

18 February 2021

Dear Member,

The next Management Committee will be held on **25th February 2021, at 6PM via Zoom**

Agenda Item	Lead	Time	
1. Welcome, <i>Sederunt</i> & Apologies. Jargon Buster	Chair	1min	Verbal For Information
2. Declarations of Interest.	Chair	1min	Verbal
3. Minutes of the Committee Meeting of 28 January 2021 Minutes of the Policy Review Meeting of 28 January 2021	Chair	3min	Approval
4. Matters Arising & Actions from the minutes report	Director	3min	Note
5. Anti-Social Behaviour packages (Grant Arthur, GCC in attendance)	Housing Manager	10min	Approval
6. Management Accounts – December 2020 (Sandra Davidson, Finance Officer in attendance)	Director	15min	Approval
7. Budget 20/21 (Sandra Davidson, Finance Officer in attendance)	Director	15min	Approval
8. I.T. Strategy	Director	15min	Approval
9. Development	Director	10min	Approval
10. KPI report – Q3 – Sept – Dec 2020	Management Team	10min	Note
11. Operational update	Management Team	10 min	Note
12. AOCB	Director	3min	

Meeting close 8pm, Next Meeting: 29th April 2021, 11am

Terminology	Definition
ARC	Annual Return to the Charter
ASB	Anti-Social Behaviour
ASBO	Anti-Social behaviour order
Bad Debts	Amounts that are owed by customers but will not be paid
BC	Business Continuity – in the event of a disaster the systems that are in place to allow the association's IT to operate
Broadband	The internet connection
BU	Backup – the process involved to copy files, folders and software systems. The Backup is used to restore corrupted files for instance
Cloud Based Systems	Servers which are located on the internet in data centres and that provide end users processes and services. These services operate without the end user necessarily aware of where the systems are located
CRM	Client recording and management system (a customer database)
DR	Disaster Recovery – the process required to re-establish the IT systems after a major disaster
DWP	Department for Work and Pensions
ICT	Information and computer Technology
KPI's	Key Performance Indicators
Negative Goodwill	An accounting concept to acknowledge the challenges of quantifying the value of intangible fixed assets
SDFP	Annual submission to the Council outlining our development ambitions
SDM	The IT system which runs the housing processes
SFHA	Scottish Federation of Housing Associations
SHIP	Strategic plan produced by the Council outlining the housing needs for the City
SHN	Scottish Housing Network
SWS	Social Work Services
UBN	Unacceptable behaviour notices
UC	Universal Credit

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD ON
28th January 2021 AT 11am - VIA ZOOM**

1. Welcome, Sederunt & Apologies.

Present:

Maureen Morris	Vice-Chair
Michelle Harrow	Committee Member
Clare Monteith	Committee Member
Jane Heppenstall	Committee Member

In Attendance:

Martin Wilkie-McFarlane	Director
Carol Hamilton	Housing & Customer Services Manager
Bill Black	Assets & Maintenance Manager
Linda Logan	Minute taker
Graham Gillespie	Wylie & Bisset (Item 5 only)
Stuart Taylor	Hiper (Item 6 only)

Apologies:

Darron Brown	Chair
Stewart McIntosh	Committee Member
Sarah Morris	Committee Member

Absent:

Carol Torrie	Committee Member
Shona McKenna	Committee Member

The Vice-Chair welcomed Graham Gillespie to the meeting. Committee agreed that item 6 would be taken at the end of the meeting due to conflicting meeting arrangements from our I.T. provider.

2. Declarations of Interest.

There were no declarations of interest.

3. Minutes of the Committee Meeting of 24 November 2020.

Resolution:

The minute of the Committee Meeting of 24 November 2020 were proposed by Michelle Harrow and seconded by Maureen Morris as an accurate record of the proceedings.

4. Matters arising and actions from the minute report.

There were no matters arising that were not covered in subsequent agenda items.

5. Internal Audit:

Factoring:

Graham noted a substantial conclusion for the Factoring Audit. He highlighted the scope of the audit and work undertaken as part of the review. The report highlighted three medium graded recommendations, two of which related to the factoring policy and procedure and the third related to the credit control function. Eight areas of good practice were highlighted. The benchmark against other Associations demonstrates that Wellhouse is faring well in this area of operation.

He took committee through the recommendations, the management responses and timescales for completion.

Fixed Assets:

The Fixed Assets Audit provided a strong level of assurance and highlighted no recommendations. Nine areas of good practice were noted.

Follow-up Review:

The overall conclusion provided a strong level of assurance from the follow up review. Of the 19 outstanding points from the previous years audit, 14 had been fully implemented, 1 partially implemented and 3 remain as not implemented as detailed at page 9-15 of the audit report. It was noted that the Assurance Statement and related evidence bank has been completed satisfactorily and will be considered fully implemented. There were no superseded recommendations.

Resolution:

Committee;

- **Noted the findings and agreed follow-up actions;**
- **Approved the draft management responses;**
- **Confirmed satisfaction with the actions taken with superseded and fully implemented recommendations in the follow-up review and that the points can now be removed from the action plan.**

Clare Monteith proposed and Jane Heppenstall seconded the draft management responses and actions implemented in the follow-up review.

Graham Gillespie left the meeting at this time.

6. I.T. upgrade (this item was discussed following agenda item 8)

The Director thanked Stuart Taylor, Hiper for attending the meeting. Introductions were made.

The Director stated that the report was presented to advise the committee on additional I.T requirements which would provide security and performance and allow Wellhouse to comply with its high-level IT objectives including compliance with GDPR Regulations and Internal Audit recommendations. He reiterated IT issues that were viewed as essential or business critical and

required to be addressed. He invited Stuart Taylor, Hiper, to provide further technical details and requirements.

Stuart highlighted that the broadband connection which allows data in and out of the Hub was not particularly robust and packet loss had been seen; which seemed to be affecting the remote connections to PC's. He noted that 4 broadband providers had been approached and costs had been received which were higher than we are paying at the moment. The Director sought clarification and Stuart confirmed that upgrading the broadband connection would allow the migration of emails from the server to cloud based services and subsequent Microsoft 365 traffic needs and a fast and reliable connection. He confirmed that costs are likely to be in the region of £11,500 to £15,000 over a 3-year contract.

The Director recommended to committee that we move ahead with upgrading the broadband connection within the Hub.

Michelle Harrow sought clarification on whether the system would have automatic retention and the ability to update GDPR information. Stuart confirmed that updating the broadband connection would allow us to install the system Michelle was referring to.

The Director took committee through recommendations as previously highlighted within the report to take account of cloud-based backups and future proofing the system. The Gold solution facilities had been recommended to run a virtual back up to the Cloud and would also address Disaster Recovery and Continuity issues. However, following discussions with Stuart; and for transparency within the minute; a tweak to the recommendation was proposed to take account of implementing office 365 and recommendations in an additional report to be presented at February's meeting to migrate away from SDM to Home Master; which is a cloud-based system and would be used by all teams across the Association.

Stuart explained that a number of servers are located within the Hub which have a bronze back up system and use inherent back-ups provided by Microsoft. He highlighted that the system was very basic and takes over 24 hours to do a one day back up. He noted that although the system had been upgraded; it was very difficult to maintain and staff were required to physically go into the office to change the disks. He provided an explanation on the silver and gold methodologies, back ups and disaster recovery and how quickly we could get that information backed up and running in line with business continuity. He stated that the reliance of the data on the physical servers was starting to move on. He explained that having office 365 would remove the requirement of 1 or 2 of the servers which we rely on within the Hub, in addition moving the housing management service away from the servers to the Cloud would reduce the reliance of data back up within the premises, and cloud-based systems would be inherently backed up. He considered that we did not require the gold standard and would look at the silver standard.

Jane Heppenstall sought clarification on the robustness/vulnerability of a cloud-based back-up system and potential risks. Stuart confirmed that cloud-based systems were very robust and data would be backed up to various data centres within the UK; images would be taken; stored within data centres and the availability to the user would be far superior. He added that the advantage would be, for example, housing officers, could have remote access to data on home visits and would not be required to be within the Hub.

The Director sought approval to update the recommendations to move towards the Cloud based backup and supplemental to that Hiper having discussions with Home Master before the next committee meeting; he will update on their recommendations and costs for inclusion in his report to committee in February.

Resolution:

Committee noted and approved the recommendations. A further report will be presented to the February meeting.

Action: Due to the meeting being inquorate at this time, the Corporate and Governance Officer will email absent members for additional approval.

7. Rent arrears update:

The Housing Manager presented the report to update committee on the arrears position as at 31st December 2020.

She highlighted that gross current rent arrears were £329,700, being an alarming 10% of our annual income. 113 tenants owing £1,000+, owe £240,094 collectively which is 72% of current arrears, 56 of these are universal credit recipients.

She asked committee to note key indicators for January 2020 and January 2021 to provide a comparison. She highlighted that while there is very little change in the number of tenants owing rent or the number of tenants who did not pay in the festive season, there was an obvious increase in the level of debt, as well as those on universal credit. She stated that we are aware that Covid-19 and universal credit continue to affect the ability of some tenants to pay their rent. She noted the changes to residential tenancy law brought about by the Coronavirus (Scotland) Bill which had been extended for a 6-month notice period for legal action, which was having a major impact on some of the arrears' cases.

The Housing Manager drew committee's attention to table 2 of the report highlighting arrears in summary by banding. She noted that there was evidence that some tenants were using current the situation to continue not to pay and one in particular has left their tenancy without notice, with a debt in excess of £5,000. She noted advice given to continue with legal action and recall sisted cases, however there is a risk that any decree awarded cannot be enacted. She provided an update on those tenants who are not making payments and evading contact. She committed to provide committee with case studies; taking account of confidentiality and GDPR guidelines, at the next meeting.

Jane Heppenstall assumed that anti-social behaviour had not been used as grounds for actioned cases. The Housing Manager confirmed that these were all rent arrear actions. Jane sought clarification that if we leave the sists in the system, does that mean that we can recall them at any point. The Housing Manager stated that we could just leave them sisted and recall them at a later date, however, she considered that some tenants would continue not to pay and recalling sisted cases may encourage payment.

Committee agreed that although they see eviction as a last resort, the Association must take a stance to action recovery of these high-level arrears. The Director discussed the challenges of universal credit and the continued work of the income advice officer. He reiterated committee's comments on actions to recover longstanding arrears.

Committee noted the update as outlined within the report.

Action: The Housing Manager will provide committee with rent arrears case studies in line with GDPR guidelines in her next update.

8. Rent Consultation.

The Housing Manager reiterated committee agreement at its meeting of 24 November to consult on a 1.7% rent increase. She confirmed that the rent consultation process had ended on Friday; 8th January 2021. She noted that the proposed increase had been incorporated in the winter newsletter along with a survey form, in addition; tenants were also offered the opportunity to telephone the office to discuss and complete the survey, contact us via email and were provided with links to complete a survey monkey. The preferred option evidenced from tenant responses, had been to communicate feedback via a text message. She provided a breakdown of the consultation responses as outlined at appendix 1 of the report.

Michelle Harrow sought clarification on the percentage of tenants that had responded to the consultation and asked if it was our intention to implement the 1.7% increase. The Housing Manager confirmed that 14% of tenants had responded to the consultation. The Director confirmed that a 1.7% increase was being proposed. He noted that the business plan assumptions had been at the lower rate of CPI + 1%. This increase had been indicated in the 5-year business plan submission to the Scottish Housing Regulator. He discussed the potential additional increases from our contractors given the current circumstances. He noted that Darron Brown had suggested delaying the rent increase for 6 months however, the Director considered that given the difficulty in obtaining and the increased costs for replacement components, loss of income and assumptions in the current business; that this would create some difficulties for the Association. Committee discussed at length communication to tenants to inform of increased costs and what spend was required to complete cyclical and replacement component works.

Resolution:

Committee:

Noted the contents of the report and the review of responses received from tenants;

Approved the recommendation of progressing with CPI (0.7%) plus 1% rent increase from 1 April 2021, a 1.7% increase.

Michelle Harrow proposed and Jane Heppenstall seconded the proposed rental increase of 1.7% as at 1 April 2021.

Action: Additional information with regards the rental increase and required expenditure will be provided in the spring newsletter.

Clare Monteith discussed the Body Cam Policy and proposed the policy. She offered apologies and left the meeting at this time. Discussion will be recorded in the minute of the policy reviews.

9. Operational update report.

Director:

The Director recorded his thanks to The Assets & Maintenance Manager and the Maintenance Officer for working with contractors to complete the works the Hub café.

All other potential Hub activities are on hold at the moment due to COVID-19 restrictions.

Tenant Christmas bonus:

The Director drew committee attention to an article published in the Scottish Housing news from Blochairn HA who had provided a financial incentive to their tenants. Wellhouse HA had thought

it appropriate to consider a discussion around an incentive of some sort of reward to a tenant who manages their tenancy and being a good neighbour was worth discussing. The Director sought approval to investigate other models available and what the impact would be.

Action: Committee agreed to the Director bringing a more detailed report sometime in the summer.

Pantry:

The Director provided background information on the Pantry scheme which allows access to affordable food. Customers pay £2:50 and can purchase £15.00 worth of food. He recommended that WHA support and promote the incentive. He proposed that WHA set up a modest crises fund, £500, that the Income and Advice Officer could access for initial £2.50 payment. He committed to come back to committee in the summer with the financial ask from the Pantry for a bus service when funding for the free bus comes up for renewal.

Resolution:

Committee approved, Jane Heppenstall proposed and Michelle Harrow seconded that a £500.00 crises fund be set up and be administered by the Income Advice Officer.

Housing and Customer Services Manager:

The Housing Manager stated that we continue to allocate properties and conduct viewing in accordance with legislation. Consultation of the proposed rent consultation as well as the factoring policy had been prepared. The Estate Wardens delivered biscuits to elderly tenants prior to Christmas and ERA have volunteered to distributed the remaining gifts for children during the February break.

Assets & Maintenance Manager:

The Maintenance Manager reported that bulk uplift remains an issue. GCC have issued further information via their website. Stage 3 adaptations had received additional funding. The Maintenance team are still direct issuing repairs to cut down on the need for inspections. The team continue to experience an increase in the number of gas servicing that are going to forced access and more staff time and resources are being spent on arranging access for servicing in an attempt to stop them going to forced access. He noted current issues with raw materials being available to manufacture for the window and door replacement contract which may also have an impact on budgets over the next view year due to the value of the project.

He reported that the boiler, kitchen and bathroom programme had been surveyed however have been delayed due to level 4 lockdown. Further updates will be provided as necessary.

There was no further business. Meeting closed 1:00pm.

Next Meeting: 25th February 2021, 6pm.

I certify that the above minute has been approved as a true and accurate reflection of the proceedings:

Signed (Chair)

Date:.....

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE POLICY REVIEW COMMITTEE MEETING HELD ON
28 January 2021 AT 11am - VIA ZOOM**

Welcome, Sederunt & Apologies.

Present:

Maureen Morris	Vice-Chair
Michelle Harrow	Committee Member
Jane Heppenstall	Committee Member
Clare Monteith	Committee Member (Body Cam Policy only)

In Attendance:

Martin Wilkie-McFarlane	Director
Carol Hamilton	Housing & Customer Services Manager
Bill Black	Assets & Maintenance Manager
Linda Logan	Minute taker

Apologies:

Darron Brown	Chair
Stewart McIntosh	Committee Member
Sarah Morris	Committee Member

Absent:

Carol Torrie	Committee Member
Shona McKenna	Committee Member

1. Remote Working Policy.

The Director provided an overview of the remote working policy. He noted that any decision to accept or reject a flexible working request would be based on Wellhouse business needs and requirements at the time of the request in line with Wellhouse HA's Flexible Working policy.

Maureen Morris sought clarification on page 5 of the report where the policy states that employees who on occasion work remotely will not have expenses approved for items such as ink/paper etc however on page 7 the policy states the Wellhouse will contribute towards working expenses such as upgrades etc. The Director explained that the statement of page 5 of the policy related to Occasional Remote Working whereas the statement on page 7 referred to Contractual Changes or requests made by Wellhouse as the employer.

Resolution:

Committee noted and approved the contents of the Remote Working Policy.

Michelle Harrow proposed and Jane Heppenstall seconded the Remote Working Policy for adoption.

2. Abandonment Policy.

The Housing Manager presented the Abandonment Policy which had been reviewed to ensure the recovery of properties that are suspected of having been abandoned or not otherwise occupied is done so in accordance with legislation and in an appropriate and consistent manner.

Jane Heppenstall sought clarification on recording and storage of personal items i.e., photographs that may be left in a property. The Housing Manager stated that a process checklist was attached at appendix 1 of the policy.

Resolution:

Jane Heppenstall proposed and Michelle Harrow seconded the Abandonment Policy for a further 3 years.

Action: It was agreed that an additional appendix recording personal items would be added to the policy and brought to committee at a later date for approval.

3. Body Cam Policy.

The Maintenance Manager presented an overview of the Body Cam Policy for approval for 1 year, to be reviewed as required and then ratified every three years thereafter. The policy had been reviewed in accordance with legislation and guidelines.

Clare Monteith sought clarification on the purpose of body cams being worn by the Estate Wardens. She asked if the Estate Wardens had been subject to abuse.

The Maintenance Manager stated that the camera technology would be used by the Estate Services to record and ensure all close cleaning had been completed to a high standard and proof of access of and to respond to complaints, dog fouling, grass cutting and back courts, etc. He stated that this was standard practice in many associations and any faces would pixelated out and deleted after a 28-day period. He confirmed that the Estate Wardens had been subject to abuse and body cams would provide added security and recording thereof.

Clare Monteith asked if tenants would be informed that the wardens would be recording. Bill confirmed signs would be displayed on the van and tenants would be informed when the camera was being turned on. She considered that we would receive complaints from residents. The Director stated that the main reason was to record that work was being completed to a satisfactory standard. He stated it was standard practice for associations to use body cams.

Resolution:

Clare Monteith proposed and Maureen Morris seconded adoption of the Body Cam Policy.

Action: It was agreed that residents would be informed as to the use of body cams and the purpose thereof.

Clare left the meeting at this time.

4. Factoring Policy.

The Housing Manager stated that the Factoring policy had been reviewed by the Finance Officer, Maintenance Manager and herself in accordance with legislation and guidelines and to take account of audit recommendations. She asked committee to note new legislation which had been received following review of the policy. An additional update will be provided in August to take account of the new legislation.

Resolution:

Michelle Harrow proposed and Jane Heppenstall seconded the Factoring Policy.

Action: A further updated Factoring Policy will be presented in August/September to take account of recently issued legislation.

There was no further business. Meeting closed 1:00pm.
Next Meeting: 25th February 2021, 6pm.

I certify that the above minute has been approved as a true and accurate reflection of the proceedings:

Signed (Chair)

Date:.....

ACTIONS ARISING FROM PREVIOUS MANAGEMENT COMMITTEE MEETINGS February 2021

MINUTE REFERENCE	ACTION	OWNER	DUE BY	STATUS OPEN/ CLOSED	PROGRESS
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. An update will be provided at the 25 February 2021 committee meeting.
13. Rent Arrears	Universal credit will be included on the November committee meeting agenda	Carol Hamilton	November 2019	Open	.
November 2019					
11. Management Team Report	The Finance Manager will email proposed dates for fraud training to interested members	Finance Manager	January 2020	Open	The Finance Manager is still waiting for proposed dates for fraud training from the auditors. Suspended during COVID-19 lockdown period
April 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.

August 2020					
There were no actions arising from the minutes of 27 August 2020					
October 2020					
7. Rent Arrears update	The Director and Housing Manager will draw up a proposed plan of action to combat arrears and report back to committee in early 2021	Housing Manager and Director	Feb 2020	Open	The Housing and Customer Services Manager will provide an update at the 25 February 2021 committee meeting
January 2021					
Policy Review					
Abandonment Policy	It was agreed that an additional appendix recording personal items would be added to the policy and brought to committee at a later date for approval	Housing Manager	Summer 2021	Open	
Body Cam Policy	It was agreed that residents would be informed as to the use of body cams and the purpose thereof.	Maintenance Manager	ASAP	Open	
Factoring Policy	A further updated factoring policy will be presented in October to take account of recently issued legislation	Housing Manager	October 2021	Open	
IT upgrade	Due to the meeting being inquorate at this time the Corporate & Governance Officer will email absent members for additional approval	Corporate & Governance Officer	February 2021	Closed	An extract of the minute was emailed to committee with an extract of the minute relating to IT upgrades. Emailed approval will be included as an appendix to the minute.
Rent Arrears update	The Housing Manager will provide committee with rent arrears case	Housing Manager	February 2021	Open	The Housing Manager will provide an update at the 25 February 2021 committee meeting.

	studies in line with GDPR guidelines in her next update				
Rent Arrears	Additional information with regards the rental increased and required expenditure will be provided in the spring newsletter.	Management Team	Spring 2021	Open	
Tenant Christmas Bonus	Committee agreed to the Director to the Director bring a more detailed report (Summer 2021) following investigation of other models available and what the impact would be	Director	Summer 2021	Open	

Management Committee	25 February 2021
Agenda Item	5
Title of Paper	Options for Management of Anti-Social Behaviour (ASB) delivered by Glasgow City Council (GCC)
Author	Carol Hamilton, Housing & Customer Service Manager
Attachment(s)	Appendix 1- ASB statistics and outcomes Appendix 2- Support packages and costs

FOR DISCUSSION & APPROVAL

1 PURPOSE

- 1.1 To update Committee on support packages offered to Landlords by Glasgow City Council (GCC) for effectively managing Anti-Social Behaviour (ASB) in the community across all tenures. This would reduce the number of unresolved complaints and allow Housing Officers to prioritise the collection of rent arrears.

2 RECOMMENDATIONS

- 2.1 That all packages be discussed
2.2 That the 'Gold Service' package be purchased for 2021/22 subject to annual review

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 Efficient and effective management of ASB within the community is consistent with the following strategic objectives:
- Objective 1 - Deliver excellent services
 - Objective 3 - Anticipate, understand and respond to local need
 - Objective 4 - Foster an attractive, successful and thriving community and:
 - All of our visions and values of excellence, accountability and sustainability

4 BACKGROUND

- 4.1 Appendix 1 summarises ASB statistics and outcomes for Wellhouse since 2017/18. There have been evictions for ASB in this period.
- 4.2 Table 1 outlines the number and categories of complaints received. Columns 2 to 5 provide information on the types of complaints. Column 6 shows where cases were closed due to either the complainant wanting no action taken or where Wellhouse was not the agency with responsibility for resolving the complaint. Column 7 shows the number of cases closed due to insufficient evidence and Column 8 details the number of complaints received.
- 4.3 Table 2 provides information on the number of cases reopened, primarily due to further complaints received after a case was closed. Charter guidance is that complaints should count as 1 case where further complaints are received whilst still investigating the first issue, but new cases should be open when we have closed a case if resolved previously. For example, if a verbal warning is issued, the case would be closed. However, if the tenant does not heed this and problem reoccurs, a new case would be

opened. This is provided to give an idea of the level of reoccurrences across various types of complaints.

