector, particularly in relation to the RSL sector with a maximum of three examples provided		
(This section should be no more than 400 words however case studies or specific examples of activities undertaken may be included as an appendix)		

An outline of your approach to delivering the proposal including methodology you will use, outline timeline and project plan and how they meet our requirements outlined above.		
(This section should be no more than 1,000 words although appendices including Gantt charts etc may be included)		

Any 'added value' elements not outlined within the brief which you would provide including how based upon your experience these would provide additional benefits to the project		
(This section should outline how based on your expertise you could offer 'added value' to this project. It should be no more than 300 words in total)		
,		

References

Please give details of two organisations who you have previously delivered a commission in relation to similar governance works. They should be qualified to comment on the ability, knowledge and relevant experience you / your organisation would bring to this particular appointment. They will only be asked questions relating to the five quality assessment questions above.

Name:	Name:
Job title:	Job title:
Company/organisation:	Company/organisation:
Address:	Address:
Post code:	Post code:
Email:	Email:
Tel no:	Tel no:
Description of projects carried out:	Description of projects carried out:

Appendix B - Fee Proposal

Having examined the brief we offer to provide services to comply with the brief for the price as set out below. We confirm that the services as outlined in Section 3 (Detailed Scope of Works) will be delivered within the fixed cost.

We recognise that the scope of the brief may be amended following appointment once the initial inception meeting takes place and if necessary will provide a revised price based on the daily rates and number of days required to complete the submission.

We understand that the successful consultant will be required to enter into the formal agreement with each commissioning RSL and that this fee will form part of a binding agreement between us.

We confirm that our fee has not been agreed or arranged with any prospective competitor or trade association and will not be communicated to any third party

Yours faithfully,
Consultant Name:
Duly Authorised to sign on behalf of the above
Name:
Signature:
Date:
Designation:

Fee breakdown matrix

For the purposes of reviewing the pricing element this has been outlined in two separate tables however for shortlisting only the table which contains each element of the works package will be used for the scoring exercise.

The first table (Table 1) looks at the overall scope of works for the six RSL's where you should set out the number of days and daily rate required to complete each element of the works. The purpose of this is to understand the time requirements and costs you have attributed to each element to ensure that it is not just the overall total price but the most economically advantageous price which is awarded the most points.

For example it is recognised that if one consultant / organisation was to suggest the works would be completed in 50 days @ £600 per day the total cost would be £30,000 however if another submission suggested the works would take 60 days @ £500 per day then this would be the most economically advantageous despite both overall prices being the same.

This will ensure that an appropriate review of the price has been taken into account and there is a justifiable methodology used when selecting the most appropriate price.

The second table (Table 2) is requested to highlight whether in your view the delivery of this commission will result in a variation of prices between the six RSL's. Although this will not form part of the overall price scoring exercise it will allow the participating RSL's to determine whether the cost implications are suitable for them.

Table 1

Works Package	Number of Days	Daily Rate	Total Cost per
			element
An initial meeting with the six			
RSL's to go through the detailed			
scope of works agreeing and			
producing a finalised project			
plan, timeline and methodology			
Following the initial joint			
scoping meeting with the six			
RSL Senior Officers hold			
meetings with each individual			
association to discuss areas of			
work and potential specific			
issues relevant to their			
particular organisation.			
Sample review of some key			
governance policies			
An assessment of self-			
assurance framework process			

	ı	Т
Basic review of each		
organisation's compliance		
against the seven Regulatory		
Standards of Governance and		
Financial Management		
A desktop review of key areas		
like notifiable events, annual		
committee review process,		
publication of reports and		
minutes in line with FOISA and		
our model registers		
Production of reports specific		
to each RSL together with a		
combined shared report which		
also includes the identification		
of good practice examples		
within each association.		
Within Cach association.		
It is anyisaged that each PSI		
It is envisaged that each RSL will receive their own		
personalised report on the		
areas outlined above together		
with an appended summary		
report which each RSL will		
receive outlining how we		
compare to our peers within		
this project, what examples of		
good practice could be adopted		
and recommendations for		
collective works in relation to		
governance we could take		
forward as a group.		
In presenting these reports we		
would anticipate they would		
potentially include sessions		
presenting to the six RSL's as		
1 .		
one collective group of CEO's /		
Governance Staff but also to		
each of the individual RSL's		
management teams /		
management committees		
therefore for the purposes of		
the commission assume a		
further seven meetings		
presenting the reports and		
recommendation would be		
required.		
		<u>I</u>

TOTAL		

Table 2

Association	Number of Days	Daily Rate	Total Costs per RSL
Ardenglen Housing Association			
Clydebank Housing Association			
Elderpark Housing			
Hawthorn Housing Co-operative			
Maryhill Housing			
Wellhouse Housing Association			
TOTAL			