- 4.4 Of concern are the number of cases in Column 7 (73) that were closed due to insufficient evidence being available. Lack of corroboration coupled with reluctant witnesses are the main reasons why cases cannot be resolved. This means that there is almost a fifth of cases where we cannot take formal action. When combined with the information in Table 2 that outlines the number of repeat complaints, it shows a position where complaints reoccur and very often remain unresolved. For example: 1 in 7 noise complaints reoccur. There is a concern that tenants could feel unsupported, where suitable solutions are not found.

- 4.7 A shared ASB policy with EHRA partners is being considered.

5. MAIN ISSUES:

- 5.1 Very few serious ASB cases enter the legal system for the reasons mentioned above, therefore, legal fees have historically been relatively low (£3,258 since 2017/18). However, the cost of Officer time for very little success in dealing effectively with complaints is highly expensive.

It is worthwhile noting that a recent case, which has been ongoing since January 2020, has now been lodged in court and a date has been set for March 2021. The costs associated with this action is estimated between £3-£4k for action against one household. This does not include officer time, which has been substantial dealing with complaints and counter complaints from a number of parties involved. Given the ongoing priority of addressing our rent arrears levels, this took a major part of the officer's time away from this task.

- 5.2 The Wellhouse ASB policy is currently being reviewed and options for a holistic approach with external support are being explored to ensure swift and cost - effective outcomes for customers. To enable officers to concentrate on the collection of rent, given the current level of arrears, it is recommended that for a period of one year, on a trial basis, that consideration is given to having our Anti-social cases managed by GCC staff.

These options and associated costs are outlined in Appendix 2. Details are included on the optional level of service packages provided. The costs are determined by the number of units that a Landlord manages. Costs for each option for Wellhouse would be: -

- Platinum package - £12,129
- Gold package - £8,091
- Silver package - £6,192
- Bronze package - £4,285

- 5.3 Finding effective solutions for many ASB complaints is difficult in the absence of corroboratory evidence and in cases where complainers do not want to be named. There is a reluctance by many complainers to report matters to the Police. Housing Officers largely depend on supporting evidence from Police Scotland to determine what, if any, further action can be taken and requests for disclosure of information very often takes several weeks to be returned. If the issues are ongoing then further

disclosure requests are made therefore the process is elongated and the complainers become frustrated at the perceived lack of effort by staff.

- 5.4 Housing Officers are less likely to be able to deal effectively with complaints about owners or private tenants.
- 5.5 The Housing Manager has sought feedback from other HAs who each have a different GCC support package. Thenue HA use the Platinum package, Reidvale HA have the Gold service and Calvay HA have purchased the Bronze service. While the first 2 allow for unlimited referrals, the Silver and Bronze service is much reduced and only allows for 5 referrals per annum.
- 5.6 Without exception, each of these Associations have reported that they have benefited enormously from GCC support. They have described the approach as 'invaluable' and each report a reduction in complaints received. Reidvale HA complaints have reduced from 126 to 74 in the last year. Further benefits have included: -
- A holistic approach allowing cases to be curtailed
 - GCC officers have direct contact with Social Services for cases involving Domestic Abuse, Adult and Child Protection
 - The support service is particularly advantageous with complaints about owners, private tenants and temporary tenants in homeless accommodation as GCC have direct links to those service providers and the Private Landlord Registration Service.
 - Quality court work and case preparation, professional witnesses, joint meetings with HAs
 - Much faster information and disclosure information
 - Residents are comforted in the knowledge that there is a joint approach

6. DISCUSSION

- 6.1 The purchase of the Gold Service would allow a holistic approach to ASB across all Wellhouse tenures and is likely to result in effective management, improved outcomes and increased satisfaction in our service. Officers would be able to concentrate on improving rent arrears and void turnaround time. It is hoped that an Officer from GCC or a participating HA will be able to join the Committee discussion.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 ARC report will include our performance.

7.2 FINANCIAL IMPLICATIONS

- 8.1 Dealt with in the body of the report.

9 KEY RISKS

- 9.1 Failure to robustly manage anti social behaviour is a failure to deliver on core KPI and Landlord obligations. Mitigation – persistent and consistent application of policy and staff performance management.

10 EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

10.1 All policies are written with our commitment to diversity included.

Appendix 1 - ASB Cases from 1st April 2017 to December 2020

Table 1

Year	Noise/Disturbance	Threats/Assaults	Drugs	Other	Number of Recorded Cases Closed - For Information Only	Number of Recorded Cases Closed – Insufficient Evidence	ASB Total cases
2017/18	63	28	3	7	35 plus 9 referred to other agencies including Police and Glasgow City Council	12	101
2018/19	41	13	4	6	13 plus 5 referred to other agencies	23	64
2019/20	35	18	0	16	5 plus 9 referred to other agencies	26	69
2020/21 YTD	25	14	5	12	6 plus 5 referred to other agencies	12	56
Overall Totals	164	73	12	41	59 plus 28 referred to other agencies	73	290

Table 2

Cases reopened

Year	Noise/Disturbance	Threats/Assaults	Drugs	Other	Totals
2017/18	21	8	0	1	30
2018/19	17	5	0	0	22
2019/20	16	7	0	5	28
2020/21 YTD	8	12	4	2	26
Overall Totals	62	32	4	8	106

PLATINUM ASB SERVICE - £15.20 per unit

TRAINING

Training will be delivered to all staff, training will include:

- ✓ An introduction to the Antisocial Behaviour etc (Scotland) Act 2004
- ✓ Acceptable Behaviour Contracts/Unacceptable Behaviour Notices
- ✓ Pursuing ASBOs
- ✓ Professional Witness, taking statements

ADVICE, ASSISTANCE AND GUIDANCE

This service will provide:

- ✓ Advice and assistance to officers dealing with ASB.

POLICE INTELLIGENCE UNIT

- ✓ Provision of relevant information relating to ASB incidents
(Managed by Service Manager under terms of section 139 Antisocial Behaviour etc (Scot) Act 2004 relating to your tenants and tenancies)

ANTISOCIAL BEHAVIOUR INVESTIGATION (Unlimited referrals as per referral criteria)

This service will provide:

- ✓ Referral of Case within 24 hours (Cat A)
- ✓ Referral of all Cat B cases at first stage complaint
- ✓ Initial Case Category assessment and checks
- ✓ Advice/Action case discussion with RSL
- ✓ Full investigation
- ✓ Warnings, ABCs/UBNs
- ✓ Full liaison with all relevant agencies such as SWS, SP etc
- ✓ Attend case conference
- ✓ Consider and prepare for further sanctions

PREPARE CRIMINAL ASBOS

- ✓ Complete disclosure
- ✓ Prepare Offender Impact Report
- ✓ Liaise with Fiscal

LEGAL SERVICES (ASBO)

- ✓ Case Assessment/joint meeting with Investigator
- ✓ Final Case Conference with RSL
- ✓ Prepare Court Papers and productions
- ✓ Court Representation

GOLD ASB SERVICE - £10.14 per unit

TRAINING

Training will be delivered to all staff, training will include:

- ✓ An introduction to the Antisocial Behaviour etc (Scotland) Act 2004
- ✓ Acceptable Behaviour Contracts/Unacceptable Behaviour Notices
- ✓ Pursuing ASBOs
- ✓ Professional Witness, taking statements

ADVICE, ASSISTANCE AND GUIDANCE

This service will provide:

- ✓ Advice and assistance to officers dealing with ASB.

POLICE INTELLIGENCE UNIT

- ✓ Provision of relevant information relating to ASB incidents
(Managed by Service Manager under terms of section 139 Antisocial Behaviour etc (Scotland) Act 2004 relating to your tenants and tenancies)

ANTISOCIAL BEHAVIOUR INVESTIGATION (Unlimited referrals as per referral criteria)

This service will provide:

- ✓ Referral of Case within 24 hours (Cat A)
- ✓ Referral of Case at 2nd Warning stage (Cat B)
- ✓ Initial Case Category assessment and checks
- ✓ Advice/Action case discussion with RSL
- ✓ Full investigation
- ✓ Warnings, ABCs/UBNs
- ✓ Full liaison with all relevant agencies such as SWS, SP etc
- ✓ Attend case conference
- ✓ Consider and prepare for further sanctions

PREPARE CRIMINAL ASBOS

- ✓ Complete disclosure
- ✓ Prepare Offender Impact Report
- ✓ Liaise with Fiscal

LEGAL SERVICES (ASBO)

- ✓ Case Assessment/joint meeting with Investigator
- ✓ Final Case Conference with RSL
- ✓ Prepare Court Papers and productions
- ✓ Court Representation

OFFICIAL

SILVER ASB SERVICE- £7.76 per unit

TRAINING

Training will be delivered to all staff, training will include:

- ✓ An introduction to the Antisocial Behaviour etc (Scotland) Act 2004
- ✓ Acceptable Behaviour Contracts/Unacceptable Behaviour Notices
- ✓ Pursuing ASBOs
- ✓ Professional Witness, taking statements

ADVICE, ASSISTANCE AND GUIDANCE

This service will provide:

- ✓ Advice and assistance to officers dealing with ASB.

POLICE INTELLIGENCE UNIT

- ✓ Provision of relevant information relating to ASB incidents
(Managed by Service Manager under terms of section 139 Antisocial Behaviour etc (Scotland) Act 2004 relating to your tenants and tenancies)

ANTISOCIAL BEHAVIOUR INVESTIGATION (Limited to 5 case referrals per annum as per referral criteria)

This service will provide:

- ✓ Referral of Case within 24 hours (Cat A)
- ✓ Referral of Case at 2nd Warning stage (Cat B)
- ✓ Initial Case Category assessment and checks
- ✓ Advice/Action case discussion with RSL
- ✓ Full investigation
- ✓ Warnings, ABCs/UBNs
- ✓ Full liaison with all relevant agencies such as SWS, SP etc
- ✓ Attend case conference
- ✓ Consider and prepare Case up to pre-legal stage

PREPARE CRIMINAL ASBOS

- ✓ Complete disclosure
- ✓ Prepare Offender Impact Report
- ✓ Liaise with Fiscal

LEGAL SERVICES (ASBO)

- ✓ Case Assessment/joint meeting with Investigator
- ✓ Final Case Conference with RSL
- ✓ Prepare Court Papers and productions
- ✓ Court Representation

BRONZE ASB SERVICE- £5.37 per unit

TRAINING

Training will be delivered to all staff, training will include:

- ✓ An introduction to the Antisocial Behaviour etc (Scotland) Act 2004
- ✓ Acceptable Behaviour Contracts/Unacceptable Behaviour Notices
- ✓ Pursuing ASBOs
- ✓ Professional Witness, taking statements

ADVICE, ASSISTANCE AND GUIDANCE

This service will provide:

- ✓ Advice and assistance to officers dealing with ASB.

POLICE INTELLIGENCE UNIT

- ✓ Provision of relevant information relating to ASB incidents
(Managed by Service Manager under terms of section 139 Antisocial Behaviour etc (Scotland) Act 2004 relating to your tenants and tenancies)

Management Committee	25th February 2021
Agenda Item	6
Title of Paper	Management Accounts – December 2020
Author	Martin Wilkie-McFarlane, Director Sandra Davidson, Finance Officer.
Attachment(s)	Management Accounts

FOR INFORMATION & APPROVAL

1 PURPOSE

- 1.1 To provide Management Committee members with a comparison of the budget and actual financial positions to 31st December 2020.

2 RECOMMENDATIONS

- 2.1 That members review the attached papers and, subject to satisfaction, approve the management accounts for the period to date.

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 12:2 from 2020/21 Operational Plan – "Quarterly Management Accounts".
- 3.4 This Report should ultimately contribute towards our overarching Aim and Vision of making Wellhouse "the Place to Be"

4 BACKGROUND

- 4.1 Management Accounts are the provision of financial and non-financial information to managers and Committee members. The Management Accounts are a basis for gauging financial viability and are also used as a tool for decision-making to allow the Association to achieve strategic and corporate objectives. Good Governance dictates that Management Accounts are presented to and approved by Management Committee.
- 4.2 Scottish Housing Regulator: Regulatory Standards of Governance and Financial Management – Standard 4 states "The governing body ensures it receives good quality information and advice from staff, and where necessary, expert independent advisers,

that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.”

- 4.3 The attached Management Accounts to December 2020 have been prepared using the Accruals Concept where expenditure is charged to the period in which it is incurred and not when the invoice is received or paid and income is credited to the period when it is realised as opposed to the date the sales invoice is raised or paid.
- 4.4 The budgeted results to date are based on the annual budget for the year which shows a projected surplus of £641,090 for the year. A draft budget for 2020/21 was considered in November 2019 and the final budget was approved in February 2020.

5 MAIN ISSUES

5.1 Statement of Comprehensive Income (SOCl) -

The budgeted surplus (24) for the period to 31st December 2020 is £457,650, however, the actual results for the period show a surplus of £796,091. There is, therefore, a favourable variance for the period of £338,440.

The overall favourable variance of £338,440 arises from-

- Operational activities £336,506– favourable variance
- Net interest and other activities £1,934- favourable variance

Income

Rental income (1) is close to budget with a slight favourable variance of £1,500. Void losses (2) are also lower than the budget figure £15,366 as opposed to £19,794. A favourable variance in net rental income of £5,928.

Commercial rent (3a) is showing quite a significant adverse variance of £7,222 from a budget figure of £41,198 (17.5%). This is explained, mainly due to the revised rental figure for 17-19 Newhills Road being implemented, but also the service charge at The Hub no longer charged after July.

Factoring income (3b) – adverse variance of £1,851 from a budget of £11,868. Although, all standard monthly charges continued to be invoiced during the lockdown period, no planned rechargeable repairs were carried out.

Stage 3 Medical Adaptations Grant Income (5a) –. favourable variance of £14,013. This is due to the original annual budget for Stage 3 HARP funding being £33,000 however this has now increased to £55,000 throughout the year.

Grants released from Deferred Income (4) – the budget figure was calculated on a projected figure based on the 2019/20 outturn; however, the actual charge is based on the final 2019/20 position. A bit less (£15,024) due to disposal of components which have now been replaced.

Expenditure

Management & Maintenance Admin - £44,523 under-spend against budget. The following make up this favourable variance: -

- Salaries (6) (£15,552 under-spend) – mainly due to replacement Estate Warden Supervisor not being in post in the first quarter of the year and pension savings. Not all staff are members of the pension but budgets are prepared on the basis of all staff joining.
- Overheads (7) – an underspend of £28,971 against budget. The attached overheads schedule shows a more detailed analysis of all variances.

Repairs & Maintenance – an underspend of £368,230 against budget over all areas of maintenance, from a total budget of almost £1million for the full year. A more detailed explanation of some of the over- and under-spends as follows: -

- Reactive maintenance (9)– a large under spend of £48,820 (Budget £262,198, actual £213,378). Responsive repairs overspend £1,641– this remains close to budget as these repairs have mainly continued throughout lockdowns due to their nature), estate services (underspend £18,093), voids maintenance large underspend of £28,993 and not as many voids as anticipated and some works re kitchens & bathrooms were capitalised).
- Cyclical maintenance (10) – large under-spend of £114,915 actual £44,985 against budget £159,900. Some external painting carried over from last year's programme, and small amounts of gutter cleaning and electrical testing carried out this year so far. -Gas servicing is also continuing but still under budget.
- Major repairs/planned renewals (11) – under-spend of £204,495 - actual £88,294 against budget £292,789. Some work on Kitchen and bathroom extractor fans and smoke alarms has been able to take place. Stage 3 medical adaptations works were also higher than originally planned as previously mentioned. Some work was also able to commence on the programme of external verandas however due to lockdown the majority of all these works has had to be suspended.
- The large underspends in maintenance come as no surprise. Most of our contractor's staff were on furlough due to covid-19 and only emergency repairs were being carried out. Works were just beginning to get back on track when the second lockdown began and has resulted in the overall underspends within maintenance.

Housing Property Depreciation (12) – favourable variance of £13,254. The budget figure was calculated on a projected figure based on the 2019/20 outturn; however, the actual charge is based on the final 2019/20 position updated to include any replacement components. Replacement components this year much lower than budget so far, also contributing to the lower depreciation charge.

Bad Debts (13) – this is actually the charge to income and expenditure, which will increase the provision rather than the actual amount of bad debts written off. Due to the issues of the 2020/21 budget not stacking up, we decided not to budget a charge to income and expenditure this year. However, in actuality, we will be processing a charge each month and rather than being based on a notional budget figure, this is

now calculated using the same formula as at the year-end – based on band levels of arrears. The charge for the nine months has increased the provision quite substantially by £84,762.

5.2 **Statement of Financial Position-**

The Statement of Financial Position shows the actual position at December 2020 and also the position at March 2020 and the resulting movement in this financial year.

Housing Properties (18) has increased by £217,295. A few individual kitchen, bathroom and boiler replacements has amounted to £89,000, and an additional £38,000 has been spent replacing the boiler in The Hub, however, this is considerably less than the budget figure of just over £842,000. The purchase of an individual property on the open market added an additional £85,000.

Cash (19) has increased by over £719,000 to £2,737,856. Although, the arrears balance has increased due to cash not coming in, there have been significant shortfalls in cash going out, particularly maintenance (see above) resulting in this positive movement in cash.

Payables < 1 Year (20)

- Misc. creditors have reduced by almost £140,000 since the year-end—This is mainly due to the reduction in purchase ledger control A/C.
- Due to the new accounting treatment for pensions, we no longer show the element of pension deficit payable within one year separately.

Payables > 1 Year

- Loans (21) – have reduced by £179,162 due to the monthly contributions being paid towards this liability.
- Pension deficit (21) – The pension deficit reflects the revaluation of multi-employer DB scheme, due to the new accounting treatment for pensions. At the year-end the liability had been completely wiped out and subsequent payments to this appear to show the deficit as now being an asset. This remains here, purely, for internal reporting purposes as we will not be allowed to recognise an asset as part of the statutory accounts reporting. However, there will be another valuation prior to the year-end, which will, more than likely, re-introduce the liability.
- Deferred income (22) – similarly, the monthly release of deferred grant to Statement of Comprehensive Income of £419,062 has reduced these balances to just above £14.7 million. However, it should be noted that the deferred income increased by £85,000 reflecting the grant received for the purchase of the individual property.

Reserves (23) – has increased by just over £796,000 to over £7.3 million, in line with the surplus made for the period.

5.3 **Cash-flow Report**

This report shows the transactions for the year-to date using the receipts and payments method as opposed to the accrual's method. The cashflow report shows a cash inflow (surplus) of £719,106 as opposed to a surplus of £796,091 in SOCI.

Generally, a broad-brush method of reconciling these two figures is as follows: -

- Start with SOCI surplus;
- Add back depreciation;
- Deduct grants released from Deferred income;
- Deduct capital spend; and
- Deduct loan capital repayments.
- Adjust for movement in debtors and creditors (accruals and prepayments).

5.3 **Covenant Compliance -**

There are no covenant compliance issues with the following results being achieved at December 2020: -

- Interest cover - Target > 110%, Result = 581.40%
- Gearing - Target < 30%, Result = 19.39%

Both lenders – Royal Bank of Scotland and Clydesdale Bank - have used the same financial covenants, calculated the same way with the same target result.

The 2020/21 budget had indicated that there may be interest cover issues for this year and had to be reviewed to avoid this occurring. The approved budget achieved this covenant, albeit by a very tight margin, however, the actual position achieves it much more comfortably.

6. **DISCUSSION**

Committee is invited to discuss any of the points reported on above.

7. **REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES**

7.1 As laid out in Scottish Housing Regulator: Regulatory Standards of Governance and Financial Management (particularly standards 3 and 4) there is a regulatory requirement for Wellhouse to report regularly to Management Committee and for Management Committee to approve these financial reports.

7.2 It is also considered Good Practice for Wellhouse to prepare quarterly Management Accounts in order to demonstrate financial viability and to allow for the decision-making process to achieve corporate objectives.

8. **FINANCIAL IMPLICATIONS**

8.1 Any material points are noted at section 5 above.

9. KEY RISKS

9.1

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to provide up to date and accurate financial reports and budget monitoring would result in the Association being unaware of its actual financial position. This could lead to decisions being taken on incorrect information and could result in financial and reputational damage.		
Mitigation	Mitigation	Mitigation
Quarterly Management Accounts, and other financial reports, are presented to Management Committee for discussion and approval".		

10. EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

10.1 None apparent.

11. SUSTAINABILITY

11.1 Not applicable.

12. SWOT ANALYSIS

12.1 Not required as no new business activity proposed.

13. CONCLUSION

13.1 Some over- and under-spends against budget in the Statement of Comprehensive Income, however, overall, the actual surplus position is considerably higher than the budget surplus for the period to December 2020. The suspensions due to lockdowns in carrying out most of the maintenance programmes has contributed, in no small way, to the underspend. A vacant staff post for the period and reduced spend on overheads have also contributed to the variance, however, apart from those the actual performance is pretty close to budget.

Cash position continues to increase and is in a reasonably healthy position finishing the period at over £2.7 million.

Overall, a good performance so far for the first nine months of 2020/21 resulting in a healthy financial position.

WELLHOUSE HOUSING ASSOCIATION

MANAGEMENT ACCOUNTS TO 31ST DECEMBER 2020



STATEMENT OF COMPREHENSIVE INCOME

Ref	Social Lettings Rental Income	Social Lettings Service Charges	Social Lettings Rental & Service Chgs	Actuals To Date Commercial Lettings	Factoring	Development	The Hub Services	Corporate Services	Total	Budget to Date	(Adverse) / Favourable Variance	Annual Budget
(1)	2,475,804	0	2,475,804	19,712	10,018		14,264		2,475,804	2,474,304	1,500	3,299,071
(2)	(15,366)		(15,366)						(15,366)	(19,794)	4,428	(26,393)
(3)									33,975	41,198	(7,222)	54,930
									10,018	11,869	(1,851)	15,824
(4)	419,062		419,062						419,062	434,086	(15,024)	578,781
(5a)	38,763		38,763						38,763	24,750	14,013	33,000
(5b)	2,918,262		2,918,262	19,712	10,018	0	14,264	0	2,962,235	2,966,894	(4,739)	3,955,991
(6)	327,100	46,735	373,835		3,492			195,073	572,401	567,953	15,552	783,938
(7)	44,701		44,701	2,861	3,038		6,625	211,439	268,464	297,436	28,971	396,581
(8)		0	0						0	0	0	0
(9)	213,286		213,286						213,378	262,198	48,820	349,597
(10)	44,985		44,985						44,985	159,300	114,915	213,200
(11)	88,294		88,294						88,294	292,789	204,495	359,496
(12)	748,681		748,681						748,681	761,935	13,254	1,015,913
(13)	84,762		84,762	2,861	6,622	0	6,625	406,512	84,762	0	(84,762)	0
	1,551,810	46,735	1,598,545						2,020,966	2,362,211	341,245	3,118,725
	1,366,452	(46,735)	1,319,717	17,051	3,395	0	7,639	(406,512)	941,269	604,783	336,507	837,267
(14)	28,600		28,600						28,600	28,601	(1)	38,134
(15)	0		0						0	0	0	0
(16)									3,465	6,375	(2,910)	8,500
(17)	(177,264)		(177,264)						(177,264)	(182,108)	4,844	(242,811)
(23)	1,217,768	(46,735)	1,171,033	17,051	3,395	0	7,639	(403,047)	796,091	457,850	338,440	641,030

WELLHOUSE HOUSING ASSOCIATION LTD

STATEMENT OF FINANCIAL POSITION AS AT

31 December 2020



ANNUAL BUDGET £	Ref		AS AT 31/03/2020 £	ACT YTD 31/12/2020 £	MOVEMENT £
Non Current Assets					
42,000,283	(18)	Housing Properties - gross cost	40,921,893	41,139,188	217,295
(13,798,144)		Depreciation	(12,621,173)	(13,369,855)	(748,682)
28,202,139			28,300,720	27,769,333	(531,387)
1,313,328		Other	1,343,642	1,321,376	(22,266)
29,515,467			29,644,362	29,090,709	(553,653)
(1,029,624)		Negative Goodwill	(1,067,759)	(1,039,159)	28,600
Current Assets					
214,127		Debtors	263,914	169,750	(94,164)
0		Inventory	0	0	0
1,790,370	(19)	Cash at Bank and in hand	2,018,751	2,737,856	719,105
2,004,497			2,282,665	2,907,606	624,941
(20) Payables < 1 year					
(965,616)		Misc Creditors	(542,272)	(402,431)	139,841
0		Pension Deficit	0	0	0
		Deferred Capital Grants	(558,749)	(558,749)	
(220,738)		Loans	(221,338)	(221,338)	0
(1,186,354)			(1,322,359)	(1,182,518)	139,841
818,143		Net Current Assets/ (Liabilities)	960,306	1,725,088	764,782
29,303,986		Total Assets less current liabilities	29,536,909	29,776,638	211,129
(21) Payables > 1 year					
(7,699,379)		Loans	(7,933,510)	(7,754,348)	179,162
(251,825)		Pension Deficit	0	43,140	43,140
(7,951,204)			(7,933,510)	(7,711,208)	222,302
(22) Deferred Income					
(13,723,121)		Social Housing Grant	(14,324,693)	(14,008,329)	316,365
(730,288)		Non Housing Grants	(718,460)	(700,765)	17,695
(14,453,409)			(15,043,153)	(14,709,093)	334,060
6,899,374		Net Assets	6,560,246	7,356,337	796,091
Capital and Reserves					
200		Share Capital	118	118	0
6,899,174	(23)	Reserves	6,560,128	7,356,219	796,091
6,899,374			6,560,246	7,356,337	796,091

WELLHOUSE HOUSING ASSOCIATION LIMITED

MANAGEMENT ACCOUNTS TO

31 December 2020



STATEMENT OF CASHFLOWS

Operating Surplus		941,289
Adjust for Depreciation and other non-cash transactions		<u>351,885</u>
Adjusted Operating Surplus		1,293,175
Movement in Debtors		94,164
Movement in Creditors		(182,978)
<u>Investing Activities</u>		
Purchase of Properties and Components	(217,295)	
Purchase of Other Fixed Assets	0	
Disposal of Other Fixed Assets	0	
Grants received	<u>85,001</u>	(132,293)
<u>Financing Activities</u>		
Interest receivable	3,465	
Interest payable	(177,264)	
Loan capital repaid	(179,162)	
Share capital issued	<u>0</u>	(352,961)
		<u><u>719,106</u></u>
Movement in Cash per Balance Sheet		719,106

WELLHOUSE HOUSING ASSOCIATION

COVENANTS AS AT 31 DECEMBER 2020



This page compares the Association's performance in key areas against financial covenants included within loan agreements.

INTEREST COVER	Accounts	Target set by Bank	Actual	Covenant Satisfied?
Operating Surplus	941,289			
LESS:Housing Grants Amortised	(419,062)			
LESS:Pension Deficit Contribution	(43,140)			
ADD:Housing Depreciation	748,681			
LESS:Component Replacements	(217,295)	Greater than 110%	581.40%	Yes
	1,010,474			
Interest Payments	177,264			
Interest Receipts	(3,465)			
	173,799			

GEARING	Accounts	Target set by Bank	Actual	Covenant Satisfied?
Balance of Outstanding Loans	7,975,686	Less than 30%	19.39%	Yes
Historic Housing Cost	41,139,188			

WELLHOUSE HOUSING ASSOCIATION

2020/21 Budget



Overheads	Housing Management	Commercial Lettings	Factoring	The Hub Services	Corporate Services	2020/21 Budget Total	Budget Apr-Dec'20	Actual Apr-Dec'20	(Adverse) Favourable Variance
24). Advertising (Publicity & Promotions)					1,000	1,000	750	0	750
25). Audit Fee - External					11,400	11,400	8,550	9,295	(745)
Audit Fee - Internal					12,100	12,100	9,075	8,160	915
26). Bank Charges - Alipay					500	11,800	8,850	7,072	1,778
- General					28,155	500	375	302	73
27). Depreciation - Other Fixed Assets					2,800	28,155	21,116	22,267	(1,150)
28). General Expenses - Miscellaneous					1,900	2,800	2,100	728	1,372
- Provisions					700	1,900	1,425	0	1,425
- Staff Welfare Costs					600	700	525	0	525
- Cash Collection Costs (GAS)					1,200	600	900	(61)	531
Taxi					800	1,200	900	45	855
Health & Safety					3,600	800	800	4,765	(4,165)
29). General Committee Expenses					13,900	3,600	2,700	15	2,685
30). Heat & Light				4,000	5,000	17,900	13,425	6,212	7,213
31). Cleaning				1,500	5,000	6,500	4,875	5,554	(679)
32). Insurance - Housing Stock			2,950		18,000	58,000	43,500	42,261	1,239
- Non-Housing premiums					15,000	18,000	13,500	15,171	(1,671)
33). Office Maintenance - Repairs & Renewals				5,000	10,000	15,000	11,250	29,728	(18,478)
- Equip Maintenance					7,000	7,000	5,250	2,863	2,867
34). Office Equipment - New Items					12,500	12,500	9,375	5,483	3,892
IT Maintenance Support Costs					30,500	30,500	22,875	17,255	5,620
IT Expenses					3,000	3,000	2,250	337	1,913
35). Printing (External)					8,200	8,200	6,150	16,879	(10,729)
Printing (Internal Photocopier Charges etc)					6,000	6,000	4,500	892	3,608
Stationery					4,300	4,300	3,225	549	2,676
36). Postage					2,900	2,900	2,175	3,431	(1,256)
37). Rent & Rates					1,900	1,900	1,425	1,121	304
38). Seminars & Training - Staff					16,000	16,000	12,000	2,036	9,964
39). Seminars & Training - Committee					5,500	5,500	4,125	2,667	1,458
40). Staff Recruitment					3,600	3,600	2,700	0	2,700
41). Subscriptions					25,976	25,976	19,462	20,497	(1,015)
42). Telephones					7,500	7,500	7,125	4,875	2,250
43). Legal Fees - General				2,000	12,000	12,000	9,000	4,468	4,532
44). Legal Fees - Housing					9,000	9,000	6,750	2,441	4,309
45). Professional Fees					13,000	13,000	9,750	19,340	(9,590)
Housing - Agency Fees - VR					0	0	0	0	0
46). Commercial Property Cost		1,000			1,000	1,000	750	0	750
47). Donation - CCT Contribution					17,350	17,350	13,013	0	13,013
Donations - Others					400	400	300	3,000	(2,700)
48). Tenant Participation					0	0	9,000	6,473	2,527
49). Vehicle Costs					3,000	3,000	2,250	0	0
50). AGM Costs					0	0	0	0	0
51).					0	0	0	0	0
	87,650	1,000	2,950	12,500	282,281	0	297,436	265,803	31,633

WELLHOUSE HOUSING ASSOCIATION LTD
MAINTENANCE BUDGET TO MARCH 2021

	Total 2020/21 TOTAL	Budget Apr-Dec'20	Actual Apr-Dec'20	(Adverse) Favourable Variance
CYCLICAL MAINTENANCE				
ELECTRICAL TESTING	36,000	27,000	8,836	18,164
EXTERNAL PAINTING- phase 2B	0	0	3,420	(3,420)
EXTERNAL PAINTING- phase 8	0	0		
EXTERNAL PAINTING - phase 10	0	0		
GAS SERVICING	80,000	60,000	22,842	37,158
GUTTER CLEANING	66,000	49,500	7,995	41,505
GAS SAFETY AUDIT	7,800	5,850	562	5,288
FIRE SERVICE - 14 LANGBAR GDNS	7,800	5,850	414	5,436
FIRE SERVICE - EQUIPMENT	0	0	56	(56)
ASBESTOS MANAGEMENT	3,600	2,700	0	2,700
WATER TESTING	12,000	9,000	860	8,140
	213,200	159,900	44,985	114,915
REACTIVE MAINTENANCE				
REACTIVE MAINT	165,026	123,770	134,464	(1,641)
SCOTTISH POWER L/LSUP	12,071	9,053		
ESTATE SERVICES - Materials	25,000	18,750	3,861	14,889
ESTATE SERVICES - Van/Fuel	13,000	9,750		
Close Cleaning	0	0		
VOIDS	130,000	97,500	68,507	28,993
Facilities Management Costs	2,500	1,875	Code s	1,875
	347,597	260,698	213,378	47,320
Stage 3 Adaptations- Ex GH A				
Stage 3 Adaptations	12,996	8,664	4,125	
	30,000	25,000	34,864	(5,325)
	42,996	33,664	38,989	(5,325)
MAJOR REPAIRS - NON-CAPITALISED				
KITCHEN EXTRACTOR FANS Phase 5	7,500	7,500	6,142	1,358
Bathroom EXTRACTOR FANS Phase 5	7,500	7,500	2,370	5,130
Doors	0	0	988	
Smoke Alarms Phase 8	48,000	48,000	10,013	37,987
External Paths	24,000	6,000	0	6,000
Back Courts Phase 1	60,000	45,000	660	89,340
Back Courts Phase 2A	60,000	45,000		
External Verandas	72,000	72,000	29,132	42,868
Consultants Costs	37,500	28,125		28,125
	316,500	259,125	49,305	210,808
MAJOR REPAIRS - CAPITALISED COMPONENTS				
Kitchens Phase 5	319,680	319,680	40,210	279,470
Bathrooms Phase 3	141,120	141,120	31,291	109,829
Gas Boiler Replacements Phase 10	90,000	90,000	17,507	72,493
External Doors 2B	108,000	108,000	4,551	103,449
External Windows 2A	295,200	147,600	Code s	147,600
the Hub boiler replacment	36,000	36,000	37,998	(1,998)
the Hub poss remodeling	0	0		
	990,000	842,400	131,557	710,843

Management Committee	25 February 2021
Agenda Item	7
Title of Paper	2021/22: 2 nd Draft Budget Discussion
Author	Martin Wilkie-McFarlane, Director; Sandra Davidson, Finance Officer.
Attachment(s)	1. Draft 2021/22 Annual Budget Statement of Comprehensive Income (SOI), Statement of Financial Position (SOF), Cashflow, Covenant Compliance, Maintenance & Overheads Analysis.

FOR INFORMATION & APPROVAL

1 PURPOSE

- 1.1 To provide Management Committee members with details of the expected financial position of Wellhouse Housing Association for financial year 2021/22.

2 RECOMMENDATIONS

- 2.1 That Committee reviews the attached papers and, subject to satisfaction, approve the proposed 2021/22 budget.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objectives:-
- Objective 1: Deliver excellent services
 - Objective 5: To maintain good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values:-
- Accountability
 - Excellence
 - Sustainability
- 3.3 This Report also meets the following points from the Operational Plan:-
- 12:12 - "Draft & Final Budget for following year".
 - 12:4 – "Monitor the external financial environment closely".

4 BACKGROUND

- 4.1 The setting of the annual budget forms a part of the annual business planning cycle and should reflect the Association's current business plan, operational plans and longer-term financial forecasts.

It demonstrates short-term financial viability and ensures that all immediate business plan requirements are achieved. It also ensures that the targets set by lenders in their financial covenants are achieved.

The projections shown in this draft budget take account of the existing business plan, any known changes to date and have been prepared following discussion with budget holders and management team. It also takes account of the rent consultation exercise, which determined what level of rental income increase is required to be able to carry out operational activity.

5 MAIN ISSUES

Gross rental income is £3,359,594, which reflects a flat increase for all tenants.

Operating costs are budgeted to be £3,266,876

Net interest payable is expected to be £232,009

Budget surplus for the year is ££454,502

Investment in replacement components will increase cost properties to £42,443,511

Cash remains in a healthy position with ££2,230,566 expected to be in the bank at the end of the financial year.

All lenders financial covenants are achieved.

6. ASSUMPTIONS AND SENSITIVITY

6.1 Some of the assumptions used in the budget are as follows:-

- Rental income has been increased by 1.7% (October CPI + 1%)
- Voids losses are assumed to be 0.8%; no change from last year. Currently at December 2020 we are £4,500k favourable against a budget to Dec of £20,000
- Commercial rent has increased at the same level as domestic properties – 1.7%;
- Rental income from commercial units leased to Connect Community Trust has been removed – we are presently upgrading Newhills Road and it will be marketed in due course. Budget will be amended at a mid-year reforecast.
- Stage 3 Medical Adaptations to remain at the same level as 2019/20 - £30,000 spend with an additional 10% allowance receivable;
- Salaries have uprated by an assumed rate of 1.0% and increments applied accordingly. This reflects the current agreement between Union and EVH. Elsewhere on this agenda, there is a report looking at less than 1% increase, so this will be subject to change.
- This budget is based on the current staff structure and it takes into account decisions taken at Management Committee in January 2021;
- Re-active maintenance figures provided by Assets & Maintenance Manager (AMM) based on most up-to-date information available to him. There haven't been any changes to the reactive maintenance budget since the draft budget in November 2020.

- Cyclical maintenance –There haven't been any changes to the cyclical maintenance budget since the draft budget in November 2020.
- Planned renewals/major repairs (non-capitalised) expenditure Due to the Pandemic we have not been able to carry out the majority of our planned works for 20/21 which will now be moved to 21/22 this will have a knock-on effect for the foreseeable future on programmes, we will continue on the assumption that we will be able to deliver a Planned Maintenance Programme in 21/22. This will mean considerable remodelling of the 5-year financial plan so we can maintain our covenants and maximise budgets and deliver improvements to as many tenants as possible.
- Depreciation on housing properties is calculated based on all the additional replacement components being included;
- At the moment we are assuming that the Bad Debts provision will be high enough at Arrears are assumed to increase by an additional £40,000, with the bad debts provision expected to increase by roughly $\frac{3}{4}$ of that increase.
- Release of negative goodwill is £38,134, based on the revised calculation proposed by Scott Moncrieff Azets, auditors;
- Interest receivable of £8,500 is assumed to earn 0.5% return on average cash balance of £1,700,000; £3,750 is assumed to earn 0.17% return on average cash balance of £2,200,000
- Interest payable is calculated with Base/libor rate being 0.75% for the first six months and then increasing to 1.0% Base rate is expected to be at 0.5% for the first half of 2021/22 and then assumed to rise by 0.25 % for the second six months. Because the majority of loans are fixed (87%), the exposure to interest rate rises is relatively small. Each 0.25% increase in interest rate equates to an additional interest charge of £220 per month.
- There will be no additional loans taken out and no re-financing of existing loans.
- Normally in the budget, no account would be taken of the pension scheme revaluation due to it being so volatile and such an unknown quantity. However, because the pension deficit is appearing as an asset, I have taken the liberty of forecasting negative movements in the second-half of the current year and 2021/22 to allow the pension deficit to appear as a liability again.
- Overheads are based on reviewing current year budget and current year spend to date and introducing up-to-date knowledge available. Overhead spend has been budgeted for quite prudently;
- Inflation – where this has been applied, it has been assumed generically, at 2% with the exception of Insurance which is assumed to increase by 10%. . Maintenance spend includes a premium added and is assumed to increase by 5%.
- No development work expected to take place, therefore no increase in units planned;
- Cost Properties expected to increase by just under £1 million, reflecting the replacement kitchens, bathrooms, boilers, external doors and window programmes being undertaken in 2021/22;
- Cash is expected to reduce by £126,000 over the financial year. However, due to the large underspend this year on planned renewals and replacement components, the opening cash balance is expected to be higher than it should have been. around £2.2 million which is still a healthy balance;
- Reserves increase by £454,502 reflecting the surplus being made in the year;
- The budget has been prepared using a cost centre basis, which attempts to cost each activity separately. However, this does mean a certain amount of guess work in terms of allocating costs and overheads.

6.2 Sensitivity Analysis

- Voids – each 1% loss in income due to voids equates to around £33,000.
- Staff costs – each 1% of salary increase equates to roughly £8,300.
- Interest – each 0.25% rise in interest rates equates to an additional interest charge of £2,600 p.a

7. DISCUSSION

Committee may recall, that several years ago, due to the introduction of component accounting and FRS102, lenders changed the methodology behind the calculations of the loan covenants. In the past, in the Interest Cover covenant, operating surplus would be increased by the amount relating to “replacement components” as this was considered to be investing in stock and this type of spend tended to be in peaks and troughs, making it difficult to measure against on an ongoing annual basis.

Now, although replacement components do not show in the SOCI and do not affect the surplus, we need to reduce the surplus by this spend to adhere to the covenant calculation. The lenders argue that the desired result has been reduced to make the covenant neutral, however, it does not take into account the peaks and troughs of this expenditure, particularly as this is looked at each year in isolation.

In 2019/20 in the planned renewals/replacement, we reduced some overhead spend and delayed some of the maintenance programmes which ensured we achieved the Interest Cover covenant, albeit with very little headroom. As it transpired, work was delayed due to COVID-19 19 lockdown, so there are no loan covenant issues.

8. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 8.1 There is a regulatory requirement for Wellhouse to consult with tenants prior to applying any rental increase as part of the budget setting process.
- 8.2 It is also considered good practice for Wellhouse to regularly carry out financial viability exercises.
- 8.3 This also complies with SHR Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being and economic effectiveness

9. FINANCIAL IMPLICATIONS

- 9.1 Outlined in main body of the report.

10. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
- Lender's covenants may be breached	-Inadequate financial planning and controls could lead to viability and cash flow problems, ultimately leading to the Association becoming insolvent. -Failure to raise sufficient income would be detrimental to our planned maintenance plans.	
Mitigation	Mitigation	Mitigation
-Include covenant compliance within the budget and address any issues immediately.	Through regular robust forecasting and good financial viability practice, income should cover all future operational expenditure.	

11. EQUALITY AND DIVERSITY IMPLICATIONS

11.1 None apparent.

12. SUSTAINABILITY

12.1 Not applicable.

12. SWOT ANALYSIS

12.1 Not required.

13. CONCLUSION

13.1 A relatively healthy surplus of over £454,502 is forecast. Although the cash balance is forecast to drop by around £126,000, it still leaves a healthy cash balance of just over £2.32million.

WELLHOUSE HOUSING ASSOCIATION

2021/22 Budget

STATEMENT OF COMPREHENSIVE INCOME



	Social Lettings Rental Income	Social Lettings Service Charges	Commercial Lettings	Factoring	Development	The Hub Services	Corporate Services	Total
Rental Income & Service Charges	3,359,593.55							3,359,593.55
Less: Voids losses	(26,876.75)							(26,876.75)
Commercial Rental Income			32,827.79			22,102.42		54,930.21
Factoring Income				15,824.24				15,824.24
Grants released from Deferred Income	578,781.00							578,781.00
Other Revenue Grants	33,000.00							33,000.00
Other Income	3,944,497.80		32,827.79	15,824.24	0.00	22,102.42	0.00	4,015,252.26
Management Expenses - Staff Costs	501,265.98	63,723.39		7,080.38			281,649.66	853,719.41
Management Expenses - Overheads	95,056.88	0.00	1,000.00	3,925.92	0.00	5,500.00	338,209.40	443,692.20
Reactive Maintenance	387,600.00	45,600.00		2,000.00				435,200.00
Cyclical Maintenance	218,800.00							218,800.00
Planned Renewals/Major Repairs	267,996.00							267,996.00
Depreciation on Housing Properties	1,015,912.79							1,015,912.79
Bad Debts	31,555.55	109,323.39	1,000.00	13,006.29	0.00	5,500.00	619,859.06	3,266,875.95
Operating Surplus	1,428,310.60	(109,323.39)	31,827.79	2,817.95	0.00	16,602.42	(619,859.06)	748,376.31
Release of Negative Goodwill	38,134.00							38,134.00
Gain/Loss on Disposal of Fixed Assets	0.00							0.00
Interest Receivable							3,750.00	3,750.00
Interest Payable/Other Finance Costs	(235,758.79)							(235,758.79)
Surplus for the Year	1,228,685.80	(109,323.39)	31,827.79	2,817.95	0.00	16,602.42	(616,109.06)	554,501.51
Actuarial Gain/(Loss) in Pension Scheme							(100,000.00)	(100,000.00)
	1,228,685.80	(109,323.39)	31,827.79	2,817.95	0.00	16,602.42	(716,109.06)	454,501.51

STATEMENT OF FINANCIAL POSITION



	Mar'22	Mar'21
Non Current Assets		
Housing Properties - gross cost	42,443,511	41,639,111
Depreciation	(14,634,469)	(13,618,556)
	<u>27,809,042</u>	<u>28,020,555</u>
Other	1,286,604	1,313,953
	<u>29,095,647</u>	<u>29,334,508</u>
		0
Negative Goodwill	(991,501)	(1,029,635)
Current Assets		
Debtors	197,567	189,123
Inventory	0	0
Cash at Bank and in hand	2,230,566	2,356,780
	<u>2,428,133</u>	<u>2,545,903</u>
Payables < 1 year		
Misc Creditors	(1,010,650)	(1,000,650)
Pension Deficit	0	0
Loans	(244,972)	(221,338)
	<u>(1,255,622)</u>	<u>(1,221,988)</u>
Net Current Assets/ (Liabilities)	1,172,511	1,323,915
Total Assets less current liabilities	29,276,656	29,628,789
Payables > 1 year		
Loans	(7,424,586)	(7,693,192)
Pension Deficit	(83,233)	(42,479)
	<u>(7,507,819)</u>	<u>(7,735,671)</u>
Deferred Income		
Social Housing Grant	(13,283,962)	(13,862,743)
Non Housing Grants	(706,663)	(706,663)
	<u>(13,990,625)</u>	<u>(14,569,406)</u>
Net Assets	<u><u>7,778,213</u></u>	<u><u>7,323,712</u></u>
Capital and Reserves		
Share Capital	122	118
Reserves	7,778,091	7,323,594
	<u><u>7,778,213</u></u>	<u><u>7,323,712</u></u>

WELLHOUSE HOUSING ASSOCIATION**2021/22 Budget****CASHFLOW STATEMENT****Mar'22**

Operating Surplus	748,376
Adjust for Depreciation and other non-cash transactions	464,477
Adjusted Operating Surplus	<u>1,212,853</u>

Movement in Debtors	(8,444)
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Movement in Creditors	(49,246)
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Investing Activities

Purchase of Properties and Components	(804,400)
Purchase of Other Fixed Assets	(0)
Grants received	<u>0</u>
	(804,400)

Financing Activities

Interest receivable	3,750
Interest payable	(235,759)
Loan capital repaid	(244,972)
Share capital issued	<u>4</u>
	(476,977)
	<u>(126,215)</u>

Movement in Cash per SOFP	(126,215)
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WELLHOUSE HOUSING ASSOCIATION

2021/22 Budget



COVENANTS AS AT 31 MARCH 2022

This page compares the Association's performance in key areas against financial covenants included within loan agreements.