Wellhouse: the Place to Be

Management Committee	29 October 2020
Agenda Item	10
Title of Paper	Gutter Cleaning & Roof Anchor Testing
Author	Bill Black Assets & Maintenance Manager
Attachment	Appendix 1: Tender Report

FOR DISCUSSION & APPROVAL

1 PURPOSE

1.1 To update Committee on the procurement process for the gutters/roof anchor and to seek approval to progress.

2 RECOMMENDATIONS

- 2.1 Committee are asked to note the recommendations outlined within the report
- 2.2 Committee are asked to approve the expenditure of the contract to the value of £174,832.00 + Vat .
- 2.3 Committee are asked to approve the award of the contract to Latto Maintenance Ltd
- 2.4 Committee are asked to approve to progress with the works.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 The report is consistent with our commitment to improve our performance management and is compliant with our strategic objectives;
 - 1. Deliver excellent services;
 - 2. Provide good quality homes;
 - 3. Anticipate, understand and respond to local needs;
 - 4. Foster an attractive, successful and thriving community;
 - 5. Maintain good governance and financial management;
 - 6. Value and invest in our people.

It is also consistent with our Values of:

- Trust;
- Honesty;
- Integrity;
- Excellence:
- Accountability:
- Sustainability.

4. BACKGROUND

Trust

4.1 The Association has had an ad-hoc response to the cleaning of the Gutters within Wellhouse. This has meant that many of the Gutters are overgrown with plant growth,

.



which can lead to increased repairs to buildings due to water damage and tenant dissatisfaction. The Contract is for a yearly clean, roof inspection and report. It also includes for the testing and inspection of the existing roof anchors. At present there is no contract for these, once these are checked it will do away with the need to use expensive scaffolding or cherry pickers for the cleaning and roof repairs in the majority of cases. 50% of the closes along with all the Town Houses currently have roof anchors. The tender includes the costs for installation of new anchors in the other 50% of closes over the term of the contract. The testing of these are a legal requirement. The contract is for 3 years +1+1.

5. MAIN ISSUES

- 5.1 The Tender was openly advertised on Public Contracts Scotland by Ewing Somerville Partnership Ltd with a return date of 14th September. The Tenders were assessed on a price quality evaluation subject to passing the requirements of the ESPD (European Single Procurement Document). 4 returns were received; one of which was Disqualified for failing to meet the required threshold.
- 5.2 The Second was disqualified as they failed to complete their responses in the quality submission part.
- 5.3 List of Contractors and Tender amounts returned and where they failed in the process.

Contractor	ESPD Pass	Quality	£value
Latto Maintenance Ltd	Yes	Pass	£174,832.00 + Vat
5Star Cleaning Solutions	Yes	Fail	£184,760.02 + Vat
Ltd			
Caledonian Maintenance	Yes	Pass	£198,400.27 + Vat
Services Ltd			
Alpha Industrial	No	N/A	£171,862.00 + Vat
Abseiling Ltd			

5.4 Combined Price Quality Scores

The Quality Scores were carried out by WHA & ESP

Contractor	Price Score	Quality Score	Total
Latto Maintenance	300.00	700.00	1000.00
Ltd			
Caledonian	264.36	609.83	874.19
Maintenance			
Services Ltd			

- 5.5 Upon completion of the tender assessment process; it is recommended that Latto Maintenance Ltd is awarded the Contract as best overall value and quality.
- 6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES
- 6.1 Regulatory Issues none that we are aware of
- 6.2 Legal issues with procurement Standard Tendering strategies were followed, Contractors have 10 day stand still period to appeal once the Tender has been accepted but the regulations regarding returns are clear, we do not foresee any issues.

2

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6.3 Constitutional issues - none

7 CONSULTATION

Formal tender process was followed. This report follows on from previous updates to committee on contract updates.

8 FINANCIAL IMPLICATIONS

None that we are aware of at time of writing.

3 Year Contract $\pounds 174,832.00 + \text{vat}$ Consultants Fee $\pounds 5,313.00 + \text{vat}$ TOTAL COST $\pounds 180,145.00 + \text{vat}$

9 KEY RISKS

9.3 Failure to carry out the gutter cleaning and anchor inspections may result in further costs and tenant dissatisfaction.

10 EQUALITY AND DIVERSITY IMPLICATIONS

There are no identified impacts on any of the main minority groups or diversity implications even an unintended one.

11 CONCLUSIONS

Management Committee are asked to approve the expenditure and progression of the works.