Royal Bank of Scotland & Clydesdale

INTEREST COVER	Accounts	Target set by Bank	Actual	Covenant Satisfied?
Operating Surplus	A 748,376	Greater than 110%	148.21%	Yes
Housing Grants Amortised	B (578,781)			
Pension Deficit Contribution	C (59,246)			
Housing Depreciation	D 1,015,913			
Component Replacements	E (782,400)			
	X 343,862			
Interest Payments	H 235,759			
Interest Receipts	J (3,750)			
	Y 232,009			
Calculation: X divided by Y; where X=A+B+C+D+E+F & Y=H+J				

GEARING		Accounts	Target set by Bank	Actual	Covenant Satisfied?
Balance of Outstanding Loans	A	7,669,558	Less than 30%	18.07%	Yes
Historic Housing Cost	B	42,443,511			
Calculation: A divided by B					

WELLHOUSE HOUSING ASSOCIATION

2021/22 Budget



Overheads	Housing Management	Maintenance	Service Costs	Commercial Lettings	Factoring	Development	The Hub Services	Corporate Services	2021/22 Total
24). Advertising (Publicity & Promotions)								1,000	1,000
25). Audit Fee - External								11,900	11,900
- Internal								12,500	12,500
26). Bank Charges - Allpay	10,500								10,500
- General								500	500
27). Depreciation - Other Fixed Assets								27,349	27,349
28). General Expenses									0
General Expenses								2,800	2,800
Provisions								1,900	1,900
Staff Welfare costs								700	700
Cash Collection costs								600	600
Taxi								1,250	1,250
Health & Safety								6,000	6,000
29). General Committee Expenses								3,600	3,600
30). Heat & Light							4,000	7,500	11,500
31). Cleaning							1,500	10,500	12,000
32). Insurance - Housing Stock	58,057				3,926				61,983
- Non-Housing premiums								24,534	24,534
33). Office Maintenance -									0
- Repairs & Renewals								15,000	15,000
- Equip Maintenance								7,000	7,000
- IT Equip Maintenance & Support Fees								30,500	30,500
- IT Expenses (Other)								3,000	3,000
HomeMaster Annual Support								23,000	23,000
Disaster Recovery								6,000	6,000
Hub Costs (Remodelling)								0	0
34). Office Equipment (incl.new PCs)								6,000	6,000
35). Printing & Stationery								0	0
Printing External								8,200	8,200
Printing Photocopier charges								6,000	6,000
Stationery								4,300	4,300
36). Postage								2,900	2,900
37). Rent & Rates								1,900	1,900
38). Seminars & Training - Staff								16,000	16,000
39). Seminars & Training - Committee								5,500	5,500
40). Staff Recruitment								3,600	3,600
41). Subscriptions								25,976	25,976
42). Telephones								9,500	9,500
43). Legal Fees - General								12,000	12,000
44). Legal Fees - Housing	9,000								9,000
GCC ASB Support Services	10,000								10,000
TC Young savings due to above	(4,500)								(4,500)
45). Professional Fees								13,000	13,000
Housing ~Agency Fees - WR	0								0
46). Commercial Property Cost				1,000					1,000
47). Donation -Grant funding Wider Role								21,800	21,800
-Others								1,400	1,400
48). Tenant Participation	12,000								12,000
49). AGM Costs								3,000	3,000
50).									0
51).									0
	95,057	0	0	1,000	3,926	0	5,500	338,209	443,692

WELLHOUSE HOUSING ASSOCIATION LTD

MAINTENANCE BUDGET TO MARCH 2022

	TOTAL
CYCLICAL MAINTENANCE	
ELECTRICAL TESTING	36,000
EXTERNAL PAINTING- phase 2B	12,000
EXTERNAL PAINTING- phase 8	0
EXTERNAL PAINTING - phase 10	0
GAS SERVICING	75,000
GUTTER CLEANING	70,000
GAS SAFETY AUDIT	7,800
Asbestos Management	2,400
Water Testing	12,000
FIRE SERVICE - 14 LANGBAR GDNS	3,600
	218,800

REACTIVE MAINTENANCE	
REACTIVE MAINT	198,000
ESTATE SERVICES - Materials	30,000
ESTATE SERVICES - Van/Fuel	15,600
VOIDS	168,000
SCOTTISH POWER L/LSUP	15,600
Facilities Management Costs	6,000
Office Repairs - Hub Remodelling	0
	433,200

Stage 3 Adaptations- Ex GHA	12,996
Stage 3 Adaptations	30,000
	42,996

MAJOR REPAIRS - NON-CAPITALISED	
	0
KITCHEN EXTRACTOR FANS Phase 5	6,000
Bathroom EXTRACTOR FANS Phase 5	6,000
	0
Smoke Alarms Phase 8	48,000
	0
Back Courts Phase 1	72,000
Back Courts Phase 2A	0
External Paths	24,000
External Verandas	0
Chimney Breast Removal	24,000
	0
Consultants costs	45,000
	225,000
	225,000

MAJOR REPAIRS - CAPITALISED COMPONENTS	
	0
Kitchens Phase 5	120,000
	0
Bathrooms Phase 3	117,600
	0
Gas Boiler Replacements Phase 10	30,000
	0
External Doors 2B	120,000
External Windows 2A	394,800
	0
the Hub boiler replacment	0
the Hub poss remodeling	22,000
	0
	804,400

Assume a £2,000 spend on Factored Owme 2,000

£1,724,396

Hi Martin

I have reviewed the budget and would make the following comments:

- Rental income budgeted for seems reasonable based on actual rent for 19/20 plus the rent increase of 2.5% in 2020/21 (this is what we picked up from the planning meeting) and 1.5% in 2021/22 (per assumptions paper) **NB later confirmed to be 1.7%, no material changes**
- Lost income from voids – this may be too low if further covid-19 restrictions increase void periods or increase in evictions in order to tackle bad debts increases turnover of units and this void rent loss. There is headroom in the budgeted surplus to cope with an increase to this.
- Bad debts fees are a bit low given the increase in rental arrears per our discussion at the planning meeting. There is headroom in the budgeted surplus to cope with an increase to this.
- Total maintenance spend (excluding replaced components capitalised) is £922K which is significantly higher than 2019/20 but this will be due to the slowdown in maintenance work in 2021/22 due to the covid-19 restrictions. This spend is obviously dependant on any restrictions imposed in 2021/22 that would prevent some of this work taking place
- The actuarial loss of £100K is just a guess and we won't know the impact of that until the year end valuation for 31 March 22 is available in May 22. It's a non-cash accounting adjustment.
- Everything else on the SOCI seems fine
- The Statement of Financial Position appears reasonable as well given the movements in SOCI and when compared to the last audited set of accounts of 31/3/20.

I hope this helps

Regards
James

James McBride
Partner
Audit & Assurance



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Scottish Government Budget 2021-22

Important dates

- The next vote for the draft budget will be on 26 February and the final budget must be agreed by 9 March 2021.
- As a minority Scottish Government, the SNP requires the support of at least one other party to pass the Bill.

Spending

- Finance Secretary Kate Forbes today announced support for jobs and skills totaling around £1.1 billion.
- A new Green Workforce Academy to help people secure work in the low carbon economy, a £100 million Green Jobs Fund over the next parliament, £7 million towards making Scotland a world class hub for digital business and an additional £115 million for the Young Person's Guarantee.
- Health receives funding of over £16 billion, an increase of 5.3% on 2020-21, along with a further £869 million to continue tackling coronavirus (COVID-19), including funding for the vaccination and test and trace programmes.
- To support family budgets, £90 million is being made available for local authorities to freeze council tax.
- Public sector workers earning up to £25,000 can receive at least a 3% pay increase via a £750 cash underpin, while there is a 1% rise for those earning above that amount, capped at £800 above £80,000.
- £11.6 billion for local government.
- £98.2 million to improve Scotland's digital infrastructure and deliver access to high quality broadband and mobile coverage.
- £711.6 million for affordable housing and £68 million for the first full year of the Scottish Child Payment, tackling child poverty
- A new £55 million programme to support town centres and community-led regeneration projects
- £1.6 billion for rail and bus services and £100.5 million for active travel to consolidate changes to healthy, green travel options seen during the pandemic
- Doubling the Rural Tourism Infrastructure Fund, helping tourist attractions and local communities make improvements to cope with increased visitors
- An additional £27 million to expand woodland creation and the associated infrastructure, supporting green jobs.

Tax

- Income Tax rates will remain unchanged and the starter and basic rate bands, as well as the higher rate threshold, will increase by CPI inflation (0.5%). The top rate threshold will remain frozen in cash terms at £150,000, as has been our policy since 2017- 18.
- All Scottish Income Tax payers will therefore pay slightly less in 2021- 22 than in 2020- 21, based on their current income, and a majority will continue to pay less tax

than if they lived in other parts of the UK, based on our assumptions about the UK Budget on 3 March 2021.

- The ceiling of the nil rate band for residential Land and Buildings Transaction Tax (LBTT) will return to £145,000 from 1 April 2021, as intended when the temporary change was introduced. First- time buyers will continue to be able to claim the first- time buyer relief, which has the effect of raising the nil rate band to £175,000 and results in a reduction of tax of up to £600.
- An inflation-based increase will be applied to the standard and lower rate of Scottish Landfill Tax (SLfT), ensuring consistency with planned Landfill Tax charges in the rest of the UK.
- Our Non- domestic rates regime will continue to be the most competitive regime anywhere in the UK, with the Basic Property Rate ('poundage') being reduced to 49 pence, saving Scottish ratepayers over £120 million compared with previously published plans. The 100% relief for Retail, Hospitality, Leisure and Aviation sectors will be extended for at least three months.
- We are providing an additional £90 million to compensate councils that choose to freeze their Council Tax at 2020- 21 levels, helping to protect household incomes.

Housing summary of the key points:

- £711.6 million for affordable housing and £68 million for the first full year of the Scottish Child Payment, tackling child poverty
- A new £55 million programme to support town centres and community-led regeneration projects
- We are providing an additional £90 million to compensate councils that choose to freeze their Council Tax at 2020-21 levels, helping to protect household incomes

Management Committee	25 February 2021
Agenda item	8
Title of Paper	IT strategy: Client Recording & Management System (CRM)
Author	Martin Wilkie-McFarlane, Director
Attachment(s)	1. Background paper 2 Costs of SDM over last 5 years 3 Proposal from HomeMaster 4 Survey results and comments from clients
Executive Summary	Wellhouse Housing Association's (WHA) current CRM is not fit for purpose as it requires too many bolt-ons, too much consultancy support, does not support the full business adequately and has inadequate disaster recovery; business continuity and back up options.

1 PURPOSE

To outline our approach to migrating to a new CRM and seek committee approval

2 RECOMMENDATIONS

- 2.1 That committee approve the plan.
- 2.2 That committee approve the termination of the contract with SDM.
- 2.3 That committee approve the cost of £23,000 which is an increase of £10,000 on current costs.
- 2.4 That committee instructs Director to bring quarterly progress updates to committee.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 Our current business plan outlines our commitment to continuous development and excellent in-service delivery and specific sections on sustainability and value for money. Our Corporate Priority number 9 is "Invest in our facilities and ICT to improve the experience of our customers/ upgrade our ICT infrastructure/ need to ensure these enhance the customer journey."
- 3.2 The proposals in this report are consistent with our Values of:
 - Excellence;
 - Accountability;
 - Sustainability.

and our vision of making Wellhouse *the Place to Be*.
- 3.3 The report reflects the following areas of our 2020/21 Operational Plan:

To upgrade our IT strategy and make us fit for the future in keeping with our vision and values.

4 MAIN ISSUES

- 4.1 This report is a direct update from previous committee papers., not least the IT strategy paper presented by the Director and Hiper (Stuart Taylor) at the committee meeting on 28 January 2021.
- 4.2 The strategy includes, upgrading broadband (approved in Jan 2021 by committee); to upgrade our approach to Back Ups (BU); Business Continuity (BC) and Disaster Recovery (DR); approved with caveats in Jan 2021 and to move toward a CRM which is fit for the future and better suited to our business needs.
- 4.3 It is proposed to move to an entirely new CRM, following extensive research over the last 2 years, including demonstrations of a new product (Home Master) to the Director, SMT and all staff. Testimonials have been taken from other Glasgow Housing Associations who are using the product and site visits have been made.

5 DISCUSSION

- 5.1 SDM our current IT product is decades old and no longer fits our needs – we require too many ‘work arounds’ to get results, leading into the potential for error and inefficiently.
- 5.2 SDM has frequent drop outs when being used over the Virtual Private Network and does not have a remote working facility nor a customer portal
- 5.3 There is substantial expenditure to buy in additional support, often using a consultant as SDM has very little support staff and no on-line help desks.
- 5.4 It is now business critical that we move away from our current provision.
- 5.5 I am therefore proposing that we purchase HomeMaster. This will cost £10,000 more than we are currently paying. However, committee should note that last financial year, we did actually pay just under £23,00 for SDM, due to the need for additional support from SDM and consultants. Since 2016/17, Wellhouse has spent in the region of £94,500 on SDM.
- 5.6 Committee is asked to approve the way forward in terms of reinvestment.
- 5.7 A background document is included with more detail.
- 5.8 Any updates developed or requested by another HA will be shared with everyone, i.e., there are no ongoing development costs to get the next version.

6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 6.1 Regulatory – none at this time. Note that the ARC return and other regulatory returns are fully supported by HomeMaster

6.2 Legal – none.

6.3 Constitutional: none at this time.

7 FINANCIAL IMPLICATIONS

7.1 £10,000 minimum – any addition costs will be brought back for approval.

8 KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to update and manage the IT strategy could lead to loss of efficiencies and a higher reinvestment burden	Failure to bring a future ready provider of CRM services would be detrimental to business continuity	If contracts are not managed robustly, excess expenditure could incur
Mitigation	Mitigation	Mitigation
Regular management of the project plan and implementation.	Cloud based and adaptive service.	Robust and close management of the progress.

9. EQUALITY, HUMAN RIGHTS AND DIVERSITY ISSUES

9.1 None known at this time. Diversity monitoring should be enhanced.

10 SUSTAINABILITY

10.1 Our sustainability policy will apply at all times. This move would enhance the broad aims of sustaining the business in times of disaster recovery for example,

11. SWOT ANALYSIS

11.1

STRENGTHS	WEAKNESSESS
<ul style="list-style-type: none"> HomeMaster has a proven track record and is used by some peer organisation. Extensive trials with staff have taken place and we have full team buy-in. Supports BU, BC and DR. Enhances customer experience. 	<ul style="list-style-type: none"> Possible downtime and/ or loss of productivity in migration (unlikely)
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> We can introduce a customer portal and app Staff can use remotely when on home visits 	<ul style="list-style-type: none"> None identified.

12. CONCLUSION

- 12.1 Questions are encouraged and the Director is to keep Committee apprised as to any progress in matters relating to the development of this project, should it be approved. All work is remote, so the COVID-19 lockdown will not delay implementation.

Background - appendix 1

Notes – Martin 5th Feb

TO: Management Committee

DATE: 28/02/2021

FROM: Director

SUBJECT: Review of CRM as part of our IT Strategy

Purpose of report

The purpose of this report is to highlight ongoing issues and failings with the current housing management software, SDM. The report also demonstrates the significant improvements that are offered by an alternative product in terms of functionality, staff time and efficiencies and customer service.

Potential impact on tenants and service users/Tenant Consultation requirements

- Tenants and service users would be afforded an improved way of interacting digitally with WHA in terms of repairs reporting, rent account checking, service requests and contractor repair logging.
- The main system where tenant and service personal data is held would change.

Value for Money

WHA considers Value for Money in all aspect of its business including: -

- Managing our resources to provide quality services and homes to meet the needs of customers and the local community.
- Delivering the right service at the right time at the right cost.
- Planning for and delivering year on year improvements on our services based on customer priorities.
- Getting the most out of our assets and staff by operating efficiently and effectively.

Risk

- WHA must ensure that its housing management software system is adequate to provide required SHR reporting information, allow staff to adequately carry out their day to day roles and protect the data of its tenants and service users

Legal/constitutional Implications

There are no adverse legal implications as a result of this report and/or any decision required.

Relevant WHA Objectives:

- To manage our homes, in a professional and cost effective manner, for the benefit of our local community and the environment.
- To provide a first class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving high levels of satisfaction.
- To ensure that our resources are adequate to deliver our objectives by investing in our people, demonstrating value for money and through robust procurement practices.

Relevant SHR Regulatory Standards of Governance and Financial Management

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these objectives.
- The RSL manages its resources to ensure its financial well-being while maintaining rents at a level that tenants can afford to pay.
- The governing body bases its decision on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- The RSL conducts its affairs with honesty and integrity.
- The governing body and senior officers have the skills and knowledge they need to be effective.

Any breach or non-compliance with legislation/regulatory requirements in relation to this Policy constitutes a Notifiable Event and the Regulator will be informed via the SHR Portal.

Equalities

No protected group is adversely affected by the proposals, recommendations or updates within this report. Our commitment to equal opportunities and fairness applies irrespective of factors such as race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

Background

Following ad hoc reports over recent years, in relation to our IT strategy and our last business plan update, Committee agreed in principle to the purchase of a new Housing Software System, subject to a full assessment.

A number of demonstrations were run by the proposed provider and separate visit was made to another Housing Association who are using the live system, where we received a demonstration of housing management, finance and maintenance functions as well as an opportunity to ask staff questions. The feedback we received from staff using the product was very positive and it was clear that the new system offers the full functionality as previously demonstrated to us by Home Master and our colleagues in Molendinar and the benefits as outlined in the last report. The Director also took feedback from Clydebanks and Milnbank HA who recommended the product.

The visits and demonstration events (3 full day events) also confirmed the clear benefits to customers:

- Dedicated customer portal accessible from any web browser or device with access to rent account, rent statements, personal information, repairs reporting, WHA newsletters and information, tenant surveys, information exchange etc.
- Dedicated contractors' portal accessible from any web browser or device allowing job ticket access, invoice submission, information exchange etc.
- Customer access to live up date information at all times
- Customer data held in one secure location with secure access.
- Most importantly, better service to customers through streamlined, more efficient and enhanced processes
- Functionality for housing, maintenance and finance staff.

In view of the above, it is recommended that we proceed in replacing our existing system with the Home Master system.

Costs as outlined in the main report have been included in the 2021/22 budget and a provisional timetable would mean starting the migration process in Autumn 2022, with a view to going live with the new system in April 22. If agreed, we will enter into discussions with our current provider (SDM) to ensure full support for the existing system remains in place until our live date.

Our IT support provider, Hiper, have met with Home Master to discuss elements of data security, cloud back up, disaster recovery and business continuity and are content with this, particularly as we move forward with Office 365 too.

The current housing management system used by WHA, (SDM), has been in place under various names in the UK and versions for decades. The system is built on older IT architecture and is reliant on costly upgrades and the bolt on of 'modules' to operate effectively – we have spent significant time, energy and costs on these bolt-ons and on the use of a consultant to support us.

More recently, the functionality of the software has been hampered by a series of ineffective upgrades which were deemed necessary to rectify a number of functional issues which to date remain unresolved. Full details are contained in the analysis report below.

Further to this, the software is internal server based and cannot be accessed outside the office without the addition of a costly module. This severely impacts the ability of staff to carry out duties in the field.

As well as the above, the main issues analysed were:

1. Support for the system and its current lifespan
2. Cost
3. System failings against a modern day housing system
4. Poor confidence of staff in the system
5. A lack of financial interface

Committee is asked to take all factors into account and reach a decision on the future of the system.

Recommendation

I would ask that the Management Committee considers our proposal to progress with the purchase of the alternative system and discontinue the current relationship with SDM. It is unlikely that there will be any costs associated with the cancellation of the current contract and this will be established should Committee agree to the change. In terms of procurement legislation, as the product is bespoke and there are no exact alternatives currently on the market as far we know, then it would be acceptable to progress without the need to go through competitive tendering. For clarification, the cost of the new system, although c. £23,000, which is £10,000 more than the current annual charge to SDM, which is currently in the region of £13,000 it will undoubtedly offer increased value for money in regards to reduced staff resources, no future upgrade costs, greater efficiencies and importantly real time Scottish Housing Regulator Annual Return on the Charter reporting. Note that SDM has cost Wellhouse over £94,000 in the last 5 years.

Housing management system analysis

<u>System category</u>	<u>Current System Issue –SDM</u>	<u>Alternative system solution/improvement</u>	<u>Benefit of switching system</u>
1. Support and lifespan	<ul style="list-style-type: none"> End of support life 30 November 2019, generally three year lifespan, upgrade required thereafter to protect support available. Current system in place since the outset of WHA, with current version since 2014/5. No WHA control over future lifespan timescales. 	<ul style="list-style-type: none"> No upgrades, system evolves continually. User group feeds directly into functionality and improvements for updates. Updates applied automatically for all users at the same time. 	<ul style="list-style-type: none"> No upgrade required No planning ahead for any end of life cycle. Always using the most up to date version with full functionality
2. Cost	<ul style="list-style-type: none"> Upgrade cost c. £unknown as at Nov 2020. Upgrade required every three years protecting support and system functionality. SDM are losing customers – WHA is spending a lot on external support. Upgrade also required every 3 years enabling support and gaining new functions. Future budgeting for this required and cost may vary. Upgrade cost does not include maintenance costs, currently c. £1-4K per annum. 	<ul style="list-style-type: none"> One off subscription cost of c. £23k per annum (includes finance) No upgrade fees, no ongoing maintenance fees. System evolves without upgrades. Negotiation on cost may be possible. A number of RSL's are looking at this system No modules and no cost for extra functionality 	<ul style="list-style-type: none"> Although the costs would be c.£10k per annum more, this would be offset with the gain of extra functionality, associated system efficiencies, saving staff time and money overall. Full details in remainder of report. WHA protected against any drop off in SDM service as a result of losing customers or system becoming unviable.
3. System comparison	<ul style="list-style-type: none"> Limited and unreliable ARC reporting with reliance on manual input and WHA own development of system to enable accurate reporting. A number of unresolved system issues from over 3 years ago, 	<ul style="list-style-type: none"> Full ARC reporting mechanism covering all categories built in as standard with little manual input required and no WHA development. Works out of the box with real time reporting. 	<ul style="list-style-type: none"> Charter data which can take several days on a monthly basis (weeks at year end) to produce, is available at any time at the press of a button, again improving efficiencies, time and staff costs.

	<p>including void loss, reporting of timescales for repairs, factoring etc.</p> <ul style="list-style-type: none"> • No mobile working without costly module purchase plus extra annual maintenance (costs unknown) • Recent upgrade experiences have not been good, with issues not having been resolved, made worse or new issues occurring. We therefore have little faith that an upgrade of any kind will improve matters. • System developed to serve larger RSL's and local authorities – lots of functionality not required but forced to have, which makes the system difficult to navigate and understand for most staff. • Low staff confidence in system ability, functionality and as a day to day working tool. • System evolved from 2 previous systems and 2 previous companies, not specifically designed, meaning overly complex at times and struggles to link modules together.. • Clunky tenant portal with limited functionality, never upgraded since inclusion over 3 years ago. • Contractor portal an extra add on, again with associated costs and management fees. 	<ul style="list-style-type: none"> • All known current system issues non-existent, noted at demonstrations. • Mobile working built in as standard • No upgrades required, full functionality rolled out at same time to all users. • System specifically developed for Scottish RSL's with stock up to 2,500 units • Extremely positive staff feedback (see staff views section) • System built from scratch, no reliance on previous software or trying to get product to fit around another. • Tenant portal can allow access to as much or little of the system as possible, with WHA having full control over access and approval. Also evolving. • In-built contractor portal with full access to system via pre-determined and approved limits. E.g. can log repairs outcomes etc. • Historical data can be accessed without the need for a back-up • Workflow function allows daily tasks and emails to be incorporated into system. • BC, DR and BU included as a cloud based product. 	<ul style="list-style-type: none"> • Staff time and cost savings on analysing, fixing, reporting and chasing up system issues. • All in office tasks can take place out the office, offering real time updates, greater efficiencies and therefore time and money savings as well as better customer service. • Ability to input to user group and influence functionality for our needs in line with SHR requirements. • Increased staff morale, productivity and customer service • Enabling tenants to update and manage their own data (within limits) will again save time and money as well as offer greater customer service. • Enabling contractor access, updates and logging etc. would again free up staff time, save money and improve customer service. • Cost savings in terms of no annual data back-up, associated staff time etc. • Workflows allow greater efficiencies for staff, reducing email inbox size and affording more time and savings.
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	<ul style="list-style-type: none"> No ability to look at certain historical data, e.g. void loss, meaning year end back up data having to be taken and securely stored, access to separate version of software required to see historical data. 		
4. Staff opinion	<p>Staff frequently frustrated by system issues, some examples:</p> <ul style="list-style-type: none"> No working ability print off bulk letters in one batch without troubleshooting and fixes each time, even then success is sporadic No working facility to email in bulk to tenants No faith in system System keeps crashing System slow Dates I have input change after someone else changes something unrelated Void loss has to be manually calculated or checked to ensure accuracy No faith in system for factoring or limited finance function Some processes take forever Too much emphasis on manual input, which increases the chance of errors Clunky user interface Manual warning system with no automation Invoice input takes forever and involves two systems 	<p>Staff have had a full demonstration of an alternative system. Feedback was more than positive, with all of the issues with the current system demonstrated as being functional within the alternative. Staff observations include:</p> <ul style="list-style-type: none"> This will save me lots of time This looks easy to use The reports are amazing This will allow me to plan my working day out I would be confident using this This will save duplication Messaging function looks great This would make me more productive This will help reduce my emails <p>Note -housing, maintenance and finance staff all support the product.</p>	<ul style="list-style-type: none"> The comments speak for themselves. Clear savings on time and efficiencies can be made This will increase productivity and potentially performance This will afford greater time to channel into service delivery to customers. Improved staff morale and the benefits of this again could lead to improved productivity and service. Existing system limits and problems resolved plus added functionality All staff on board and no negative comments were received at all.

5. Finance	<ul style="list-style-type: none"> • No inbuilt finance solution without module • Double input of some information required between our current finance system (excel) and the SDM product, biggest example being invoices • Clunky functionality due to modular design, financials tacked on as opposed to being inbuilt. • Previous demonstration of SDM financials did not demonstrate any improvement over and above existing system, indeed some functionality was lost. • Large amount of duplication and manual input between people and systems lead to errors, costs staff time and reduced efficiencies. 	<ul style="list-style-type: none"> • In built finance system available • If finance included, all payments, invoices etc. would flow throughout the product. • Full demonstration of other system financials to follow. • automated process for invoice postings possible. 	<ul style="list-style-type: none"> • Saves running two systems and therefore annual maintenance costs associated • Improved efficiencies, work processes, saving staff time and improving understanding and customer service.
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Appendix 2 SDM costs

Costings - Summary 2020-21 (to Jan 21)

SDM 14,063.18

Lilian Peters 560.00

14,623.18

2019/20

SDM 14,840.64

Lilian Peters 4,023.60

Sharon Flynn 3,533.10

22,397.34

2018/19

SDM 16,139.92

Lilian Peters 1,417.96

17,557.88

2017/18

SDM 12,919.37

Lilian Peters 7,155.70

20,075.07

2016/17

SDM 18,582.70

Lilian Peters 1,248.90

19,831.60

Total 94,485.07



HomeMaster Key Functionality & Quotation for Wellhouse Housing Association

STRICTLY COMMERCIAL IN CONFIDENCE

a: Designer Software Ltd, Suite 2, 548-550 Elder House, Eldergate, Milton Keynes, MK9 1LR
t: 03330 021250
w: www.designersoftware.co.uk

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The HomeMaster team has unrivalled knowledge and experience of developing operational and finance solutions for organisations working in the social housing sector. Each member of our team is committed to delivering solutions which are innovative, robust and fit for the future. We understand the importance of personal relationships with our customers as we appreciate, they rely upon us to deliver high standards of service to their residents and stakeholders.





As an organisation we form enduring, close working relationships with our customers, listening to their needs and constantly innovating our HomeMaster solution to the benefit of the sector. Recognising the importance of systems which are robust and provide real value for money, HomeMaster has been developed from the ground up as a web based, hosted solution which is available on any device in any location.

We believe that the sector has been, for too long, ill served by systems developed using technologies which are now outdated. HomeMaster provides a modern alternative for organisations who aspire to realise the benefits afforded by new digital technologies.



Streamline Housing and Finance Processes with Workflow

Our workflow functionality enables automated processes to be triggered without the requirement for user input. Our automated workflow is a technological solution that automates processes by eliminating most human intervention requirements. The key benefits of our workflow solution are: -

-  Increasing productivity. The primary benefit of automated workflow is that it saves time and increases productivity. It enables jobs to be completed not only faster but also with greater accuracy. This permits employee time to be directed to other productive tasks rather than repetitive input.
-  Fewer administrative errors. The workflow solution significantly reduces the manual process of processing data. In the HomeMaster workflow the next task is automatically triggered and the person responsible for the task is alerted that an action is expected so there is no possibility of missing any of the steps in a workflow process.
-  Efficient task management. Management can concentrate on strategic business-oriented activities, rather than the day to day operational tasks, such as task allocation and monitoring progress. This means the organisation can grow as a business.
-  A list of our standard workflows is available upon request.

Digital Communication as Standard

Digital communication enhances the tenant experience and simultaneously delivers improvements in productivity within the organisation. HomeMaster has these capabilities inbuilt. Our web based single solution design is essential to realise the benefits afforded by 5G communication. Comprehensive tenant and contractor portals are standard features within our single solution. This approach provides significant advantages over separately developed tenant and contractor portals.

SMS communication is also standard functionality within HomeMaster. This capability is a digital communication tool which enhances the tenant experience whilst improving operational efficiencies. Intelligent email capabilities are inherent within the solution, an example of this is the system automatically responding to an email request from a tenant to provide a current rent statement with no intervention required.

Within HomeMaster the ability to send surveys electronically by email and text is a key component of the solution. Surveys can be easily defined by the organisation and digitally communicated to the recipient who in turn can electronically respond thereby automating the process. Using our data visualisation techniques, survey responses are presented in a meaningful form for ease of analysis.

Embedded Finance – One Database, One Solution

HomeMaster contains within it a very powerful multi company finance solution which is embedded within the system. This eliminates the requirement for complex interfaces and duplication of financial information. In addition Making Tax Digital approval is in process. With a consistent look and feel combined with high level security login access the HomeMaster housing and finance solution is the only web based, single database system available to the housing sector. This innovative ground breaking design sets new industry standards.

Support & Documentation

When user documentation and systems support falls below an acceptable standard then the consequences for organisations are significant. Staff morale is seriously impacted and systems operations become onerous leading to a significant reduction in staff productivity. Many suppliers fail in this regard. Major investments have been made within HomeMaster with respect to user documentation, training guides and system support facilities.

We recognise the importance to our customers of online knowledge based documentation which is an invaluable tool in training new employees and enhancing the knowledge within the organisation. We are determined to provide the highest level customer service within the sector and our knowledge based documentation is an integral part of this objective.

Other support tools include a library of FAQs, the ability to log online support queries with defined response times, access to our telephone support desk and regular reports detailing all support issues raised.

Regulatory Reporting

A key building block for the design of HomeMaster was the recognition of the requirements for housing organisations to produce reports and information for regulatory bodies. To meet this challenge HomeMaster is designed to accommodate the requirements of ARC reporting. A standard set of ARC key performance indicators are included as standard within HomeMaster.

Secure to CREST Standards

In the technological environment in which organisations must now operate it is essential that data security is a fundamental building block of any modern housing and finance system. Housing Providers must recognise the hidden dangers of cyber-attacks and ensure that operational systems are sufficiently resilient to withstand malicious cyber activity. The HomeMaster solution has security at the forefront of our development so our customers can be confident that HomeMaster is a highly secure and robust solution. We appreciate that our customers are not cyber experts so to provide the confidence we know they deserve we engaged the services of an independent expert



organisation who specialise in cyber security testing systems to CREST standards. CREST is an assurance standard which was developed in conjunction with the information security arm of GCHQ to develop a technical assessment framework to support the Government “Cyber Essential Scheme.” Extensive security penetration tests were undertaken to CREST standards and HomeMaster passed all of the tests undertaken. A copy of the report is available upon request. The UK data centre which hosts HomeMaster is itself ISO 27001 accredited. This standard provides a globally recognised framework for best-practice information security management.

GDPR Compliant

GDPR came into force on the 25th May 2018. Organisations that are not compliant may face heavy fines. “Privacy by design” is now a legal requirement within GDPR. At its core this calls for the inclusion of data protection from the onset of the design of systems rather than as an addition. HomeMaster has been designed with “privacy by design” at its’ core. We believe this is a crucial element of any operational system, especially within the housing sector. It is one that we feel organisations are not focusing sufficiently upon. HomeMaster enables customers to control and process any request to be forgotten without impacting on key operational information.



SaaS Business Model

HomeMaster uses the software as a service subscription model. The advantages to our customers of SAAS are as follows: -



- Users do not need to purchase, install, update or maintain any hardware, middleware or software. SAAS makes HomeMaster affordable for organisations with no capital outlay as the fixed annual subscription covers hosting, implementation, training, support and upgrades.
- Only pay for what you need. The HomeMaster subscription is based upon the number of units in management.
- Mobilise your workforce easily. SAAS makes it easy to mobilise your workforce because users can access HomeMaster and data from any internet connected computer or mobile device. In addition there is no data loss if a user’s computer or device fails.

Cloud Managed Service




There are significant benefits to a cloud managed service: -


















- Availability, reliability and performance. With a cloud managed service HomeMaster customers can expect an extremely reliable service which is constantly monitored for performance and potential issues and ensures any issues with the system are swiftly dealt with. This ensures that our customers can remain focused on

their core business strategies which will include delivering a high-quality service to residents.

-  Flexible and scalable. With a cloud managed service, we can accommodate any rapid changes that may be required in the management of your organisation. This ensures that we provide the flexibility to accommodate the needs of your organisation today and to grow with you in the future.
-  Disaster recovery. The HomeMaster database is maintained off-site in a purpose-built facility with automated daily backups. Disaster recovery procedures are in place to ensure minimal disruption to the business in the event of a disruptive incident.

Available Embedded Modules within HomeMaster

-  People & Property
-  CRM
-  Complaints, Suggestions, Compliments
-  SMS & Online Surveys
-  Accounts for Rents, Leaseholders, Factoring, Shared Ownership, Sundry Recharges etc
-  Technical Benefits including Import
-  Arrears Management
-  Payment Arrangements
-  Voids
-  Waiting List & Allocations
-  Property including:
 - Adaptations
 - Asbestos Surveys (HSE Calculation)
 - Compliance Inspections (Gas, Electrical etc)
 - Components
 - Right to Buy
 - Shared Ownership
 - Valuations
-  Responsive Repairs including:
 - Repair Requests
 - Pre Inspections
 - Post Inspections
 - Insurance
-  Maintenance Contracts for Cyclical Maintenance

-  Finance Ledgers including Automated Account & Works Order Postings
-  Fixed Assets
-  Purchase Ordering
-  Journals
-  Purchase Invoicing
-  Sales Invoicing
-  Period & Year Management
-  Supplier Management
-  Authorisation Processes for:
 - Works Orders
 - Invoices
 - Purchase Orders
 - Suppliers/Contractors
 - Supplier Payments
-  Unlimited Transactional Analysis
-  Multi Financial Company Processing
-  Workflow
-  Dashboards & Reports
-  Letter, SMS & Email Templates
-  User Security to Field Level
-  Embedded Audit Trail
-  Document & File Storage against any record type

HomeMaster SaaS verses On Premise Traditional Licencing

Feature	HomeMaster SaaS	Traditional Licencing, On Premise
Hardware		
Capital Server Cost	Included in Annual Subscription	Additional Cost Recommended to replace Server every 3-5 years
Microsoft Licences	Included in Annual Subscription	Additional Cost
Server Maintenance i.e. Windows Updates	Included in Annual Subscription	Additional Cost – Internal/External
Security for Remote Access	Included in Annual Subscription - Annual CREST Approved Pen Testing	Additional Cost
Office & Server Room Physical Security	Included in Annual Subscription - 27001 Certified UK Environment	Additional Cost
Server Room Space & Cooling	Included in Annual Subscription	Additional Cost
Electricity and Adhoc Costs	Included in Annual Subscription	Additional Cost
Implementation		
Capital Software Licence Cost	Included in Annual Subscription	Generally Payable on Contract Signature & Go Live
Configuration & Training Cost	Included in Annual Subscription	Generally Payable as Incurred
Project Management Cost	Included in Annual Subscription	Generally Payable as Incurred
Maintenance		
Software Upgrades	Included in Annual Subscription - Minimum of 1 Annual Upgrade - Completed Out of Business Hours	Additional Cost Generally Biannual - Downtime during Business Hours
Upgrade Training	Included in Annual Subscription	Additional Cost Generally Biannual
Daily Backups	Included in Annual Subscription - Automated Remote Backup to Separate UK 27001 Certified Data Centre	Additional Cost Generally Biannual

Resilience	Included in Annual Subscription <ul style="list-style-type: none"> - RAID 1 Mirrored Disks - Server & Services Monitored every 60 Seconds 24/7 with Automated Alerts to Designer Software Support & Management Team. - System Down (P1) issue resolved within 1 business day. 	Additional Cost <ul style="list-style-type: none"> - Hardware Failure on Premise. Organisation required to purchase new hardware, wait for delivery & Configure all Software. Estimated 3 – 4 Day Process without System Access
Support		
Telephone, Online Portal and Email	Included in Annual Subscription	Provider Dependant
Support Incidents for Software Issues	Incident only closed when resolved on customer live environment (included with SLA Time Scales)	Generally incident closed when resolved in code but not implemented on customer premises. Pending chargeable upgrade.

QUOTATION

Quotation Valid Until

31st December 2020

Number of Units in Management	850
Modules & Functionality	<p>Web & Tablet Platform</p> <p>CRM to include:</p> <ul style="list-style-type: none"> Surveys Case Management (Complaints, Suggestions & Compliments) SMS Conversations <p>People</p> <p>Waiting List & Allocations</p> <p>Accounts to include:</p> <ul style="list-style-type: none"> Rent Accounting Factoring Sundry Accounts VOIDS Account Batches with 1 electronic HB Import & 1 AllPay import <p>Customer Portal (Rents & Factored)</p> <p>Repairs to include:</p> <ul style="list-style-type: none"> Repair Requests Pre-Inspections Works Orders Post Inspections Maintenance Contracts Insurance Claims <p>Supplier Contractor Portal</p> <p>Property to include:</p> <ul style="list-style-type: none"> Asbestos Management Adaptations Property Components Compliance Inspections Quality Standards <p>Finance to include:</p> <p>Enquiries:</p> <ul style="list-style-type: none"> Trial Balance

	<ul style="list-style-type: none"> Budget Enquiry Transaction Enquiry Journals Supplier Invoices Supplier Payments with 1 BACs file format Supplier Management Bank Reconciliation File Management Fully Hosted Unlimited Bandwidth 10GB Daily Offsite Backup Disaster Recovery 5 New Dashboards 5 New Reports 5 New Workflows
Software Instances	1 x Test & 1 x Live Environment
Services Included	<ul style="list-style-type: none"> Initial Hosted Setup Best Practice Pre-Configured System Workshops Configuration Training Super User Training Test Go Live Process Dedicated Go Live Support Standard Support as per SLA
HomeMaster Annual Subscription (Invoiced on Contract Signature)	£23,000
Licenced for	Up to 850 Units
Contract Term	5 Years
Data Migration (Invoiced on Data Migration Commencement)	Cost to be agreed following Wellhouse requirements
On Site Travel & Subsistence for all services	At Cost

| |

Optional Items	
Additional Services:	£600 – Full Day Off-Site Rate £350 – Half Day Off-Site Rate £130 – Hourly Off-Site Rate £900 – Full Day On-Site Rate + Expenses at Cost
Optional Modules:	Purchase Ordering - £1,000 per annum Fixed Assets for Property Components & Non-Property Assets - £5,000 per annum
Outbound SMS:	Bundles: 250 – 500 (160 characters) – 8p per text 501 – 1500 (160 characters) – 7.5p per text 1501 + (160 characters) – 7p per text
Additional Backup:	£24 per annum per GB

Prices are exclusive of VAT. Software, Support and Services are supplied subject to our standard customer contract & SLA agreement. Full details can be provided upon request.

Designer Software Rechargeable Expenses Policy

Designer Software will endeavour to ensure all rechargeable expenses to our customers are fair and reasonable by taking advantage of early booking rates where possible.

This is applicable for all accommodation costs and for rail fares and flights.

As such it must be appreciated that Designer Software bears the costs of these expenses until they are recharged to the customer.

Designer Software will invoice rechargeable expenses at the beginning of each month following the month in which these costs were incurred.

Expenses will be recharged at cost price (plus VAT if appropriate), copies of rechargeable invoices are available upon request.

Should the customer cancel or postpone onsite work for which Designer Software has incurred costs there will be no facility to refund these expenses. Should Designer Software rearrange dates for onsite work there will be no additional costs to the customer.

The objective of this policy is to ensure that our customers obtain the maximum value by booking in advance where possible.

Management Committee	25 February 2021
Agenda item	9
Title of Paper	Development Ambitions
Author	Martin Wilkie-McFarlane, Director
Attachment(s)	1. Drainage Survey extract 2. V&DL Fund response
Executive Summary	Director recently received updates from Scottish Water on development options

1 PURPOSE

To update management committee on progress with development plans.

2 RECOMMENDATIONS

- 2.1 That committee note the update and instruct Director to bring future progress reports.
- 2.2 That committee approve the opening of dialogue with the Archdiocese of Glasgow
- 2.3 That committee approve the further exploration of flood prevention work.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 Our current business plan outlines that after our period of business consolidation, we will explore development opportunities with the local authority from 2019/20. To support this ambition, we submitted our annual SDFP (Strategic Development Funding Plan) in 2020. A copy of this in on our website

- 3.2 This report is consistent with our Values of:

- Integrity;
- Excellence;
- Accountability;

and our vision of making Wellhouse *the Place to Be*.

- 3.3 The report reflects the following areas of our Operational Plan:

Development does not feature in the operational plan: committee approved a prudent approach to financial planning until we have certainty on funding. Part 7 of the operational plan covers all aspects of the associated matters, such as feasibility studies.

4 MAIN ISSUES

- 4.1 This report is a direct update from previous committee papers.

- 4.2 Our Strategic Development Funding Plan (SDFP) and associated documents have been submitted.
- 4.3 Glasgow City Council (GCC) produced a Strategic Housing Investment Plan (SHIP) on 25 July 2019.
- 4.4 The situation with flood risk has not changed however the situation with foul water removal has. The Director last met with Scottish Water on 26 October 2020 to progress matters, after which the committee approved a CCTV survey of the drainage system in Wellhouse. The results of that were received on 8 February.

5 DISCUSSION

- 5.1 Phase 8. Owned by Wellhouse HA. We have now formally expressed our desire to develop and explained this to DRS and the Scottish Housing Regulator as part of our recent business plan conversation with them. They are supportive of this. Committee will be kept apprised at all stages. We hoped to carry our updated site investigations from Scott Bennett Associates in 2020 and that HAG would be available to cover this. Foul water capacity exists for this site. This was confirmed in a meeting with Scottish Water on 13 February 2020. No progress due to COVID-19 restrictions in 2020/21.
- 5.2 Phase 9. Owned by the Archdiocese of Glasgow. DRS agreed to provide £20,000 HAG for Wellhouse to carry out feasibility studies,. The results were shared with the Archdiocese. However, we are no closer to purchase, safe for the owner agreeing that social housing is a good use for the site, in a letter to the elected member in June 2019. We had the site valued in February 2020 – committee had agreed to fund this, but HAG will hopefully be made available (which will be incorporated into claim at acquisition stage or other costs) We will also seek an opinion on ground quality and undermining from Scott Bennett Associates in 2020 and hope HAG will be available to cover this. Foul water capacity exists for this site. This was confirmed in a meeting with Scottish Water on 13 February 2020. The valuation of this site was received a few weeks ahead of schedule. The residual land value is £250,000. No progress due to COVID-19 restrictions in 2020/21. However, Baillie Ballantyne has been in touch with the Archdiocese in February 2021 and I would like committee permission to open negotiations with them with respect to future purchase of the land. Site Investigations cost: a desk top review for about £3,000 or physical investigations would be £15-25,000. The Director will review with the Development Agent.
- 5.3 Phase 10. Owned by GCC, marketed by City Property. We have completed site investigations and feasibility studies. City Property are aware of our ambitions. This is now wholly dependent on flood mitigation. This was confirmed in a meeting with Scottish Water on 13 February 2020. We aimed to have the valuation updated in 2020 and sought a HAG decision from the council. No progress due to COVID-19 restrictions in 2020/21.
- 5.4 All phases are dependent upon a firm response from the statutory authorities who are dealing with foul and ground water flood mitigation issues. Scottish Water have confirmed that foul water capacity is not an issue, following further analysis by them and therefore, development can proceed without mitigation work. There remains an issue with possible ground water, which must be able to drain away at 4 litres per second. They would be content with flood water being diverted to the Camlachie Burn,

which runs under Wellhouse Crescent. However, the decision on flood mitigation lies with Glasgow City Council.