13 October 2020

Our Ref: SS/BF/4381

Wellhouse Housing Association Ltd. 49 Wellhouse Crescent GLASGOW G33 4LA

For the Attention of Mr B Black

Dear Sir,

Gutter Cleaning including Inspection of Roof Anchors, Various Addresses, Easterhouse

We enclose the Tender Report in respect of the above project for your attention.

Yours faithfully

Barry Farrell
Director

Enc.



40 Speirs Wharf | Glasgow | G4 9TH t: 0141 353 3531 e: info@ewing-somerville.com w: www.ewingsomerville.co.uk

Ewing Somerville Partnership (Scotland) Etd FRegistered in Scotland No 530344

DIRECTORS

Barry Farrell MRICS, LLM, ACI Arb

Evelyn Scott MRICS, LLM, ACI Arb

Geraldine McCann MRICS, LLM, ACI Arb, CMaPS



TENDER REPORT

FOR

GUTTER CLEANING & ROOF INSPECTION WORKS INCLUDING INSPECTION OF ROOF ANCHORS

AT

VARIOUS ADDRESSES EASTERHOUSE, GLASGOW (ESP: 4381)

OCTOBER 2020



40 Speirs Wharf | Glasgow | G4 9TH | t: 0141 353 3531 e: info@ewing-somerville.com www.ewingsomerville.co.uk

1.0 Project Name

Gutter Cleaning & Roof Inspection Works including Inspection of Roof Anchors at Various Addresses throughout Easterhouse, Glasgow.

2.0 <u>Description of the Works</u>

Provision of annual gutter cleaning, roof condition inspections, roof anchor testing and inspection works. The contract period will be 36 months with an option to extend for a further 2-year period on a yearly basis. The works are expected to commence in November 2020.

3.0 Date of Tender

14 September 2020.

4.0 <u>Last Date for Acceptance</u>

15 March 2021.

5.0 Basis of Contract

Measured Term contract with priced fixed for three years.

6.0 Programme

It is anticipated that the contract will commence on 1 November 2020 with the date for completion being 30 September 2021.

7.0 Remarks

The contract is to be let under the SBCC Measured Term Contract for Use in Scotland (MTC/SCOT), 2011 Edition; incorporating Amendment 1 CDM Regulations July 2015 and Amendment 2 Contract (Third Party Rights) (Scotland) Act 2017.

The tenders have been examined and adjusted where necessary all in accordance with the JCT Practice Note Tendering 2017 Alternative 2.

8.0 <u>Tendering Procedure</u>

This procurement was let under the provisions of the Public Contracts (Scotland) Regulations 2015 Open Procedure. Bids were invited using the Public Contracts Scotland Portal.

The Tenders were assessed on a Price Quality Evaluation subject to passing the requirements of the ESPD.

The Quality/Price ratio for the Procurement was 30% price and 70% quality.



9.0 <u>Tenders Received - Priced Analysis (30% of the overall Tender evaluation)</u>

The tenders were assessed on a price/quality basis with a maximum score of 300 available for price and 700 for quality.

The names of the Contractors who elected to tender and details of the offers received are as follows: -

Contractor	ESPD (Pass / Fail)	Original Offer Tender Offer After Arithmetical Check & Corrections		Price Score		
Latto Maintenance Ltd.	Pass	£174,832.00	£174,832.00	300.00		
5 Star Cleaning Solutions (Scotland) Limited	Pass	£182,169.01	£184,760.02	283.88		
Caledonian Maintenance Services Ltd.	Pass	£198,480.71	£198,400.27	264.36		
*Alpha Industrial Abseiling Ltd	Fail	Tender Disqualified due to ESPD Fail				

^{*}The ESPD submitted by Alpha Industrial Abseiling Ltd. did not contain 3Nr completed examples of relevant experience just photographs. There was no contact details, timescales or similarities given for the one project noted. This has resulted in their ESPD failing to meet the required threshold and the bidder disqualified from the tender process.



10.0 Quality Assessment Method Statements Section (70% of the overall Tender evaluation)

Ewing Somerville Partnership (Scotland) Ltd. assisted Wellhouse Housing Association with the Quality Method Statement submissions included within the Tender Documents with the results detailed below:

Contractor	Q.1	Q.2	Q.3	Q.4	Q.5	Q.6	Q.7	Score Awarded	Final Quality Score
Latto Maintenance Ltd.	90.0	83.0	83.0	77.0	90.0	87.0	80.0	590.0	700.00
Caledonian Maintenance Services Ltd.	73.0	60.0	70.0	77.0	77.0	80.0	77.0	514.00	609.83
*5 Star Cleaning Solutions (Scotland) Limited			D	isqualit	fied fro	m tend	der pro	cess	

^{*5} Star Cleaning Solutions (Scotland) Ltd. failed to provide a completed numbered response to the quality submission. This has resulted in their tender failing to meet the requirements and the bidder disqualified from the tender process.