- 5.5** Director met the council and Scottish Water to discuss in October and a CCTV survey of the drains has been completed. This matter has gone full circle – even with retrofit rain gardens, etc we will still need an attenuation tank. The last quote was in the region of £800,000. We will need to explore this further. A meeting has been set up for March with Wellhouse, Scottish Water, the council and the Development Agent and will update thereafter.
- 5.6** Baille Ballantyne inquired after Vacant & Derelict Land Fund on our behalf, but this proved unfruitful. Seemingly the land has not been derelict for long enough to qualify. See appendix 2.
- 5.7** In addition, we will need a conversation with our lenders in relation to these plans, although they remain keen to lend.
- 5.8** GCC priorities for investment are: ensuring value of money; ensuring design quality; producing wider community benefits and meeting diverse needs. These are areas which reflect our own aims and values.
- 5.9** We await more detail on the Scottish Governments post 2021 funding plans and committee will be kept apprised. It is highly unlikely that we will access HAG for new build prior to 2021.
- 5.10** For the North East of the city they aim for the following characteristics, which we have already reported we are willing to support.

AHSP Tenure	North East	Home Attributes	North East
Social rent	1,824	General Needs	2,980
Intermediate Mid-Market Rent	1,329	Wheelchair adaptable	242
New Supply Shared Equity	111	Supported	0
Partnership Support for Regeneration	81	Amenity	81
Total	3,345	Total	3,303

6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 6.1** Regulatory: none at this time.

6.2 Legal: none at this time.

6.3 Constitutional: none at this time.

7 FINANCIAL IMPLICATIONS

7.1 none at this time

7.2 The Finance Manager will bring a detailed report to committee in time for the planning cycle for our new strategic plans once we are clearer on firm plans.

8 KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to submit a SDFP could lead to loss of potential future development opportunities	None at this time.	None identified at this time.
Mitigation	Mitigation	Mitigation
Submit SDFP as category C and keep liaison with GCC, development agent and EHRA		n/a

9. EQUALITY AND DIVERSITY ISSUES

9.1 None at this time

10 SUSTAINABILITY

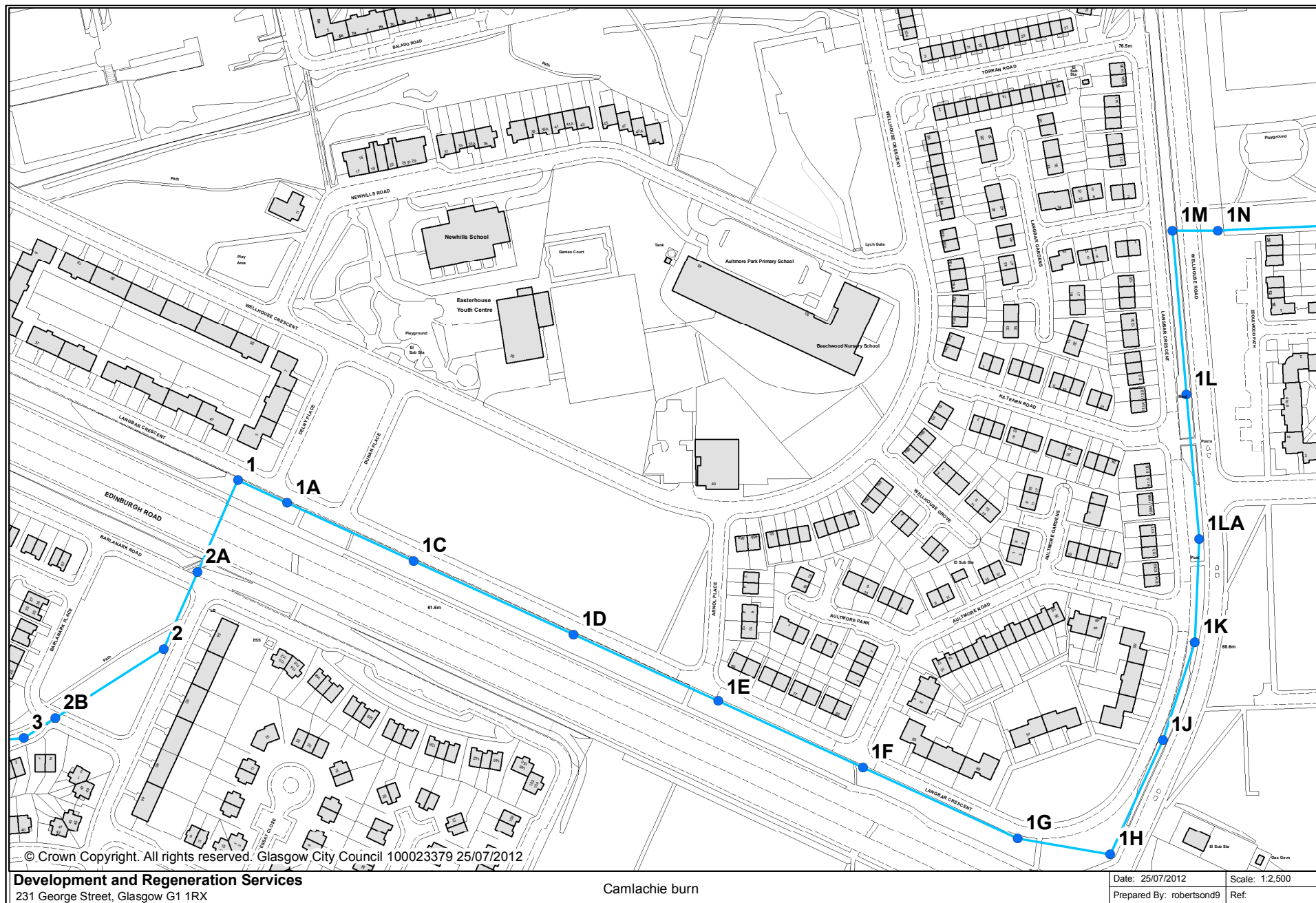
10.1 Our development sustainability policy will apply at all times.

11. SWOT ANALYSIS

11.1 SWOT not required for the submission stage. Will be required in the future. These will all be reported to Committee

12. CONCLUSION

12.1 Questions are encouraged and the Director is to keep Committee apprised as to any progress in matters relating to future potential developments. At the time of writing we await further clarification from Scottish Water on flood issues.



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

OFFICIAL

Dear Mr Wilkie-McFarlane,

Further to recent correspondence via Bailie Elaine Ballantyne, please see my detailed response below.

Unfortunately it is not positive news: housing remains ineligible for VDLF support, and indeed the sites within Wellhouse are not classed by Scottish Government as being vacant for long enough to be VDLF eligible, regardless of the type of proposed development.

As you know, funding for housing infrastructure remains very challenging. I will continue to discuss the matter with colleagues, and with Scottish Government, and we will be in contact should suitable funding source(s) become available.

Regards,
Michael

OFFICIAL

Dear Bailie Ballantyne,

Further to earlier correspondence – the position remains largely as per my response of 1st February, though I have added some updates and details (*in italics*) here, with some further comments below.

1. We are still awaiting details from Scottish Government regarding the £50m fund announced at the end of December, and will continue to seek clarification from them (*this remains the case, and we continue to seek details from relevant authorities*);
2. The funding figure referred to by Wellhouse Housing Association appears to be the £2.316m (note amount) VDLF allocation received by the council from Scottish Government for the current financial year, 2020/21. The VDLF program for the current year was approved at City Administration Committee on 1st October 2020 – see: <http://www.glasgow.gov.uk/councillorsandcommittees/agenda.asp?meetingid=16901>
3. VDLF, as per government guidance and objectives, can only be applied to certain eligible sites, and for specific types of investment. Housing is not an eligible use of the fund, and despite what Wellhouse HA state, flood prevention works are not eligible (though Sustainable Urban Drainage Systems may be) (*many 'vacant' sites are not included on the Scottish Vacant and Derelict Land Register as they are too small – sites must be greater than 0.1 hectares to be eligible for inclusion. Relevant sites in Wellhouse are shown on the map below. However, to be VDLF-eligible, a site must be on the register for more than 15 years – none of the three sites on the map meet this criteria. Regardless – housing development is not a VDLF eligible cost, and despite what Wellhouse HA state, neither is flood prevention works – from Scottish Government Guidance:*

Ineligible Projects and expenditure

21. *The fund is not intended be a primary source of funding for:*

- ☐ Housing projects.
- ☐ Major infrastructure projects relating to transport.
- ☐ Purchase of moveable infrastructure, furniture and fittings.
- ☐ Projects relating solely to hotel or retail developments are unlikely to be supported if there are no clear regeneration outcomes.
- ☐ Projects that focus solely on public realm improvements, new roads / paths or upgrades are unlikely to be funded. However, these will be eligible if they are elements within wider regeneration projects which will produce economic and social outcomes.
- ☐ Flood protection/work/upgrades are not eligible.)

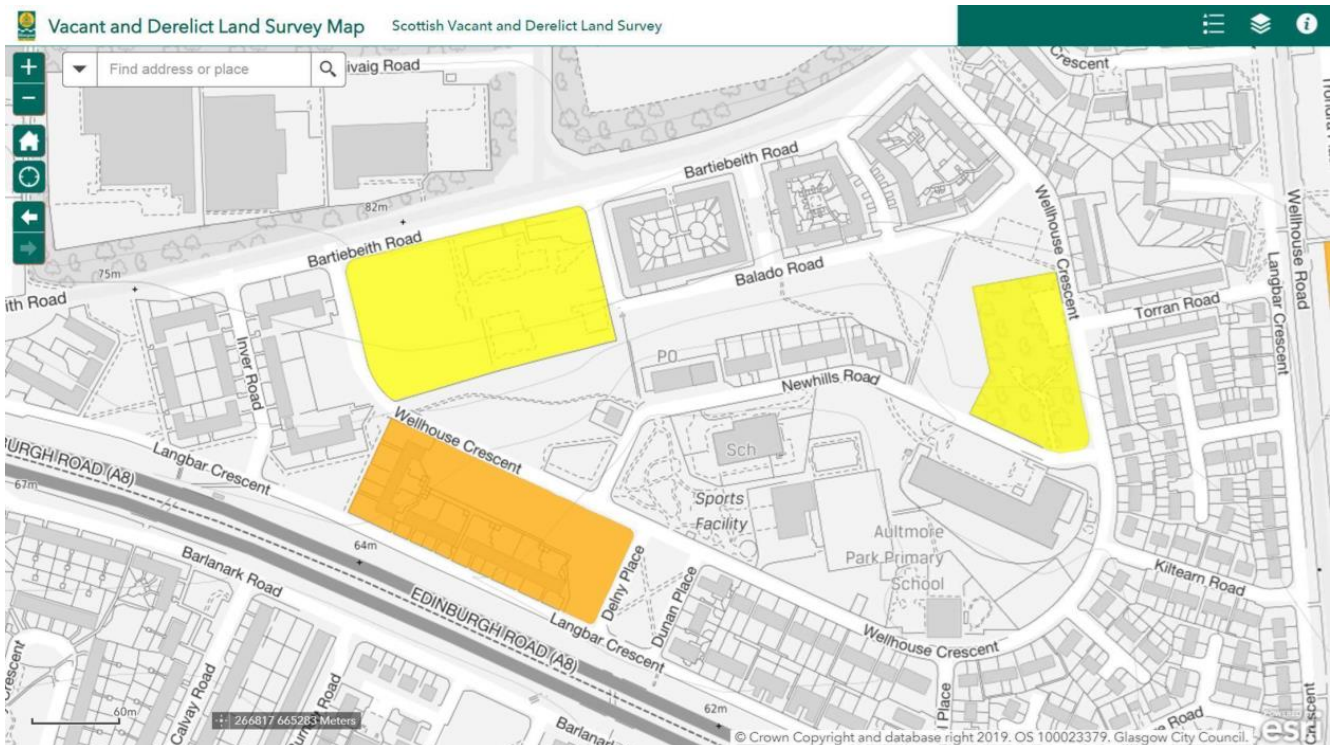
4. We are awaiting confirmation from government of the Council's 2021/22 VDLF allocation, and whether it is part of the "£50m" fund previously mentioned or is retained as a separate annual allocation to Council (*I received an indication from Scottish Government last night that council's VDLF allocation for 2021/22 will be of similar amount to the current financial year, i.e. £2.316m, and this is not part of the "£50m" fund reported elsewhere. The site eligibility criteria, and types of eligible project, are not expected to change for 2021/22, though this has still to be confirmed by Scottish Government*).

I am sorry that I cannot be more positive, but council is very much constrained by what it can, and cannot, fund from VDLF. For several years we have asked Scottish Government to amend eligibility criteria, specifically around site-eligibility and the '15 year' rule, and to widen the scope of the Fund to including housing – but without success.

It is hoped that the recently announced £50m fund will be more flexible, and I will circulate details when this becomes known.

I will contact Wellhouse HA with the above information, and will copy you in.

Regards,
Michael



Michael Gray
Principal Officer - Housing Led Regeneration

Housing and Regeneration Services
Neighbourhoods, Regeneration and Sustainability
Glasgow City Council
07884 734375

Management Committee	25 th February 2021
Agenda item	10
Title of Paper	Quarter 3 - KPI Report September – December 2020
Author	Carol Hamilton, Housing and Customer Services Manager Bill Black, Assets and Maintenance Manager
Attachments	Appendix 1 – National and Peer Group Benchmarking Appendix 2 – Emergency and Non – Emergency graph comparisons
Executive Summary	This report is presented from the Management Team on our performance for a variety of key indicators for the third quarter of 2020/21. The report also provides national and peer group benchmarking information.

FOR INFORMATION

1 PURPOSE

- 1.1 The purpose of this report is to bring to the attention of Committee the performance in relation to Key Performance Indicators (KPI) for period September – December 2020.
- 1.2 The report and attached appendix details national performance results as well as Peer Group results for benchmarking purposes against targets set for 2020/21. Committee is asked to discuss with the Management Team any of the presented performance trends, consider any influencing factors and suggest appropriate responsive action.

2 RECOMMENDATIONS

- 2.1 Committee is asked to discuss and note the contents of this report

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 Key areas of performance are integral to business; we measure our success by setting targets against these objectives, ensuring that we deliver them effectively and efficiently. The six objectives are to: -
 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.
- 3.2 It is also consistent with our Values of:

- Trust, Honesty, Integrity, Excellence, Accountability, Sustainability

3.3 The report reflects priorities set from the 2020/21 Operational Plan.

3.4 This Report should contribute towards our overarching Aim and Vision of making Wellhouse "the Place to Be"

4. BACKGROUND and MAIN ISSUES

Committee is kept updated throughout the year on key areas of the business, the Annual Return of the Charter (ARC) also provides areas of performance. The KPI targets referred to in this report reflect areas included in the ARC. Our own internal targets and any service standard we deem important are collated and monitored separately.

This quarterly Committee report highlights areas of concern and also areas of particularly good performance or improvement. The Housing & Customer Services Manager and Assets & Maintenance Manager will concentrate on certain areas for discussion each quarter and may also have some attachments displaying visual content.

5 DISCUSSION

5.1 Housing & Customer Services Managers Discussion points

Rent arrears continue to be a cause for concern and they are discussed in a separate report.

While the 21% of tenancy offers refused are within target, relet times are lengthier than normal at an average of 33.47 days. The target is 12 days. This is due to a delay in processes as a result of Covid, as only one trade can attend a void at a time and the property has to lie empty for 3 days before inspections can take place, as well as the impact of the festive period. However, void loss at end of Quarter 3 was 0.3% of Annual Gross Rent, comfortably within target of 0.6%

At the end of Quarter 3 all satisfaction indicators were in target for the first time and are attached at appendix 1.

5.2 Assets & Maintenance Managers Discussion points

Contractors are continuing to perform well given the move to full lockdown. Please refer to the Emergency and Non- Emergency comparison graphs in Appendix 2.

Adaptations- we currently have no Adaptations on the waiting list.

Gas Servicing – in Qtr. 3, 219 properties were due their gas service. Of these, 16 went to forced access level. While none went over the service date, there was still a very high level of staff time spent on trying to make sure the service is done on time. During the current lockdown we are continuing to work closely with our contractor and tenants to ensure all servicing is completed on time.

5.3 Landlord performance comparisons

Appendix 1 indicates that overall satisfaction rates are improving year on year. Based on our own survey information from Q1-Q3, it is predicted that our performance compared to our Peer Group, and landlords nationally will continue to improve.

6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

6.1 There are no regulatory, legal or constitutional issues to consider in this performance report.

7. FINANCIAL IMPLICATIONS

7.1 Committee are asked to note the impact of arrears and relet times.

8. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Increasing arrears impact on our income	Financially due to lost income	
Reputational through possible failure to provide excellent services.	Problems with stock – internal and external.	
Mitigation	Mitigation	Mitigation
Focus placed on rent arrears and void turnaround times	Redesigning arrears reports and actions	
Improvement plans are ongoing	Regular home visits and estate visits are unable to take place due to Covid-19 but will restart asap	

9. SWOT ANALYSIS

Not required

10. EQUALITY AND DIVERSITY ISSUES

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

11. SUSTAINABILITY

11.1 There are no identified impacts on sustainability even an unintended one.

12. CONCLUSION

12.1 The current KPIs causing concern are rent arrears and relet times. The benchmarking information detailed in Appendix 1 indicates that we are performing well in all other areas. Covid-19 is still causing some issues but as time goes by these issues are becoming less and less.

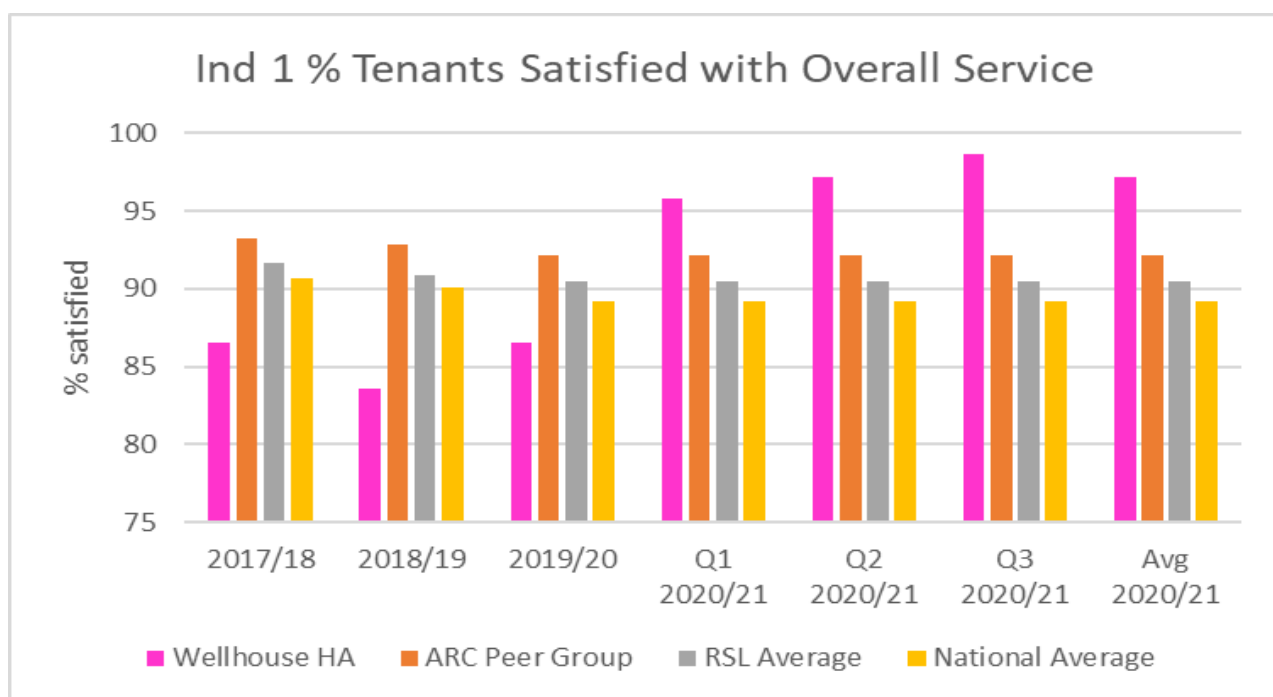
Appendix 1 Quarter 3 - KPI Report for period October to December 2020

Satisfaction Indicators to end of Period, with National and Peer Comparators

Please note that data is not available for other organisations for 2020/21. The latest available information from MI Housing Services Ltd (MiHs), is used to indicate how we would compare based on Q1-Q3.

Indicator 1

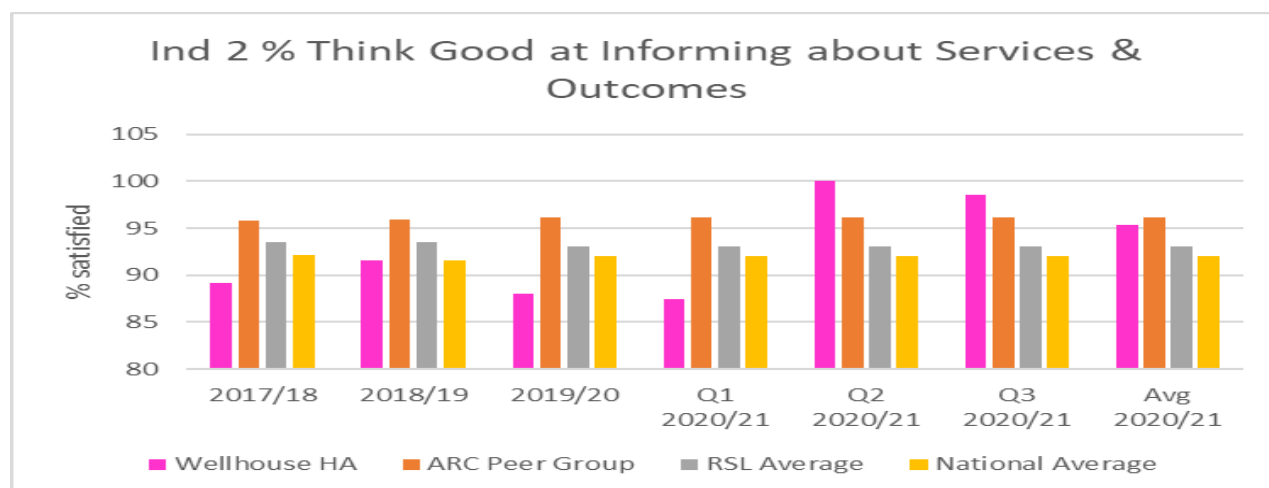
Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by your landlord?



Our Internal Target is 90% and at end of Quarter 3 satisfaction was 98.6%.

Indicator 2

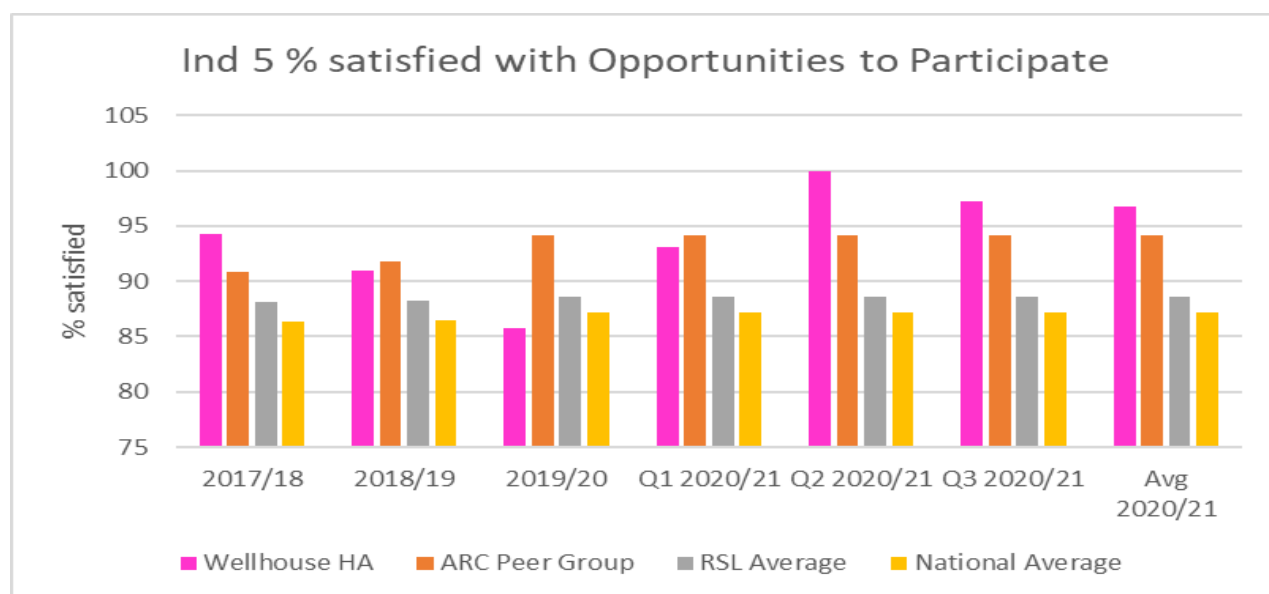
How good or poor do you feel your landlord is at keeping you informed about their services and decisions?



Our Internal Target is 95% and at end of Quarter 3 satisfaction was 98.6%.

Indicator 5

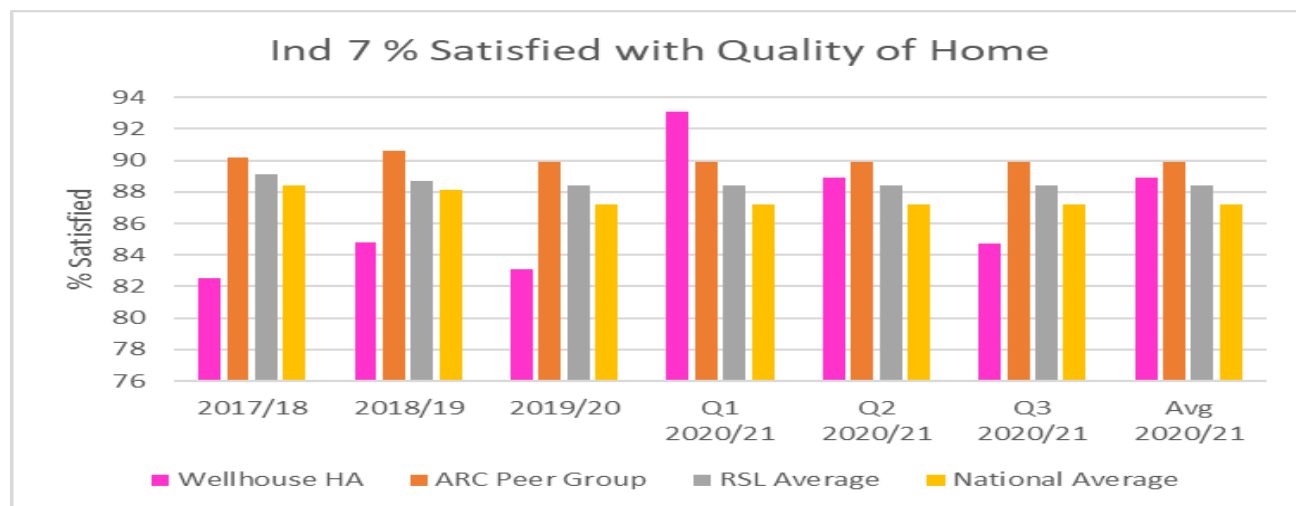
How satisfied or dissatisfied are you that with opportunities given to you to participate in your landlord's decision making processes?



Our Internal Target is 85% and at end of Quarter 3 satisfaction was 97.2%.

Indicator 7

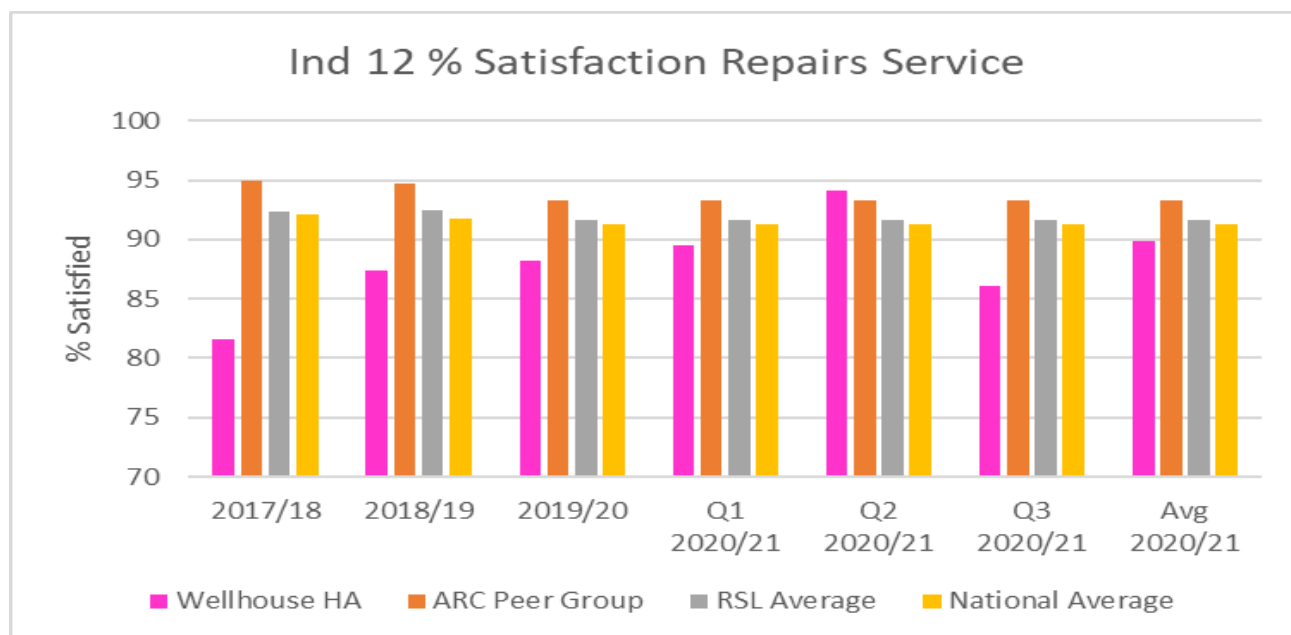
How satisfied or dissatisfied are you with the overall quality of your home?



Our Internal Target is 80% and at end of Quarter 3 satisfaction was 84.7%.

Indicator 12

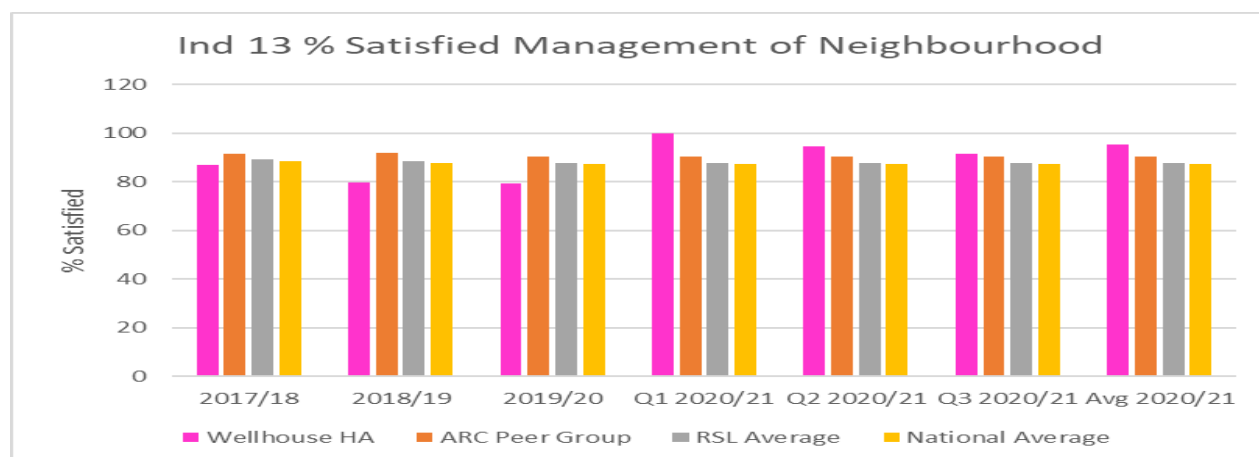
Thinking about the LAST time you had a repair or maintenance carried out, how satisfied or dissatisfied were you with the repairs and maintenance service provided by your landlord?



Our Internal Target is 85% and at end of Quarter 3 satisfaction was 86.1%

Indicator 13

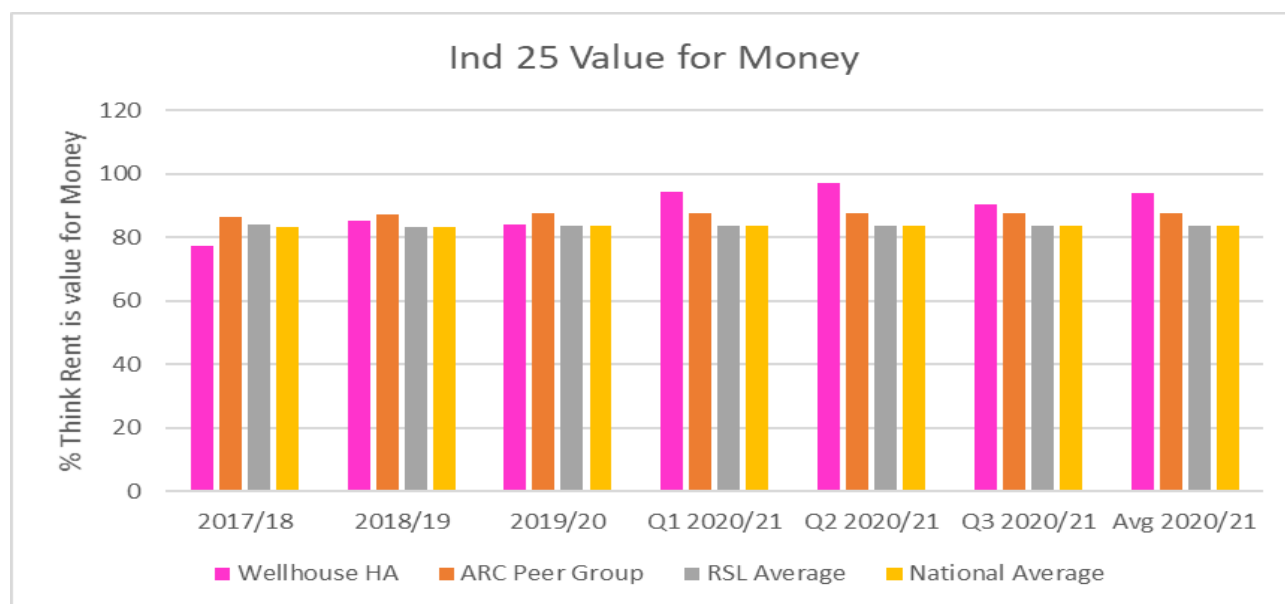
Overall, how satisfied or dissatisfied are you with your landlord's contribution to the management of the neighbourhood you live in?



Our Internal Target is 90% and at end of Quarter 3 satisfaction was 91.7%

Indicator 25

Taking into account the accommodation and the services your landlord provides, to what extent do you think that the rent for this property represents good or poor value for money?

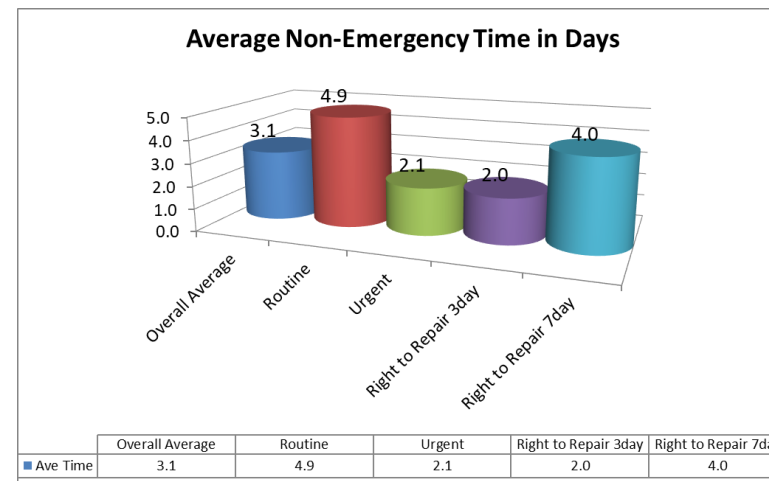


Our Internal Target is 85% and at end of Quarter 3 satisfaction was 90.3%.

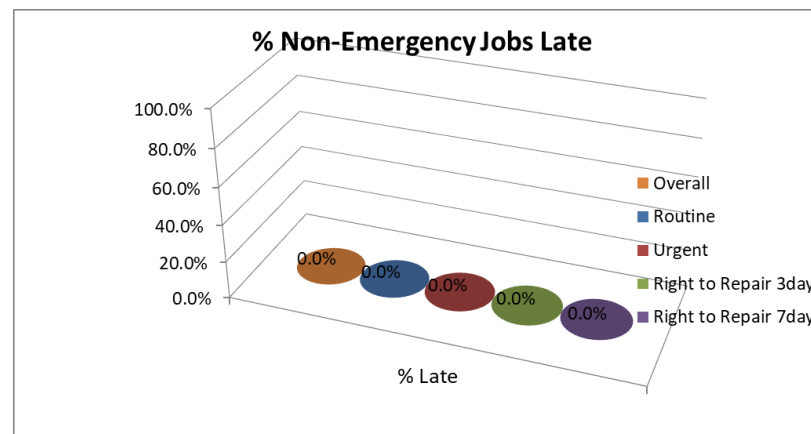
NON-EMERGENCY REPAIRS CHARTS – AVERAGE TIMES AND ON-TIME/LATE PERFORMANCE

For Period	01/10/2020	to	31/12/2020
Comparative Period	01/10/2019	to	31/12/2019

Urgency Code			Comparative
Overtyp	Average Time of Reactive Repairs	Ave Time	Ave Time
	Overall Average	3.1	3.6
ROUT	Routine	4.9	4.3
URGE	Urgent	2.1	2.0
RR2	Right to Repair 3day	2.0	2.2
RR7	Right to Repair 7day	4.0	0.0

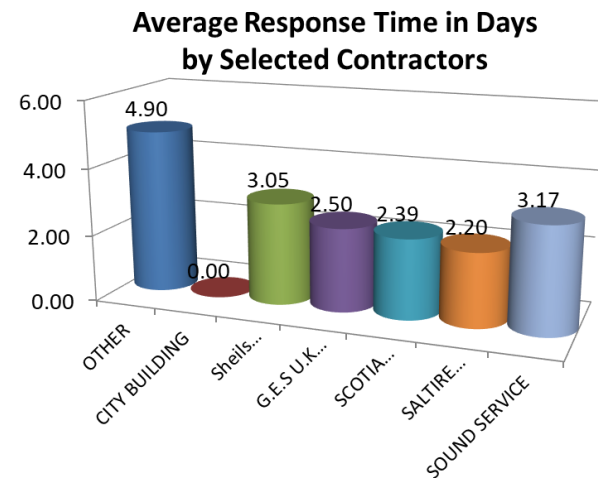


Urgency Code			Comparative
Overtyp	Late Jobs by Urgency	% Late	% Late
	Overall	0.0%	0.0%
ROUT	Routine	0.0%	0.0%
URGE	Urgent	0.0%	0.0%
RR2	Right to Repair 3day	0.0%	0.0%
RR7	Right to Repair 7day	0.0%	

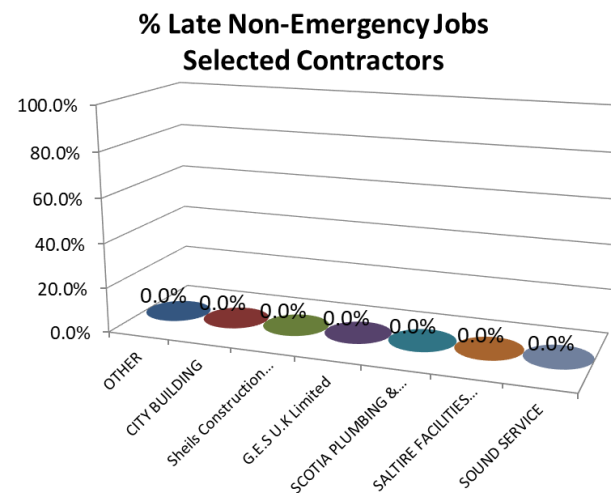


NON-EMERGENCY REPAIRS CHARTS – AVERAGE TIMES AND ON-TIME/LATE PERFORMANCE

		<u>Comparative</u>	
	<u>Analysis by Contractor</u>	<u>Ave Time</u>	<u>Ave Time</u>
<i>Overtime</i>	OTHER	4.90	8.71
CIT01	CITY BUILDING		2.40
SSHEI	Sheils Construction Joinery & Mainter	3.05	4.67
GGES	G.E.S U.K Limited	2.50	2.74
SCO01	SCOTIA PLUMBING & HEATING	2.39	2.83
SALTI	SALTIRE FACILITIES MANAGEMENT LT	2.20	2.05
SSERV	SOUND SERVICE	3.17	3.67

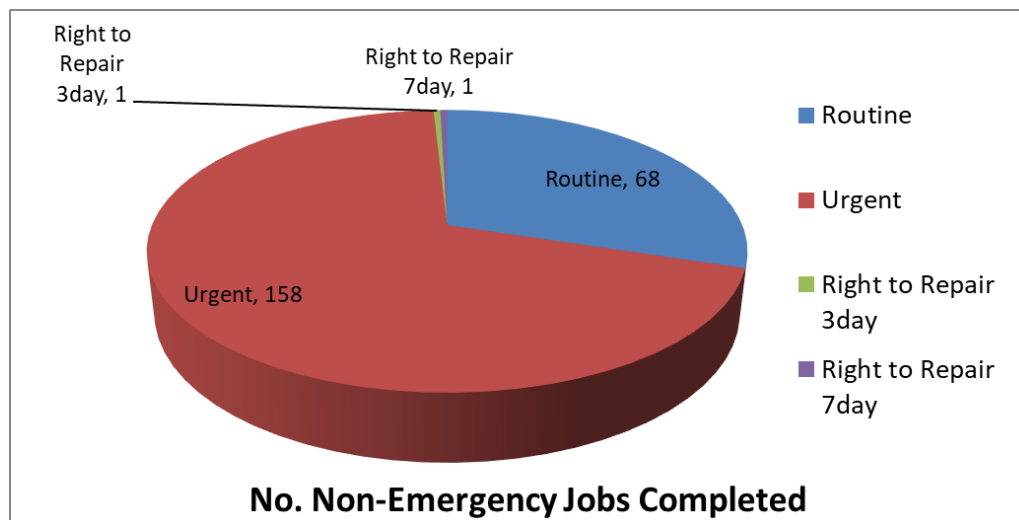


		<u>Comparative</u>	
	<u>Analysis by Contractor</u>	<u>% Late</u>	<u>% Late</u>
<i>Overtime</i>	OTHER	0.0%	0.0%
CIT01	CITY BUILDING		0.0%
SSHEI	Sheils Construction Joinery & Mainter	0.0%	0.0%
GGES	G.E.S U.K Limited	0.0%	0.0%
SCO01	SCOTIA PLUMBING & HEATING	0.0%	0.0%
SALTI	SALTIRE FACILITIES MANAGEMENT LT	0.0%	0.0%
SSERV	SOUND SERVICE	0.0%	0.0%






NON-EMERGENCY REPAIRS CHARTS – AVERAGE TIMES AND ON-TIME/LATE PERFORMANCE

<i>Overtime</i>	<u>Reactive Repairs by Urgency</u>	<u>Comparative</u>	
		<u>No. Jobs</u>	<u>No Jobs</u>
ROUT	Routine	68	152
URGE	Urgent	158	219
RR2	Right to Repair 3day	1	5
RR7	Right to Repair 7day	1	0






QTR 3 – Emergency & Non-Emergency Repairs Comparison 20-21

EMERGENCY REPAIRS RESULTS TABLES



For Period		01/10/2020	to	31/12/2020	
Comparative Period		01/10/2019	to	31/12/2019	
Average Emergency Hours - By Urgency - This Period		DATASOURCE			
E/ NER Calc	E		Set to E for Emergency Jobs Only		
Compl Actl This Period	1		Set to 1 for This Period		
Row Labels		No. Jobs	Tot Emerg Hrs	Ave. Hrs	No. Late
Emergency		27	50.6	1.9	0
Emergency OOH		34	59.6	1.8	0
Right to Repair 1day		76	185.0	2.4	0
Grand Total		137	295.2	2.2	0

EMERGENCY REPAIRS RESULTS TABLES

For Period		01/10/2020	to	31/12/2020
Comparative Period		01/10/2019	to	31/12/2019
Average Emergency Hours - By Urgency - Comparative Period			DATASOURCE	
E/ NER Calc	E		Set to E for Emergency Jobs Only	
Compl Actl Last P	1		Set to 1 for This Period	
Row Labels		No. Jobs	Tot Emerg Hrs	Ave. Hrs
Emergency		31	61.3	2.0
Emergency OOH		82	139.5	1.7
Right to Repair 1day		221	500.3	2.3
Grand Total		334	701.1	2.1