11.0 Combined Price and Quality Scores

Contractor	Price Score	Quality Score	Total
Latto Maintenance Ltd.	300.00	700.00	1000.00
Caledonian Maintenance Services Ltd.	264.36	609.83	874.19

12.0 <u>The Construction (Design & Management) Regulations 2015</u>

No Health and Safety information was submitted by the bidders. A generic construction phase plan will be required from the successful bidder prior to the contract start date.

13.0 <u>V.A.T.</u>

The above figures are exclusive of VAT & Fees.



14.0 Conclusion

Upon completion of the tender assessment process, the offer submitted by Latto Maintenance Ltd. in the amount of £174,832.00 is deemed to represent best overall value and is therefore considered suitable for acceptance, subject to approval required by the Association's Management Committee.

Prepared by: <u>Furney Saventle Ruhenligh</u>
Ewing Somerville Partnership (Scotland Ltd.

Date:





SCHEDULE OF COMMITTEE MEETINGS - OCTOBER 2020 to NOVEMBER 2021

Month	Director's newsletter Monthly	Management Committee	Staffing Sub- Committee <i>Bi-annual</i>	Audit & Risk Sub - Committee Quarterly	AGM
		Thursday			
			To be agreed	To be agreed	
OCTOBER 2020		29th October 2020			
NOVEMBER 2020		24th November 2020			
DECEMBER 2020		No Meeting			
JANUARY 2021		28 th January 2021			
FEBRUARY 2021		25th February 2021		11th February 2021	
MARCH 2021		No Meeting			
APRIL 2021		29th April 2021	8 th April 2021		
MAY 2021		27 th May 2021		13 th May 2021	
JUNE 2021		24 th June 2021			
JULY 2021		No Meeting			
AUGUST 2021		26 th August 2021		12 th August 2021	
SEPTEMBER 2020 ACM					Wednesday 22 rd
SEPTEMBER 2020 AGM					September 2021
OCTOBER 2021		21st October 2021	7 th October 2020		
NOVEMBER 2021		25 th November 2021		11 th November 2021	
Location		Association Offices	Association Offices	Association Offices	Hub Café

Note: AGM 2021 – On Wednesday to accommodate September weekend and to allow accounts to be signed off for auditors. October 2021 – brought forward one week for Assurance Statement.



Wellhouse: the Place to Be

Management Committee	29 October 2020
Agenda item	AOCB 11.2
Title of Paper	Governance Matters following AGM
Author	Corporate & Governance Officer
Attachment(s)	

FOR DECISION

1 PURPOSE

1.1 A new Management Committee was elected following the 2020 Annual General Meeting. This report is to confirm re-appointment of 1 further member of the Audit & Risk Committee and to elect the Chair.

2 RECOMMENDATIONS

- 2.1 It is recommended that:
 - i) Sarah Morris is confirmed as a continuing member of the Audit & Risk Committee.
 - ii) That members confer with each other before the meeting to identify who is willing to serve as Chair of the Audit & Risk Committee.

3 BACKGROUND

3.1 Decisions made during the last year on managing interests, the office bearers required, the establishment of a committee and panels and committee recruitment had all been taken into account in the report presented at the Governance Meeting following the AGM in September.

4 MAIN ISSUES

4.1 Appointment of Members to Audit & Risk Committee

- 4.2.1 There was an accidental omission of Sarah Morris within the election to Audit and Risk in the Governance Items following the AGM report. The Corporate & Governance Officer has since spoken to Sarah Morris who has indicated that she is willing to be confirmed as a continuing member. **Committee are asked to approve an erratum to the minutes of 23**rd **September to ensure accurate recording of such**.
- 4.2.2 Due to Clare Monteith being absent from the meeting of 23 September 2020, it had been agreed to confirm her willingness to continue as Chair of the Audit & Risk Committee. Clare has indicated to the Corporate & Governance Officer that it would be her preference just to Chair the Staffing Committee, however, she would give it further consideration should no other member wish to stand.



- 4.2.3 Members are asked to confer with each other before the meeting to identify who is willing to serve as Chair on the Audit & Risk Committee.
- 5 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES
- 5.1 These have been included in the guidance above.
- 5.2 No legal advice has been taken but the guidance complies with the Association's rules and policies.
- 6 CONSULTATION
- 6.1 Not applicable
- 7 FINANCIAL IMPLICATIONS
- 7.1 Not applicable
- 8 EQUALITY AND DIVERSITY IMPLICATIONS
- 8.1 The leaflets advertising committee vacancies identified that we are seeking people to increase the diversity on the board. However, all those elected, are white, ethnic British. The committee may want to take account of this in deciding whether to advertise for further members.