For Period		01/10/2020	to	31/12/2020
Comparative Period		01/10/2019	to	31/12/2019
Total Non Emergency Average - This Period		DATASOURCE		
E/ NER Calc	NER		Always set to NER for Non Emergency Reactive	
Compl Actl This Period	1		Always set to 1 for This Period	

NON-EMERGENCY REPAIRS RESULTS TABLES

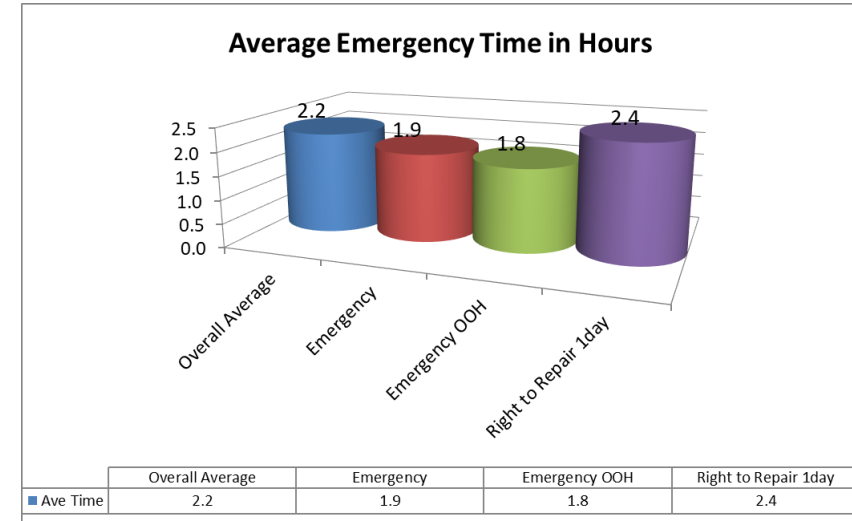
Total Non Emergency Average - Last Period				
E/ NER Calc	NER		Always set to NER for Non Emergency Reactive	
Compl Actl Last P	1		Always set to 1 for Comparative Period	

Page 96 of 111

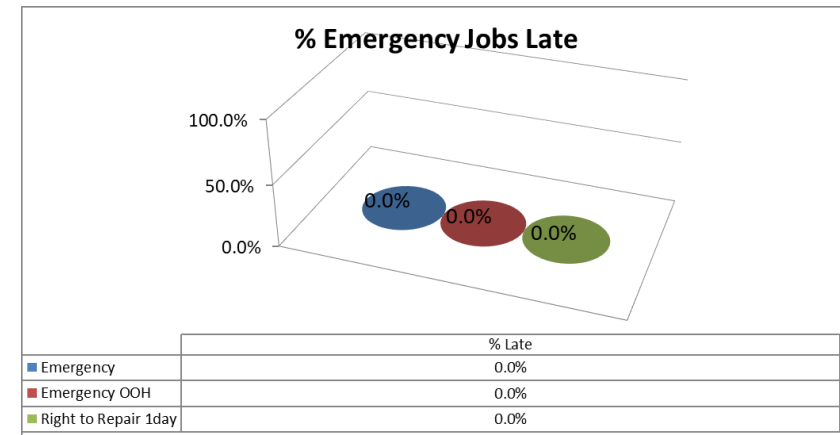
EMERGENCY REPAIRS CHARTS – AVERAGE TIMES AND ON-TIME/LATE PERFORMANCE

For Period	01/10/2020	to	31/12/2020
Comparative Period	01/10/2019	to	31/12/2019

Urgency Code			Comparative
Overtime	Average Time of Reactive Repairs	Ave Time	Ave Time
	Overall Average	2.2	2.1
EMER	Emergency	1.9	2.0
EOOH	Emergency OOH	1.8	1.7
RR1	Right to Repair 1day	2.4	2.3

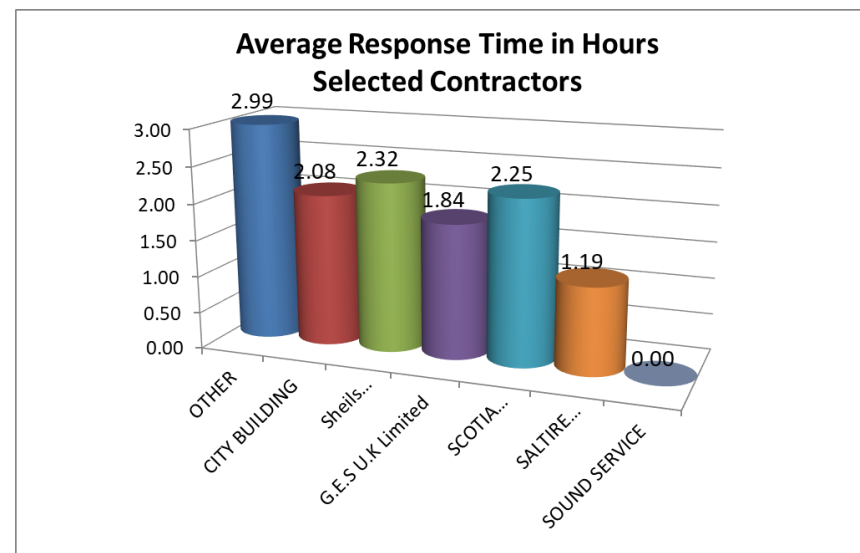


Urgency Code			Comparative
Overtime	Late Jobs by Urgency	% Late	% Late
EMER	Emergency	0.0%	0.0%
EOOH	Emergency OOH	0.0%	0.0%
RR1	Right to Repair 1day	0.0%	0.0%

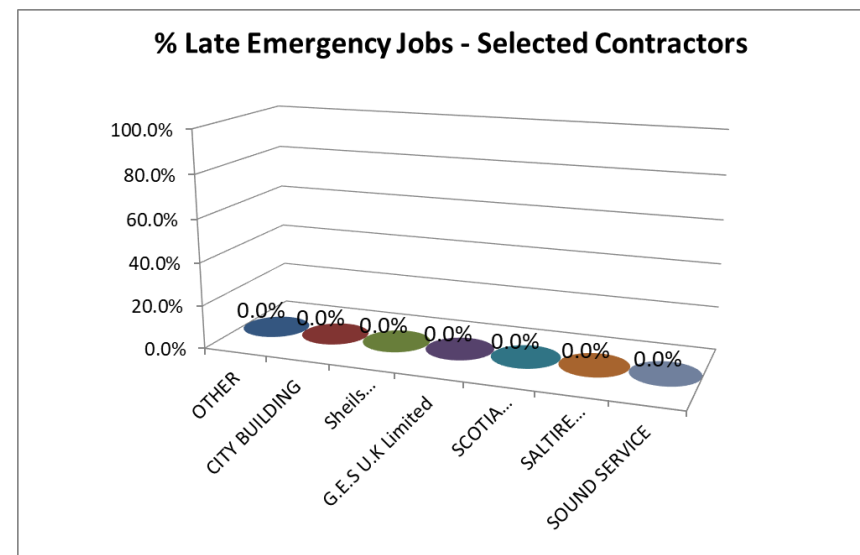


EMERGENCY REPAIRS CHARTS – AVERAGE TIMES AND ON-TIME/LATE PERFORMANCE

		Comparative	
	Analysis by Contractor	Ave Time	Ave Time
Overtime	OTHER	2.99	
CIT01	CITY BUILDING	2.08	1.79
SSHEI	Sheils Construction Joinery & Mainten	2.32	2.34
GGES	G.E.S U.K Limited	1.84	3.21
SCO01	SCOTIA PLUMBING & HEATING	2.25	2.20
SALTI	SALTIRE FACILITIES MANAGEMENT L	1.19	1.96
SSERV	SOUND SERVICE		

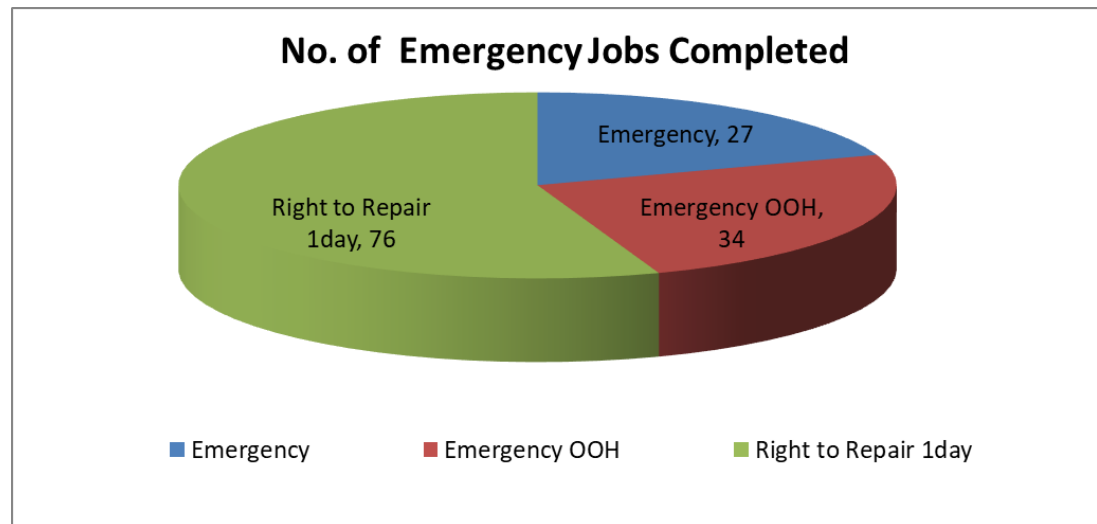


		Comparative	
	Analysis by Contractor	% Late	% Late
Overtime	OTHER	0.0%	
CIT01	CITY BUILDING	0.0%	0.0%
SSHEI	Sheils Construction Joinery & Mainten	0.0%	0.0%
GGES	G.E.S U.K Limited	0.0%	0.0%
SCO01	SCOTIA PLUMBING & HEATING	0.0%	0.0%
SALTI	SALTIRE FACILITIES MANAGEMENT L	0.0%	0.0%
SSERV	SOUND SERVICE		



EMERGENCY REPAIRS CHARTS – AVERAGE TIMES AND ON-TIME/LATE PERFORMANCE

		<i>Comparative</i>	
<i>Overtime</i>	Reactive Repairs by Urgency	No Jobs	<i>No Jobs</i>
EMER	Emergency	27	31
EOOH	Emergency OOH	34	82
RR1	Right to Repair 1day	76	221



Management Committee	25 February 2021
Agenda Item	11
Title of Paper	Operational Update Report
Author	Management Team
Appendices:	1. EVH Letter 2. Ballot 21 3. Photos of Hub Cafe

FOR INFORMATION AND DECISION

EXECUTIVE SUMMARY:

1. Director – Main Issues

1.1 Recruitment of Finance and Corporate Services Manager

This is ongoing – a verbal update will be given at committee. Azets corporate team are, in the meantime, helping us with final budget work, updating the 30-year plan and the 5-year return to the SHR.

1.2 Insurance Tender

I am working with Bruce Stevenson on the tender. This requires us to review again all cladding on our buildings to ensure they are not on a prescribed list which could nullify premiums. We do not have these products. By the time of the meeting, I will have a further update.

1.3 Year-end audit

Initial meeting has taken place and audit programme set up.

1.4 FOI/ GDPR returns 2020

Completed and submitted to the Information Commissioners Office.

1.5 Audit tender

We will be looking to tender for internal and external audit before the year end.

1.6 Governance review

Work has begun on this and will run until the summer at which time a report will be brought to committee.

1.7 MyEpay Window

Our payroll providers Azets, have been in touch which regards the progress of all staff being able to access their own individual payslips electronically. Azets have now migrated to the

new software and they required us to register as an employer for their new portal. This required us consenting to connecting with myEpayWindow to progress with this operational requirement.

1.8 Proposed Salary Award 2021

- 1.8.1 The Association are full members of the Employers in Voluntary Housing [EVH] and as such are subject to the outcome of the collective bargaining approach to wage negotiations. The Management Committee is aware that due to the previous three-year agreement on wage levels being affected by the pandemic, EVH were in the process of negotiating a new arrangement. The original proposal was for a 0% increase which we supported in principle. 0.80% is proposed for April 2021.
- 1.8.2 These negotiations are now complete and EVH are now asking for full member organisations to vote on the outcome of these negotiations. A letter detailing the recommendations is given as appendix one.

8.3 RECOMMENDATION

Committee are asked to consider the recommendation from EVH as outlined in appendix one and determine their view accordingly.

2. Housing & Customer Services Manager – Main Issues

- The collection of rent arrears continues to be a priority and an update is included in a separate report.
- The Officers are continuing to allocate properties and conduct viewings in accordance with legislation and risk assessments.
- All tenants have received notification of the rent increase for 2021/2022.
- The process for recruiting the temporary full time Housing Officer is underway.
- Total financial gains from 01/04/2020 to date for Income Advice are £213,596.69. The figure is lower than usual as much more time has been invested in crisis support funding / projects this year. Crisis support has been the priority and covers things like accessing food and fuel vouchers. We may have more overall financial gains but less monetary value as crisis support awards are smaller in value. As well as the normal Income Advice service we had the following projects:
- STV Children's Appeal - National Emergencies Trust Funding. £2000.00 fuel and food parcel fund. (20 food parcels were provided and 40 fuel awards to households in crisis)
- Supporting communities Digital Support Fund £9750.00. (41 users / £74,894). We can add a financial measurement to the Digital Support Project - The total social value from the digital project calculated as a net benefit to the local community so far is £74,894 which provides a ratio of 1:8 of impact for every pound spent on the project.
- WEE-G fund £500.00 (68 pensioner were gifted and we have sweets for approx. 370 children living in the community). The remaining gifts for children, courtesy of the WeeG fund, have now been delivered by ERA.
- EHRA fund accounted for 31 awards made to households in crisis = £1000.00
- HACT energy funding (Administered by Energy Redress) 6 Tenants assisted = £294.00
- We have assisted 143 tenants with Income Advice

- The Income Advice Officer 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. Numbers of UC claims are continuing to increase.
- We continue to explore other crisis funding opportunities.
- 3 Housing Team staff have now completed Debt Recovery training
- Scottish Government have requested that the Next Steps project resumes after a delay due to COVID-19. A meeting with Board members, staff and tenants is to be arranged to implement the action plan.
- Complaints training has now been arranged for all staff in March, which will complete the action point from the ongoing audit.

3. Assets & Maintenance Manager – Main Issues

- Estate Services the Team carried out an inspection of the closes, in January the findings have been passed to Housing and Repairs for any follow up actions, minor repairs to doors and lighting were noted these have been passed to be repaired, other issues were items being left in the close.
- Bulk is still an issue, with the Team removing bulk most days.
- Current lockdown has meant a return to emergency repairs only, we are still direct issuing repairs, to cut down on the need for any inspections and asking tenants to send in photos to help diagnose any repairs.
- Newhills shop units, work will be starting 22nd February and should last for 6 weeks.
- Gas servicing - we are still experiencing an increase in the number of services that are going to forced access on average 4 a week over the last few month, more staff time and resources are being spent on arranging access for the servicing with tenants in an attempt to stop them going to forced access.
- Window and Door Tenders were returned on the 9th of February these are currently being check by the consultants
- Work is complete in The Hub, the I.T suite & Café; with the installation of the kitchen and redecoration. See attached photos at appendix 3
- Veranda works will restart 1st March - delay due to Lockdown.

2 February 2021

Dear Colleague,

WAGES BALLOT

The EVH Negotiating Team is now in a position to **recommend** a two-year deal on salaries. Accordingly, **Full** member organisations are asked to vote on the proposal, which is set out below.

A two-year deal which will result in the following awards being made:

April 2021

An increase of 0.80% on all salary points. This will also be applied to all allowances, bar the Long Service/Retiral Award; and, the standard HMRC fixed profit mileage allowance.

April 2022

An increase of October 2021 CPI plus 0.1% on all salary points. This will also be applied to all allowances, bar the Long Service/Retiral Award; and, the standard HMRC fixed profit mileage allowance, and is subject to the following:

- Minimum award of 1.00%, and ceiling of 2.50%. *

* For clarity, this means that if the October CPI figure drops below 1.00% in year 2 then a minimum award of 1.00% will be applied. The parties will re-enter negotiations should the October CPI figure exceed 2.50% in year 2.

EVH is recommending the above package to employers and I ask that all Full Members vote on this proposal. The closing date for receipt of returned Ballot Papers is 5:00 PM on Sunday 28 February 2021. For information, **UNITE the Union is also recommending this deal** to its membership.

In coming to this position, the EVH negotiators were keen to meet a number of objectives, and to fully reflect the varied feedback received from employers.

- The continuing preference for the use of CPI as the inflation marker around which negotiations take place
- A strong preference amongst employers for a multi-year deal
- Any long-term formula to contain a ceiling to protect employers against unexpected inflation volatility
- To avoid the possibility of low number inflation resulting in unnecessarily protracted negotiations in year two
- To meet employers oft expressed desire (in order to support forward financial planning) to have the pay increase figure to hand prior to Christmas - the year 2 arrangement is almost certain to achieve this
- The ongoing need for employers' JNC representatives (and UNITE officials) to consider affordability issues in terms of rents and other principal income streams
- To have this matter settled sensibly, and without protracted negotiations – particularly under the current circumstances we all find ourselves in
- To find a figure which honoured the existing agreement of "October CPI + 0.1%" in year 1 of the new deal (for information the October 2020 CPI figure stood at 0.7%).

EVH negotiators also remained keen to ensure that wage growth over the coming period does not adversely affect projections made in support of the SHAPS (pension scheme) Recovery Plan. This deal will support that objective as we move towards the forthcoming triennial pension scheme valuation process.

The employers' side have attempted to accommodate these aspirations and in particular within the formula-based elements shown.



2/

This communication is being sent to all EVH Representatives by post. It has also been sent by email to all Directors and Chief Executives. However please remember that only one vote per **Full Member organisation** is permitted, and I would therefore ask CEO's/Directors within Full member organisations to now put this proposal to their local governing body without delay.

With the ongoing uncertainty over postal services, it is preferable that votes be returned by email to Lorna@evh.org.uk

Many Associate members follow our awards and I have therefore copied this to them for information only. Associate members need not return voting papers.

Yours sincerely

John Ferguson
Chair – EVH Negotiating Committee

EMPLOYERS' BALLOT PAPER

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Name of Organisation	
Membership type	Full
Name	
Title	

Please vote by placing an X in the appropriate box. Do you confirm the EVH Negotiators' position that salaries be increased as set out above?

YES ☐

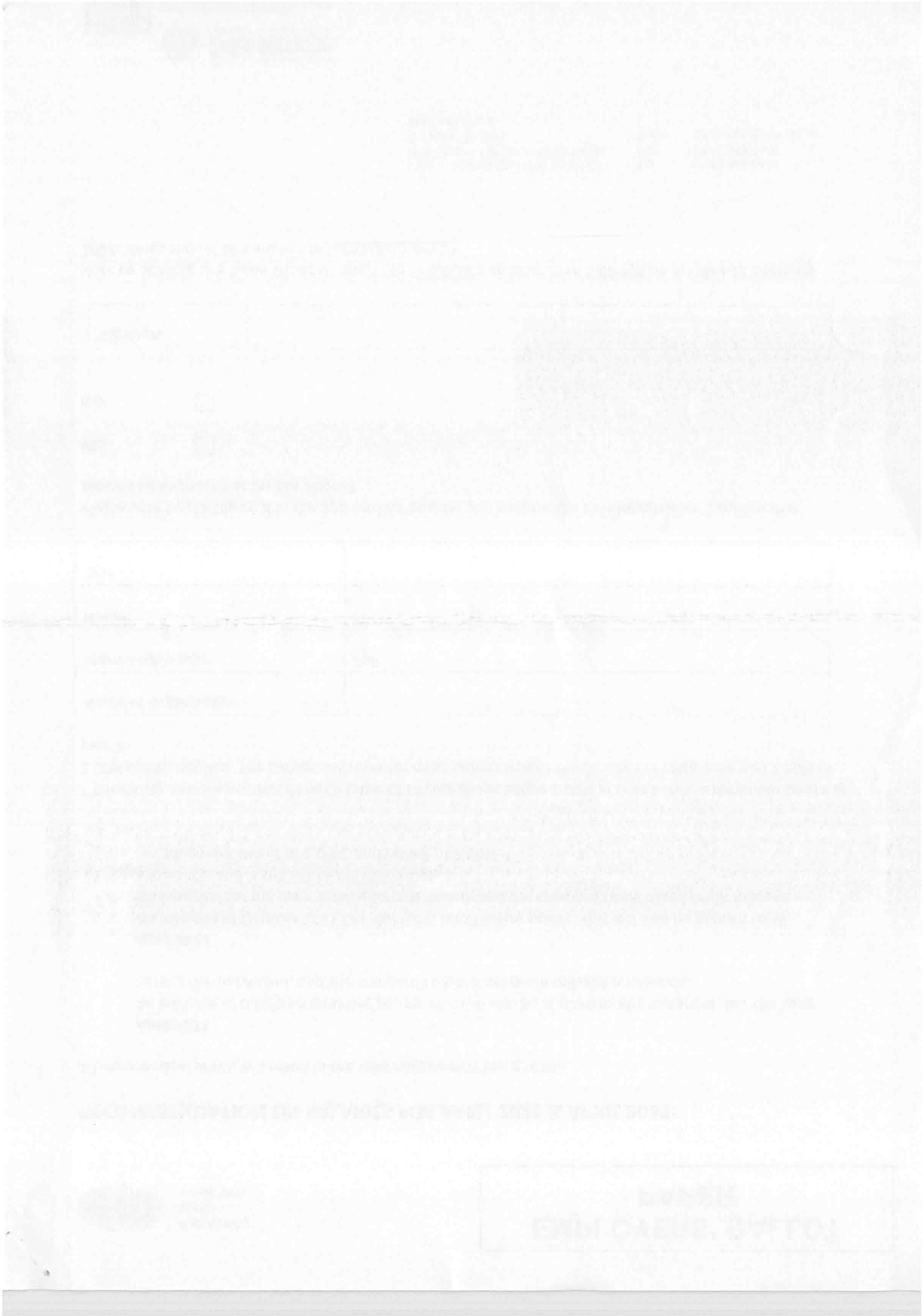
NO ☐

Signature	
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Vote by sending this Ballot Paper to reach the EVH Office **no later than 5:00 PM on Sunday 28 February 2021**. Votes should be e-mailed to Lorna@evh.org.uk

EVH – Supporting Social Employers
Fifth Floor – 137 Sauchiehall Street
Glasgow G2 3EW
www.evh.org.uk

Tel 0141 352 7435
Fax 0141 352 7449
Email Enquiries@evh.org.uk



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Signature	
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The Hub Café

Before:



After:

