

19 August 2021

Dear Member,

The next Management Committee will be held on **Thursday 26 August 2021, at 6PM via Zoom**

Agenda Item	Lead	Time	
1. Welcome, Sederunt & Apologies.	Chair	1min	Verbal
2. Jargon Buster			For Information
3. Declarations of Interest.	Chair	1min	Verbal
4. Minutes of the Committee Meeting of 25 June 2021	Chair	3min	Approval
5. Matters Arising & Actions from the minutes report	Director	3min	Note
6. Draft Annual Statutory Accounts Report	Azets	15min	Approval
Appendix 1 - Draft Statutory Account Appendix 2 - Auditors Management report Appendix 3 - Letter of Representation Appendix 4 - SHR Annual Financial Statement (Verbal) Appendix 5 - FCA Return			
7. Management Accounts	Finance Manager	15min	Approval
8. SHR Loan Portfolio return	Finance Manager	10min	Approval
9. Telephone upgrade report	Finance Manager	5min	Approval
10. Internal Audit	Director	10min	Approval
11. Covid – Return to the Hub	Director	10min	Approval
12. Rent Management Policy	Housing Manager	10min	Approval
13. Complaints' update	Housing Manager	10min	Note
14. Operational update	Management Team	10min	Note
15. AGM Planning	Governance Officer	10min	Approval
16. AOCB			
Close of Meeting: 8:00PM. Next Meeting: AGM Wednesday 22 September 2021 at 6PM			

JARGON BUSTER	
Terminology	Definition
Bed Debts	A Bad Debt is an outstanding sum of money owed to the Housing Association that has not been paid, despite repeated efforts to collect the debt .
Covenant Compliance	A loan covenant is a condition in a commercial loan that requires the borrower to fulfill certain conditions or which forbids the borrower from undertaking certain actions, or which possibly restricts certain activities. Compliance means conditions are met in full.
CPI	The Consumer Price Index (CPI) is the official measure of inflation of consumer prices of the United Kingdom
Cyclical Maintenance	Cyclical maintenance is work to maintain the general condition of the property and some communal fittings
Housing Property Depreciation	Housing Property Depreciation is an accounting method of allocating the cost of the property over its useful life and is used to account for reduction in value of the property.
Letter of Representation	A management representation letter is a form letter written by a company's external auditors , which is signed by senior company management. The letter attests to the accuracy of the financial statements that the company has submitted to the auditors for their analysis.
LIBOR	LIBOR is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans. LIBOR , which stands for London Interbank Offered Rate , serves as a globally accepted key benchmark interest rate that indicates borrowing costs between banks
Major repairs/planned renewals	Major Repairs (Investment works) – Kitchen & bathroom renewals, central heating replacements, door entry systems etc.
Reactive Maintenance	Reactive Repairs. Reactive repairs or day to day repairs are funded from rental income and are defined as those repairs which are carried out on a responsive basis as the need arises and are not deferred for inclusion in planned maintenance programmes
RSL	Registered social landlord. The vast majority of Registered Social Landlords are also known as Housing associations. Housing associations are independent, not-for-profit organisations that provide homes for people in housing need.
SHAPS	Scottish Housing Association Pension Scheme
SHIP	The purpose of the Strategic Housing Investment Plan (SHIP) is to set out the priorities for investment in housing in Glasgow over the 5-year period 2019/20 to 2023/24, and outline how the Council and its partners will deliver these priorities

SHR Regulatory Framework	This Framework is the Scottish Housing Regulators Statement on Performance of Functions and sets out how they regulate both Registered Social Landlords (RSLs) and the housing and homelessness services provided by local authorities.
Statement of Comprehensive Income (SOCl)	A statement of comprehensive income contains two main things: the net income and other comprehensive income (OCI) . The net income is the result obtained by preparing an income statement. On the other hand, OCI consists of all the other items that are excluded from the income statement. This was previously known as the Income & Expenditure Statement
Statement of Financial Position (SOFP)	The statement of financial position. The statement lists the assets, liabilities, and equity of an organization as of the report date. This was previously known as the Balance Sheet.
Technical arrears	' technical arrears ' – arrears relating to outstanding housing benefit that a landlord has not received
VOIP – voice over internet phone	Voice over IP (internet protocol), aka VoIP, is the technology that lets you make voice calls using broadband connections. This means that unlike with phone calls, you don't need a public-switched telephone network (PSTN) to make a call. To make and receive calls over the internet, you can use any VoIP-enabled device, a computer with VoIP software, or even a landline phone connected to an analogue telephone adapter

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD ON
24th June 2021 at 11 am - VIA ZOOM**

1. Welcome, Sederunt & Apologies.

Present:

Darron Brown	Chair
Maureen Morris	Vice-Chair
Clare Monteith	Committee Member
Carol Torrie	Committee Member
Sarah Morris	Committee Member

In Attendance:

Martin Wilkie-McFarlane	Director
Carol Hamilton	Housing & Customer Services Manager
Bill Black	Assets & Maintenance Manager
Robert Murray	Finance & Corporate Services Manager
Linda Logan	Minute taker
Laura Reilly	Income Advise Officer (Item 6 only)

Apologies:

Jane Heppenstall	Committee Member
Michelle Harrow	Committee Member
Shona McKenna	Committee Member

The Chair welcomed Laura Reilly, Income Advice Officer, to the meeting.

2. Jargon Buster

Noted for information.

3. Declarations of Interest.

There were no declarations of interest.

4. Minutes of the Committee Meeting of 29 April 2021.

Resolution:

The minutes of the Committee Meeting of 25 May 2021 were proposed by Maureen Morris and seconded by Sarah Morris as an accurate record of the proceedings.

5. Matters arising and actions from the minute report.

The Director advised that the business plan would not be presented at this meeting due to ongoing work on the operational plan. He sought committee approval to present the report at the next meeting. He

proposed that the business plan be pushed back by a year/possibly two; to take account of the impact of Covid 19.

Committee approved that the business plan update be presented to the August committee meeting.

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

6. Covid 19 – Impact on Tenants.

Laura provided an overview of funding and assistance that had been put in place to help our tenants during the Covid 19 pandemic. She asked committee to note that she had assisted 219 tenants with 799 benefit issues during the period. Financial gains for the period were £571,00.00. She stated that there had been 139 crisis support queries during the period; in the main due to additional expenditure on fuel and food provisions. She noted that initial referrals had been made to Connect Community Trust as they had had access to white goods and food parcels. Laura had then applied to the STV children's' appeal emergencies trust and we were kindly awarded £2,000. £1,600 had been awarded to 40 fuel top ups and the additional funds allocated to over 20 food parcels which were made up by Laura and the Estate Wardens, and distributed to those in need.

She had then identified people who did not have access to Wi-Fi and those that could not access their universal credit etc. due to lack of access to local internet facilities. The support community fund provided £9,700 which had been used to purchase 30 tablets that were lent to tenants within the community. The tablets came with 6MB of data which provided free internet access from August of last year. Internet access had now ceased due to no further funding however, the funds that had not been utilised will be allocated to a few people requiring mobile phones. 41 people have benefit from this service to date.

Laura highlighted that in addition to the above she had applied to the STV children's fund and had identified 10 families who were experiencing difficulties. 13 children had been awarded £100 over the winter period. The Wee Gee fund had been used to purchase sweets for children and boxes of biscuits for pensioners within the community. The EHRA group had also awarded £1,000 which had been used to help 31 families experiencing fuel poverty.

£400 remains in the Ruchazie Pantry fund, 10 awards have been provided to date. Laura noted a reluctance from people to access the fund.

The Glasgow City Council Emergency Fuel Fund awarded through the EHRA group still has £2,400 left available in the fund. 21 awards have been made to date.

Laura noted that fuel poverty has increased within the area. She had signed up to the Home Energy Portals to make referrals especially for people who have capped meters etc. She suggested inviting Home Energy Scotland for face-to-face meetings with tenants when the office re-opens to provide further advise.

She stated that accessing funds and grants had been very time consuming. She suggested that when the office re-opens that consideration be given to a funding raising committee being established to assist in the applications processes.

She asked if committee had any questions.

Maureen Morris stated that a recent article in the Scottish Housing News had indicated that the Scottish Government would make funds available to those people in rent arrears. Laura confirmed this. However, details were not available at this time. She highlighted that the tenant hardship fund that had previously been set up that had been difficult for some tenants to access due to a poor credit rating and affordability issues.

The Director thanked Laura for all her work. He acknowledged that she was one of the most talented income advisors he had ever worked with. The Chair reiterated these thoughts and thanked Laura on behalf of the community for everything she has done and the financial gains she has accessed for the people of Wellhouse.

Laura left the meeting at this time.

7. 30 Year Financial Projections incorporating Scottish Housing Regulator (SHR) Five Year Financial Projections (FYFP)

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

He highlighted that the setting of the long-term projections' forms part of the annual business planning cycle which reflects the Associations current business/operational and longer-term plans. The Financial Projections will include the 5-year annual projections and will be reported and submitted to the Scottish Housing Regulator by 30th June 2021 and will also be sent to our lenders to comply with financial covenant requirements. He noted that our external Auditors, Azets, had been commissioned during the absence of a Finance Manager being in place and these figures reflect their projections. He highlighted those various scenarios that had been stress tested. All scenarios had concluded with a positive cash flow and surplus projection.

Year 1 is based upon the approved 21/22 budget, and reflect the figures included in the annual budget formally adopted by the committee at its meeting in November 2020. Proposed development activity has not been included in the long term as it would not be considered appropriated at this time to include these projections.

He noted a strong financial position with surpluses being generated annually over the 30-year period. The cash position starts at just over £1.7M. There are surpluses made each year as the cash balance rises steadily until year 9 when capital repayment on an RBS loan commences. He highlighted that between years 15 and 23 that there were a few cash deficits however these are the years when there is expected to be considerable investment in stock with a large amount being spent on replacement components.

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

Major repair costs increase in year 1 and 2 which reflect works delayed due to Covid restrictions. Major repairs costs increase by an additional 5% resulting in cash reducing by more than £100K.

He asked if there were any questions relating to the assumptions within the report.

The Director sought confirmation that pages 19 – 21 of the report would be reflected in the annual return to the Regulator. The Finance & Corporate Services Manager confirmed this. He noted that the print out included within the report may not have captured the information as required. The Director informed

committee that in future years the completed template as submitted to the Regulator will be presented on screen for committee consideration

Resolution:

Committee noted and approved the 30-year projections.

Maureen Morris proposed and Clare Monteith seconded the 30-year projections.

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

8. Rent arrears update report

The Housing Manager asked committee to note that since the last committee update, gross current rent arrears had increased by £14,537 at 31 May 2021 to £350,631 – 10.44% of annual income, which was in the main due to the delay in the end of month payments due on the holiday weekend. Similarly, other tenants who normally make payments at the end of the month were not included and will be reflected in next month's accounts. In addition, housing benefit is paid every 4 weeks by GCC and the cut-off date was 9th May therefore housing benefits payments from that date are not reflected in account balances.

She asked committee to note that whilst every effort is being made by the housing officers to tackle arrears; their efforts are being adversely impacted by those tenants in the legal system who continue to take advantage of the temporary legislation and are refusing to engage or pay. She asked committee to note the housing officer activity as outlined at appendix 1 of the report. The value of evening and weekend working continues to be monitored.

Committee noted the contents of the report.

9. Annual Complaints Report

The Housing & Customer Services Manager provided an overview of the complaints and compliments for the period 1 April 2020 to 31 March 2021. 23 complaints had been received during the year. With the exception of 3 complaints all were responded to within the required timescales, which was in the main due to the 3 complaints being received on the last 2 days of the year and were not responded to in time to be included in the ARC return. 5 complaints were investigated out with the 5-day timescale which were in the main due to rechargeable repair queries. The average resolution time was 3.73 days against an SPSO target of 5 working days. 16 of the stage 1 complaints had been resolved and 6 not upheld. She noted that the majority of the complaints had been in relation to policies and procedures and lack of communication to tenants. 6 compliments had been received during the course of the year.

Committee noted the contents of the report.

10. Development Ambitions/Surface Water Management

The Director presented the report to update on progress with development plans. He drew committees' attention to pages 35 – 40 of the report noting our Strategic Development Funding Plan which had been formally resubmitted to Glasgow Council outlining our development ambitions. Since time of writing the Director had received a project plan from our development agent, Simon Metcalfe,

which looks at proposed development and time lines for each development. The Director suggested that a development subcommittee be convened next year to take account of the whole development programme and expenditure required.

An article had been included in the newsletter highlighting the works proposed by Scottish Water to mitigate flooding issues. Representatives from Scottish Water will carry out a site visit next week to look at the proposed sites for rain water gardens.

Clare Monteith sought clarification as to who would maintain the rain water gardens. The Director considered that it would be the responsibility of the local authority and Scottish Water. He noted that the rain gardens require very little maintenance however further discussion would be required with the local authority should they indicate they were unable to maintain them.

Resolution

Committee;

**Noted the updated and instructed the Director to bring future progress reports;
Approved further exploration of flood prevention work, including a demonstration rain water garden at the Hub.**

Clare Monteith proposed and Sarah Morris seconded further exploration of flood prevention works including a demonstration rain water garden at the Hub.

11. Allocation Consultation Discussion

The Housing & Customer Services Manager presented the report to provide suggested categories and proposals for the Allocation Policy review and consultation process. She noted the Housing Scotland Act 2014 set out 3 categories of applicants who should be given reasonable preference in the allocation policy, these being homeless persons, people living under unsatisfactory housing condition and under occupying social housing tenants. She asked committee to note that we currently have 481 applicants on our waiting list, noting that 61 were transfer applicants and 31 from households within our community. 8 tenancies had been offered to Wellhouse transfer and waiting list applicants over the last 2 years.

Committee were invited to discuss the suggestions by staff that might be considered in the review of the policy as set out at appendix 1.

A lengthy discussion ensued regards maximising opportunities for our tenants in line with legislative requirements and ways in which to communicate the % of applicants who were actual Wellhouse residents.

Resolution:

Committee noted and approved proposals to be consulted on for inclusion within the policy review.

Maureen Morris proposed and Clare Monteith proposed the suggestions to be consulted upon.

12. Anti-Social Behaviour Policy

The Housing & Customer Services Manager reiterated agreement from Committee to remove the antisocial behaviour element from the neighbourhood management policy and to create a stand-alone policy. The policy had been updated to reflect partnership working and in line with references to legislation and governance. The policy had been published on the website inviting service users to provide comments. No comments were provided via the website.

Resolution:

Committee;

Noted the outcome of the consultation on the Anti-Social Behaviour Policy

Approved the Anti-Social Behaviour Policy

Maureen Morris proposed and Clare Monteith seconded adoption of the Anti-Social Behaviour Policy

13. Operational Update:

Director

Covid 19.

The Director stated that current guidance from the Scottish Government anticipates that we move to level 0 with a potential return to work date of 9th August 2021 although still support home working in the interim period. A more detailed report will be brought to the August Committee meeting. He discussed back up plans to consider another remote AGM this year.

Newhills Road.

The Director proposed commissioning an agent to market the property at Newhills Road. Most of the interested parties have now indicated that the unit may be too big and requires too much of a fit out. Getting change of use permission is also proving difficult for potential tenants due to the inability to access the correct staff at the local authority. He will update as the need arises.

Fly-Tipping.

The Director updated on a meeting with Glasgow City Council who have now confirmed that bulk uplift is free of charge however they will only uplift it if it requested via an app or internet by a tenant. He informed of the potential to report bulk uplift to a local Cllr. who would report on behalf of the constituency.

Housing & Customer Services Manager

There were no additional items that had not been reported on in subsequent agenda items

Assets & Maintenance Manager

Adaptations.

The Assets & Maintenance Manager informed that we had had the grant funding for adaptations extended to £25,000. We currently have 8 adaptations, 7 have been issued with 6 completed. 1 is waiting on a joint visit with the OT and will be progressed as soon as possible.

Windows & Doors

It is hoped that an open day will be organised for tenants to meet with the contractor and view samples of the proposed windows and doors. A site start has been proposed in for the start of September.

Discussion ensued with the regards the one-off household bulk uplift provided by the estates team which had gone well. Bulk remains a major issue and has impacted on the estates team capacity.

14. AOCB

The Director stated that due to current changes in Covid restrictions, East End Flat Pack meals are proposing to open up in the Hub café fairly soon. The Director will email committee with confirmation of when this will happen.

There was no other business. Meeting closed: 1pm
Next meeting: 26th August at 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 August 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 were suspended during COVID-19 lockdown period. As of August, we need to find a new development agent as NGHHA no longer have capacity.
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 at this committee meeting, with a focus on phased/ blended return to work.

January 2021					
Policy Review					
Abandonment Policy & Anti Social Behaviour 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	Closed	The Housing Manager confirms that upon further examination of Appendix 4 of the Abandonment Policy, there is sufficient provision for recording personal items which are found in each area or room of a property. The Housing Officers use this document to record all items including personal items.
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	Closed	The policy and further information were posted to the website informing tenants of the use of body cams and the purpose thereof.
Factoring Policy	A further updated factoring policy will be presented in October to take account of recently issued legislation	Housing Manager	October 2021	Open	A Factoring Debt Policy was approved by the Committee in August and had been posted to the website as required. The Factoring Policy is under review and will be presented to committee in October 2021
Rent Arrears update	The Housing Manager will provide committee with rent arrears case studies in line with GDPR guidelines in her next update	Housing Manager	February 2021	Open	The Housing Manager will provide an update at the October 2021 committee meeting.
Tenant Christmas Bonus	Committee agreed 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	Closed	Appendix 2 of the Rent Arrears update paper presented to Committee on 29 April 2021 provided details of various incentive schemes for tenants. It was agreed that a monthly prize draw for a £20 voucher would take place for tenants who pay by direct debit, in advance and who have no rent arrears.
June 2021					
There were no actions or matters arising from the June 2021 committee meeting					

Management Committee	26 th August 2021
Agenda Item	6
Title of Paper	2020/21 Draft Annual Statutory Accounts
Author	Robert Murray, Finance & Corporate Services Manager
Attachment(s)	1. Draft Annual Statutory Accounts 2. Auditors Management Report 3. Letter of representation 4. Scottish Housing Regulator (SHR) Annual Financial Statements (AFS) On-line Submission (Verbal)

FOR APPROVAL

1 PURPOSE

- 1.1 To consider and approve the annual financial statements for the year 2020/21.
- 1.2 To consider the management letter received from the external auditors.
- 1.3 To agree the response from the Association to the management letter/report.
- 1.4 To approve the letter of representation to be sent from the Association to the external auditors.
- 1.5 To consider the AFS On-line Submission.

2 RECOMMENDATIONS

- 2.1 That the Management Committee considers and approves the annual financial statements for the year to 31 March 2021.
- 2.2 That the Management Committee considers and discusses the Audit Management Letter/Report from the external auditors in respect of their audit of financial statements to 31 March 2021.
- 2.3 That the Management Committee agrees the Association's response to the Audit Management Letter/Report.
- 2.4 That the Management Committee agrees the contents of Letter of Representation, signed version of which to be issued to the external auditors.
- 2.5 That the Finance Manager should proceed to submit the AFS On-line Return to SHR once the Financial Statements have been approved.

- 2.6 That the Finance & Corporate Services Manager submits the FCA Annual Return by the specified deadline of 31 October 2021 once the Financial Statements have been approved.

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 12:15 from 2020/21 Operational Plan – "External Audit".

- 3.3.1 FCA Return- Due to the need for amended passwords and access the FCA report is not within this pack and will be included next month. This will still be lodged before the 31st October 2021 deadline

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

4 BACKGROUND

4.1 Annual Accounts

- 4.1.1 Draft annual accounts for the year to 31 March 2021 are attached for consideration and review. The opportunity to make changes, where appropriate, remains.

- 4.1.2 The financial statements have been audited by Azets Audit Services, and in their opinion the statements:-

- give a true and fair view of the Associations affairs at 31 March 2021 and of its income and expenditure for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator

- 4.1.3 The figures are consistent with the information presented to Azets Audit Services by the finance team at the commencement of the audit. There were after discussions a few adjustments required to figures on the face of the Accounts, together with some presentational changes.

4.2 Audit Management Report

- 4.2.1 On an annual basis the external auditors are required to issue a formal report to the Management Committee on their findings from the audit carried out - including conclusions, areas of risk and any significant audit and accounting matters. This

information is provided to SHR as a matter of course together with the formal reply to the report by the Management Committee. Details of the draft report are attached and can be discussed in full at Management Committee meeting.

4.2.2 A representative from Azets Audit Services shall be in attendance at the meeting to review the contents of the accounts and discuss audit findings with Committee. The Finance Manager will also be in attendance at Management Committee meeting.

4.2.3 Management Committee will be asked to discuss the draft response to this Management Report and give approval.

4.3 **Letter of Representation**

4.3.1 On an annual basis the external auditors would normally request that the Management Committee sign a letter of representation provided by the auditors.

This letter is used to allow the Management Committee to declare in writing that the financial statements and other presentations to the auditors are sufficient and appropriate and without omission of material facts to the best of the Management Committee's knowledge

4.4 **Scottish Housing Regulator AFS On-line Return**

4.4.1 The Audited Financial Statements (AFS) return is an online return designed to collate selected information from the audited annual financial statements of RSLs in Scotland. This return should be consistent with the Financial Statements and the layout reflect the requirements of the Determination of Accounting Requirements and the SORP. The AFS return is a regulatory requirement and is accessed through the Social Landlord Portal.

4.5 **Financial Conduct Authority Annual Return**

4.5.1 There is a statutory requirement for Wellhouse to complete and submit the Annual Returns to FCA by 31 October 2021. This appendix is not included within this report and will be submitted to Committee next month. It has been necessary to obtain new access passwords for the submission portal and they will arrive in the near future. All information is available to complete the return when access to the portal is granted to me as the named person.

5 **MAIN ISSUES**

5.1 **Draft Statutory Accounts**

The Report of the Management Committee starts on page 1 and covers 10 pages. This is quite detailed and reports on core values, strategic objectives, review of business, future developments, principal risks, KPI's and internal financial controls. This report is followed by the Report of the Independent Auditor, which covers scope of the audit, conclusions on Going Concern, responsibilities of Management Committee and Auditors, and their opinion of the financial statements. The financial statements, as such, and all accompanying notes are on pages 17 to 46.

Main Points from the Accounts

- Turnover for the year is £3,999,024 increasing from £3,863,455 in 2019/20.
- Operating expenditure for the year is £2,937,315 which is an increase from the previous year of over £131,695
- Surplus for the year is £870,069 compared to a surplus for 2019/20 of £846,379.
- Other Comprehensive Income includes an actuarial loss of £234,000 in respect of the multi-employer DB Pension Scheme in the Accounts. This compares with an actuarial gain in the previous year of £309,524.
- Surplus after including Other Comprehensive Income is £636,069. This is down from £1,155,903 in 2019/20, a reduction of £519,834 from the previous year.
- Housing properties has decreased to £27,523,869 reflecting replacement components of £168,832 and an additional property of £85,000 less disposals of over £73,283.
- Housing properties depreciated cost is £27,443,339.
- Cash balance has risen by around £911,136 to £2,929,887 at year-end.
- Net assets at 31 March 2021 are £7,196,197 increasing from £6,560,128, reflecting the total comprehensive income for the year of £636,069.

The annual surplus for the year of £636,069 is £313,815 higher than the figure reported in the management accounts to 31 March 2021. The main changes are as follows:-

- £234,000 – Actuarial loss in respect of multi-employer DB Pension Scheme;
- (£9,815) – Increase to property depreciation.

The budget for the year indicated a surplus of £641,041, therefore, an adverse variance of around £4,972.

Turnover has increased from 2019/20 by just over £100,830. The rent increase of 2.6% accounted for £82,541, together with offset by £33,400 increase in revenue grants along with release of deferred grants decreasing by £6,138 in 2020/21.

Operating costs have increased by around £131,140 since 2019/20. The charge to SOCI for bad debts provision accounts for an increase of £19,522. Staffing costs have increased by around £31,890, and these have been offset by a reduction in maintenance costs of £65,290.

Interest payable has reduced by around £14,562, mainly due to a Clydesdale Bank loan reverting back to variable rate generating a saving in interest of £30,000 per annum.

There was no development in 2020/21, however, cost properties increased due to investing £168,832 in replacement components and an additional buy back of £85,000. Disposals of components and depreciation of over £1 million means that the figure in the Statement of Financial Position for Housing Properties has fallen by almost £80,530

Cash has increased by just over £911,136 to just over £2.9 million. This is mainly due to savings from the planned renewals programmes and operational surpluses.

Debtors – although rent arrears have increased by £92,234, bad debt provision for rent arrears has increased by £93,268 resulting in £4,262 increase in debtors.

Creditors: Amounts falling due in less than one year has increased by £81,808. This is due to the trade creditors and accruals figures increasing by around the same amount.

Creditors: Amounts falling due in more than one year has reduced by £722,339 This is due to the release of Deferred Capital Grants £467,865 and loan capital repayments of £254,474

Cumulative Revenue Reserves and Net Assets are now sitting around £7.2 million, increasing from £6.6 million.

5.2 **Audit Management Report**

The Audit Management Report identifies 6 audit adjustments, which were made to Accounts after being presented for Audit. These adjustments had an effect on the bottom line and the main adjustment was the treatment of the SHAPS Past Service Surplus. These adjustments have been made and are included in the draft statutory accounts within this report.

There were another 6 transactions disclosed to and by the Auditors, however, it was felt that these could remain unadjusted. These are detailed within the report.

During the course of the audit of the financial statements, Azets examined the principal internal controls, which are in place to ensure accuracy of accounting records and to safeguard the Association's assets. They have identified one observation and this has been graded as 3 and is considered to be moderate risk exposure. This is a similar observation as was included in last year's report and, therefore, the observation still remains. Having reviewed the method previously used I find this to be against accounting concepts and we will therefore adopt the correct procedure for recognising expenditure in the periods as invoiced.

6. **DISCUSSION**

- 6.1 Committee is invited to discuss any of the information contained in the draft Statutory Accounts and the observations raised in the Audit Management Report and to discuss the management responses to the observations.

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

- 7.1 There is a regulatory requirement for Wellhouse to submit the approved and signed financial statements together with the management letter and the management response to the management report to SHR by 30 September 2021 in accordance with SHR guidance. There is also a regulatory requirement for Wellhouse to submit an online Return to SHR detailing the figures within the accounts by 30 September 2021.
- 7.2 There is a statutory requirement for Wellhouse to prepare and have audited financial statements for the year ended 31 March 2021 completed by 30 September 2021. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard

102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

7.3 Covenant compliance - Lenders, in line with the loan agreements, require signed copies of the year end accounts information by 30 September 2021.

7.4 Because Wellhouse is registered under the Co-operative and Community Benefit Societies Act 2014, there is a statutory requirement to complete and submit Annual Returns to FCA

8. FINANCIAL IMPLICATIONS

8.1 Not applicable.

9. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to prepare Financial Statements in accordance with applicable law and reporting standards and have them audited accordingly would result in Wellhouse failing to comply with statutory and legal requirements.	That Wellhouse will fail in one of its legal obligations by not submitting the Annual Return by the required deadline date.	
Mitigation	Mitigation	Mitigation
Ensure that the Financial Statements are prepared using applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). Ensure that the Financial Statements are audited by an independent auditor, who will express an opinion in accordance with applicable law and International Standards on Auditing	Ensure all Finance staff are aware of the deadline dates for all statutory, legal and regulatory returns.	

10. EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

10.1 None apparent.

11. SUSTAINABILITY

11.1 Not applicable.

12. SWOT ANALYSIS

12.1 Not required.

13. CONCLUSION

- 13.1 The external audit took place during the first week in July and on the whole the process went smoothly, with no significant issues to report. Positive financial results being posted.

WELLHOUSE HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

WELLHOUSE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE OFFICERS AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

MANAGEMENT COMMITTEE

Darron Brown	Chair
Maureen Morris	Vice Chair
Clare Monteith	Committee Member
Michelle Harrow	Committee Member
Jane Heppenstall	Committee Member
Sarah Morris	Committee Member
Shona McKenna	Committee Member
Carol Torrie	Committee Member
Stewart McIntosh	Committee Member (appointed 27 August 2020, resigned 25 February 2021)

EXECUTIVE OFFICERS

Martin Wilkie-McFarlane	Director & Secretary
Carol Hamilton	Housing & Customer Services Manager
Gordon Kerr	Finance & Corporate Services Manager (resigned 31 December 2020)
Robert Murray	Finance & Corporate Services Manager (appointed 12 April 2021)
William Black	Assets & Maintenance Manager

REGISTERED OFFICE

The Hub
49 Wellhouse Crescent
Glasgow
G33 4LA

EXTERNAL AUDITOR

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

INTERNAL AUDITOR

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

BANKERS

Clydesdale Bank plc
49 Main Street, Baillieston,
Glasgow
G69 6SQ

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

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Registration information

Financial Conduct Authority	Registered number 2469R(S)
Registered Housing Association No:	HAC281
Scottish Charity Number	SC036552

**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

The Management Committee presents its report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2021.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No 2469R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036552. The Association was incorporated in Scotland.

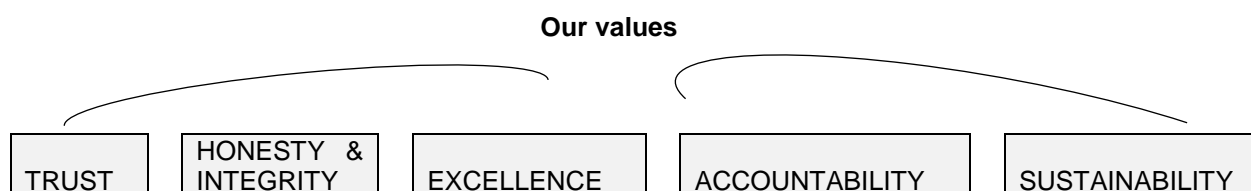
Strategic Report

Principal Activities

The principal activity of the Association is the provision and management of affordable rented accommodation.

Our Values

As a charity and a community-controlled housing association working to deliver social benefits, our values are very important to us. They underpin our services and drive our behaviours. They are:-



Our Vision: Wellhouse – the Place to Be

Encapsulated in this simple statement is our vision of Wellhouse as an attractive place where people feel happy and safe, benefit from having a good home and an attractive environment and feel proud to be part of a vibrant community.

Our Strategic Objectives

To ensure we stay focused on transforming our business and making the social impact we seek, we have developed a set of six strategic objectives for the period of the new Business Plan 2019/20 to 2021/22. From these objectives, all our activities will flow. We will also measure our success by setting targets against these objectives, ensuring that we deliver them effectively and efficiently. The six objectives are to:

Our Strategic Objectives (cont'd)



Review of Business 2020/21

2020/21 Covid 19 Global Pandemic

As with all organisations, the coronavirus pandemic had a significant impact on our business. The office was closed to the public in late March and our staff began working from home from 23 March 2020. This situation remained in place for the entire financial year 2020/21. Whilst we had a few teething problems, the switch to hybrid remote/ on-site working went well and we received very positive feedback from residents about our service delivery and keeping people updated throughout this unprecedented time. Our regular residents survey reported to us quarterly and satisfaction rates ran very high, which we are delighted to report, especially with our estates team.

We are seeing the re-establishment of services at the time of writing this report - currently we are working on a September 2021 for non-essential office work to return and the start of a window & door replacement programme. Responsive repair work continued to be delivered by our maintenance team and the estates team worked tirelessly during the entire lockdown period, sometimes against huge challenges whilst council services were suspended. Our staff phoned all of our residents over the age of 70 (where we had the number) for welfare checks and worked closely with other organisations to ensure support was in place. The Management Committee continued to meet via Zoom and carry on business as usual. We also:

- Granted £1,000 to CCT as part of the greater Easterhouse Covid response team to deal with social isolation and deliver food parcels;
- Granted £2,000 to CCT as match funding to deliver a summer programme for Wellhouse's Young People;
- Secured £2,000 from STV which we grant aided to support fuel bills and food deliveries locally (we managed this ourselves);
- Secured £9,750 from Government to deal with those digitally excluded, which we are managing directly too.

Review of Business 2020/21 (cont'd)

1. Regulatory Engagement

- We continue to work with the Scottish Housing Regulator (SHR) in a positive and constructive manner. We submitted an assurance statement in October 2020 and all other regulatory returns, including a new covid report timeously;
- There has been zero expenditure on regulatory engagement or directly related costs since last year's AGM; and
- Wellhouse was found to be compliant with regulatory requirements, including the standards for governance and financial management in 31 March 2021.

2. Governance

The Management Committee:

- Held 11 committee meetings in the year and our AGM - all of which were held remotely;
- Held a Special General Meeting in late 2020 and adopted the New Model Rules, which have been lodged with all regulators;
- Scheduled 15 days of internal audit days in 2020/21 conducted by Wylie Bisset, reviewing the following subjects – Fixed assets, Developments, Factoring and Business Planning;
- Scheduled a business planning session to review our 3-year plan and asset management strategy – COVID-19 lockdown, in effect, led to a suspension of all work for 18 months, so the plan we are delivering will be reworked and placed onto the website by the end of 2021/22;
- Conducted a sixth consecutive year of committee appraisals and are acting upon continuous improvement and our approved succession planning policy;
- Reaffirmed our approach to equalities & diversity, extending it to embrace human rights and promoted this to tenants, applicants, staff and stakeholders. We are working with the regulator and membership bodies to ensure we get this right;
- Submitted our returns timeously and accurately to the SHR, OSCR and the FCA;
- Continued networking with our colleagues in EHRA which included campaigning and lobbying, service improvement and benchmarking performance, social welfare projects and initiatives, employment and training for local people and training for EHRA staff and committee and worked with EHRA to produce a covid response report, which will be published in due course;
- Commissioned a joint project with peers across Glasgow to review governance and supporting documents;
- Worked with the city council and Scottish Water to explore future development options; and
- Worked with elected members to aim to resolve issues around refuse, bulk and recycling.

3. Strategic Update

3.1 Wellhouse Housing Association Executive Management:-

- Switched the service to a hybrid service delivery model, with estates and maintenance staff being predominately on-site and other staff mainly off-site;
- Focused on Value for Money – we have for the third consecutive year cut the costs in a number of areas of the business and continue to keep this as a focus;
- Retained a number of charter marks from the Chartered Institute of Housing and other bodies;
- Make significant progress, in partnership with Glasgow City Council and Scottish Water, with our plans in relation to flood mitigation and environmental work in order to prepare for development work;
- Focused on operations and core business;
- Completed a further programme of policy reviews;
- Published all committee minutes and reports;

**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Review of Business 2020/21 (cont'd)

- Reported on our performance to tenants;
- Produced a plan for common areas, bin shelters and back courts which can be launched post-lockdown;
- Supported community activities over the lockdown period and negotiated new service providers for the Hub café and community activities;
- Renovated and marketed the vacant shop unit at Newhills Rd; and
- Worked with Glasgow City Council on matters such as refuse collection; fly tipping; litter and dog fouling.

3.2 In 2021/22, our plans focus on re-launching the plans suspended by Covid, including -

- The re-invigoration of our community activities with a new provider (Easthall Residents Association having already completed all due diligence);
- Attaining a valuation and Site Investigations for the St John Ogilvie Site and open negotiations accordingly;
- Updating Valuations for the Balado Rd Primary School Site and opened negotiations accordingly;
- Providing significant investment in back court and bin area upgrades – to be fully delivered post lockdown;
- Consult widely with tenants;
- Carry out a rent affordability exercise;
- Explore options around estate management and bulk refuse;
- Commission a development agent, insurer and both internal & external auditors;
- Reinvest in our staff; and
- Invest in the Hub in relation to maintenance work required.

At the time of writing, due to the unforeseen impact of the Covid-19 Pandemic, the delivery dates on these will be subject to change.

4 Housing & Customer Service

4.1 Void/Allocation Performance 2020/21

- The Common Housing Register consisted of 8 defined Housing Needs Groups and we allocated a percentage of properties to each group;
- There were 482 applicants on the Common Housing Register who had expressed an interest in being rehoused in Wellhouse HA;
- We let 24 properties;
- We leased 3 additional properties for Homeless temporary Furnished Flats;
- We took 30.57 days on average to let properties in 2020/21;
- Our void rent loss to the end of 2020/21 was 0.67%; and
- 91.43% of new tenants sustained their tenancy for more than one year.

4.2 Customer Satisfaction

- Overall satisfaction indicators showed increasing customer satisfaction rates across the range of indicators;
- All satisfaction indicators were within target; and
- The two satisfaction areas below target last year were:
 - percentage of tenants who feel their landlord is good at keeping them informed about their services. This improved from 88% to 95.1%.
 - percentage of tenants satisfied with the landlord's contribution to the management of the neighborhood they live in. This improved from 79.5% to 92.4%.

Review of Business 2020/21 (cont'd)

4.3 Rental Income Performance

- Rent collected for 2020/21 was 97.21% of monies due;
- The gross rent arrears, (adjusted for technical and w/offs as per ARC Report) had increased to £358,640 (10.86% of rental income) at the end of 2020/21;
- At the end of 2020/21, 108 tenants owed more than £1000. The total debt of these cases was £234,728, which accounts for 69.72% of the current arrears.
- Rental income continued to be affected by Welfare Benefit Reform and Universal Credit throughout 2020/21;
- Income Advice Officer continues to provide an excellent service and to date she has accessed in excess of £3.3m in financial gains for tenants and the Association and the Drop- in service proved to be a great success; and
- The Income Advice Officer provided excellent assistance to 177 service users in 2020/21.

4.4 Housing & Customer Service: in 2021/22: -

4.4.1 We will continue to work with a variety of support providers to assist those affected by: -

- Domestic Violence;
- Numeracy and literacy issues;
- Mental health;
- Multiple debts including debts accrued or increased as a result of Covid-19;
- Alcohol and drugs misuse;
- Victim Support;
- People with Physical and Learning Difficulties; and
- Support services for very young tenants.

4.4.2 Voids/allocations:

- We continued as members of the Common Housing Register (CHR) with four of our neighboring Housing Associations and worked on a review of the Common Housing Register outcomes to ensure it was meeting the policy outcomes we wish to deliver and meeting the needs of our applicants. Please note that we left the CHR at the end of April 2021;
- The targets we have set for 2021/22 are focused on increasing lets to homeless applicants, whilst continuing to rehouse other priority groups. We have set an ambitious target of 40% for homeless households, up 15% from 2019/20; and
- The planned review of Homeless Temporary Furnished Flat provision within our stock with Glasgow City Council (GCC) was impacted by Covid -19. However, existing occupiers who wished to remain in accommodation were offered the permanent tenancy and three additional properties were leased to assist to GCC to help them respond to the challenges posed by the pandemic in 2020/21.

4.4.3 Customer Satisfaction

- Due to Covid -19 the Scottish Government suspended the Next Steps Programme. Our intention is to resurrect this work with TPAS, staff, committee and our tenants to deliver against our previously agreed action plan; and
- We will continue to review out opportunities for consultation with our tenants and service users to ensure we consult widely.

Review of Business 2020/21 (cont'd)

4.4.4 Rental Income

- We will carry out a rent affordability exercise;
- We aim to reduce the numbers of tenants owing rent and we will focus our support to those individuals and families as well as those who have accrued debt over many years and the policy will be updated accordingly;
- To date we have 197 tenants who are in receipt of UC and collectively they owe around £166,171. The Income Advice Officer and Housing Officers will continue to support these tenants as well as those who have accrued rent arrears directly as a result of Covid-19; and
- We aim to increase our rental income and to reduce our current arrears to the set target of 8.00%.

5 Maintenance

5.1 2020/21 Maintenance Plans included:

- Deliver £1.1m of planned maintenance investment;
- Continue to work with Scottish Water in a positive manner on the drainage impact assessment for the area;
- Procure several contracts delivering community benefits and value for money including;
- Repairs and Voids;
- Cyclical Painting, Electrical testing; and
- Gutter Cleaning, roof anchor testing/installation.

With the ongoing Pandemic and restrictions on working practices, as highlighted last year, we found that what we budgeted was by and large not deliverable, mainly due lockdown impact, Social Distancing and changed methods of delivery. We are starting a window and door replacement contract in September 2021 to the value of £300,000 and we delivered response 1431 repairs to the value of £56,000 together with cyclical repairs of £268,000 in 2020/21. We also made significant progress with our flood mitigation plans and fully renovated the community space in the Hub and the vacant shop unit at Newhills Road.

6 Finance & Corporate Services Summary

6.1 Highlights from 2020/21 Accounts

- Turnover - £4 million
- Operating Costs - £2.9 million
- Surplus for Year - £1.1 million
- Housing Properties - £27.5 million
- Cash - £2.9 million
- Housing Loans - £7.9 million
- Revenue Reserves - £7.2 million
- Loan Financial Covenants Compliance

6.2 Value for Money (VFM)

- New Value for Money policy approved by Committee and now appearing on website;
- Continuing commitment to saving money through lower costs and efficiency savings; and
- Procurement policy requires competitive tendering for new contracts.

**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**
Review of Business 2020/21 (cont'd)
6.3 Freedom of Information (FOI)

- Wellhouse Housing Associations is now covered by Freedom of Information legislation as of 11 November 2019;
- A Model Publication Scheme has been adopted and Scottish Information Commissioners guidance is being followed;
- Wellhouse website has been updated to reflect the updated guidance on Open All Hours Framework; and
- Quarterly statistical reporting to Scottish Information Commissioner.

6.4 2021/22: the year ahead

- Consolidate the Value for Money function and ensure it is reviewed regularly and remains fit for purpose;
- Consolidate the Freedom of Information function and continue to look for improvements in the way this function is carried out; and
- Carry out a full review of the IT function and introduce new software/hardware where appropriate.

7 Key performance indicators as reported in 2020/21 Annual Return on the Charter

KPI Brief Description	KPI Target	2020/21 Actual (ARC)
Rent Collected as % of total rent due for year	100%	97.21%
Gross Rent Arrears as % of rent due for year (Current & Former Tenants)	8.0%	11.85%
% of Void Rent Loss	0.60%	0.67%
Average time to complete EME repairs	4 hours	2.18 hours
Average time to complete NON-EME repairs	6 days	3.48 days
Reactive repairs carried out completed right first time	100%	99.21%

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1. Each member of the Management Committee holds one fully paid share of £1 in the Association with the exception of Co-optees to the Management Committee.

The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the members of the Management Committee and are also Trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of the Management Committee's Responsibilities

Housing Association legislation requires the Management Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period. In preparing those financial statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association. The Management Committee must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Statement of Recommended Practice for Social Housing Providers issued in 2018 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator. The Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee must in determining how amounts are presented within items in the Statement of Comprehensive Income and Statement of Financial Position have regard to the substance of the reported transaction or arrangement, in accordance with Generally Accepted Accounting Practices.

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement of loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Wellhouse HA's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken;
- the Management Committee completes an annual Assurance process and submits an Assurance Statement to the Scottish Housing Regulator and was satisfied as to the financial and governance standards of the Association; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2021 and until the date these financial statements have been signed. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2021**

Donations

During the year the Association made charitable donations of £5,000 (2020: £2,100).

Auditor

On 7 September 2020 Group Audit Service Limited trading as Scott Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

The auditor, Azets Audit Services, have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant audit information, and to establish that the Association's auditor is aware of the information.

The Report of the Management Committee (incorporating the Strategic Report) has been approved by the Management Committee.

By order of the Management Committee

Martin Wilkie-McFarlane

Secretary

Dated: 26 August 2021

WELLHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2021

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for any non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through our enquiry of certain members of the Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control.

Azets Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Dated: 26 August 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Opinion

We have audited the financial statements of Wellhouse Housing Association Limited (the 'Association') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2021 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Management Committee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 8 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Association, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Association is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Association that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Management Committee members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Management Committee and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Management Committee and relevant sub-committees;
- enquiring of the senior management team and the Management Committee as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Association's legal advisors.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of the senior management team and the Management Committee as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

WELLHOUSE HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Statutory Auditor Chartered Accountants

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 26 August 2021

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	4	3,999,024	3,863,455
Operating expenditure	4	(2,937,315)	(2,805,620)
Operating surplus	4	1,061,709	1,057,835
Release of negative goodwill	15	38,134	38,134
Interest receivable and other income	10	4,576	7,322
Interest and financing costs	11	(234,350)	(256,912)
		(191,640)	(211,456)
Surplus before tax		870,069	846,379
Taxation	12	-	-
Surplus for the year		870,069	846,379
Other comprehensive income			
Actuarial (loss)/gain in respect of pension scheme	24	(234,000)	309,524
Total comprehensive income for the Year		636,069	1,155,903

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2021**

	Share Capital £	Revenue Reserve £	Total Reserve £
Balance at 1 April 2020	118	6,560,128	6,560,246
Total comprehensive income for the year	-	636,069	636,069
Cancellation of shares	(15)	-	(15)
Balance at 31 March 2021	<u>103</u>	<u>7,196,197</u>	<u>7,196,300</u>

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2020**

	<i>Share Capital £</i>	<i>Revenue Reserve £</i>	<i>Total Reserve £</i>
Balance at 1 April 2019	196	5,404,225	5,404,421
Total comprehensive income for the year	-	1,155,903	1,155,903
Issue of shares	4	-	4
Cancellation of shares	(82)	-	(82)
Balance at 31 March 2020	<u>118</u>	<u>6,560,128</u>	<u>6,560,246</u>

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	Notes	£	2021 £	£	2020 £
Tangible fixed assets					
Housing properties – depreciated cost	13(a)		27,523,869		28,300,716
Other fixed assets	13(b)		1,338,481		1,343,643
			<u>28,862,350</u>		<u>29,644,359</u>
Negative goodwill	15		(1,029,625)		(1,067,759)
			<u>27,832,725</u>		<u>28,576,600</u>
Current assets					
Debtors	16	268,175		263,913	
Cash and cash equivalents	17	2,929,887		2,018,751	
			<u>3,198,062</u>	<u>2,282,664</u>	
Creditors: amounts falling due within one year	18	(1,404,163)		(1,322,355)	
Net current assets			<u>1,793,899</u>		<u>960,309</u>
Total assets less current liabilities			<u>29,626,624</u>		<u>29,536,909</u>
Creditors: amounts falling due after more than one year	19		(22,254,324)		(22,976,663)
Pension defined benefit liability	24		(176,000)		-
Net assets			<u>7,196,300</u>		<u>6,560,246</u>
Capital and reserve					
Share capital	21		103		118
Revenue reserve	22		7,196,197		6,560,128
			<u>7,196,300</u>		<u>6,560,246</u>

The financial statements were approved by the Management Committee on 26 August 2021 and signed on their behalf by:

Darren Brown

Chair

Maureen Morris

Vice Chair

Martin Wilkie-McFarlane

Secretary

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	£	2021 £	£	2020 £
Net cash generated from operating Activities	28		1,588,034		1,169,795
Cash flow from investing activities					
Purchase of components for housing properties		(168,832)		(443,818)	
Purchase of other fixed assets		(37,998)		-	
Purchase of housing units		(85,000)		-	
Government Capital grants received		85,000		-	
Interest received		4,096		7,322	
Net Cash outflow from investing activities			(202,734)		(436,496)
Cash flow from Financing Activities					
Interest paid on loans		(234,350)		(248,912)	
Loan principal repayments		(239,814)		(234,560)	
Share capital issued		-		4	
Net cash outflow from financing			(474,164)		(483,468)
Net change in cash and cash equivalents			911,136		249,831
Cash and cash equivalents at 1 April	17		2,018,751		1,768,920
Cash and cash equivalents at 31 March	17		2,929,887		2,018,751

(i) Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	Other non- cash changes £	At 31 March 2021 £
Cash and cash equivalents				
Cash	2,018,751	911,136	-	2,929,887
	2,018,751	911,136	-	2,929,887
Borrowings				
Debt due within one year	(221,338)	239,814	(254,474)	(235,998)
Debt due after one year	(7,933,510)	-	254,474	(7,679,036)
	(8,154,848)	239,814	-	(7,915,034)
Total	(6,136,097)	1,150,950	-	(4,985,147)

The notes form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Association's transactions are denominated. They comprise the financial statements of the Association drawn up for the year ended 31 March 2021. These financial statements comprise the results of the Association only.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HAC281. The registered office address is included on the front page of the financial statements.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

The Association's Scottish Charity number is SC036552.

2. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

The effect of events relating to the year ended 31 March 2021, which occurred before the date of approval of the financial statements by the Management Committee have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2021 and of the results for the year ended on that date.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

The principal accounting policies are set out below.

Going concern

The Association has generated a healthy surplus in recent years and the Committee believes that the Association will carry on this trend for the foreseeable future. In addition to this, the Association has healthy cash reserves and a strong net assets position. The Management Committee have therefore adopted the going concern basis in preparing the financial statements. This conclusion has been arrived at after considering the expected impact of Covid-19 to the Association's operations and financial performance.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from the Scottish Government, Glasgow City Council and other agencies. Also included is any management fees for the factoring of properties for private owners. Also included is any income from first tranche shared equity disposals.

Income from rental and service charges, factoring and commercial letting activities is recognised when the Association is entitled to it, it is probable it will be received and can be measured reliably.

2. Principal accounting policies (cont'd)

Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

Government capital grants

Government capital grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Government revenue grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Non-government capital and revenue grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the Association is entitled to them, it is probable they will be received and they can be measured reliably.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest method.

Interest and financing costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. Borrowing costs incurred during the course of construction of a housing development are capitalised.

2. Principal accounting policies (cont'd)**Valuation of housing properties**

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as housing properties within note 13(a). Impairment reviews are carried out if events or circumstances indicate that the carrying value of the housing unit is higher than the recoverable amount or depreciated replacement cost.

Component	Useful Economic Life
Bathrooms	20 years
Kitchens	15 years
Boilers	15 years
Central Heating	30 years
Electrics	30 years
Attic Insulation	25 years
Windows	35 years
Close Doors	20 years
External Doors	20 years
Guttering	25 years
Rendering	50 years
Roofs	50 years
Structure	50 years

Depreciation and impairment of other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Office Premises	2% -3 1/3%
Office Furniture and Equipment	20%
Motor Vehicles	25%

The carrying value of tangible fixed assets is reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Works to existing properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a reduction in future maintenance costs or a significant extension of the life of the property. When a component is replaced the existing component is disposed, and the new component is capitalised.

Capitalisation of development overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

2. Principal accounting policies (cont'd)

Commercial properties

The commercial properties are carried at fair value determined by external valuers and derived from the current market rents and commercial property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Leases/leased assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

Negative goodwill

Negative goodwill created through transfer of engagements is written off to the Statement of Comprehensive Income as the non-cash assets acquired are depreciated or sold.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Rental arrears

Rental arrears represent amounts due by tenants for the rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in note 16.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loans

Mortgage loans are advanced by financial institutions under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval for Government Capital Grant by the Scottish Government or Glasgow City Council.

2. Principal accounting policies (cont'd)

Financial instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a rental arrear deferred beyond normal Association terms or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Retirement benefits

The Scottish Housing Association Defined Benefits Pension Scheme (Note 24)

The Association is a member of the Scottish Housing Associations' Pension Scheme (SHAPS) Defined Contribution Pension Scheme. The cost of the employer's contributions is charged to the Statement of Comprehensive Income on an accruals basis.

The Association closed the SHAPS Defined Benefits Pension Scheme in the year ended 31 March 2019 to future accrual. The retained retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The SHAPS is accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
3. Judgements in applying policies and key sources of uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The Management Committee consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The Management Committee is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The obligations under the SHAPS pension scheme

The valuation of the commercial properties

Basis of estimation

The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.

The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members.

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

The commercial properties have been valued at its market value based on a valuation performed by a qualified valuer based on market data.

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Particulars of turnover, operating expenditure and operating surplus

	Notes	Turnover £	Operating Expenditure £	2021 Operating surplus £	Turnover £	Operating Expenditure £	2020 Operating surplus £
Affordable lettings	5	3,893,308	(2,850,501)	1,042,807	3,792,478	(2,719,361)	1,073,117
Other activities	6	105,716	(86,814)	18,902	70,977	(86,259)	(15,282)
Total		3,999,024	(2,937,315)	1,061,709	3,863,455	(2,805,620)	1,057,835

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Particulars of income and expenditure from social letting activities

	General Needs Housing £	2021 Total £	2020 Total £
Income from lettings			
Rent receivable net of identifiable service charges	3,301,435	3,301,435	3,218,894
Service charges receivable	-	-	-
Gross rents receivable	3,301,435	3,301,435	3,218,894
Less: Rent losses from voids	(22,202)	(22,202)	(13,229)
Net rents receivable	3,279,233	3,279,233	3,205,665
Release of deferred government capital grants	555,807	555,807	561,945
Other revenue grants	58,268	58,268	24,868
Total income from affordable letting activities	3,893,308	3,893,308	3,792,478
Expenditure on affordable letting activities			
Service costs	-	-	-
Management and maintenance administration costs	1,147,673	1,147,673	1,057,245
Reactive maintenance costs	272,045	272,045	409,179
Bad debts – rents and service charges	93,268	93,268	72,746
Planned and cyclical maintenance	145,361	145,361	94,899
Major repairs	104,975	104,975	45,200
Stage 3 repairs	56,500	56,500	22,147
Depreciation of social housing	1,030,679	1,030,679	1,017,945
Operating expenditure for affordable letting activities	2,850,501	2,850,501	2,719,361
Operating surplus on letting activities, 2021	1,042,807	1,042,807	
<i>Operating surplus on letting activities, 2020</i>	<i>1,073,117</i>		<i>1,073,117</i>

Included in depreciation of affordable housing is £22,401 (2020: £23,862) in respect of the loss on disposals of components.

There is no supporting housing accommodation or shared ownership accommodation.

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Particulars of turnover, operating expenditure and operating deficit from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total Turnover £	Operating expenditure - bad debts £	Other operating expenditure £	2021 Operating surplus/ (deficit) £	2020 Operating surplus/ (deficit) £
Wider role activities	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	13,449	13,449	-	-	13,449	7,893
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Agency / management services	-	-	-	-	-	-	-	-	-
Commercial properties rental income & hub income	-	-	-	42,804	42,804	-	(48,530)	(5,726)	25,232
Tenant participation costs	-	-	-	-	-	-	(8,084)	(8,084)	(8,394)
Re-chargeable repair bad debts	-	-	-	-	-	-	-	-	(2,828)
Connect Community Trust	-	-	-	-	-	-	19,263	19,263	(23,400)
Other activities*	-	-	-	49,463	49,463	(49,463)	-	-	(13,785)
Total from other activities 2021	-	-	-	105,716	105,716	(49,463)	(37,351)	18,902	
<i>Total from other activities 2020</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>70,977</i>	<i>70,977</i>	<i>(21,831)</i>	<i>(64,428)</i>		<i>(15,282)</i>

*Included in other activities is £49,463 of a recharge of dilapidation charges to Connect Community Trust (CCT) invoiced by the Association to CCT following CCT ending its lease with the Association. A bad debt provision of £49,463 has been made at the 31 March 2021 against the balance which is still outstanding.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**7. Directors' emoluments**

The directors are defined as the members of the Management Committee, the Director and any other person reporting directly to the Director or the Management Committee. No emoluments were paid to any member of the Management Committee during the year (2020: £nil). The Association considers key management personnel to be the Management Committee and the senior management team of the Association only.

	2021 £	2020 £
Emoluments payable to the Director (excluding pension contributions)	69,876	68,775
Pension contributions in respect of the Director	6,988	6,877
Only the director received emoluments greater than £60,000		
Total emoluments paid to key management personnel	197,051	197,258
Employer NI in respect of key management personnel	22,647	22,584
Pension contributions payments in respect of key management personnel	15,109	15,284
	234,807	235,126

Key management personnel, consists of the Director, the Finance & Corporate Services Manager, the Housing & Customer Services Manager and the Assets & Maintenance Manager.

The number of officers including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

	2021 Number	2020 Number
£60,001 to £70,000	1	1

8. Employee information

	2021 Number	2020 Number
The average number of full-time equivalent persons employed during the year was:	19	20
The average total number of employees employed during the year was	20	20
Staff costs were:	2021 £	2020 £
Wages and salaries	638,664	613,247
Society security costs	60,259	58,180
Other pension costs	56,816	52,422
	755,739	723,849

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Employee information (cont'd)

Year ended 31 March 2021

During the year, past service deficit contributions of £59,436 (2020: £56,693) were paid. Of this payment, £57,520 (2020: £55,040) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1,916 (2020: £1,653) was pension management costs which have been included in the pension contributions total included in staff costs above.

9. Operating surplus

	2021 £	2020 £
Surplus before tax is stated after charging:		
Depreciation - Tangible Fixed Assets	1,040,500	1,027,367
- Loss on disposed components	22,401	23,862
Auditor's Remuneration - Audit services (exc VAT)	10,000	9,270
- Other services (exc VAT)	5,000	4,226
Internal Auditor's fees (exc VAT)	10,080	11,040
Operating lease rentals – other	9,019	9,070
	<u>1,096,990</u>	<u>1,082,835</u>

10. Interest receivable and other income

	2021 £	2020 £
Bank interest	4,096	7,322
Defined benefit pension liability – interest income (Note 24)	480	-
	<u>4,576</u>	<u>7,322</u>

11. Interest and financing costs

	2021 £	2020 £
Defined benefit pension liability – interest charge (Note 24)	-	8,000
On bank loans and overdrafts	234,350	248,912
	<u>234,350</u>	<u>256,912</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Tax on surplus on ordinary activities

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities Nil (2020: £nil). No tax is due on the Association's other activities due to the losses incurred Nil (2020: £nil).

13. Tangible fixed assets	Housing properties held for letting	Housing properties under construction	Total
(a) Housing properties			
Cost	£	£	£
At 1 April 2020	40,841,361	80,530	40,921,891
Additions - properties	85,000	-	85,000
Additions - components	168,832	-	168,832
Disposals - properties	-	-	-
Disposals - components	(73,283)	-	(73,283)
At 31 March 2021	41,021,910	80,530	41,102,440
Depreciation			
At 1 April 2020	12,621,175	-	12,621,175
Charge for year	1,008,278	-	1,008,278
On disposals – properties	-	-	-
On disposals - components	(50,882)	-	(50,882)
At 31 March 2021	13,578,571	-	13,578,571
Net Book Value			
At 31 March 2021	27,443,339	80,530	27,523,869
At 31 March 2020	28,220,186	80,530	28,300,716

Additions to housing properties include capitalised development administration costs of £Nil (2020: £nil) and capitalised interest of £Nil (2020: £nil).

Included in freehold housing properties is land with a historic cost allocation of £2,708,922 (2020: £2,702,343).

All land and properties are freehold.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets

(b) Other fixed assets	Commercial properties	Office premises (leasehold)	Office furniture & equipment	Total
Cost	£	£	£	£
As at 1 April 2020	340,000	1,395,549	184,796	1,920,345
Additions	-	37,998	-	37,998
Revaluations	-	-	-	-
Disposals	-	(25,000)	-	(25,000)
As at 31 March 2021	340,000	1,408,547	184,796	1,933,343
Aggregate Depreciation				
As at 1 April 2020	-	396,644	180,058	576,702
Charge for year	-	27,484	4,738	32,222
Depreciation on disposals	-	(14,062)	-	(14,062)
As at 31 March 2021	-	410,066	184,796	594,862
Net Book Value				
At 31 March 2021	340,000	998,481	-	1,338,481
At 31 March 2020	340,000	998,905	4,738	1,343,643

The commercial properties (4 shop units) were revalued by Jones Lang La Salle, Chartered Surveyors, at 3 April 2019 on a market basis. The Management Committee consider this to be the fair value at 31 March 2021.

The office is built on land which is leased. The lease expires on 23 June 2063.

14. Housing stock

The number of units of accommodation in management at the year-end was:-

	2021	2020
	£	£
General Needs - New build	342	342
- Rehabilitation	452	451
	794	793

15. Negative goodwill

	2021	2020
	£	£
Gross	1,449,101	1,449,101
Amortisation		
As at 1 April	(381,342)	(343,208)
Released during the year	(38,134)	(38,134)
	(419,476)	(381,342)
Net position at 31 March	1,029,625	1,067,759

The negative goodwill was generated as a result of a transfer of engagements from GHA in 2010/11.

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Debtors	2021	2020
	£	£
Arrears of rent and service charges	391,380	299,146
Less: Provision for doubtful debts	(298,217)	(204,949)
	93,163	94,197
Social housing grant receivable	-	24,868
Other debtors	175,012	144,848
	268,175	263,913
All amounts shown under debtors fall due for payment within one year.		
17. Cash and cash equivalents	2021	2020
	£	£
Cash at bank and in hand	2,929,887	2,018,751
18. Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans (note 19)	235,998	221,338
Trade creditors	234,346	211,712
Rent in advance	119,355	97,102
Other creditors	106,767	118,605
Accruals	151,890	114,849
Deferred capital grant (note 20)	555,807	558,749
	1,404,163	1,322,355

At the year end other creditors included outstanding pension contributions of £nil (2020: £11,503).

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Creditors: amounts falling due after more than one year	2021	2020
	£	£
Bank loans	7,679,036	7,933,510
Deferred capital grants (note 20)	14,575,288	15,043,153
	<u>22,254,324</u>	<u>22,976,663</u>
Bank loans are secured by specific charges on the Association's properties. The net book value of housing properties secured at the year-end was £22,774,788 (2020: £23,447,129). The loans are repayable at rates of interest of between 0.49% to 0.70% in instalments, due as follows:		
Amounts due within one year	235,998	221,338
Amounts due between one and two years	236,699	221,432
Amounts due between two and five years	719,660	672,077
Amounts due in more than five years	6,722,677	7,040,001
	<u>7,915,034</u>	<u>8,154,848</u>
Less: amount shown in current liabilities	(235,998)	(221,338)
	<u>7,679,036</u>	<u>7,933,510</u>
20. Deferred capital grants	2021	2020
	£	£
Balance at 1 April	15,601,902	16,163,848
Grants received in year	85,000	-
Released to income in year – components disposed	-	(3,196)
Released to income in year – Housing properties	(532,279)	(535,157)
Released to income in year – Other fixed assets (office)	(23,528)	(23,593)
	<u>15,131,095</u>	<u>15,601,902</u>
Balance at 31 March	15,131,095	15,601,902
Split as follows:		
Amounts due within one year	555,807	558,749
Amounts due between one and two years	555,807	558,749
Amounts due between two and five years	1,667,421	1,676,247
Amounts due in more than five years	12,352,060	12,808,157
	<u>15,131,095</u>	<u>15,601,902</u>

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

21. Share capital	2021 £	2020 £
Shares of £1 each issued and fully paid		
At 1 April	118	196
Shares issued in year	-	4
Shares cancelled in year	(15)	(82)
	<u>103</u>	<u>118</u>
At 31 March		

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings. Called up share capital on the Statement of Financial Position has been adjusted to reflect the number of shares held by active members.

22. Revenue reserve

The revenue reserve is unrestricted and undesignated funds available for general use to further the Association's aims and objectives.

23. Related party transactions

3 members (2020: three) of the Committee at the year-end are tenants of the Association. Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. The total rent charged in the year relating to tenant Management Committee members is £17,119 (2020: £15,643). The total rent arrears relating to tenant Management Committee members is £2,279 (2020: £1,174). The total prepaid rent relating to tenant Management Committee members is £nil (2020: £1).

24. Retirement benefit obligations

General

The Scheme is a multi-employer defined benefit scheme. The Scheme offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate.
- Career average revalued earnings with a 1/120th accrual rate, contracted in.
- Defined Contribution (DC) option.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of 3 months' notice. Wellhouse Housing Association Limited has elected to operate the Defined Contribution (DC) Scheme to all other staff.

Defined benefit scheme

The Trustees commission an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

Final Salary with a 1/60th Accrual Rate Scheme

There was an annual employer past service deficit contribution of £57,520 made in the year ended 31 March 2021 (2020 - £55,040).

As at the Statement of Financial Position date there are no active members (2020: *nil*) of the defined benefit scheme employed by Wellhouse Housing Association Limited. The last remaining member transferred to the defined contribution scheme during the year to 31 March 2019. Wellhouse Housing Association Limited no longer offers membership to the defined benefit scheme with all existing and new staff offered the defined contribution scheme.

The last triennial valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the "projected unit credit" method. The market value of the Scheme's assets at the valuation date was £877 million. The valuation revealed a shortfall of assets compared to liabilities of £121 million, equivalent to a past service funding level of 89%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Retirement benefit obligations (cont'd)

General (cont'd)

In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2021 £'000	<i>31 March 2020 £'000</i>
Fair value of plan assets	1,730	1,576
Present value of defined benefit obligation	(1,906)	(1,576)
Defined benefit liability to be recognised	(176)	-

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Defined benefit obligation at start of period	(1,576)	(1,796)
Current service cost	-	-
Expenses	(2)	(2)
Interest expense	(37)	(42)
Actuarial (losses)/gains due to scheme experience	21	28
Actuarial (losses)/gains due to changes in demographic assumptions	-	10
Actuarial (losses)/gains due to changes in financial assumptions	(341)	186
Benefits paid and expenses	29	40
Defined benefit liability at the end of the period	(1,906)	(1,576)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Retirement benefit obligations (cont'd)

Reconciliation of opening and closing balances of the fair value of plan assets

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Fair value of plan assets at start of the period	1,576	1,439
Interest income	38	34
Experience on plan assets (excluding amounts included in interest income) - gain	86	86
Contributions by the employer	59	57
Benefits paid and expenses	(29)	(40)
Fair value of plan assets at end of period	1,730	1,576

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2021 £'000	<i>Year ended 31 March 2020 £'000</i>
Current service cost	-	-
Admin expenses	2	2
Net interest (income)/expense	(1)	8
Defined benefit costs recognised in Statement of Comprehensive Income	1	10

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

24. Retirement benefit obligations (cont'd)

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2021 £'000	Year ended 31 March 2020 £'000
Experience on plan assets (excluding amounts included in net interest cost – gain)	86	86
Experience gains and losses arising on the plan liabilities – gain	21	28
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation	-	10
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – (loss)	(341)	186
Total amount recognised in other comprehensive income – actuarial (loss)/gain	(234)	310

Fund allocation for employer's calculated share of assets

	31 March 2021 £'000	31 March 2020 £'000
Absolute Return	85	97
Alternative Risk Premia	69	126
Cash	1	-
Corporate Bond Fund	130	115
Credit Relative Value	50	38
Distressed Opportunities	59	29
Emerging Markets Debt	70	56
Global Equity	268	217
High Yield	45	-
Infrastructure	97	93
Insurance-Linked Securities	36	42
Liability Driven Investment	416	415
Long Lease Property	40	39
Net Current Assets	13	12
Over 15 Year Gilts	1	20
Private Debt	41	31
Property	31	29
Risk Sharing	62	50
Secured Income	95	88
Liquid Credit	30	41
Opportunistic Credit	47	-
Opportunistic Illiquid Credit	44	38
Total Assets	1,730	1,576

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
24. Retirement benefit obligations (cont'd)

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	31 March 2021 % per annum
Discount rate	2.19
Inflation (RPI)	3.26
Inflation (CPI)	2.87
Salary growth	3.87
Allowance for commutation of pension for cash at retirement	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	25.0

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

Member data summary**Active members**

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	-	-	-
Females	-	-	-
Total	-	-	-

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	2	24	51
Females	5	17	45
Total	7	41	47

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	3	19	64
Females	2	18	67
Total	5	37	65

24. Retirement benefit obligations (cont'd)

Employers debt on withdrawal

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by a Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by The Pensions Trust of the estimated debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2020. As of this date the estimated debt for the Association was £1,264,256.

25. Connect Community Trust

Connect Community Trust is not deemed a related party of the Association; however, due to the nature of relationship between both entities, it has been deemed reasonable to disclose their activities separately:

During the year Connect Community Trust formally terminated their relationship with Wellhouse Housing Association and vacated both the Hub and Newhills Road. Consequently, there were no charges made by CCT to Wellhouse HA. The Association made £3,000 (2020: £nil) of donations in the year for Covid response and youth summer activities and no other grants were disbursed to CCT.

During the year, the Association incurred expenses on behalf of the Trust to include rent, electricity, gas, rates and repairs, buildings insurance and use of the board room at 49 Wellhouse Crescent amounting to £nil (2020: £18,610) that were not recharged. At the year end, the Association owed Connect Community Trust £nil (2020: £nil) and Connect Community Trust owed the Association £67,608 (2020: £21,585). This is made up of £806 unpaid rent for Newhills Road – the Association wrote off £5,249 in unpaid rent and issued CCT with a credit note to this value. £17,339 unpaid service charge for the Hub remains outstanding after issuing a credit note for £9,331 for charges relating to The Hub.

In addition, the Association made a claim for damages of £44,339 for Newhills Road and £5,124 for the Hub, which remained unpaid at the end of March 2021.

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

26. Capital commitments	2021	2020
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	-	64,333
Funded by:		
Grants	-	-
Reserves	-	64,333
Private finance	-	-
	-	64,333
27. Commitments under operating leases		
At the year end, the total future minimum payments under operating leases were due as follows:		
	2021	2020
	£	£
Equipment:		
Not later than one year	9,491	9,019
Later than one year and not later than five years	-	-
More than five years	-	-
	9,491	9,019
28. Net cash flow from operating activities	2021	2020
	£	£
Surplus for the year	870,069	846,379
Adjustments for non-cash items:		
Carrying amount of other fixed asset disposals	10,938	-
Depreciation of housing properties	1,030,679	1,017,947
Depreciation of other fixed assets	32,222	33,284
Increase in debtors	(4,262)	(135,001)
Increase/(decrease) in creditors	70,090	(187,202)
SHAPS past service deficit remeasurement	1,916	1,652
Release of negative goodwill	(38,134)	(38,134)
Release of deferred Government capital grant	(555,807)	(561,945)
Adjustments for investing and financing activities:		
Interest payable	234,350	256,912
Interest received	(4,576)	(7,322)
Forfeited share capital	(15)	(82)
SHAPS deficit contribution paid	(59,436)	(56,693)
Net cash generated from operating activities	1,588,034	1,169,795

Private & Confidential

The Management Committee
Wellhouse Housing Association Limited
The Hub
49 Wellhouse Crescent
Glasgow
G33 4LA

26 August 2021

Our ref: JMCB/NNOC/WELLHO01

Dear Committee members

**Wellhouse Housing Association Limited
Audit findings for the year ended 31 March 2021**

This Audit Findings letter highlights the significant findings arising from the audit for the benefit of those charged with governance.

As auditor we are responsible for performing the audit, in accordance with International Standards on Auditing (UK) (ISAs (UK)), which is directed towards forming and expressing an opinion on the financial. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements.

1 Audit status and audit opinion

We are pleased to report that the audit progressed well from our perspective and in accordance with the agreed timetable.

We do not propose any modifications to our audit opinion which is unqualified.

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2 Significant findings

Findings related to significant risks

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, we consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Audit approach	Audit findings and conclusion
Fraud in revenue recognition Under ISA (UK) 240 there is a presumed risk of fraud in relation to revenue recognition. The presumption is that the Association could adopt accounting policies or recognise revenue in such a way as to lead to a material misstatement in the reported revenue position.	<ul style="list-style-type: none"> Reviewed and tested revenue recognition policies; Detailed substantive testing on material revenue streams; and Performed a rental income proof in total. 	We identified no issues in respect of the recognition of revenue recognition.
Management override of controls Under ISA (UK) 240 there is a presumed risk that management and Committee members can process transactions or make adjustments to financial records outside of the normal financial control processes. Such transactions could lead to a material misstatement in the financial statements.	<ul style="list-style-type: none"> Reviewed accounting estimates, judgements and decisions made by management and Committee members; Tested journal entries; and Reviewed any unusual or significant transactions. 	From the testing performed we identified no evidence of management override.
Going concern including the consideration of the impact of the Covid-19 pandemic As part of the audit of the financial statements we will review the going concern status of the Association. As part of our consideration we will consider the actual and expected future impact of the COVID-19 pandemic to the Association. We will also consider whether there are any post balance sheet events (PBSE) in respect of the pandemic that require amendment to or additional disclosure in the financial statements.	<p>In respect of going concern, we reviewed:</p> <ul style="list-style-type: none"> your assessment of going concern; the 30 year forecasts; the annual budget; current banking facilities; post year end management accounts; and the cash position at sign off. <p>In respect of post balance sheet events, we reviewed:</p> <ul style="list-style-type: none"> post year end Committee minutes; post year end management accounts; and audit confirmations from the Association's solicitors. <p>We also had detailed discussion with the finance team in respect of going concern and PBSE.</p>	<p>We concur with the Committee's assessment that it is appropriate to continue to prepare the financial statements on a going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.</p> <p>We identified no PBSE that require disclosure or amendment to the financial statements.</p>

	Finally, we will ask the Management Committee, via the letter of representation, to confirm that the Committee has concluded that the Association is a going concern and to confirm that the financial statements reflect all post balance sheet events.	
<p>Depreciation of housing properties</p> <p>In accordance with component accounting, the cost of each housing unit is split across its identified significant components. Each component is then depreciated over their expected useful life with reference to expected life cycles and sector benchmarks. On replacement, the disposed component is removed from the accounting records and the new component is capitalised and depreciated over its expected useful life.</p> <p><i>Please note the this is a key accounting estimate and thus the requirements of ISA 540 apply</i></p>	<p>We tested a sample of components and ensured the components selected were depreciated in line with the Association's depreciation policy. We assessed the rate of depreciation and ensured that this was in line with the Association's life cycle plans and with sector benchmarks. We reviewed additions and repairs to ensure that all new components were capitalised and appropriately depreciated and that all replaced components had been removed from the accounting records.</p>	<p>From our testing, we have concluded that the depreciation policies applied were appropriate for the underlying component and consistent with prior years.</p> <p>We identified no evidence of bias in the depreciation rates used.</p>
<p>Recoverability of rental arrears</p> <p>It is important that the recoverability of arrears is assessed by the Association at the year end with an appropriate bad debt provision established. The pandemic, in most cases, has seen an increase in rental arrears, thus increasing the risk of arrears not being recovered.</p> <p><i>Please note the this is a key accounting estimate and thus the requirements of ISA 540 apply</i></p>	<p>We ensured the bad debt provision is reasonable by:</p> <ul style="list-style-type: none"> • testing a sample of tenants with an arrears balance at the year-end for cash received post year end; • we created our own point estimate of what we think the bad debt provision should be based on the results of our post year end cash testing. As part of this we would expect former arrears to be fully provided for and a provision in place for current arrears which are deemed at higher risk of not being recovered, these being tenants on payment plans which are not consistently being adhered to or tenants with larger arrears balances (e.g. > £1,000); and • comparing our point estimate against the provision in place. 	<p>The rental arrears at the year-end were reviewed and the bad debt provision was considered appropriate.</p> <p>There was no evidence of bias in the estimated provision.</p>

<p>Fair value of investment properties The Association's investment properties are held at fair value in line with FRS 102. A 3rd party independent qualified valuer is engaged to value the investment property and following this each year, the Committee and SMT review whether the carrying value reflects the current market/fair value.</p> <p><i>Please note the this is a key accounting estimate and thus the requirements of ISA 540 apply</i></p>	<p>We considered if there has been a material change in circumstances since the last valuation was performed to ensure the current carrying value is representative of the fair value at the year end. We also reviewed the method and underlying assumptions used to carry out the valuation to ensure these were appropriate. We also assessed the independence, experience and qualification of the 3rd party valuer.</p>	<p>The fair value of the investment property was compared to a 3rd party valuation which is considered to still reflect the fair value of the investment property held.</p> <p>We consider that the 3rd party valuer was independent and was suitably experienced and qualified to perform the valuation.</p>
<p>Impairment of social housing units At each reporting date, the Association must assess whether there are any indicators of impairment to the social housing units held.</p> <p><i>Please note the this is a key accounting estimate and thus the requirements of ISA 540 apply</i></p>	<p>We considered whether there were any potential impairment indicators such as:</p> <ul style="list-style-type: none"> • long term voids and difficult to let units; • units with significant repairs required; • land banks; • units expected to be sold; and • units earmarked for demolition. 	<p>From our review we did not identify any impairment indicators and did not identify any impairment.</p>
<p>Expenditure As the Association is spending tenant's monies and grant funds it is important that each incidence of expenditure is appropriately incurred and subject to the appropriate purchase authorisation procedures.</p>	<p>We tested a sample of purchases, ensuring that the item selected from the ledger had sufficient backup and was subject to the Association's purchase authorisation procedures.</p>	<p>For the sample of expenditure items tested we confirmed that these had been approved in line with the Association's formal authorisation procedures and that the expenditure was appropriate.</p>

There were no changes to our audit plan previously communicated to you.

3 Going concern

As auditor, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK) 570).

As noted above within our significant findings we have agreed with the Management Committee's conclusion that it is appropriate to prepare the financial statements on a going concern basis. In arriving at this conclusion, we have reviewed in detail the forecasts covering the 12 months from the signing of these financial statements, the long-term forecasts in place, current cash reserves and post year end performance.

4 Accounting policies, presentation and disclosures

The accounting policies used in preparing the financial statements are unchanged from the prior year.

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted.

We found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

5 Other communication requirements

Fraud or suspected fraud

We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit.

Our work as auditor is not intended to identify any instances of fraud of a non- material nature and should not be relied upon for this purpose.

Non-compliance with laws and regulations

As part of our standard audit testing, we have reviewed the laws and regulations impacting the Association.

There are no indications from this work of any significant incidences of non-compliance or material breaches of laws and regulations stopping the Association from continuing as a going concern or that would necessitate a provision or contingent liability.

There are also many other laws and regulations relating to health and safety as well as human resources generally and industry specific requirements. We are not aware of any significant incidences of non- compliance.

Related parties

We are not aware of any related party transactions which have not been disclosed.

6 Misstatements

We are required to inform you of any significant misstatements within the financial statements presented for audit that have been discovered during the course of our audit.

The audit adjustments identified from our audit work are detailed in Appendix I.

The uncorrected misstatements identified from our audit work are detailed in Appendix II.

7 Internal controls

The purpose of an audit is to express an opinion on the financial statements. As part of our work, we considered internal controls relevant to the preparation of the financial statements such that we were able to design appropriate audit procedures. However, this work was not for the purpose of expressing an opinion on the effectiveness of internal controls.

We are required to report to you in writing, significant deficiencies in internal controls that we have identified during the audit. These matters are limited to those which we have concluded are of sufficient importance to merit being reported to you.

The scope of our work is not designed to be an extensive review of all internal controls. If we had performed more extensive procedures, we might have identified more deficiencies.

The deficiency identified from our audit work is reported in Appendix III below.

8 Independence

In accordance with our profession's ethical guidance and further to our planning letter to you, confirming audit planning arrangements there are no further matters to bring to your attention in relation to Integrity, Objectivity and Independence.

We confirm that Azets Audit Services and the engagement team complied with the FRC's Ethical Standards. We confirm that all threats to our independence have been properly addressed through appropriate safeguards and that we are independent and able to express an objective opinion on the financial statements.

9 Disclaimer

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

We would like to take this opportunity to record our appreciation for the kind assistance provided by your team during our audit.

If we can be of any further assistance, please contact me.

Yours faithfully

James McBride
Senior Statutory Auditor
james.mcbride@azets.co.uk

Appendix I

Audit adjustments

	JE detail	Statement of Comprehensive Income (SOI)		Statement of Financial Position (SOFP)		Impact on SOCI
		Dr	Cr	Dr	Cr	
1	Accruals			£ 22,263		£ -
	Other operating expenditure		£ 22,263			£ 22,263
	Being release of grant creditor payable to CCT					
2	OCI - Actuarial movements	£ 234,000				-£ 234,000
	Interest receivable		£ 480			£ 480
	SHAPS DB Pension liability			£ 233,520		£ -
	Being adjustment to incorporate year end SHAPS actuarial valuation					
3	Suspense Rent Adjustment	£ 754				-£ 754
	Profit & Loss Account			£ 9,983		£ -
	Suspense Tenants		£ 9,405			£ 9,405
	Creditors Control Account			£ 1,332		£ -
	Being opening balance adjustment					
4	Legal Fees - Housing	£ 10,864				-£ 10,864
	Capitalised Component - Kitchen Replacement			£ 3,840		£ -
	Capitalised Component - External Doors Replacement			£ 6,224		£ -
	LANGBAR CRES. CAPITAL COSTS			£ 740		£ -
	Being reallocation of legal fees from fixed assets					
5	Share capital			£ 15		£ -
	Management and maintenance administration costs		£ 15			£ 15
	Being shares cancelled in the year					
6	Trade Creditors			£ 64,000		£ -
	Prepayments			£ 64,000		£ -
	Being insurance invoice received in advance					
Impact on SOCI - decrease of						-£ 213,455

Appendix II

Uncorrected misstatements

	JE detail	Statement of Comprehensive Income (SOI)		Statement of Financial Position (SOFP)		Impact on SOI
		Dr	Cr	Dr	Cr	
1	Legal fees	£	3,818		-£	3,818
	Accruals			£	3,818	-
	Being the correction to legal fee accrual at year end					
2	Depreciation	£	6,137		-£	6,137
	Housing properties			£	6,137	-
	Being correction to reconcile FAR to TB					
3	Bad debts	£	4,737		-£	4,737
	Sundry debtors			£	4,747	-
	Being write off of debtor suspense a/cs					
4	Expenditure	£	1,978		-£	1,978
	Trade creditors			£	1,978	-
	Being extrapolated supplier statement differences					
5	Loss on disposal of PPE	£	10,938		-£	10,938
	Management and maintenance administration costs		£		£	10,938
	Being misallocation of loss on disposal of boilers					
6	P&L - credit note	£	5,000		-£	5,000
	Trade debtors			£	5,000	-
	Being credit note issued post year end to CCT					
Impact on SOI - a decrease of						-£ 21,670

Appendix III

Internal controls

Control points arising from our current year work and our recommendations are summarised below. The recommendations are categorised into three risk ratings as shown in the key.

Key: **Significant deficiency** in internal control, **Other deficiency** in internal control, **Other observations** from the audit

Area	Observation	Implication	Recommendation	Management response
Significant deficiency 1	<p>Per review of purchase invoices being posted to the nominal ledger it was identified that invoices had incorrectly been posted into the wrong period.</p> <p>An audit adjustment was raised in the current year for invoices posted to the incorrect period, point remains.</p>	Expenditure could be recognised in the wrong accounting period.	Ensure all invoices are being posted on the date per the invoice. If the invoices relate to a prior or future period then an accrual or prepayment should be recognised.	As part of the walk-through testing of purchase ledger, 2 invoices were discovered to have been posted to December instead of November. This was human error, and ordinarily, invoices mis-posted will be picked up as part of the accruals process where they are re-allocated into the correct period.

Follow up of prior year points

We have followed up on the points for improvement identified in the prior year audit which we have detailed in the table below.

Area	Observation	Implication	Recommendation	Follow up in current year
Significant deficiency 1	<p>Per review of purchase invoices being posted to the nominal ledger it was identified that invoices had incorrectly been posted into the wrong period.</p> <p>An audit adjustment was raised in the current year for invoices posted to the incorrect period, point remains.</p>	Expenditure could be recognised in the wrong accounting period.	Ensure all invoices are being posted on the date per the invoice. If the invoices relate to a prior or future period then an accrual or prepayment should be recognised.	<p>As part of the walk-through testing of purchase ledger, 2 invoices were discovered to have been posted to December instead of November. This was human error, and ordinarily, invoices mis-posted will be picked up as part of the accruals process where they are re-allocated into the correct period.</p> <p>Point reraised.</p>

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Re: Wellhouse Housing Association Limited

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Association's financial statements for the year ended 31 March 2021. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as Committee members, as set out in the terms of your engagement letter dated 10 March 2021 under the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the Association have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the Association, and with all other records and related information requested, including minutes of all Management Committee and Audit Committee meetings.

ADJUSTMENTS & DISCLOSURES

4. The financial statements are free of material misstatements, including omissions.
5. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. (See appendix 1 for details of such uncorrected misstatements).
6. We have reviewed and approved all audit adjustments made in the financial statements. (See appendix 2 for details of such audit adjustments)
7. We have reviewed and approved all disclosures made in the financial statements and we are not aware of any other matters which require disclosure in order to comply with the requirements of United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), the Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator or the Statement of Recommended Practice for Social Housing Providers issued in 2018.

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the Association involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the Association's financial statements communicated by current or former employees, regulators or others.
11. We have disclosed to you any significant changes in our processes, controls, policies and procedures that we deem necessary to address the likely effects of the COVID-19 pandemic on our system of internal controls.

ASSETS AND LIABILITIES

12. The Association has satisfactory title to all assets and there are no liens or encumbrances on the Association's assets except for those that are disclosed in the notes to the financial statements.
13. There were no changes in fixed assets during the year ended 31 March 2021 other than those disclosed in the financial statements.

14. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
15. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
16. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
17. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
18. We confirm that the Association has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

19. The methods, data and significant assumptions used by us in making accounting estimates, and their related disclosures, are appropriate to achieve recognition, measurement and disclosure that is reasonable in the context of the applicable financial reporting framework.

LOANS AND ARRANGEMENTS

20. The Association has not granted any advances or credits to, or made guarantees on behalf of, Committee members other than those disclosed in the financial statements.

LEGAL CLAIMS

21. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

LAWS AND REGULATIONS

22. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements and disclosures, including non-compliance matters:
 - a. Involving financial impropriety;
 - b. Related to laws or regulations that have a direct effect on the determination of material amounts and disclosures in the Association's financial statements;
 - c. Related to laws and regulations that have an indirect effect on amounts and disclosures in the financial statements, but compliance with which may be fundamental to the operations of the Association's operations, its ability to continue in operation, or to avoid material penalties; and
 - d. Involving management, or employees who have significant roles in internal control, or others.
23. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no communications from regulatory agencies or government representatives concerning investigations or allegations of non-compliance, other than those already disclosed.

RELATED PARTIES

24. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and we confirm that such information is complete. We are not aware of any other matters which require disclosure in order to comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 or accounting standards.

SUBSEQUENT EVENTS

25. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

GOING CONCERN

26. We believe that the Association's financial statements should be prepared on a going concern basis on the grounds that existing cash reserves and future sources of funding will be more than adequate for the Association's needs.
27. We also confirm our plans for future action(s) required to enable the Association to continue as a going concern are feasible.
28. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Association's ability to continue as a going concern need to be made in the financial statements.

29. The implications of the Covid-19 pandemic continue to create uncertainty and it is therefore difficult to evaluate the likely effect on the Association's operations, tenants, contractors, suppliers and the wider economy. Our assessment at the date of approval of these accounts is that the pandemic does not create a material uncertainty related to going concern. Note 2 to the financial statements discloses matters of which we are aware that are relevant to the Association's ability to continue as a going concern, including significant conditions and events, our plans for future action, and the feasibility of those plans.

DISCLOSURE OF INFORMATION TO THE AUDITOR

30. We acknowledge our legal responsibilities regarding disclosure of information to you as auditor and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.
31. Each Committee member has taken all the steps that they ought to have taken as a Committee member in order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....
Signed on behalf of the Management Committee by:

Martin Wilkie-McFarlane

Secretary

Date: 26 August 2021

Appendix 1 – Uncorrected misstatements

	JE detail	Statement of Comprehensive Income (SOI)		Statement of Financial Position (SOF)		Impact on SOI
		Dr	Cr	Dr	Cr	
1	Legal fees Accruals <i>Being the correction to legal fee accrual at year end</i>	£	3,818		£ 3,818	£ 3,818 -
2	Depreciation Housing properties <i>Being correction to reconcile FAR to TB</i>	£	6,137		£ 6,137	£ 6,137 -
3	Bad debts Sundry debtors <i>Being write off of debtor suspense a/cs</i>	£	4,737		£ 4,747	£ 4,737 -
4	Expenditure Trade creditors <i>Being extrapolated supplier statement differences</i>	£	1,978		£ 1,978	£ 1,978 -
5	Loss on disposal of PPE Management and maintenance administration costs <i>Being misallocation of loss on disposal of boilers</i>	£	10,938			£ 10,938 £ 10,938
6	P&L - credit note Trade debtors <i>Being credit note issued post year end to CCT</i>	£	5,000		£ 5,000	£ 5,000 -
Impact on SOI - a decrease of						£ 21,670

6.3 Letter of representation 21

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Management Committee	26 th August 2021
Agenda Item	7
Title of Paper	Management Accounts – 30 June 2021
Author	Robert Murray, Finance & Corporate Services Manager
Attachment(s)	1. 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 30th June 2021

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 2021/22 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 30 June 2021 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 £454,502 for the year.

5 MAIN ISSUES

5.1 Statement of Comprehensive Income (SOCl) -

The budgeted surplus (24) for the quarter to 30th June 2021 is £135,708, however, the actual results for the period show a surplus of £234,448. There is, therefore, a favourable variance for the period of £98,740.

The overall favourable variance of £98,740 arises from-

- Operational activities £97,503– favourable variance
- Net interest and other activities £1,532- favourable variance

Income

Rental income (1) is close to budget with a slight favourable variance of £5,402. Void losses (2) are also lower than the budget figure £5,819 as opposed to £6719. A favourable variance in net rental income of £871.

Commercial rent (3a) is showing quite a significant adverse variance of £4,169 from a budget figure of £13,733. 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 2020. A commercial property marketing company has now been engaged to provide assistance to have the premises let in the near future.

Factoring income (3b) – adverse variance of £577 from a budget of £3,956 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 £14,286. 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 2020/21 outturn; however, the actual charge is based on the final 2020/21 position. A bit less (£5008) due to disposal of components which have now been replaced.

Expenditure

Management & Maintenance Admin - £16,615 under-spend against budget. The following make up this favourable variance: -

- Salaries (6) (£12,051 under-spend) – mainly due to replacement staff being recruited at a lower pay scale. Not all staff are members of the pension but budgets are prepared on the basis of all staff joining.
- Overheads (7) – an underspend of £4,564 against budget. The attached overheads schedule shows a more detailed analysis of all variances.

Repairs & Maintenance – an underspend of £57,015 against budget over all areas of maintenance, from a total budget of almost £233,416 for the quarter. A more detailed explanation of some of the over- and under-spends as follows: -

- Reactive maintenance (9)– an under spend of £31,564 (Budget £110,300 actual £78,736). Voids maintenance underspend of £7,954 as there were less voids but the conditions of the voids are worse than previous years.
- Cyclical maintenance (10) – Under-spend of £6,401 actual £48,299 against budget £54,700. Most works are now being carried out as planned and a detailed program of works is being worked through
- Major repairs/planned renewals (11) – under-spend of £15,191- actual £41,059 against budget £56,250. Some work on Kitchen and bathroom extractor fans and smoke alarms has been able to take place. Unbudgeted costs of £34,380 for the commercial units was incurred this quarter.
- The large underspends in maintenance come as no surprise. The restriction of multi-trades being able to work together have at times delayed works but it is anticipated that this will ease in the near future.

Housing Property Depreciation (12) – favourable variance of £3,523. The budget figure was calculated on a projected figure based on the 2021/22 outturn; however, the actual charge is based on the final 2020/21 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 reduce the provision rather than the actual amount of bad debts written off. 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.

5.2 Statement of Financial Position-

The Statement of Financial Position shows the actual position at 30 June 2021 and also the position at 31 March 2021 and the resulting movement in this financial quarter.

Housing Properties (18) has decreased by £199,832. A few individual kitchen, bathroom and boiler replacements has amounted to £58,046 with depreciation of £250,456 being charged.

Cash (19) has increased by £13,786 to £2,943,673.

Payables < 1 Year (20)

- Misc. creditors have reduced by almost £15,904 since 31 March 2020.–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 £147,019 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 £139,687 has reduced these balances to just below £14.5 million.
- Reserves (23) – has increased by just over £234,448 to over £7.64 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 £13,786 as opposed to a surplus of £234,448 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 30 June 2021: -

- Interest cover - Target > 110%, Result = 563%
- Gearing - Target < 30%, Result = 19.08%

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

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 higher than the budget surplus for the period to 30 June 2021.

Cash position continues to increase and is in a reasonably healthy position finishing the period at over £2.94 million.

Overall, a good performance for the first 3 months of 2021/22 resulting in a healthy financial position.

STATEMENT OF COMPREHENSIVE INCOME

Ref	Social Lettings Rental Income	Social Lettings Service Charges	Social Lettings Rental & Service Chgs	Actuals To Date			The Hub Services	Corporate Services	Total	Budget to Date	(Adverse) / Favourable Variance	Annual Budget
				Commercial Lettings	Factoring	Development						
(1) Rental Income & Service Charges	839,869	0	839,869						839,869	839,898	(29)	3,359,594
(2) Less: Voids losses	(5,819)		(5,819)						(5,819)	(6,719)	900	(26,877)
(3) Commercial Rental Income				5,599			3,965		9,563	13,733	(4,169)	54,930
Factoring Income					3,379				3,379	3,956	(577)	15,824
(4) Grants released from Deferred Income	139,687		139,687						139,687	144,695	(5,008)	578,781
(5a) Other Revenue Grants	22,536		22,536						22,536	8,250	14,286	33,000
(5b) Other Income								0	0	0	0	0
	996,273		996,273	5,599	3,379	0	3,965	0	1,009,215	1,003,813	5,402	4,015,252
(6) Management Expenses - Staff Costs	112,517	23,627	136,143		1,766			63,470	201,379	213,430	12,051	853,719
(7) Management Expenses - Overheads	18,506		18,506	0	859		3,875	83,120	106,359	110,923	4,564	443,692
(8) Service Costs		0	0						0	0	0	0
(9) Reactive Maintenance	78,736		78,736						78,736	110,300	31,564	435,200
(10) Cyclical Maintenance	48,299		48,299						48,299	54,700	6,401	218,800
(11) Planned Renewals/Major Repairs	49,366		49,366						49,366	68,416	19,050	267,996
(12) Depreciation on Housing Properties	250,456		250,456						250,456	253,978	3,523	1,015,913
(13) Bad Debts	(7,060)		(7,060)						(7,060)	7,889	14,949	31,556
	550,819	23,627	574,446	0	2,624	0	3,875	146,590	727,535	819,636	92,101	3,266,876
Operating Surplus	445,454	(23,627)	421,828	5,599	754	0	90	(146,590)	281,680	184,177	97,503	748,376
(14) Release of Negative Goodwill	9,533		9,533						9,533	9,534	(0)	38,134
(15) Gain/Loss on Disposal of Fixed Assets	0		0						0	0	0	0
(16) Interest Receivable			0					642	642	938	(296)	3,750
(17) Interest Payable/Other Finance Costs	(57,407)		(57,407)						(57,407)	(58,940)	1,532	(235,759)
(23)	397,580	(23,627)	373,954	5,599	754	0	90	(145,949)	234,448	135,708	98,740	554,502
Actuarial Gain/(Loss) in Pension Scheme									0.00			(100,000)
												454,502

WELLHOUSE HOUSING ASSOCIATION LTD

STATEMENT OF FINANCIAL POSITION AS AT

30 June 2021



ANNUAL BUDGET £	Ref		AS AT 31/03/2021 £	ACT YTD 30/06/2021 £	MOVEMENT £
		Non Current Assets			
42,443,511	(18)	Housing Properties - gross cost	41,102,439	41,160,485	58,046
(14,634,469)		Depreciation	(13,578,570)	(13,829,026)	(250,456)
27,809,042			27,523,869	27,331,459	(192,410)
1,286,604		Other	1,338,481	1,331,059	(7,422)
29,095,647			28,862,350	28,662,518	(199,832)
(991,501)		Negative Goodwill	(1,029,625)	(1,020,092)	9,533
		Current Assets			
197,567		Debtors	206,284	255,040	48,756
0		Inventory	0	0	0
2,230,566	(19)	Cash at Bank and in hand	2,929,887	2,943,673	13,786
2,428,133			3,136,171	3,198,713	62,542
(1,010,650)		(20) Payables < 1 year	(1,131,477)	(984,458)	147,019
0		Misc Creditors	0	0	0
		Pension Deficit	0	0	
(244,972)		Deferred Capital Grants	0	0	
(1,255,622)		Loans	0	(241,503)	(241,503)
			(1,131,477)	(1,225,961)	(94,484)
1,172,511		Net Current Assets/ (Liabilities)	2,004,694	1,972,753	(31,942)
29,276,656		Total Assets less current liabilities	29,837,419	29,615,179	(231,774)
(7,424,586)		(21) Payables > 1 year	(7,915,034)	(7,612,845)	302,189
(83,233)		Loans	57,520	72,332	14,812
(7,507,819)		Pension Deficit	(7,857,514)	(7,540,513)	317,001
(13,283,962)		(22) Deferred Income	(13,877,417)	(13,743,628)	133,789
(706,663)		Social Housing Grant	(694,931)	(689,033)	5,898
(13,990,625)		Non Housing Grants	(14,572,348)	(14,432,661)	139,687
7,778,213		Net Assets	7,407,557	7,642,005	234,448
£			£	£	£
122		Capital and Reserves	118	118	0
7,778,091	(23)	Share Capital	7,407,439	7,641,887	234,448
		Reserves			
7,778,213			7,407,557	7,642,005	234,448
0			0	0	(0)

WELLHOUSE HOUSING ASSOCIATION LTD

STATEMENT OF FINANCIAL POSITION AS AT

30 June 2021

ANNUAL BUDGET £			AS AT 31/03/2021 £	ACT YTD £	MOVEMENT £
		Non Current Assets			
41,819,077		Housing Properties - gross cost	41,102,439	41,160,485	58,046
(13,081,386)		Depreciation	(13,578,570)	(13,829,026)	(250,456)
28,737,691			27,523,869	27,331,459	(192,410)
1,318,645		Other	1,338,481	1,331,059	(7,422)
30,056,336			28,862,350	28,662,518	(199,832)
(1,067,758)		Negative Goodwill	(1,029,625)	(1,020,092)	9,533
		Current Assets			
99,860		Debtors	206,284	255,040	48,756
0		Inventory	0	0	0
1,306,623		Cash at Bank and in hand	2,929,887	2,943,673	13,786
1,406,483			3,136,171	3,198,713	62,542
(1,098,388)		Payables < 1 year	(1,131,477)	(984,458)	147,019
(54,500)		Misc Creditors	0	0	0
(219,714)		Pension Deficit	0	(442,961)	(442,961)
(1,372,602)		Loans	(1,131,477)	(1,427,419)	(295,942)
33,881		Net Current Assets/ (Liabilities)	2,004,694	1,771,295	(233,400)
29,022,459		Total Assets less current liabilities	29,837,419	29,413,721	(433,232)
(7,950,011)		Payables > 1 year	(7,915,034)	(7,411,387)	503,647
(48,151)		Loans	57,520	72,332	14,812
(7,999,162)		Pension Deficit	(7,857,514)	(7,339,055)	518,459
(14,240,466)		Deferred Income	(13,877,417)	(13,743,628)	133,789
(789,108)		Social Housing Grant	(694,931)	(689,033)	5,898
(15,029,574)		Non Housing Grants	(14,572,348)	(14,432,661)	139,687
5,993,723		Net Assets	7,407,557	7,642,005	234,448
£			£	£	£
313		Capital and Reserves	118	118	0
5,993,410		Share Capital	7,407,439	7,641,887	234,448
		Reserves			
5,993,723			7,407,557	7,642,005	234,448
0			0	0	(0)

Operating Surplus 281,680

WELLHOUSE HOUSING ASSOCIATION LIMITED

MANAGEMENT ACCOUNTS TO

30 June 2021



STATEMENT OF CASHFLOWS

Operating Surplus		281,680
Adjust for Depreciation and other non-cash transactions		<u>118,191</u>
Adjusted Operating Surplus		399,871
Movement in Debtors		(48,756)
Movement in Creditors		(161,831)
<u>Investing Activities</u>		
Purchase of Properties and Components	(58,046)	
Purchase of Other Fixed Assets	0	
Disposal of Other Fixed Assets	0	
Grants received	<u>0</u>	(58,046)
<u>Financing Activities</u>		
Interest receivable	642	
Interest payable	(57,407)	
Loan capital repaid	(60,686)	
Share capital issued	<u>0</u>	(117,452)
		<u><u>13,786</u></u>
Movement in Cash per Balance Sheet		13,786
		(0)

COVENANTS AS AT 31 MARCH 2021

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

		Accounts	Target set by Bank	Actual	Covenant Satisfied?
INTEREST COVER					
Operating Surplus		281,680	Greater than 110%	563.00%	Yes
LESS:Housing Grants Amortised		(139,687)			
LESS:Pension Deficit Contribution		(14,812)			
ADD:Housing Depreciation		250,456			
LESS:Component Replacements		(58,046)			
		319,591			
Interest Payments		57,407			
Interest Receipts		(642)			
		56,766			

		Accounts	Target set by Bank	Actual	Covenant Satisfied?
GEARING					
Balance of Outstanding Loans		7,854,348	Less than 30%	19.08%	Yes
Historic Housing Cost		41,160,485			

		Accounts	Target set by Bank	Actual	Covenant Satisfied?
ASSET COVER					
Existing Use Value - Social Housing (£5,874,000 @ 115% cover)		5,107,826	More than 100%	193%	Yes
Market Value - Subject to Tenancy (£11,024,222 @ 130% cover)		8,480,171			
	A	13,587,997			
Outstanding RBS Loans	B	7,029,412			

WELLHOUSE HOUSING ASSOCIATION

2021/22 Budget



<u>Overheads</u>		Housing Management	Commercial Lettings	Factoring	The Hub Services	Corporate Services	2021/22 Budget Total	Budget Apr-Jun'21	Actual Apr-Jun'21	(Adverse) Favourable Variance
24).	Advertising (Publicity & Promotions)	1,000				1,000	1,000	250	0	250
25).	Audit Fee - External	11,900				11,900	11,900	2,975	3,250	(275)
	Audit Fee - Internal	12,500				12,500	12,500	3,125	0	3,125
26).	Bank Charges - Allpay	10,500	10,500				10,500	2,625	2,527	98
	- General	500				500	500	125	82	43
27).	Depreciation - Other Fixed Assets	27,349				27,349	27,349	6,837	7,422	(585)
28).	General Expenses - Miscellaneous	2,800				2,800	2,800	700	171	529
	- Provisions	1,900				1,900	1,900	475	0	475
	- Staff Welfare Costs	700				700	700	175	0	175
	- Cash Collection Costs (G4S)	600				600	600	150	0	150
	Taxi	1,250				1,250	1,250	313	0	313
	Health & Safety	6,000				6,000	6,000	1,500	0	1,500
29).	General Committee Expenses	3,600				3,600	3,600	900	0	900
30).	Heat & Light	11,500			4,000	7,500	11,500	2,875	2,370	505
31).	Cleaning	12,000			1,500	10,500	12,000	3,000	2,210	790
32).	Insurance - Housing Stock	61,983	58,057	3,926			61,983	15,496	10,059	5,437
	- Non-Housing premiums	24,534				24,534	24,534	6,134	6,993	(859)
								0		
33).	Office Maintenance - Repairs & Renewals	15,000				15,000	15,000	3,750	4,317	(567)
	- Equip Maintenance	7,000				7,000	7,000	1,750	330	1,420
34).	Office Equipment - New items	6,000				6,000	6,000	1,500	2,224	(724)
	IT Maintenance Support Costs	53,500				53,500	53,500	13,375	20,217	(6,842)
	IT Expenses	9,000				9,000	9,000	2,250	144	2,106
35).	Printing (External)	8,200				8,200	8,200	2,050	2,602	(552)
	Printing (Internal Photocopier Charges etc)	6,000				6,000	6,000	1,500	1,383	117
	Stationery	4,300				4,300	4,300	1,075	246	829
36).	Postage	2,900				2,900	2,900	725	0	725
37).	Rent & Rates	1,900				1,900	1,900	475	333	142
38).	Seminars & Training - Staff	16,000				16,000	16,000	4,000	3,357	643
39).	Seminars & Training - Committee	5,500				5,500	5,500	1,375	0	1,375
40).	Staff Recruitment	3,600				3,600	3,600	900	3,228	(2,328)
41).	Subscriptions	25,976				25,976	25,976	6,494	6,886	(392)
42).	Telephones	9,500				9,500	9,500	2,375	1,369	1,006
43).	Legal Fees - General	12,000				12,000	12,000	3,000	1,143	1,857
44).	Legal Fees - Housing	14,500	14,500				14,500	3,625	8,447	(4,822)
45).	Professional Fees	13,000				13,000	13,000	3,250	8,291	(5,041)
	Housing -Agency Fees - WR	0	0				0	0		0
46).	Commercial Property Cost	1,000		1,000			1,000	250	0	250
47).	Donation - Grant Funding Wider Role	21,800				21,800	21,800	5,450	5,450	0
	Donations -Others	1,400				1,400	1,400	350	50	300
48).	Tenant Participation	12,000	12,000				12,000	3,000	1,261	1,739
49).	Vehicle Costs						0	0	0	0
50).	AGM Costs	3,000				3,000	3,000	750	0	750
51).							0	0		0
		443,692	95,057	1,000	3,926	5,500	338,209	0	443,692	
								110,923	106,359	4,564

WELLHOUSE HOUSING ASSOCIATION LTD

MAINTENANCE BUDGET TO MARCH 2022	Total 2021/22 TOTAL	Budget Apr-Jun'21	Actual Apr-Jun'21	(Adverse) Favourable Variance
CYCLICAL MAINTENANCE				
ELECTRICAL TESTING	36,000	9,000	365	8,635
CLOSE ELECTRICAL TESTING			0	0
EXTERNAL PAINTING- phase 2B	12,000	3,000	0	3,000
EXTERNAL PAINTING- phase 8	0	0		
EXTERNAL PAINTING - phase 10	0	0		
GAS SERVICING	75,000	18,750	6,008	12,742
GUTTER CLEANING	70,000	17,500	41,596	(24,096)
GAS SAFETY AUDIT	7,800	1,950	0	1,950
FIRE SERVICE - 14 LANGBAR GDNS	3,600	900	0	900
FIRE SERVICE - EQUIPMENT	0	0	0	0
ASBESTOS MANAGEMENT	2,400	600	330	270
WATER TESTING	12,000	3,000	0	3,000
	218,800	54,700	48,299	6,401
REACTIVE MAINTENANCE				
REACTIVE MAINT	198,000	49,500	42,577	10,823
SCOTTISH POWER L/LSUP	15,600	3,900		
ESTATE SERVICES - Materials	30,000	7,500	1,154	6,346
ESTATE SERVICES - Van/Fuel	15,600	3,900	958	2,942
Close Cleaning	0	0		
VOIDS	168,000	42,000	34,046	7,954
Facilities Management Costs	6,000	1,500	Code st	1,500
Assume a £2,000 spend on Factored Owners properties	2,000	2,000		2,000
	435,200	110,300	78,736	31,564
Stage 3 Adaptations- Ex GH A	12,996	2,166	0	
Stage 3 Adaptations	30,000	10,000	8,307	3,859
	42,996	12,166	8,307	3,859
MAJOR REPAIRS - NON-CAPITALISED				
KITCHEN EXTRACTOR FANS Phase 5	6,000	1,500	0	1,500
Bathroom EXTRACTOR FANS Phase 5	6,000	1,500	0	1,500
Doors	0	0	20	(20)
Smoke Alarms Phase 8	48,000	12,000	5,219	6,781
Commercial Units - Newhills Rd R&R		0	34,380	(34,380)
External Paths	24,000	6,000	720	5,280
Back Courts Phase 1	72,000	18,000	0	18,000
Back Courts Phase 2A	0	0		0
External Verandas	0	0	720	(720)
Consultants Costs	45,000	11,250		11,250
Chimney Breast Reoval	24,000	6,000		6,000
	225,000	56,250	41,059	15,191
MAJOR REPAIRS - CAPITALISED COMPONENTS				
Kitchens Phase 5	120,000	30,000	7,998	22,002
Bathrooms Phase 3	117,600	29,400	10,385	19,015
Gas Boiler Replacements Phase 10	30,000	7,500	39,359	(31,859)
External Doors 2B	120,000	30,000	304	29,696
External Windows 2A	394,800	98,700	Code st	98,700
the Hub boiler replacment	0	0	0	0
the Hub poss remodeling	22,000	5,500		
	804,400	201,100	58,046	137,554

Management Committee	26 th August 2021
Agenda Item	8
Title of Paper	Loan Portfolio Return
Author	Robert Murray, Finance & Corporate Services Manager
Attachment(s)	Annual Loan Portfolio Return Information

FOR APPROVAL

1 PURPOSE

- 1.1 To provide Committee with details of the Annual Loan Portfolio Return to be submitted to Scottish Housing Regulator (SHR).

2 RECOMMENDATIONS

- 2.1 There are no concerns regarding any aspect of the loan portfolio return for the Association and Committee approval is requested.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's objective to provide good governance and financial management and is relevant in respect of the following values: -

- Accountability

- 3.2 This Report also meets point 12:16 from 2020/21 Operational Plan – “Five year and loan return to SHR”.

4 BACKGROUND

- 4.1 The Housing (Scotland) Act 2010 places an obligation upon the Scottish Housing Regulator (SHR) to monitor, assess and report regularly on the financial health of registered social landlords (RSLs). They are able to achieve this by using information, which has been collected from the annual accounts, loan portfolios and financial projections provided by RSLs. Each RSL, therefore, also has an obligation to submit reports to SHR on a regular basis meeting required timescales.

- 4.2 Wellhouse is required to submit a Loan Portfolio Return annually prior to 30 June, however, this year the deadline has been extended to 31 August 2021. Any significant events should also be reported on an ad-hoc basis as and when they occur, via an In-Year Return. Appended to this report are extracts from the submission showing a summary of the loans and also the authorisation page.

5 MAIN ISSUES

5.1 The summary of loans shows a total of £7.915 million and this agrees to the figures contained in the management accounts and draft statutory year-end accounts. All financial covenants have been updated to reflect the position as at March 2021 and show the latest date when financial covenants were reported to lenders. These also agree to the figures reported on in the Management Accounts at March 2021.

5.2 Main Points

- Approximately 17% of all housing stock is not granted as security for loan finance and remains unencumbered.
- The Association has loans with two lenders - Royal Bank of Scotland (RBS) and Clydesdale Bank.
- All facilities have been drawn down in full.
- Total loan debt at March '21 is £7.915m.
- Around 86% of debt is on a fixed rate basis, this complies with the treasury management policy – “applying an appropriate hedging strategy will assist in minimising any adverse effects caused by increase in interest rates”.
- There are no issues in terms of covenant compliance subject to lenders formalising discussions to date.

5.3 The loan portfolio report shows the status of the submission as “New”. Once Committee has approved this document it will be electronically Authorised and submitted to SHR and will display the status as “Approved”.

6. DISCUSSION

6.1 Committee is invited to discuss any of the content in this report.

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

7.1 There is a regulatory requirement for Wellhouse to submit various annual Returns to SHR.

7.2 Keeping accurate records of the Association’s loan balances and financial covenant’s requirements and details is consistent with the Treasury Management policy.

8. FINANCIAL IMPLICATIONS

8.1 None.

9. KEY RISKS

9.1

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to submit Returns to SHR on time could result in engagement being kept at a higher level than is necessary.		
Mitigation	Mitigation	Mitigation
Ensure that all relevant staff members are aware of deadline dates for SHR submissions and these dates are adhered to.		

10. EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None apparent.

11. SUSTAINABILITY

10.1 Not applicable.

12. SWOT ANALYSIS

11.1 Not required.

13. CONCLUSION

12.1 Not applicable.

Loan Portfolio Annual Return 2020-2021



Landlord name:	Wellhouse Housing Association Ltd
RSL Reg. No.:	281
Report generated date:	16/08/2021 13:27:59

Approval	
Date approved:	
Approver:	
Approver job title	

Submission	
Nil return	No
Date of Return	31/03/2021 00:00:00
Accounting year-end	March
Number of housing units owned by RSL	794
Number of housing units used for Security	657
Unencumbered housing units	137
What Percentage of unencumbered housing units in Question (7) has a Positive value?	100.00%
Does a Lender have a floating charge over the company assets?	No
Submission Comments	
N/A	

Covenants for Loans

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
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Facilities

Facility Reference Number	Name of Lender	Charge holder	Security Trustee In place?	Start Date	End Date	Total Facility (£'000s)	Balance of Facility Outstanding (£'000s)	Facility Undrawn (£'000s)	Next five years?	Undrawn Facility for?	Details	Funds Committed?
WELCLY002	Clydesdale Bank plc		No	27/02/2004	27/02/2029	1,000.0	469.3	0.0				
WELCLY003	Clydesdale Bank plc		No	01/10/2004	02/07/2029	1,132.4	548.9	0.0				
WELRBS011	Royal Bank of Scotland plc		No	30/09/2012	25/06/2040	2,150.0	1,619.0	0.0				
WELRBS012	Royal Bank of Scotland plc		No	31/10/2012	21/02/2033	1,375.0	804.9	0.0				
WELRBS2889	Royal Bank of Scotland plc		No	28/04/2017	28/04/2027	4,473.1	4,473.1	0.0				
Totals						10,130.5	7,915.2	0.0				

Facilities

Facility Reference Number	Name of Lender	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	All lenders within this syndicate	Facility Comments
WELCLY002	Clydesdale Bank plc	Yes	No	Yes	legal		
WELCLY003	Clydesdale Bank plc	No	No	Yes	Legal & Valuation		
WELRBS011	Royal Bank of Scotland plc	No	No	Yes	legal		
WELRBS012	Royal Bank of Scotland plc	No	No	Yes	Legal		
WELRBS2889	Royal Bank of Scotland plc	Yes	No	No			

Loans

Facility Reference Number	Loan Reference Number	Loan Type	Purpose of Loan	Loan Purpose Details	Total Loan Amt (£'000s)	Balance O/S (£'000s)	Repmnt Terms	Ref Int Rate	Margin Over Ref Int Rate (%)	'All In' Fixed Rate (%)	First Cap Repmnt Date	Final Cap Repmnt Date	First Int Pmnt Date	Interest Is being
WELCLY002	CLYVAR7665	Variable Rate Loan	Refinancing		589.2	469.3	Fully Amortising	LIBOR 1 month	0.4500%		28/03/2019	27/03/2029	28/03/2019	Paid
WELCLY003	CLYVAR003	Variable Rate Loan	Affordable Housing Development		1,132.4	548.9	Converted to loan	LIBOR 1 month	0.4500%		01/10/2004	02/07/2029	01/10/2004	Paid
WELRBS011	RBSFIXED011	Fixed Rate Loan	Refinancing		2,150.0	1,619.0	Converted to loan	Fixed Rate Percentage		4.2500%	31/12/2012	25/06/2040	31/12/2012	Paid
WELRBS012	RBSFIXED013	Fixed Rate Loan	Refinancing		1,341.4	804.9	Converted to loan	Fixed Rate Percentage		4.0900%	21/02/2013	21/02/2033	21/02/2013	Paid
WELRBS2889	RBSFIXED3462	Fixed Rate Loan	Affordable Housing Development		4,473.1	4,473.1	Interest only - Bullet repayment at end of term from refinancing	Fixed Rate Percentage		1.5000%		28/04/2027	28/07/2017	Paid
Totals					9,686.1	7,915.2								

Loans

Facility Reference Number	Loan Reference Number	Start Date	Fin cap Rep Date Ind	Current deal expiry date	Forward fixes neg with Lender?	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	Percentage of Security provided by Social Housing assets (%)	Value of Security provided by Social Housing units (£'000s)	Basis of valuation	Date of valuation	Loan Comments
WELCLY002	CLYVAR7665	27/02/2019	Yes			No	No	Yes	Legal & Valuation	100.00%	1,805.0	EUV-SH without sales	11/12/2017	
WELCLY003	CLYVAR003	01/10/2004	Yes			No	No	Yes	Legal & Valuation	100.00%	1,806.0	EUV-SH without sales	13/12/2017	
WELRBS011	RBSFIXED011	31/10/2012	No	28/06/2040	No	No	No	Yes	Legal	100.00%	6,217.4	EUV-SH without sales	12/12/2018	
WELRBS012	RBSFIXED013	31/10/2012	Yes			No	No	Yes	Legal	100.00%	1,400.0	MV-ST	12/12/2018	
WELRBS2889	RBSFIXED3462	28/04/2017	Yes			Yes	No	No		100.00%	7,769.0	MV-ST	12/12/2018	

Loans Covenants

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
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Embedded Interest Rate Derivatives

Facility Reference Number	Loan Reference Number	Sequence Number	Derivative Type	Amount (£'000s)	Date From	Date To	Margin Over Ref Int Rate (%)	'All In' Fixed Rate (%)
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IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Relationship to RSL	Amount Provided (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date	Is Funding Provided Part of Funds Borrowed?	Loan Reference Number	Lender aware of on Lending Arrangement?
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IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Security taken?	Type of Security	Type of Security details	Value of Security (£'000s)	Loan Agreement in Place?	Loan Type	Repayment Period (months)	Repayment terms	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All In' Fixed Rate (%)	IGF Lend Comments
-----------------	--	-----------------	------------------	--------------------------	----------------------------	--------------------------	-----------	---------------------------	-----------------	-------------------------	------------------------------	-------------------------	-------------------

IGF Borrow

Sequence Number	Name of organisation that the funding is provided from	Relationship to RSL	Amount Received (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date
-----------------	--	---------------------	--------------------------	----------------------	-----------------	---------	--	------------	----------	----------------------

IGF Borrow

Sequence Number	Name of organisation that the funding is provided from	Security taken?	Type of security	Details	Value of security (£'000s)	Loan Agreement in place?	Loan Type	Repayment period (months)	Repayment terms	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All In' Fixed Rate (%)	IGF Borrow Comments
-----------------	--	-----------------	------------------	---------	----------------------------	--------------------------	-----------	---------------------------	-----------------	-------------------------	------------------------------	-------------------------	---------------------

ISDAS

Sequence Number	Name of Lender	Amount (£'000s)	Start Date	End Date	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All In' Fixed Rate (%)	Mark to Market Threshold before collateral calls (£'000s)	Mark to Market Value (£'000s)	Date of Mark to Market Valuation	Implied loss or gain on Mark to Market Valuation (£'000s)	Type of collateral calls	Under which method are they marked?	Frequency of Call	ISDA Comments
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ISDA Covenants

ISDA Sequence Number	Sequence Number	Type of covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date
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Management Committee	26 August 2021
Agenda item	9
Title of Paper	Replacement Telephone System
Author	Robert Murray, Finance & Corporate Services Manager
Attachment(s)	1. Resource Telecom proposal. 2. Hiper Proposal
Executive Summary	

FOR APPROVAL

1 PURPOSE

To consider a replacement telephone system that will support remote working while giving the association the ability to embrace the latest available technology for a telephony solution

2 RECOMMENDATIONS

Engage the services of Hiper Ltd for the telephony service to enable them to be the provider of all the ICT for Wellhouse Housing Association. This is based on past experience how they helped and supported Wellhouse Housing association during the lockdown period and also value for money as the most competitive of both companies asked to provide quotations.

Cost £11,408.98 plus VAT over 3 years

3 BUSINESS PLAN, VISION AND VALUES

3.1 We believe that the proposal is within our Business plan and would meet the following parts of our vision

1. Deliver excellent services.
2. Maintain good governance and financial management.
3. Value and invest in our people.

It is also consistent with our Values of:

- Integrity
- Excellence
- Sustainability

3.2 The report reflects the following areas of our Operational Plan:

1. Section 9.1 Ensure IT are fit for purpose
2. Section 9.4 Review Contract with Hiper
3. Section 9.5 Review Phone provider

4. BACKGROUND

The existing phone system has been in place for a number of years and uses handsets that are static to each desk location within the office. Pre-lockdown the previous Finance & Corporate services manager had commenced work to scope a replacement to the system.

5 MAIN ISSUES

- 5.1 During lockdown it has been necessary for all fixed landlines to be diverted to mobiles.
- 5.2 Staff have not been able to divert calls between colleagues as required resulting in frustration with tenants and others having to redial to different numbers to complete an enquiry.
- 5.3 Calls have not been recorded for quality and security purposes.
- 5.4 Answering services are not easy and straightforward to put in place.
- 5.5 Calls made by staff have been displaying a mobile number and not therefore the published Wellhouse contact numbers and therefore not presenting a professional image.
- 5.6 The proposed system will enable staff to connect via VOIP technology and be able to make calls from within the office or remotely using a dedicated line. When out of the office calls may be diverted to a mobile and calls made from a mobile displaying the office number.

6 DISCUSSION

- 6.1 The existing system is no longer fit for purpose.
- 6.2 Hiper can provide the phone system enabling them to be our integrated ICT provider rather than just IT. This would avoid any ambiguity who was responsible for maintaining the system if an outage occurred.
- 6.3 Wireless headsets will enable staff to work better without having to hold phones for extended periods of time therefore better for staff wellbeing.

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 Regulatory: Will help ensure compliance with data protection legislation by recording calls in a secure environment
- 7.2 Legal: At present call recording can be intermittent and due to home working is not currently in place
- 7.3 Constitutional: There are no constitutional implications

8 FINANCIAL IMPLICATIONS

- 8.1 The quotation from Hiper would be a monthly cost of £229.12 plus VAT for 36 months (£8,248.32 plus VAT) with one off costs of £3160.66 plus VAT for setup and configuration and wireless headsets. This is a total of £11,408.98 plus VAT.

Resource telecoms costs for the 36-month period equates to £19,789.20 plus VAT

9. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
To provide a replacement system that ensures <ul style="list-style-type: none"> - IT is fit for purpose - Phone system is replaced 	Phone system becomes obsolete	New system requiring training
Mitigation	Mitigation	Mitigation
A review and tender process has been put in place to existing provider and Hiper for competitive quotations	Investment in latest available technology	Appropriate help and support provided by Hiper to configure system for staff needs

- Outline **each** perceived risk.
- Categorise the risks as Strategic/ Operational/ Project
- Outline the mitigation if appropriate

10. EQUALITY AND DIVERSITY ISSUES

10.1 There is no known Equality or Diversity issues

11. SUSTAINABILITY

11.1 The existing system will be removed and recycled in an environmentally sensitive manner. The new system will have less fixed cabling thus reducing the need for new cables etc to be installed.

12. CONCLUSION

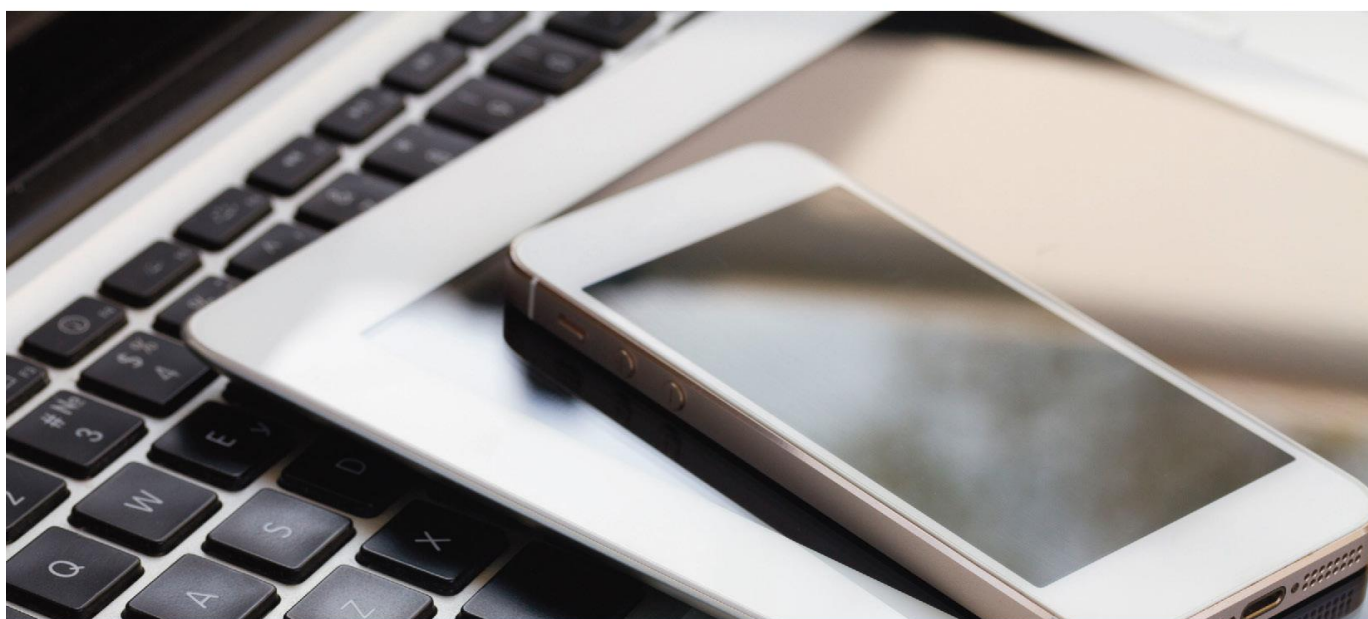
The existing system has been earmarked for replacement for several years. Without replacement Wellhouse will not be investing in the future in the latest available telephony system and in the welfare of staff handling calls on a daily basis.



Wellhouse Housing Association
The Hub, 49 Wellhouse Cres, Glasgow, G33 4LA

Hosted VoIP Telephone System Proposal

Ver. 1.0 – June 2021

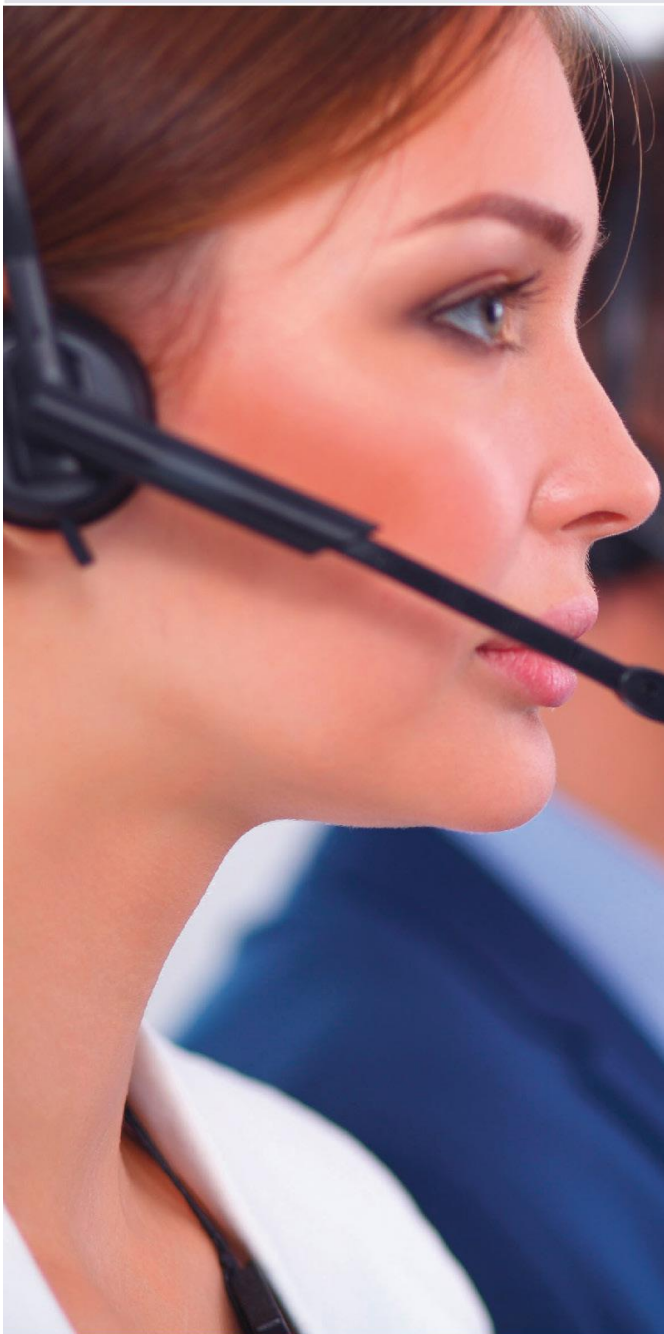


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Since inception in 1998, our mission at Resource Telecom Group has been to provide customers with a high level of service, clear unbiased advice and practical ideas focusing specifically on each customer's individual needs.

Using our own highly trained and specialised installation and maintenance teams, Resource Telecom Group delivers independent, tailor-made solutions from initial consultancy through to installation, commissioning and training.

At Resource Telecom Group, we have the in-depth knowledge and expertise in digital communications and information technology to supply, install and maintain systems from the most complex, state-of-the-art multi-site configurations through to single office telephone applications, all designed for effectiveness, flexibility and ease of use.



The difference at Resource Telecom Group is that we really listen to what our customers are saying and take responsibility for the issues they raise.

Furthermore, we pursue the most effective, cost efficient routes to provide them with practical, workable solutions by drawing on a broad range of market leading products and the practical experience of our field based consultants and technicians.

Our extensive experience in the market place has made us profoundly aware that what customers really want is clear, accurate information, useful advice and a fast, efficient and reliable service using leading edge products backed by a responsive support facility.

At Resource Telecom Group, these requirements are met in full so that our customers not only future proof their investment, but are also able to derive significant business benefits by their implementation.

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Telephone Systems

We can offer a helping hand

Recent years have seen major changes in telecommunications, with the transition from analogue to digital telephone systems, the introduction of wireless communications, computer telephony integration and convergence of voice and data on IP networks.

Resource account managers understand that a company's phone system is often the first link with new customers and is vitally important. A phone system lasts for an average of 5-7 years and so must be chosen with the greatest care. Your assigned account manager will:

- Work closely with your business to gather all important information and relevant considerations.
- Draft a specification document detailing current and future requirements.
- Choose a system that can be easily upgraded, and a supplier that offers consultancy, installation, project management and support.
- Keep in contact with you throughout the transition and the lifetime of your system to ensure your satisfaction.

Mobiles

Resource Mobile Solutions

Resource Telecom employ the same direct and open approach to mobile communications as we do with the rest of our solutions. As a result it's easy for you to get the right package, at the right price from a company with long-standing experience and an excellent reputation. We represent true customer service, value for money and the latest technology – without all the jargon. Our specialists can build bespoke solutions that fit the needs of your business now and for the future.

Because we represent all the networks of choice for business users, we provide complete flexibility and the full range of specialist mobile devices currently available in the market.

Horizon Hosted Telephony What Is Horizon?

Horizon is a complete communications service for business that provides an extensive range of fixed and mobile telephony capabilities via an easy-to-use web portal. The service allows you, the administrator, to easily manage your environment whilst enabling your employees to maximise their productivity.

The service has lots of clever features and an emphasis on control and administration through the web that takes the burden away from your IT team. For administrators, you can quickly configure the system according to your organisation's changing requirements, while your employees can manage calls easily and effectively.

With only a minimal capital outlay required, a reliable and proven service, and a jargon free approach to telephony and communications, Horizon is suitable for any sized business looking to improve their productivity and image.

- | | |
|---|---------------------------------------|
| ■ Features you can easily control | ■ Empower your staff with 'one number |
| ■ An on-demand service with no hidden costs | ■ Lower call costs |
| ■ Enables flexible working | ■ Number choice |
| ■ A business continuity solution | |

Lines and Calls

We are committed to offering only business class products, delivering exceptional service and fantastic savings for our customers:

Excellent savings – Resource will save you on your BT line rental and offer reductions on all your call related charges.

Fantastic rates – On local, national, mobile numbers and International calls

BT Openreach Engineers – All new installs and line faults are carried out by BT engineers to ensure the best quality workmanship thus ensuring minimal disruption.

Easy to switch – All transfer of service is completely seamless and carried out directly behind the scenes by Resource telecom, with no loss of service and no need to change your number.

Improved Billing – Our billing platform offers our customers a much more precise bill on monthly basis. We have found this to be of huge advantage to all our customers especially for marketing campaigns and also analytical purposes. This includes full itemisation.

Our pledge ensures that we always provide you with the premium cost reduction solutions on all business phone calls and provide you with the most attractive rates within the market place – so you need never worry about the cost of your calls again or shopping to find the most up to date solutions. We are passionate about customer service and ensuring we respond rapidly and effectively to your needs. Telephone support is free. Our customer service centre is based in the UK and is staffed by highly knowledgeable and helpful professionals.

Broadband Solutions

Resource Network Solutions offer a comprehensive range of business broadband solutions to suit all your requirements. Powered by a world-class network infrastructure and supported by unrivalled customer service and technical support, Resource broadband is a fantastic solution for your broadband requirements. Including:

- ADSL
- LEASED LINE
- EFM
- FTTC

eWay CRM

Amazing Outlook Integration

Your Business at your fingertips

eWay-CRM integrates completely into Microsoft Outlook and works in 2003/2007/2010 and Outlook 2013. The system has been designed from the outset to integrate 100% with Outlook and its many great features. eWay-CRM can automatically monitor emails and add them to leads, projects and marketing jobs, so that the process becomes seamless and you can always see all the communications with a client from within your Outlook, even if the communication was sent or received by another member of your team. eWay also integrates into Word and Excel and provides a quick save to eWay-CRM button that allows quotes and proposals to be instantly added to eWay-CRM and assigned to a lead or project for everyone to access.

Amazing integration with Microsoft Outlook

eWay-CRM is a plugin for Microsoft Outlook and users benefit from the very close integration between these two applications. This integration brings many advantages:

- A single workspace/application – e-mails, business cases, and projects all in one application.
- No need to constantly switch between applications or even rewrite data from one application to another.
- Due to a similar user interface users do not recognize the difference between Microsoft Outlook and eWay-CRM. They can work more efficiently.
- Very user friendly. Easy to teach new users – familiar working methods with Microsoft Outlook do not need to change, everything in eWay-CRM is the same!

Sales leads under control

- Real time information about current sales leads and opportunities (who is working on them, their status).
- Client communication history input into the client contact section (you don't have to rely on your employees' memories).
- Quotations, orders and other important documents are always to hand. The system can even request them itself.
- Reminders for all important tasks and events.

Offline Mode

Unlike most CRM systems, eWay-CRM allows your staff to work whether or not they have an internet connection. eWay-CRM holds an offline copy of your data on each computer and then synchronises any changes you make with the server when the computer has internet access again. This ensures that your team can quickly update information as soon as the meeting finishes and not several hours later when they get back to the office.

Easy project management

- Easy workflow definition. This tool allows management to define specific project templates for employees to follow and tracks all the key project phases.
- Project journal in just a few clicks. You can easily read all news and step into the project.
- Financial aspects of the project always to hand. We can integrate eWay-CRM with your accounting software and your sales managers will have information about overdue invoices or client turnover right on the customer detail page.
- You no longer need to search for documentation in shared folders. It is on the project details page!

Reporting – Daily Feedback

eWay-CRM includes a report module along with pre-defined reports, such as:

- Customer turnover and profitability.
- Sales manager efficiency.
- Project summaries.
- Project profitability for the last 12 months
- Work reports of all staff, etc

Proactive IT Support

Giving you peace of mind

We provide a friendly and customer focused IT helpdesk service for our clients. Resource specialise in providing proactive IT support through our helpdesk4.uk system which monitors all your hardware, software and services 24/7 and immediately flags up any issues to our highly trained Microsoft certified engineers.

We believe in operating as part of your team and are always available to discuss any technology or support requirements you may have to ensure that your systems and processes work seamlessly. We work to support your team, not just your systems. Technology works best when you have confidence in how to use it.

From our offices in Edinburgh and Glasgow, we are ideally located to serve customers across Scotland and provide a fast and efficient response to issues as they arise.

Free IT Audit

Give us a call and we can arrange a free IT audit of your current setup.

- Flexible IT support packages
- Pro Active IT Support
- Cloud services
- 24/7 Server Monitoring
- Hardware supply & installation
- LAN/WAN/Wireless network support & installation
- Free IT Audits
- Consultancy



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Utilities from Resource Telecom

With great features and benefits including:

- The largest network of energy brokers/consultants
- On hand to support with any adhoc contractual, service or billing issues with your supplier
- Leverage with all major suppliers, meaning access to the best products, services and support levels
- New meter installations service available & full siteworks capability via our dedicated siteworks team
- Automated meter reading (AMR) & Smart metering options available
- Up to speed on all new market legislation and regulation and we will pro-actively keep you informed
- No upfront costs, a fee is taken from the supplier
- Complete transparency of fee available

Corporate

- Comprehensive market access, 17 suppliers, providing the most competitive available prices
- An experienced team who understand the complexities of contracting in the corporate market place
- Fully managed tender process
- We will obtain the required tendering information on your behalf and produce a like for like comparisons including all taxes, levies and transportation charges
- We monitor the wholesale market movements ensuring you contract at the most opportune time

SME

- Instant direct access to 16 major UK suppliers most competitive SME price books and bespoke pricing
- Including the 'big six'
- Access to preferential prices, products and services
- Support throughout the process, including transfer of supplier

ResourceUtilitySolutionsLtd



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Gamma Horizon Hosted VoIP Solution

Configuration Details

- 24 Gamma Horizon Hosted User Licenses
- 24 Mobile App Softphone User Licenses
- 24 PC/Laptop Softphone User Licenses
- 24 Poly Blackwire 3310 USB Headset
- Full Installation + Training for all users
- Unlimited Inclusive calls to 01, 02 and 03 numbers
- Unlimited Inclusive calls to UK mobile numbers
- Inclusive Fraud Protection
- Extensive, Built-In Voicemail, Auto-Attendant Menu and Messaging Facilities
- Administrator User Portal Access
- Basic User Portal Access

Initial Investment Required: Nil

3-Year Term Cost Per User Per Month: £17.95

The above costs include supply, installation, training, all telephone line rentals & inclusive call charges. Premium Support is optional but recommended and is charged at £2.95 per user per month from day 1.

Optional Add-Ons

- Call Recording
 - 3-Months Unlimited Storage: £2.00 / user / month
 - 6-Months Unlimited Storage: £2.50 / user / month
 - 1-Year Unlimited Storage: £3.00 / user / month
 - 2-Years Unlimited Storage: £4.00 / user / month
 - 3-Years Unlimited Storage: £5.00 / user / month
 - 7-Years Unlimited Storage: £9.95 / user / month

What Our Comprehensive Proposal Includes

The above costs exclude VAT but do include:

- PRINCE2 Certified Project Management to ensure the successful implementation of the following:
- Complete integration with your existing cabling system, or the supply of new cabling if required and agreed
- The connection, programming and commissioning of the hosted platform
- Comprehensive end user training
- All necessary liaisons with BT or other network providers to ensure co-ordination of all works relating to your telecommunication requirements
- Inclusive comprehensive parts warranty for the full term in compliance with BS EN ISO 9000:1994
- Single point of contact for all your telecommunications needs
- Proposal valid from till 30th June 2021

I do hope that my proposals are of interest to you and I shall contact you shortly to see how you wish to proceed with this matter. Of course, if you have any questions or queries, please contact me at any time.

Kind Regards,

Stevan Harris

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Midlothian EH20 9LZ

Our Charity Partners

CROSSREACH
providing a caring future


sense
Scotland


Vision
Africa
Give a Child a Future

Scottish
autism

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QUOTE SUMMARY

Quote Details

Reference 73203
Expiry 25/07/2021
date Go live
date
25/07/2021Status
In Progress

Customer Details

Company Wellhouse Housing Association
Company Registration
Number
Registered Address 49 Wellhouse Crescent, The Hub, Wellhouse Housing
Association, The Hub, 49, Glasgow, City of Glasgow, G33
4LA
VAT Number
Partner Internal Reference 1

Supplier Details

Company Hiper Limited
Representative Taylor Stuart
Registered Address 16 Payne Street, Glasgow, City of Glasgow, G4 0LF
Phone



Sites & Items

Registered Address	
Contact Person	Address
Contact Phone	49 Wellhouse Crescent, The Hub, Wellhouse Housing Association, The Hub, 49, Glasgow, City of Glasgow, G33 4LA

Initial Charges

Quantity	Description	Details	Unit Price	Total Price
24	36-Month Business Premium Plan + UK Landline & UK Mobile Call Bundle + Yealink T31G [36BPUKLL&MT33] Allocation of 1		10.00	240.00
24	FOC UK geographic DDI number (requires license) [AMT1FOC] Geographic Number Port for Multi-line and DDI block [portinggmUK]		0.00	0.00
1	Neorecording One-off set-up charge [NEOsetupA_GB_nfon]		40.00	40.00
1	Headset Poly Voyager 5200 UC Bluetooth [pV5200UC] 36-Month One-Off Upgrade to Device of Choice (Partner Price of		196.66	196.66
24	Selected Device minus Â£62.50) [36HUP]		91.00	2,184.00
24			0.00	0.00
1	POE Switch		500.00	500.00

Monthly Charges

Quantity	Description	Details	Unit Price	Total Price
24	36-Month Business Premium Plan + UK Landline & UK Mobile Call Bundle + Yealink T33G [36BPUKLL&MT33] Neorecording		6.20	148.80
1	Storage Fee (per 1GB of storage per month) [NEOstorage_GB_nfon]		0.40	0.40
24	Recording - Neorecording Extension Single Recorded Extension [NEOadvanced_GB_nfon]		3.33	79.92
			Total	£229.12

Order TOTALS

Initial Charges	£3160.66
Monthly Charges	£229.12



Notes

Name:

Signature:

Date:

Management Committee	26 August 2021
Agenda Item	10
Title of Paper	Internal audit tender/ joint procurement
Author	Martin Wilkie-McFarlane
Attachment(s)	Report from lead officer – P. Gallagher, Director Provanhall HA.

FOR APPROVAL

1 PURPOSE

- 1.1 To present the Management Committee with the outcome of the joint procurement exercise for internal audit.

2 RECOMMENDATIONS

- 2.1 That Management Committee members **approve** the tender award to Wylie Bisset and that we recommence the audit programme before the year end, this includes:
- 15 days audit
 - A value of £5,775

3 BACKGROUND

- 3.1 The Association's current agreement for internal audit (approved by committee 2016) came to an end on 31 March 2020.
- 3.2 Internal audit is now a requirement for RSL's. Our last audit took place in March 2021.
- 3.3 Wellhouse, Gardeen, Calvay and Provanhall conducted a joint tender exercise, led by Patricia Gallagher, the Director of Provanhall HA, in quarter 1 of 2021/22.

4 MAIN ISSUES

- 4.1 Internal Audit is a requirement of the new regulatory framework.
- 4.2 Easterhouse Housing and Regeneration Alliance believe we have achieved efficiencies and cost savings through a joint procurement exercise.
- 4.3 The contract has been tendered as shared, with the ability for each partner to determine the subject.
- 4.4 Wellhouse was represented on the procurement team by Maureen Morris and Robert Murray.

- 5 Following discussion after the interviews, all 5 members noted a preference for Wylie Bisset auditors and it was agreed to intimate the above to Wylie Bisset and to await the outcome of the 5 members Management Committee meetings in August before any formal agreements are made. All 5 member Associations are asked to feedback on their Management Committee decision as soon as possible after their August

meeting. All responses have to be sent to Patricia Gallagher, Director, Provanhall Housing Association.

6 BUSINESS PLAN, VISIONS AND VALUES

This paper is consistent with our objective to provide good governance and financial management and is relevant in respect of the following values-

- Accountability
- Sustainability

And our current business plan to deliver on one joint project with an EHRA colleague.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 The Scottish Housing Regulator expects RSLs to exercise a high level of control over its affairs and internal audit is part of that.

8 CONSULTATION

- 8.1 N/A

9 FINANCIAL IMPLICATIONS

£5,775
Daily rate £385 plus VAT

10 KEY RISKS

- 10.1 A failure establish suitable internal audit would fail regulatory standards.

11 EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 None apparent.

Appendix 1

Report on Joint EHRA procurement of Internal Auditors (IA)

All EHRA members were invited to do a joint procurement of Internal Auditors. Some of the members already had a programme on IA in place and therefore did not need to procure this service at the present time. The members that participated in the joint procurement were:

- Blairtummock HA
- Calvay HA
- Gardeen HA
- Provanhall HA
- Wellhouse HA

4 companies were invited to provide a quote. They were:

- Alexander Sloan
- Wylie Bisset
- The Internal Audit Assoc.
- Quinn Internal Audit

Alexander Sloan did not return a completed quotation. Interviews for the other 3 companies were held on on 29th and 30th June 2021.

In Attendance from EHRA were:

Maureen Morris, Committee Member, Wellhouse HA

Linda Cameron, Committee Member, Provanhall HA

Nick Dangerfield, Director, Calvay HA

Patricia Gallagher, Director, Provanhall HA

Jacqui O'Rourke , Director, Blairtummock HA

Roslyn Crawford, Director, Gardeen HA

Robbie Murray, Finance and Corporate Services Manager, Wellhouse HA

The Interviewing was done solely by Linda Cameron and Maureen Morris. A copy of the interview questions is attached, along with notes of each interview.

Recommendation

Following discussion after the interviews, all 5 members noted a preference for Wylie Bisset auditors. Wylie Bisset agreed to a reducing of £10 from their daily rate if all 5 members appointed them. (N.B. This is the same rate reduction as was offered by one of the other companies).

It was agreed to intimate the above to Wylie Bisset and to await the outcome of the 5 members Management Committee meetings in August before any formal agreements are made.

All 5 member Associations are asked to feedback on their Management Committee decision as soon as possible after their August meeting. All responses have to be sent to Patricia Gallagher, Director, Provanhall Housing Assoc.

Internal Auditor – Interview Questions

Questions asked to all companies:

- Can you give us an overview of your company's experience of doing Internal Audit?
- Are you able to tell us at this stage, which personnel would be involved in this Audit, and their level of experience?
- Assuming we may need to do the audit remotely, can you tell us about your experiences of this and any benefits/disadvantages it brings?.
- When conducting a remote audit, can you tell us how you collate the information you require? i.e., do you have any portals for uploading information or similar?
- Can you talk us through how would you make the initial audit needs assessment?
- Will the Audit process include a review of what actions we have taken from previous years Audit recommendations? i.e., a check that we have acted on recommendations or have recorded reasons for not doing so?
- Will you require to speak to the Management Committee throughout the Audit process?
- What they will do to ensure that the committee (could be one or more of, chair of audit and risk, chair of management committee or audit and risk as a whole) get a chance at least annually to meet with the internal auditor without officers present
- Can you advise us on how you will report back to the Association on your findings, and the timescale involved after the end of the site visit?
- Can you talk us through what the layout/content of your reports will be like?
- We had asked in the invitation to quote for a separate price should all 5 HA's wish to contract with your organisation. No info was provided on this. Would you consider reviewing your pricing structure in this circumstance?
- Do you require any further information from the Associations at this stage?

Wylie Bisset – 1:30PM on 29th June 2021

Wylie Bisset are a large Glasgow-based accountancy firm.

Graham Gillespie who has worked for WB for a number of years and Scott McCready (internal audit manager) attended the interview.

WB have 12 internal audit staff who only carry out internal audits. They currently work for 40RSLs including community based RSLs. GG would be partner and SM the senior manager plus an experienced senior.

Pre 2020 never done any remote audits. Have a secure portal to exchange documents. Use MS Teams. Have managed to deliver all audit plans during Covid. Plus point of remote audit – documentation received in advance. Challenges – some clients didn't have full remote access

Planning meetings are held to ensure plan meets the needs of each RSL. Develop a three-year rolling plan reviewable year two onwards.

WB will follow up any outstanding actions from previous audits. Recommend that each HA has an internal audit tracker.

Commented that the days of a pure financial internal audits are long gone.

WB have been carrying out a lot of Covid related audits e.g.

Covid return to office audit

Internal audit – staff well being

At a close out meeting they will discuss recommendations.

In terms of speaking to committee, for a governance internal audit a questionnaire would be issued. Generally during an internal audit would liaise with Director. However, if there was a serious concern e.g., fraud or material non-compliance with the regulatory standards would go to Chair.

There should be a closed session (without officers) with both internal and external auditors each year- to allow direct communication between committee or Chair /.Chair of Audit and Risk. This is recognised good practice.

However, if WB needed to raise something they would pick up the phone to Chair of Audit and Risk.

Timescales:

10 working days after field work completed – draft report

15 – 20 working days for client to respond

5 days to finalise report in PDF format

GG or SM to present report to Relevant Committee/Sub Committee.

WB said they would offer an (unspecifies) % reduction if all five HAs chose to use them.

Quinn Internal Audit – 2:15PM on 29th June 2021

Alex Cameron if QIA attended interview. He is MD at QIA. QIA work across the sector with HAs from 300 to 3000 properties. Have been carrying out internal audits for the last 10 years. Housing is QIA's main focus.

QIA started by Caron Quinn who then recruited AC. QIA currently provide internal audit to 35 HAs across Scotland. AC is vice-chair at Southside HA.

The Auditor who carries out the fieldwork will come to committee. QIA don't use inexperienced staff.

AC stated he likes to start by reviewing the Assurance Statement and regulatory standards as the first internal audit which helps to get a feel for the organisation. Nicholas (AC's colleague) covers ICT and Finance [my note – other EHRA staff thought Nicholas had worked as an accountant for some EHRA members in the past].

In relation to remote working, QIA give one month's notice of documents. Use drop box for sharing documents. This is a plus point to remote working because it allows written material to be reviewed in advance of fieldwork and means fieldwork time can be spent talking to people. A downside of remote working is that it can be more difficult to get hold of people than being in an organisation's office where it is easy to pop in and ask someone a question.

In carrying out an Audit Needs Assessment QIA look at regulatory returns, engagement plans, business plan, risk register.

It is key management committee know internal audit are there to help them in challenge.

When preparing recommendations QIA try

- Not to 'split hairs'
- Gauge whether a recommendation is worth including
- Would generally make recommendations to suit the organisation being audited
- Will always include recommendations where these relate to a matter of regulator concern

Committee will be involved depending on the subject. Operational issues around gas servicing – no. Governance issues – yes. Like to use working groups to liaise with.

QIA prepare a follow up report and an annual report at end of year – then have meeting with committee without staff present.

Bid offered a small discount if all five HAs appointed QIA.

TIAA – 9:30AM on 30th June 2021

Andy McCulloch and Martin Ritchie from TIAA attended. AM is Director of Audit, for NE / NW England and Scotland. MR is Senior Audit Manager and would be main contact.

TIAA were set up in 1995 by six London HAs because they were not happy with the internal audit service they were receiving. TIAA has expanded and in addition to the housing sector provides internal audit for health sector.

The majority of their Scottish clients are RSLs, currently working with 23 RSLs in Scotland.

AM main lead, planning, liaising with main HA contact. They have a team of experienced auditors based regionally. Get good feedback from clients.

Have done a lot of remote auditing since Covid. Benefits include a more efficient use of time. Probably looking to a hybrid approach in the future. Document review can take place remotely and travelling costs have been reduced. A disadvantage of remote working is information flow is sometimes slower.

TIAA have a client portal to upload information,

At beginning of commission MR reviews key documents. Take a risk-based approach. Review risk register and look at sector risks. Talk to Chair of A+R plus senior managers. Set out a three year plan for audits, but review annually. TIAA have an in-house system 'Guard' to collate risks across the sector and key risks across all housing clients.

All audit plans include follow-up which includes a formal report for follow-up.

The team are experienced in dealing with housing – there is no one-size fits all approach.

TIAA would have a 'closed session' at least once a year with A&R / Chair if A&R – in some places first 10 mins of each (A&R) meeting is allowed

Reporting back will happen at exit meeting at end of site work. Dialogue during field work should ensure that there are no surprises.

10 days – draft report

10 days – client to return report

5 days – final report returned

All targets set out in the annual plan

Reports are focussed on reader

Fees based on estimated days.

	TIAA (excl VAT)	Days for audit
Blairtummock HA	4560	12
Calvay HA	4560	12
Gardeen HA	3040	8
Provanhall HA	3800	10
Wellhouse HA	4560	12

Daily rate £380 plus VAT

Incomplete

	Alexander Sloan (Incl VAT)	Days for audit
Blairtummock HA		
Calvay HA	4,622	8
Gardeen HA	£3,467	6
Provanhall HA		
Wellhouse HA	4,622	8

Daily rate £481.50 plus VAT

	Wylie Bisset (excl VAT)	Days for audit
Blairtummock HA	5775	15
Calvay HA	5775	15
Gardeen HA	2310	6
Provanhall HA	3080	8
Wellhouse HA	5775	15

Daily rate £385 plus VAT

	Quinn IA (excl VAT)	Days for audit	All 5 CONTRACT
Blairtummock HA	4740	12	4620
Calvay HA	4740	12	4620
Gardeen HA	2370	6	2310
Provanhall HA	2370	6	2310
Wellhouse HA	4740	12	4620

Daily rate £395 plus VAT

Daily rate £385 plus VAT if all 5 HA's contract with them

Interview Schedule

1.30pm	Wylie Bisset	29-Jun
2.15pm	Quinn IA	29-Jun
9.30am	TIAA	30-Jun

Meeting Link: Join Zoom Meeting
29-Jun <https://us02web.zoom.us/j/82642896248?pwd=WlBpdkpOdE81dWF6cGlXQ1BQ>

Meeting ID: 826 4289 6248
Passcode: 835822

30-Jun Join Zoom Meeting
<https://us02web.zoom.us/j/81125619975?pwd=cFdWb2c3bmdPZjBrZmVXYmsyI>

Meeting ID: 811 2561 9975
Passcode: 330827

[eGV0Zz09](#)

[VJSZz09](#)

Interview Questions

No	Person Asking
1	
2	
3	
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Question

Can you give us an overview of your company's experience of doing Internal Audit?

Are you able to tell us at this stage, which personnel would be involved in this Audit, and their level of experience?

Assuming we may need to do the audit remotely, can you tell us about your experiences of this and any benefits/disadvantages it brings?.

When conducting a remote audit, can you tell us how you collate the information you require? i.e. do you have any portals for uploading information or similar?

Can you talk us through how would you make the initial audit needs assessment?

Will the Audit process include a review of what actions we have taken from previous years Audit recommendations? i.e. a check that we have acted on recommendations or have recorded reasons for not doing so?

Will you require to speak to the Management Committee throughout the Audit process?

What they will do to ensure that the committee (could be one or more of, chair of audit and risk, chair of management committee or audit and risk as a whole) get a chance at least annually to meet with the internal auditor without officers present

Can you advise us on how you will report back to the Association on your findings, and the timescale involved after the end of the site visit?

Can you talk us through what the layout/content of your reports will be like?

We had asked in the invitation to quote for a separate price should all 5 HA's wish to contract with your organisation. No info was provided on this. Would you consider reviewing your pricing structure in this circumstance?

Do you require any further information from the Associations at this stage?

Management Committee	26 August 2021
Agenda Item	11
Title of Paper	Beyond Level 0: phased return to office work
Author	Martin Wilkie-McFarlane
Attachment(s)	
Executive Summary	From 9 August all current Covid 19 restrictions were lifted, apart from the wearing of face coverings and the requirement for continued home working for office workers – this is to be balanced with customer service and, therefore, we are putting into place our plans for the new normal.

FOR APPROVAL

1 PURPOSE

- 1.1 To present the Management Committee with the plans for the next phase of on-site working and service delivery.

2 RECOMMENDATIONS

- 2.1 That Management Committee members approve progressing with the plans as outlined in this report for a phased return (assumed to be from September).

3 BACKGROUND: Covid 19 - Plans for immediate phased return to work

- 3.1 Committee be aware of the First Minister's recent announcement and the change of emphasis moving us beyond level 0 of the lockdown measures, including the proposed relaxation of previous work restrictions for most sectors of the economy, with some exclusions remaining for office workers to default to home working where possible. Key changes are:
- Scotland has five COVID-19 protection levels (0-4). Employers should support employees to work from home where possible in all levels
 - the latest update of the Strategic Framework indicated that a phased and limited return to offices could begin from **Level 0**, however this was indicative and subject to the data supporting this decision
 - following a review of the epidemic, the First Minister announced certain modifications to the indicative plans. This included the decision to postpone the return to offices until we move beyond Level 0
 - the updated strategic framework sets out the plan towards moving beyond level 0. This is conditional on all adults over 40 being protected with two doses of the vaccination and a review of the epidemic being carried out ahead of the date for that move. At which point almost all COVID restrictions are planned to be removed. However, baseline measures will continue to be necessary and businesses will be encouraged to continue to support staff to work from home where possible and appropriate

- a gradual return to offices can begin when the country moves beyond level 0, however home working will continue to be an important mitigation for controlling the virus and Government ask that businesses still support employees to do this, where possible and in consultation with employees
- a wide variety of models of working are already being explored by businesses in consultation with their workforce, such as hybrid models of home and office-based working. These models should continue to be promoted beyond Level 0
- employers to consider a number of principles agreed with business organisations and unions as part of their preparation for a return to offices to ensure the health and safety of employees and customers is central to decision making
- planning must be based around appropriate risk assessments and safe systems of work, emphasising protective baseline measures such as effective hand and respiratory hygiene, robust cleaning, face coverings where appropriate, ensuring appropriate ventilation and outbreak management to manage and mitigate outbreaks in the workplace. Further guidance on baseline measures will be provided before the end July
- refresher training on baseline measures may be required in preparation for re-opening and businesses should consider staggered start times to address travel and childcare needs of workers
- employers should exercise caution as re-opening could result in an increase in cases which may result in outbreak management measures taking hold. This could require specific restrictions or higher levels of general protective measures to control any further outbreaks

3.2 The First Minister is quoted as saying on 3 August “for now, we will continue to advise home working where possible, recognising that some staff will start to return to offices in line with staff wellbeing discussions and business need. we will encourage employers to consider for the longer term, as the Scottish Government is doing, a hybrid model of home and office. (This guidance refers to office work only).

3.3 In this context, we previously agreed that the period from Monday 9 August – Monday 6 September would be used as the formal plan for returning to the Hub, following government guidelines (note the guidance is to *begin* planning from the 9th). The Hub is big enough to ensure physical distancing by and large, especially with a blended approach to work.

4 MAIN ISSUES

4.1 Please note that we have had since last summer:

- Purchased additional sanitiser for staff and customers – i.e., 3 wall mounted dispensers, 6 x 1 litre sanitiser for including in dispenser, 30 x 500ml bottles of hand sanitisers and several smaller portable bottles, 3 x 100 packs of gloves in S, M & L, 20 face masks and 50 disposal face masks.
- Purchased and installed screens – reception and interview rooms.
- Purchased social distancing and appointment only signage
- Added maximum capacity signage
- A deep clean of the office was arranged and will be repeated;
- Managed use of the staff room, toilets and a one-way system were required;
- Home visits were suspended;
- Meetings with outside agencies and staff/ committee meetings were via Zoom.
- Reduced capacity in the office;

- Limited access to the building for the public;
- No meetings with external agencies;
- Held a digital AGM and SGM;
- Suspended community activities in the Hub.

4.2 All restrictions with relation to these activities are now, in effect, no longer required. It is proposed to maintain some of these in the initial stages and retain sanitising stations, etc permanently.

4.3 **Staff Survey**

4.3.1 I completed a survey of all staff, to ensure that we –

- Protect wellbeing;
- Identify any other actions we should take;
- Identify staff who have health conditions which may prevent them coming into the office;
- Identify those who are caring for shielding relatives;
- Identify those with child care concerns;
- Identify those reliant on public transport.

4.3.2 The survey results allow a plan of action to manage staff welfare, minimise risk, protect the committee as the employer and protect staff/ customers. The results have been analysed and most staff members have expressed an interest in a blended home/ office working set up. Each request has been assessed and the overall needs of the business will come first, especially with our need for a reception service, appointments and home visits. Most people want in the short term to work half a week in the Hub/ half at home and I recommend we do that for a few weeks (at least all of September) to see how things go and follow government guidance. I have advised all housing, maintenance and reception staff that they need to return to face to face service delivery – we will need a conversation about home visits: (e.g., many tenants don't want them vs they are the best arrears management intervention). To ensure we can keep numbers down, I don't propose to extend that to finance staff or other "back office" staff at this time. There will potentially be a couple of formal flexible working requests (which is a contractual right) but I don't think we will receive them in the immediate term. I would be recommending that we approve the ones that have been flagged up, when they are received. The pandemic has fundamentally changed the way we operate and 'presenteeism' (i.e., where an employer insists you come in and be in the office) is not the only way to organise a workforce any longer – we need to balance our role as a caring, responsible employer and, above all, our services to our tenants come first

5 **NEXT STEPS**

5.1 **Return to the Hub**

By 6 September (government guidance pending), we will see a return to normal, or to be more accurate the new normal. This means all customer facing staff returning to the Hub, with the facility to work from home when providing admin tasks and the office open by appointment. Back-office staff default to home working for the initial period (deemed to be September at this time). As part of this pro-active site walkabouts will take place. Any home visit will be planned carefully and in agreement with our tenants.

5.2 **Committee meeting**

to remain remote for the initial period.

- 5.3 AGM to be via zoom and be a fully functioning AGM (separate committee report applies).
- 5.4 Community activities to recommence in August, including the café.
- 5.5 We must be prepared to be flexible in the case of any further local or national lockdowns and identify any gaps in employees needs (e.g .we may need to purchase a supply of laptops).

6 BUSINESS PLAN, VISIONS AND VALUES

This paper is consistent with our objective to provide good governance and financial management and is relevant in respect of the following values-

- Accountability
- Sustainability

and is consistent with our staff welfare and customer service policies.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 The Scottish Housing Regulator expects RSLs to exercise a high level of control over its affairs and to act in the best interests of tenants at all times.

8 CONSULTATION

- 8.1 We will begin advising customers about our phased return in due course and promote the community café.

9 FINANCIAL IMPLICATIONS

To be quantified – no material impact.

10 KEY RISKS

- 10.1 A failure establish suitable phased plan could damage staff welfare and impact on customer satisfaction.

11 EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 None apparent.

12 CONCLUSION

- 12.1 Debate and discussion is welcome and committee are to be congratulated on their commitment to protecting the business and the staff team.

EVH/ACS COVID-19 Risk Management

Beyond Level 0 (v1) – Advice for Employers



Introduction

After some 16 months of considerable COVID-19 related restrictions (based on 'Protection Levels 0-4'), Scotland moved to '**Beyond Level 0**' at midnight on the 9th of August 2021. The most significant changes include the following:

- Physical distancing is no longer required
- There are no limits in the number of people you can meet
- 'Close contacts' of positive cases who show a negative PCR and have received 2 doses of the vaccine do not need to self-isolate
- Whilst home working should be maintained where possible with employers being encouraged to consider a hybrid model for the longer term, some staff may now go back to the office in line with their wellbeing requirements and the business needs

Whilst the majority of restrictions have now been lifted, some do remain (importantly the continuation of face-coverings in certain settings) and the virus continues to circulate in society. Therefore, it is important that employers still consider COVID-19 as a very real hazard, presenting a potential risk if not properly managed.

Our previous COVID-19 pages contained a considerable amount of information and links which were based on a range of guidance materials that have no validity in 'Beyond Level 0'. Therefore, this revised guidance now contains basic pointers on the current position of the Scottish Government and HSE and aims to highlight the main considerations to manage the risk in a pragmatic manner. It is of course entirely possible that the situation may change over time (possibly even at very short notice) and this guidance will be updated accordingly.

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Part of the ACS Risk Group, a world-leading authority on Asbestos and Physical Risk Management since 1978

Contents

- 1 COVID-19 Risk Assessment and Safe Working Arrangements
- 2 Precautionary Measures
 - 2.1 Face Coverings in the Workplace
 - 2.2 Self-isolation
 - 2.3 Ventilation
 - 2.4 Vaccination and Workplace Testing
 - 2.5 Office vs Remote Working
 - 2.6 Travel and Transport
 - 2.7 General Good Practice Considerations
 - 2.8 Useful Links

1 COVID-19 Risk Assessment and Safe Working Arrangements

The general advice being given to employers is to:

- Follow the Scottish Government's guidance and any industry guidance that may apply
- Continue to conduct and regularly review risk assessments
- Continue to work with employees, or employer representative, on health and safety matters.
- Help employees to understand the steps they can take to prevent COVID-19 spreading in the workplace

COVID-19 Risk Assessments and the development of suitable control measures and safe working arrangements remain the cornerstone of both this guidance and the relevant legal requirements. The Scottish Government is now recommending the HSE guidance to carry out risk assessments, which can be found [here](#).

Note also that the Scottish Government has stated the following in respect of risk assessing competence, so please do seek help and advice where appropriate: *"Employers should ensure that their Health & Safety professionals and representatives have the skills, training and knowledge to understand the risks associated with COVID-19. Where there is no access to these skills in-house, external support options should be explored."*

As part of the risk assessment, employers must:

- Identify what work activity or situations might cause transmission of COVID-19
- Think about who could be at risk – this could include workers, visitors, contractors, the public and delivery drivers
- Decide how likely it is that someone could be exposed
- Identify the controls needed to reduce the risk

Key control measures to help manage the risks should include adequate ventilation; sufficient cleaning; and good hand hygiene. It is also essential to provide training to employees to ensure they are sufficiently briefed on any new working arrangements and to include a monitoring / supervising regime to check that your control measures are working as expected.

The Scottish Government has also developed a [self-assessment tool](#) to assess the effectiveness of COVID-19 control measures within your workplace.

Guidance is also available for employers with employees at highest risk (previously known as 'shielding'). Employees at highest risk should not be discouraged from going back to the office should they prefer to do so. However, having a robust risk assessment in the workplace is essential and individual risk assessments should also be carried out for all employees at highest risk. The Scottish Government has developed [guidance](#) to help employers carry out individual occupational risk assessments.

In developing and reviewing your risk assessments, cognisance should be taken of the precautionary measures detailed below.

2 Precautionary Measures

A range of precautionary measures have been defined by the Scottish Government and will be reviewed every 3 weeks. These are classified as **mandatory** or **advisory**.

Mandatory precautionary measures include wearing a face-covering (as per existing requirements) and self-isolating when showing symptoms or testing positive. Advisory precautionary measures include getting vaccinated, maintaining good hand hygiene and surface cleaning, promoting good ventilation and maintaining the 'work from home' practice or having a hybrid approach to employees' return.

2.1 Face Coverings in the Workplace

Face coverings must be donned in any indoor communal area in the workplace or where there are no measures to keep the employees at least 1 metre apart. The guidance for wearing face coverings in the workplace is detailed [here](#).

2.2 Self-isolation

Employees with COVID-19 symptoms or who test positive should self-isolate immediately and follow advice from 'Test and Protect', even if they have received both doses of the vaccine. Employees who have been identified as 'close contacts' of positive cases will, however, **not** need to self-isolate if they have 1) received both doses of the vaccine and 2 weeks have passed since the second dose; 2) are asymptomatic and 3) return a negative PCR test (note that a negative LFD result is not sufficient here).

Employers should follow the advice given in the Scottish Government's *COVID-19: Fair work statement* which states that no worker should be financially penalised by their organisation for following medical advice, and any absence from work relating to COVID-19 should not affect future sick pay entitlement, result in disciplinary action or count towards any future sickness absence related action.

2.3 Ventilation

Despite having been classified as an advisory precautionary measure, good workplace ventilation remains an important control measure to prevent COVID-19 spread. The Scottish Government has developed comprehensive guidance on ventilation for workplaces that can be found [here](#). The HSE has also produced [guidance on ventilation](#) that should be considered in the risk assessing process.

In addition to assessing and aiming to optimise your workplace ventilation requirements, the monitoring of CO₂ levels is also being suggested (as an indicator of fresh air requirements) in many situations.

2.4 Vaccination and Workplace Testing

Employers should encourage their employees to take the vaccine, which includes granting time paid off to attend their appointments and sharing and displaying [information leaflets](#).

Rapid test kits for workplace testing are also available in Scotland for business with at least 10 employees to help prevent outbreaks at work and to break the chain of spread in asymptomatic employees.

2.5 Office vs Remote Working

A gradual return to offices can now begin but the Scottish Government is asking employers to consider a **hybrid model of home and office working for the longer term**, which may have benefits beyond the need to control a virus. Therefore, it is important that employers continue to support their employees with home/remote working whilst taking account of their business needs.

When prioritising a return to the office, some key considerations are:

- Who would benefit from a return to work on mental health or disability grounds?
- Who has less appropriate settings for working at home?
- Who needs to be in the workplace for priority business reasons?
- Who is new to the organisation and requires training/mentoring (and who is needed to support this)?
- Who would benefit most from collaborative working in person?
- Is there a sufficient provision of first aid and fire safety duty holders?

Further information can be found [here](#).

2.6 Travel and Transport

Unnecessary work-related travel should be avoided and the following advice should be followed:

- Minimise non-essential travel – i.e. consider remote options first
- Minimise the number of people travelling together in any one vehicle; use fixed travel partners; increase ventilation when possible (such as by opening windows); and avoiding sitting face-to-face
- Ensure drivers and passengers maintain good hygiene and wash their hands regularly
- Clean any shared vehicles between shifts or on handover

Advice on how to travel safely can also be found in the [website of Transport Scotland](#).

Border controls for international travel have been retained and must be taken into account by employers where employees travel for business needs or go abroad on holidays. Further guidance can be found [here](#).

2.7 General Good Practice Considerations

The following key principles should be followed by employers and employees and may be useful in the development of risk assessments and safe systems of work:

- Think about keeping everyone safe: provide information to staff and visitors about your control measures and encourage your employees to be considerate of others.
- Maximise the use of outside space: encourage the use of outdoor space for meetings and breaks.
- Keep distance between people where you can: establish limits on room/area capacities and manage the flow of people, even now that the statutory requirements for physical distance have been removed, as this is well known to help to control virus spread.

Some practical control measures could include:

- staggering break times to reduce pressure on break/eating areas
 - using outside areas for breaks and meetings, where possible and appropriate
 - reconfiguring seating and tables to maximise space
 - using protective screening
 - regulating use of locker rooms, changing areas and other facility areas to reduce concurrent usage
 - minimise congested areas in the premises such as narrow corridors, staircases, doorways and storage areas by introducing one way systems
- Avoid the generation of crowds or larger groups.

- Design a plan to manage infections and outbreaks within the workplace.
- Consider long-term plans for home/hybrid/flexible/remote working and the new Health, Safety and Wellbeing considerations that this might bring (remember that employers are responsible for these no matter where the employee works).
- Address 'moving around the workplace', which may include the following:
 - physical distancing (see above)
 - one-way systems on walkways, taking into account disabilities
 - reducing maximum occupancy for lifts, providing hand sanitiser for the operation of lifts and touch-points and encouraging use of stairs
 - making sure that people who are disabled are able to access lifts whilst encouraging physical distancing and other protective measures
 - regulating use of high traffic areas including corridors, lifts, turnstiles and walkways
- Consider how meetings can be carried out as safely as possible, for example:
 - using remote working tools to avoid in-person meetings
 - only necessary participants to attend meetings with physical distancing being encouraged
 - avoiding the sharing of pens or other objects
 - providing hand sanitiser in meeting rooms
 - holding meetings outdoors or in well ventilated rooms
- Plan shift-patterns to minimise numbers, optimise productivity and reduce the need for traveling at peak times or consider 'Work Cohorts' where a job role requires groups of the same workers to work in proximity.
- Train employees in any new control measures and the principles of COVID-19 risk control
- Consider the Mental Health and wellbeing of employees, for example by:
 - supporting a work/life balance and encouraging staff to manage working hours hours, eat lunch away from their desk and try to get fresh air during the day
 - keeping in touch – maintain regular, scheduled contact
 - reminding staff of the support available
 - encouraging home/remote workers to create a productive working environment by working in a quiet space and in an uncluttered environment
- Follow guidance from Transport Scotland when [vehicle sharing](#) is necessary.
- Handle inbound and outbound goods in the safest way possible, bearing in mind hand hygiene, ventilation, access to the premises of visitors, etc.
- Address workplace facilities safety issues when re-opening premises (e.g. Legionella within water supplies, out of date fire risk assessments, gas servicing overdue, etc.)

2.8 Useful Links

The following links contain useful guidance for moving your workplace and operations Beyond Level 0:

- [Safer Businesses and Workplaces](#)
- [Face Coverings Guidance](#)
- [Self-isolation](#)
- [Ventilation Guidance](#)
- [HSE's Ventilation and Air Conditioning Guidance](#)
- [NHS COVID-19 Vaccine](#)
- [Vaccine information toolkit](#)
- [Guidance for COVID-19 Risk Assessment](#)
- [COVID-19 compliance self-assessment tool](#)
- [Guidance on individual occupational risk assessment](#)
- [Guidance for returning to offices](#)
- [Advice on how to travel safely](#)
- [Guidance on International travel and managed isolation](#)
- [Advice on Vehicle Sharing](#)

Management Committee	26 th August 2021
Agenda Item	12
Title of Paper	Review of Rent Management Policy
Author	Carol Hamilton, Housing & Customer Service Manager
Attachment(s)	Rent Management Policy (Appendix 1)
Executive summary	

FOR INFORMATION

1 PURPOSE

- 1.1 To present an updated Rent Management Policy for approval

2 RECOMMENDATIONS

- 2.1 That the reviewed Rent Management Policy be approved.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 The production of a Rent Management Policy is consistent with:
- our strategic objective 5: to maintain good governance and financial management and:
 - our values of excellence and accountability

4 BACKGROUND

- 4.1 The current Rent Management Policy was approved by Committee in August 2020
- 4.2 The Policy has been reviewed to take account of changes to our approach for collecting arrears which were approved by Committee in February 2021
- 4.3 The Policy has also been updated to take account of the findings as a result of the internal audit which were noted by Committee in May 2021

5. MAIN ISSUES:

- 5.1 At the February 2021 meeting, Committee agreed a number of new approaches for tackling rent arrears and that the Rent Management Policy would be updated accordingly. The policy is attached to the paper (Appendix 1). The changes are highlighted in bold, and will revert to normal type upon approval.
- 5.2 The Policy now includes provision for the collection of Former Tenant debt.
- 5.3 The processes for the collection of rent debt will now be updated for the purposes of supporting staff.

6. DISCUSSION

- 6.1 Committee members are invited to discuss the additional information that has been included in the Policy.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 ARC report will include our performance.

8. FINANCIAL IMPLICATIONS

- 8.1 Dealt with in the body of the report.

9 KEY RISKS

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

10 EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

- 10.1 The Rent Management Policy has been written with our commitment to diversity included.

POLICY

RENT MANAGEMENT

Wellhouse - The Place to Be

Policy Created: August 2021

Date of Last Review: August 2020

Date of Current Review: August 2021

Date of Next Review: August 2024

Reviewed by: Housing and Customer Service Manager

The policy is available on the Association's website. Customers will be provided with a copy of this policy on request. We will provide this policy in specific formats as requested, i.e., tape, Braille or another language.

Section	Content	Pages
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2.	Governance	4
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Linked Policies/Procedures

1.	Openness and Confidentiality
2.	Customer Engagement and Participation Policy
3.	Complaints Policy
4.	Allocation Policy
5.	Income and Debt Recovery
6.	Rent and Service Charge Policy
7.	Data Protection Policy
8.	Repairs and Maintenance Policy

1. Vision and values

Wellhouse – the Place to Be.

This simple statement is our vision of Wellhouse as an attractive place where people feel happy and safe, benefit from having a good home and an attractive environment and feel proud to be part of a vibrant community.

We believe that our values of **Trust, Honesty, Integrity, Excellence, Accountability and Sustainability** supported by a comprehensive policy framework will help make our vision a reality.

2. Governance

Wellhouse HA is a community controlled Registered Social Landlord and is managed by a group of local people who are elected onto the Management Committee. We may co-opt other people onto the Management Committee from time to time where we feel we need specialist support. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people.

The Management Committee appoints senior staff, agrees all the Association's policies and takes all the key decisions. The Director and the senior team support the Committee in these responsibilities.

3. Policy Aims

We are committed to doing all that we can to help our customers pay their rent and to help them when things go wrong. The rents our customers pay are the main income that we receive. Making sure that all our customers pay their rents on time and in full is vital for us to keep delivering excellent services and providing high quality and affordable homes. When a customer does not pay their rent, it impacts on all our customers. We ask our customers to tell us as soon as there is a problem so that together we can agree an arrangement to keep their account clear.

Because our customers' rents are our main income and loss of income impacts on all our customers, we are committed to using all the powers that we have to support and encourage our customers to pay their rents. If customers consistently do not pay their rents, we will take legal action; this could mean the tenant will lose their home.

We will make every effort to recover Former Tenant debt and this will be pursued using internal resources and external debt recovery agencies.

4. Equal Opportunities and Human Rights Statement

We aim to ensure that all services, including the delivery of this policy, provide equality of opportunity.

We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

5. Scottish Housing Charter

The Scottish Government's Social Housing Charter came into force in April 2012 and was reviewed in 2019. The Charter sets out the standards and outcomes that Registered Social Landlords should achieve.

There are 5 outcomes under the Charter that are especially relevant to our rent management policy, these are:

Outcome 2 Communication

Social landlords manage their business so that:

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

Outcome 11 Tenancy Sustainment

Social Landlords ensure that:

- Tenants get the information they need on how to obtain support to remain in their homes and ensure suitable support is available, including services provided directly by the landlord and other organisations.

Outcome 13 Value for Money

Social Landlords manage all aspects of their business so that:

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

Outcome 14 and 15: Rents and Service Charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that:

- A balance is struck between the level of services provided, the cost of services, and how far current and prospective tenants and other customers can afford them
- Tenants get information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and customers.

6. Legislation

The following legislation is relevant to this policy:

- The Coronavirus (Scotland) Bill 2020
- The Housing (Scotland) Act 2014
- The Housing (Scotland) Act 2001 & 2010
- Equality Act 2010
- Data Protection Act 2018
- Human Rights Act 1998

- Welfare Reform Act 2012
- Debtors (Scotland) Act 1987
- Homelessness etc. (Scotland) Act 2003

7. Our principles and standards

To make it as easy as possible for our customers to pay their rents we:

- Offer a choice of ways to pay rent
- Deal with any rent queries immediately
- Contact customers as soon as they miss a payment
- Deal sympathetically where customers are having difficulties paying their rent
- Help our customers to find out what benefits they may be entitled to
- Provide our customers with support to budgeting and signpost them to other relevant agencies which can help
- Make reasonable efforts to agree reasonable plans for future payment of rent and arrears.
- Take all action available to us to collect rents and reduce arrears where customers do not pay their rent.

8. The Policy

Current rent

Rent is due on the first day of every month and should be paid from day one and in advance. Our customers who are tenants sign a Tenancy Agreement with us. The Agreement sets out their rights and obligations. Signing the agreement means that our customers are committing to pay rent for the home they live in.

We provide a range of ways for our customers to pay rent with the preferred method being Direct Debit, however we also offer:

- Payment by standing order
- Allpay outlets such as the post office and local convenience stores
- Internet payments
- Call our office to make payment over the phone or pay in person at the office
- Through housing allowances and benefits

Wellhouse promote a positive 'rent first' payment culture, reinforced in our communication strategy, newsletter articles and leaflets specifically aimed at promoting the importance of timely payment. We issue our customers with an annual rent statement which show how much rent has been paid, when and how it has been paid. We will provide a rent statement upon request and we will discuss the rent statement with our customers during a home visit.

We make sure that our staff are well trained in dealing with difficult subjects, such as, multiple debt and rent arrears. Staff attend regular training courses to ensure they have the most up to date information on benefits, welfare advice and debt counselling. We also make sure that our Management Committee are aware of the issues around debt and any relevant policy and legislative changes.

We will publicise numbers of legal actions and evictions in our newsletters and website.

New Tenants

We spend time with new tenants to tell them about

- Their rent and any service charge for their home
- The need to pay their rent from day one and in advance
- When the rent is due and how to pay it
- How to apply for assistance with housing costs
- The offer of a welfare benefits check to make sure they are receiving all the benefits they are entitled to
- How much it costs to run a home
- Their responsibilities and rights as a tenant or a joint tenant
- What to do if they are having difficulties paying their rent
- Asking how they would like us to communicate with them – offering letters, e-mail, text messages
- Signposting to local advice and support agencies that are available

We appreciate that there is a lot to take in before signing the tenancy agreement with us, so we visit all new customers within 8 weeks of commencement of the tenancy and we use that opportunity to go over the information about rent and paying rent.

Where any arrears occur, we will visit the tenant and confirm the bullet points above with the tenant and explore:

- Reason for non-payment
- Support needs
- Household composition and contact details, especially qualifying occupiers
- Complete an income & expenditure form
- Offer appointment with Income Advisor for benefit check including Discretionary Housing Payment qualification, Housing Benefit, Universal Credit, Arrears Direct
- Reach a repayment agreement

Note: we promise to always send a confirmation of what we have agreed; payment amounts, start date and plan of action/monitoring frequency and include all of these details in our Housing Management Computer system.

All new customers will receive a Tenants Handbook, including specific information on all aspects of rent and benefits. A diagram showing “What rents pay for” is included in all new customers sign up packages.

Our approach to arrears

We know that people’s circumstances can change suddenly. This can mean that customers fall into arrears. We operate an open-door policy for our customers and ask them to contact us soon as they begin to find it difficult to pay their rent.

We recognise that arrears can arise for multiple reasons and also that not paying the rent can mean that there are more complex financial problems.

There are a number of ways in which customers fall into arrears:

- a change in personal circumstances (e.g., relationship breakdown)
- loss of income (e.g., loss of job or reduced income as a result of Covid-19)
- low household income in general and additional pressures on income
- multiple debts

- tenants having difficulty managing their finances
- where there has been a delay in benefits being processed and payment is delayed
- where people pay late
- where people do not update their standing orders and continue to pay the old rent amount
- where new customers do not pay from day one or in advance
- where customers miss a payment
- where customers consistently do not pay rent

We will intervene as early as possible, being aware of the current economic climate and welfare reform. We can fix some of these arrears with our customers' help, but arrears still impact on all our customers and services that we can provide. We ask for customers to co-operate with us in sorting out their arrears and we work with Glasgow City Council and Department of Work and Pensions (DWP) in relation to any housing costs. We will always let customers know if they are in arrears and encourage them to pay on time and update direct debits and standing orders each year. We issue all our customers with an annual rent statement and that will show clearly when and how they pay. We will discuss how people are paying their rent at each home visit.

We know that customers can miss a payment because of unexpected demands on their incomes. We contact our customers as soon as a payment is missed and make an arrangement for the payment to be made or we agree how the tenant can make up the arrears. We make an arrangement with the tenant to pay the rent either at once or over a period of time. We expect customers to continue to pay their rent and pay the arrangement. Our arrangements to repay will always be realistic and we will offer customers advice and, if necessary, signpost them to local agencies who can help with budgeting. We check weekly, fortnightly, 4-weekly or monthly as required depending on the payment arrangement to ensure that the tenant is keeping to their agreement and follow up if this fails.

Early intervention is the best way in supporting our customers to avoid arrears and to keep their home. Our main driver is to help avoid unmanageable debts building up.

We ask our customers:

- To pay their rent on time and in advance
- To tell us if their circumstances change
- To keep any arrangements, they make with us
- To keep in touch with us

We ask ourselves to:

- Check accounts regularly and in accordance with policy and procedure
- To take a preventative approach where possible
- To act early, apply consistency and progress cases accordingly
- To treat tenants with dignity
- To make the majority of contacts face to face
- To maximise income due to Wellhouse Housing Association

Consistent non-payment of rent

Where customers consistently do not pay their rent, do not engage with us or work with us to reduce their arrear, the arrears process will be escalated and at each stage we will continue to:

- Offer to make a realistic arrangement with our customers who are in arrears;

- Offer advice and put them in touch with our own Income Advisor and money advice agencies, if appropriate;
- If customers are on benefits, then we will do benefits check to make sure that they are receiving all the benefits they are entitled to;
- If the arrear is as a result of welfare benefit policy, then we will support them to make an application to the discretionary housing fund;
- Explore whether there are organisations or charities that might be able to provide help and assistance and put tenants in touch with these sources of help.

We ask our customers to keep to the arrangements they make with us and to tell us if things change that impact on them keeping their arrangement. **Where all possible support has been explored, multiple arrangements are persistently broken and the arrears are not reducing then the arrears process will be escalated and legal action will be considered.**

Where Planned Maintenance works is not a statutory requirement, we will not carry out improvements to properties if there is money owed to the Association through rent arrears, recharge repairs or court expenses.

Non-essential repairs will not be carried out in cases where tenants are avoiding contact with the Housing Officer until they agree to discuss the matter and the debt is reduced.

Taking Legal Action

We do all that we can to help the customer to put things right and to encourage all our customers to pay their rent and keep their account clear. However, because of the impact of not paying rent on all of our customers, we will take legal action. There are various types of action that can be considered, including a Repayment Decree, wage arrestment or a Decree for Recovery of Possession i.e., eviction. However, we always want to support our customers at every stage of the escalation process:

- We will hand deliver the customer a Notice of Proceedings, which says that we intend to take court action which will give a minimum of 28 days-notice depending on the tenancy agreement. The Notice allows us to raise an action in court at any time over the subsequent 6 months. At the end of the six months, we may issue a new Notice if required.
- A copy of the Notice of Proceedings will also be served on all qualifying occupiers, within the household
- If the customer does not contact us when they get the Notice, we may proceed with court action. Customers will be liable for court costs.
- If we proceed with court action, even at this stage, we will be prepared to make a realistic arrangement with the customer.
- At court we can request a Continuation if there is a change in circumstances, suspend (Sist) the court action so that the customer gets a chance to keep to an agreed arrangement or seek Decree for payment and/or recovery of possession. Court costs will apply even if the arrears have been cleared.
- It is for the Sheriff to decide whether tenants should lose their home. Customers have a right to be represented and the Sheriff has the power to ask that arrangements are made for a period.
- If the Sheriff decides that all reasonable steps have been taken to support the tenants and that they have had chances to put things right and chosen not to, the Sheriff may decide that they should lose their home by awarding a Decree. The Sheriff will only grant Decree if satisfied it is reasonable to do so.
- The Management Committee will then consider whether to enforce the Decree.

We ask our customers:

- To contact us if they receive a Notice of Proceedings
- To make an arrangement with us to clear their arrears
- To keep in touch with us and work with us to clear their arrears
- To meet the costs of any court action which we have to take in relation to their arrears.
- To understand that not paying their rent can mean that they may lose their home.

We will make an arrangement at any time with customers to clear their arrears and pay their rent and will continue to offer support. However, once a case is enrolled in court, legal action will continue until the account is clear.

We ask ourselves to:

- Give every opportunity for the situation to be remedied
- Contact tenants who are not engaging at evenings and weekends
- Offer the tenant a meeting with the manager at Notice of Proceedings stage
- **Send an invitation to offer the tenant a meeting with the Director at Court stage**
- **Serve a pre-abandonment letter in the absence of contact from a tenant**
- **Serve letters from Housing Officers, Solicitors or Sheriff Officers at pre-court stage and when the case is enrolled in court and continue Officer contact**
- Recommend eviction when we are sure it is the only remedy
- Ensure the management committee have the final say on an eviction

For Wellhouse HA, eviction is a costly failure and counter to our primary objective of offering social housing to those in need. However, we accept that in the small minority of cases this will be the only option. Therefore, there will always be an independent review of the case prior to the decision, asking:

- Have we done all we can to avoid eviction;
- Has all relevant, policy, procedure and best practice been followed;
- Has the tenant been given good quality advice and support;
- Have we assessed vulnerability as a variable in the situation;
- Have we made the appropriate external referrals and followed them up;
- Have we asked ourselves is eviction a reasonable, proportionate and financially sound action.

In limited cases tenants will lose their home through non-payment of rent. Consideration will be given to any new information presented which may have a bearing on evicting a tenant. In certain circumstances the Management Committee may agree on a decision to evict and offer a Short Scottish Secure Tenancy with support.

When persistent non-payers are awarded more than one eviction decree, eviction will be considered even if the debt is cleared.

Technical Arrears

Technical Arrears reflect the delay in payments that occur when Housing Benefit is paid to the Association for qualifying tenants. This is paid on a 4 weekly cycle and our rents are charged monthly which may leave an arrear which is coverable by Housing Benefit.

Similarly, there is a delay in Universal Credit Housing Element payments. However, Universal Credit is a personal payment paid monthly directly to the tenant and the onus is on the tenant

to ensure payments are made on time. The landlord can request payment of the rent or arrears direct from Department of Work and Pensions under certain circumstances such as arrears on rent account, tenants who require support or at the request of tenants.

Former Tenant Debts

The Rent Management Policy is designed to minimise current tenant arrears. This in turn should assist in reducing former tenant arrears. In line with the objective of maximising rental income, staff will pursue former tenants with outstanding arrears.

Former tenant debts occur when a customer is no longer the Scottish Secure Tenant of the property having lost their tenancy through the following events:

- Eviction
- Termination of Tenancy
- Assignment
- Death (through the winding up of deceased's estate)
- Transfer
- Abandonment

Court Costs do not require further actions raised to recover the debt. The original decree granted with costs should be used to recover court costs even if the costs relate to a tenancy that is no longer current.

Staff will contact the former tenant and discuss the arrear to be paid in full or to agree a repayment plan. If the former tenant is unwilling to co-operate staff may pass the debt onto a debt recovery agency. If we do not have a forwarding address, staff will take appropriate action which may include contacting the former tenant's next of kin. Staff may also instruct tracing services through a debt recovery agency.

Following legal advice and audit recommendations, due to legal and court action costs, it would be uneconomical to pursue court action against any former tenant with a lower arrears level. Current level proposed is £350. Court action for arrears over £350 will be considered.

Each year the Association makes appropriate budget provision for bad debts in relation to former tenant arrears. It is good business practice to write off former tenant arrears. This does not mean arrears written off are not recoverable. While we would not legally pursue a written off debt, we may still hold a former tenant liable for any outstanding debt owed to the Association.

The Prescription and Limitation (Scotland) Act 1973 sets out the rules on how long a creditor (the Association) has to take certain action to recover a debt. This time is five years for a debt to be 'statute barred'. For a debt to be statute barred after the five-year time period, the following must apply during this time period:

- The creditor (the Association) has not made contact about the debt owed.
- The creditor (the Association) has not obtained a decree during the last five years.
- The debtor (tenant) has not made a payment on the debt during the last five years.
- The debtor (tenant) has not written to the Association admitting they owe the debt during the last five years.

During the financial year, the Association will compile a list of former tenant arrears cases which are deemed to be non-recoverable. Typically, this will involve former tenants whom we cannot trace or a reason given that makes the arrear uneconomical or unable to pursue. Management Committee will review the list and decide which cases may be written off as bad debts.

9. Monitoring and performance

We report on rent arrears at each Management Committee meeting. We do not name our customers in our reports; each tenant in arrears has a unique reference number. We treat all information relating to arrears in confidence and investigate where there have been any breaches. We follow our policies on Openness, Confidentiality and Data Protection.

10. Consultation

We aim to deliver excellent services, which respond to local needs and reflect what is most important to our customers.

To do that we need our customers to tell us how well our policy is working and help us to make the changes which will improve it. In line with our Customer Engagement and Participation Policy:

- We make it easy for customers to give us their comments and views - face to face, by telephone, e-mail, on line or in a letter.
- We commission formal independent tenant satisfaction surveys on a continuous monitoring basis carried out every three months.
- We consult our Customer Opinion Panel
- We publish the targets we set
- We publish how we have performed against those targets

We use customer feedback to review our policies and talk to customers about the changes we are making.

11. Complaints

We have a separate complaints policy and procedure. Leaflets and copies of the complaint's procedure are available from the Association's office and on our website. We also provide information on how our customers can make a complaint to the Scottish Public Services Ombudsman (4 Melville Street, Edinburgh EH3 7NS, telephone, 0800 377 7300) and how to contact the Scottish Housing Regulator.

The Ombudsman will not normally deal with complaints unless customers have followed the Association's complaints' procedure

12. Review timeframe

The policy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance. The Housing and Customer Service Manager will be responsible for reviewing the policy.

13. General Data Protection Regulations

The organisation will treat personal data in line with our obligations under the current data protection regulations and our own GDPR Policy. Information regarding how data will be used and the basis for processing data is provided in Wellhouse HA's privacy notice.

Management Committee	26 August 2021
Agenda Item	13
Title of Paper	Complaints and Compliments 2021/22 Update
Author	Carol Hamilton, Housing & Customer Service Manager
Attachment(s)	N/A
Executive summary	<ul style="list-style-type: none"> The Complaints and Compliments report is produced to assist the Board's understanding and interpretation of the volume and nature of complaints handled within the organisation The Association has a commitment to learning from complaints as well as our Complaints Handling development

FOR INFORMATION

1 PURPOSE

- 1.1 This report contains information for complaints and compliments in line with the Scottish Public Services Ombudsman (SPSO) and the Association's regulatory requirements covering the period 1 April 2021 to 30 June 2021.

2 RECOMMENDATIONS

- 2.1 That the update on our complaints and compliments position be noted

3 BUSINESS PLAN, VISION AND VALUES

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

4 COMPLAINTS

- 4.1 The Association received 7 complaints during the first Quarter of 2021/22.

4.2 Stage 1 Complaints

7 x Stage 1 complaints were received during the period 1 April to 30 June 2021. 1 was received in late June and responded to in Q2 (July) but included in the average response timescale. 85.71% (6) of Stage 1 complaints were responded to within Quarter 1. However, only 57.14% (4) of Stage 1 complaints were handled within timescale. Three complaints were investigated out with the 5-day timescale without an authorised extension due to staffing oversights. The average resolution time taken was 6 days against an SPSO target of 5 working days. The outcome of these complaints are as follows:

Outcome - Stage 1	Quarter 1 2021/22
Upheld	3
Partially Upheld	-
Not Upheld	2
Resolved	2
Total	7

4.3 Stage 2 Complaints

There were no stage two complaints received within the period.

4.4 Complaint Issues

The table below details the main issues WHA received complaints about during last quarter:

Issues raised	Q1 2021/22	Outcome
Equalities issue	-	-
Failed to attend appointment	-	-
Contractor conduct	-	-
Poor workmanship	-	-
Incomplete repair	1	1 Upheld
Repairs Delay	1	1 Front Line Resolution
Rechargeable Repairs	2	2 Upheld
Common Repairs	1	1 Front Line Resolution
Rent Arrears	-	-
Anti-Social Behaviour	1	1 Not upheld
Estate Management	1	1 Not Upheld
Estates Team	-	-
Policy/Procedure	-	-
Communication	-	-
Staff issue	-	-
Development	-	-
Not WHA Responsibility	-	-
Total	7	7

However, although these are the main recorded reasons for complaints, 3 were also related to policy and procedures and 2 of these also included staff issues.

5 COMPLIMENTS

During the Quarter to 30 June 2021, we received 3 compliments.

2 compliments were about the Estate Warden service and 1 was in relation to Housing Team member of staff's professional and sensitive handling of an issue.

6 LEARNING FROM COMPLAINTS & TRENDS

6.1 *Learning from Complaints*

The main learning outcomes from the last quarter are:

- **Complaints Management**

Although overall average response times have worsened from last year's outcomes, there remains room for improvement. 3 x stage 1 complaints went over target without an authorised extension recorded or any recorded reasons for the delays in responding to complainants. We need to ensure that our performance monitoring is improved.

In addition, where extensions are required, we need to ensure that we communicate this to complainants and agree this with them or amend the complaint to a Stage 2, where detailed investigation is required. Analysis of the complaints within the quarter suggests that neither an extension or amendment to Stage 2 should have been required.

As an interim measure our Service Improvement Officer will advise managers of outstanding SPSO complaints at the start of each week. New procedures have been issued to staff regarding changes to Complaints Handling from 1st April 2021 and additional training will be provided to staff.

- **Policy/Procedure Issues**

This remained a feature of 3 complaints, 2 of which also included staff issues.

1 was related to our Factoring Policy and Charging and was resolved by providing additional information and explanation, 1 about how an Anti-social Behaviour Case was managed, including staff approach but not upheld – handled in accordance with Policy, and 1 about Estate Management – dog fouling, again including staff response but again not upheld – handled in accordance with Policy.

- **Communications**

2 complaints were resolved at the front line, and analysis shows this was primarily as a result of offering an explanation on our policies or procedures or

clarifying our responsibilities. As noted above 3 further complaints also related to communication of our policies by staff.

This suggests that by improving our communication on key policies and policy changes or providing more detail on service expectations we may be able to minimise such complaints.

For example, providing more information on standard factoring charges. This learning point will be addressed when our Written Statement of Service is updated and published on 16 August 2021 and followed up with individual information to all owners within next three months in line with new Code of Conduct for Property Factors.

In addition, as noted above we need to improve communications with complainants over the progress of their complaints and in particular either agree a time extension in line with our Complaints Handling procedures, or where a case is complicated and needs more thorough investigation that Stage 2, with 20 working day target is used.

6.2 Trends

Compared to last year's outcomes, the level of stage 1 complaints has increased, over the quarter but is broadly in line with annual outcomes **(22)**. Last year we only received 1 x Stage 2 complaint, with none received this Quarter.

As noted above, policy and procedural issues and communication issues were often at the heart of the complaint.

However, repair issues formed the basis of 5 of the 7 complaints received and the 3 complaints that ran over target were managed by the repairs team. Delays in these cases meant that we failed to respond within expected timescales, with the worst case taking 12 days to provide a response.

7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

7.1 Standard 2

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. In addition, its primary focus is the sustainable achievement of these priorities.

Guidance 2.2

The governing body recognises it is accountable to its tenants, and has a wider public accountability to the taxpayer as a recipient of public funds, and actively manages its accountabilities. It is open about what it does, publishes information about its activities and, wherever possible, agrees to requests for information about the work of the governing body and the RSL.

Guidance 2.3

The RSL seeks out the needs, priorities, views and aspirations of tenants, service users and stakeholders. The governing body takes account of this information in its strategies, plans and decisions.

8. FINANCIAL IMPLICATIONS

- 8.1 The measures taken to resolve complaints affect staffing resources. These resources are being delivered within our existing salary budget.

9 KEY RISKS

9.1 *Reputational*

Risk associated with complaints is mainly reputational and in order to manage this risk we must learn from complaints to ensure that any trends are addressed.

10 EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

- 10.1 Wellhouse Housing Association embraces the principles of empowerment, accountability, equality and diversity that are integral to human rights. Complaints and compliments are monitored for equality issues.
- 10.2 During the Quarter to 30 June 2021 no equality complaints were raised.

Management Committee	26 August 2021
Agenda Item	14
Title of Paper	Operational Update Report
Author	Management Team
Appendices:	<ol style="list-style-type: none"> 1. News article re: funding in Glasgow 2. 17 – 19 Newhills Road marketing report

FOR INFORMATION AND DECISION

EXECUTIVE SUMMARY:

1. Director – Main Issues

Covid 19

See sperate report.

Development

Our long-standing Development Agent (New Gorbals HA) no longer have capacity to support us, so we must procure a new Agent. I am in the early stages of exploring this, with some support from Bruce Stevenson and will give a verbal update at the meeting. Procurement on PCS may not be possible for this specialist area of work, so invitations may be sought and a panel of SMT/ Committee members set up to evaluate them.

Flood prevention work - no major steps forward, but the plans to replace the blocked drain outside the Hub have progressed a little. See appendix with story re-funding to Glasgow. I will set up a meeting with our colleagues in NRS as soon as possible.

Newhills Road

We have commissioned an agent to market the property – you received an update by email on 9 August and a verbal update will be given at committee

Bulk, refuse, fly tipping, etc

Continues to be a significant issue – Bill Black will bring a full report with options to the next committee meeting.

Easthall Residents

At the time of writing, I am finalising the plans for the reopening of the café. Bike repair hub went really well and I would be keen to re-run it in due course.

Trust Honesty Integrity Excellence Accountability Sustainability

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 Income Advice Officer continues to support tenants by providing benefit advice and crisis support as well as supporting the Housing Officer with arrears cases and providing Universal Credit early intervention support for new claims. We now have 220 UC recipients.
- Funding from Glasgow City Council for fuel emergencies is still being used to help those experiencing fuel poverty. We have made 28 awards to tenants, totaling £2,330.00. We have made 10 awards of £10.00 each to help tenants access the Ruchazie Community Pantry shop.
- The Digital Support Fund has just over £500 remaining. EE monthly sim contracts have been cancelled and we no longer provide users of the fund with mobile internet access from the 5th June 2021. Most users confirmed they had internet access at home and will continue to use the loaned tablet using their own broadband connection. We identified a couple of users with no internet access, we agreed to continue to support them with access to 6GB of data per month until the Digital funding has been depleted.
- Officers are dealing with ongoing estate issues in relation to dog fouling and fly tipping as well as an increase in Anti-Social Behaviour complaints. In addition, there has been an increase in the volume of complaints in relation to overgrown gardens due to the withdrawal of the garden maintenance scheme by Glasgow City Council. Options are being considered.

3. Assets & Maintenance Manager – Main Issues

- Windows and Doors, Sidey will start surveys first week in have pencilled in a site start 30th August and run until the middle of October. The work was announced in the summer newsletter and an information leaflet has been delivered to each address on what to expect from the contractors and our self's and what is expected of the tenants.
- We have planned to replace 34 Kitchens & 45 Bathrooms work has started on these.
- The condition of voids continues to be of grave concern to us – photos were circulated to committee on 12 Aug and your observations/ comments are welcome: the time and cost involved in turning these properties into lettable standards in not insubstantial.
- Flooding – there was some flood water damage to the new flooring in the café. Alex Hogg met with the loss adjuster on 11 Aug and they are settling – I will bring a further report with options for changing the flooring in due course. The damage is not a health and safety risk and will not prevent the opening of our new venture with east end Flat Pack Meals.
- Main drain, Wellhouse Cres: we hosted a visit by Glasgow City Council and Scottish Water on 10 Aug. Plans are progressing to replace the drain in sections, which will substantially improve the flood risk situation.

- Estates: one of the wardens has resigned and I am working with the Supervisor to explore the best recruitment options for the replacement.
- Maintenance Assistant – thank you to committee for agreeing to convert the P/T to a full-time post. Recruitment is ongoing and I will keep you apprised. We hope to secure some interim support pending recruitment.
- Components and fixed assets register – I am working with the Finance Manager to ensure this information is accurate in relation to budget planning and for migration to home master.
- Business Plan – I will work with SMT to ensure post Covid lockdown that our information in our plans is accurate.

4. Finance & Corporate Services Manager – Main Issues

- The annual audit has once again been completed remotely with Azets and will be reported within this meeting
- Joan McDermott, Finance and Corporate services assistant resigned on 28th June 2021 and was given garden leave with immediate effect.
- There was a backlog of invoices and processes that were not fully completed that are currently being worked through.
- A temporary replacement commenced on Tuesday 20th July 2021 to help keep processes move while a permanent replacement was sought.
- The interviews for the permanent replacement took place on Wednesday 4th August 2021 with the temporary assistant, Michelle Weir being the successful candidate.
- A review of roles and responsibilities between the finance and corporate services assistant and the finance officer will take place over the next quarter to better reflect the workloads and responsibilities in a more even way according to pay grade and abilities.
- A proposal for a revised telephone system is tabled to be considered at this meeting.
- Work on data cleansing the finance system is underway to facilitate the smooth migration to the new Homemaster system.

Glasgow sets record affordable homes budget to help pandemic recovery

Councillors have confirmed a 'highest ever' £120m affordable housing budget in the city for 2021/22

BY **Drew Sandelands**

The Water Row development is one of the affordable housing projects. (Image: Planning documents - Govan Housing Association)



Hundreds of homes will be built in Glasgow after a record budget for new affordable housing projects was confirmed by the council.

Last year's [housing plans](#) were hit by the pandemic, which forced building sites to shut down, but Glasgow received its 'highest ever' budget for 2021/22, getting £120m.

And the council is set to get £538m between 2021 and 2026, with the city's housing convener welcoming the budget.

Cllr Kenny McLean told councillors: "I'm pleased to report that the Scottish Government issued the [council](#) with resource planning assumptions covering the next four years.

"This is something myself and officers of the council have been in discussion with the Scottish Government about and we are very pleased we have the certainty of the commitment of this funding for that period."

Marketing Report

To Lease the Retail Premises

Premises Situate:
17-19 Newhills Road
Glasgow
G33 4HH

Prepared by Graham + Sibbald LLP
On behalf of **Wellhouse Housing Association**
Date: 04/08/2021
Our Ref: MG/CK/2021/07/0318





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4.00	Conditions of Engagement for Property Disposal



1.0 Introduction

Graham + Sibbald LLP are delighted to have been given the opportunity to provide a tender for the provision of agency services in respect of 17-19 Newhills Road, Glasgow, G33 4HH.

Graham + Sibbald LLP (www.g-s.co.uk) is the clear market leader in Scotland in the field of commercial property where it comes to delivering local advice. With offices in Aberdeen, Ayr, Dundee, Edinburgh, Falkirk, Glasgow, Hamilton, Inverness, Kilmarnock, Kirkcaldy, Paisley, Perth, St Andrews and Stirling, we have the whole of the Scottish mainland covered including the northern and western isles.

The structure of the firm is based on practice groups which operate as cross departmental and inter-office teams to deliver a tailor-made solution to each client's instruction as appropriate. The seven practice groups within Graham + Sibbald are undernoted:

- Agency - Acquisition, Disposal, Investment and Development – Office, Industrial, Retail, Leisure, Licensed and Development Land
- Professional – Valuation, Development Appraisal, Rent Review, Lease Renegotiation, Business Rates, Property Audits.
- Planning – Planning Applications, Appeals, Reviews and Strategies.
- Building Consultancy – Dilapidations, Building Surveying, Project Management, Development Monitoring and Architecture
- Property Management – Management, Accounts and Landlord and Tenant Advice.
- Hotel + Leisure – Specialist Group covering Hotels, Pubs, Restaurants and all forms of leisure property.
- Petroleum + Roadside – Specialist advice covering Petrol Filling Stations, Garages and related installations.

Graham + Sibbald has 24 Partners, 37 Directors / Associates and over 150 staff. Graham + Sibbald believes that this level of resource and depth of local knowledge and expertise available from within both the local office and the wider firm combine to deliver the best marketing service to Wellhouse Housing Association in relation to the letting of the property situate at 17-19 Newhills Road, Glasgow, G33 4HH.

2.0 The Brief

It is understood that you are looking to appoint an Agent to dispose the leasehold interest of the property situate at 17-19 Newhills Road, Glasgow, G33 4HH.




3.0 Agency and Development

Nationally, we transact a considerable amount of commercial property every year through our Scotland-wide office network.

In the Glasgow Office we have the following specialists to deliver this instruction:

- Mark Gillies - Director
- Chris King – Agency Surveyor
- Tom Conway – Agency Surveyor

Over many years we have become experienced in the disposal of various buildings and sites for our retained client base. An overview of our most recent disposals include the following;

Photo	Location	Comment	Client
	36 Lochdochart Road, Glasgow, G34 0BH	Recently let with short marketing period.	Public Body
	34 Lochdochart Road, Glasgow, G34 0BH	Currently under offer after short marketing period.	Public Body

4.0 Planning

Graham + Sibbald has in-house Planning and Development Consultancy Services that can be utilised to ensure you receive best value for your property asset. The Planning and Development Team regularly works with the Agency Team to provide a complete service to clients and can:

- Prepare an initial planning appraisal of the property in advance of marketing
- Assess the current planning position and advise on development potential
- Engage with the relevant Planning Authority to determine likelihood of obtaining planning consent for alternative use/ development
- Provide proposals to add value to existing property and development sites.

These early discussions can be vital in assessment offers received from interested parties and can be provided to interested parties along with the marketing brochure to ensure that all parties are fully aware of the planning position.

Once the property asset has been marketed, the Planning and Development Team can work with the Agency Team to assess bids received and the deliverability of the proposed use or development including:

- Interviewing of interested parties to question their planning strategy



- Considering and advising upon proposed abnormal and developer cost deductions
- Undertaking a planning monitoring role
- Protecting client interests and minimise project timescales.

5.0 Market Knowledge

Graham + Sibbald is extremely active in the Scottish market and is widely recognised as one of the most dynamic agents. We have advised on some of the highest profile deals within Scotland, taking in commercial, industrial, office, residential and investment sectors.

Our approach to sales and marketing is specifically designed to meet client goals and minimise the risks associated with the sale and letting process. Enhancing value of the property asset is our prime objective. Our knowledge of the property market, the key buyers and contacts within it ensures maximum value for our clients, whether they are buyers, sellers, borrowers, lenders, occupiers or property investors. We optimise transactions from the client's perspective maximising proceeds, minimising costs and applying best case financial modelling to ensure maximum return.

The property market has witnessed considerable challenges over the past 10 years with the transaction landscape almost unrecognisable from its peak. We pride ourselves in staying close to the target market, whilst also keeping an eye on new players entering the property sector.

We take great pride in our presence on the advisory panels for the major lenders and financial institutions involved in the property in the UK.

6.0 Disposal Marketing and Value Considerations

Location

The subject property is located within Easterhouse. Easterhouse is positioned in the western central belt of Scotland within the conurbation of Glasgow and is easily accessed from road, rail and air. The A89 provides quick access to the M8 motorway at junction 8. The M8 is one of the main arterial motorway routes providing access to both Glasgow and Edinburgh. The M73 motorway is also a short distance from the subjects and connects to the M74 and onwards to Northern England.

The subject property is positioned approximately 6 miles East of Glasgow City Centre some 40 miles west of Edinburgh city centre. Access to the property is taken via Newhills Road, an existing adopted single carriageway road.

A location plan is attached to the rear of this report as **Appendix 1**.

Description

The subjects comprise a ground floor single storey retail unit held under a pitched roof. The property benefits from three large glazed frontages onto Newhills Road and is accessed via two separate glazed and aluminium pedestrian doors. Internally the subjects comprise open plan retail accommodation which has been partitioned to separate units 17 & 19 which can be accessed internally by a single door. There are 2 separate male and female toilets located to the rear Unit 19 along with a small kitchen area whilst Unit 17 has a single toilet located to the rear of the property.

A photographic schedule is attached as **Appendix 2**.



Accommodation

According to our calculations from measurements taken on site, we estimate the subjects extend to the following approximate net internal areas:

Unit	Sq M	Sq Ft
17 Newhills Road, Glasgow	116.32	1,252
19 Newhills Road, Glasgow	59.87	644
Total	176.19	1,896

We have also calculated a total Reduced Floor Area extending to 153.20 Sq M / 1,649 Sq Ft.

7.0 Town Planning

We assume the subjects benefit from Use Class(es) 1 or 2 in terms of the Town & Country Planning (Use Classes) (Scotland) Order 1997.

8.0 Marketability of the Property

In terms of rent we would recommend the following:

Best Case	£15,000 per annum +
Realistic Outcome	£13,000 - £15,000 per annum

If you were looking to market the property as a single property, looking at comparable transactions we believe you would be able to achieve our best case amount, however if you would look to separate units 17 & 19 then you may be able to achieve a slightly higher rental rate due to the smaller size of the properties. This however would mean that there may be a cost involved with splitting the services to the properties. We would aim to market the properties at offers over £15,000 per annum in the aim to achieve market tension between interested parties, by doing this it would help achieve in excess of this.

We believe that interest will most likely come from local operators who would be want flexible lease terms with potential break options with the lease terms. We would aim to achieve the longest lease term possible however this would have to be considered when trying to secure a tenant.

9.0 EPC

The Energy Performance of Buildings (Scotland) Regulations, as amended, states that an Energy Performance Certificate (EPC) must be prepared for any property (or part thereof) that is intended to be made available for sale or lease. Energy Performance Certificates (EPC), are a mandatory requirement for all commercial properties



put up for sale or let and must be visible on all marketing prospectus. Should the Legislation not be adhered to, enforcement action or a penalty of up to £5,000 may be imposed by the Local Authorities. In order to be able to market the property as swiftly as possible we require a copy of the current EPC to be provided to us, alternatively Graham + Sibbald can undertake this on your behalf at a fixed fee of £450 plus VAT.

10.0 Additional Information

We would draw your attention to the **Control of Asbestos Work Regulations, 2012**, where a Register of Asbestos and Effective Management Plan in respect of the property require to be in place and a Duty Holder appointed. It should be noted that if such documentation is not in place, it may cause delays in the legal process in effecting a disposal of the property.

11.0 Marketing Material

We would recommend the following marketing materials:-



Marketing Board



GRAHAM + SIBBALD
Chartered Surveyors and Property Consultants

Services ▾ Sectors ▾ Projects

1 People Search 2 Property Search 3 Request a Quote 4 Make a Payment

Property Search

Search by Building, Location or Postcode

☐ Buy ☐ Rent ☐ Property Type ☐ Min Size ☐ Max Size

Your search returned 702 results

Broxden, Western Edge, Perth PH2 0PX
F.O.A.
Land
From 13 Acre(s)

Clifton Trading Estate, Clifton Road, Newbridge EH28 8TP
£56,000 Per Acre
Industrial
From 13,422 Square Feet

30 High Street, Hawick TD9 9DH
£110,000
Retail
From 725 Square Feet

Unit 1, Eyemouth Industrial Estate, Eyemouth TD14 5AN
F.O.A.
Retail
From 45,420 Square Feet

Unit 1b, 31 Harbour Road, Longman Industrial Estate, Inverness IV1 3JA
F.O.A.
Office
From 845 Square Feet

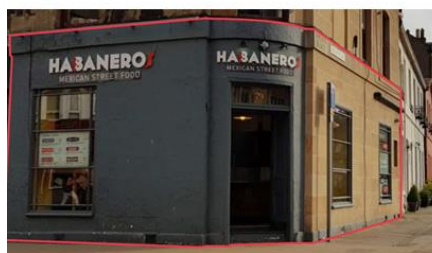
135 High Street, Forres, Moray IV36 1DX
£40,000
Office
From 845 Square Feet

Valleyfield, Enrol, Valleyfield PH2 7ST
£3,000 per
Industrial
From 2,800 Square Feet

South Ward Road, Dundee DD1 1PL
F.O.A.
Land
From 0.42 Acre(s)

Graham + Sibbald Search Engine

RETAIL OPPORTUNITY
79 Portobello High Street,
Edinburgh, EH15 1AW



Ground Floor Retail Unit Excellently Situated on Portobello High Street

[View property microsite](#)

Asking price £125,000 (offers in excess of)
Property type Retail

- Benefits from Restricted Class 3
- Excellent Transport Links To The City Centre
- Situated Within a Mixed Commercial and Residential Locality.
- Benefits From High Levels of Footfall

Graham + Sibbald HTML

FOR SALE
TWO RETAIL UNITS

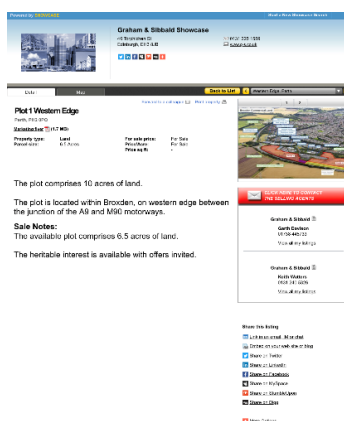
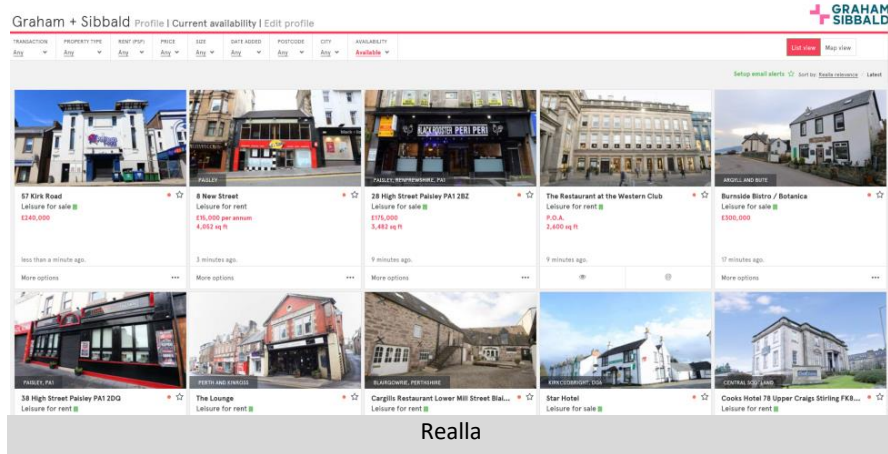
GRAHAM + SIBBALD

72-74 Leith Walk, Edinburgh, EH6 5HB

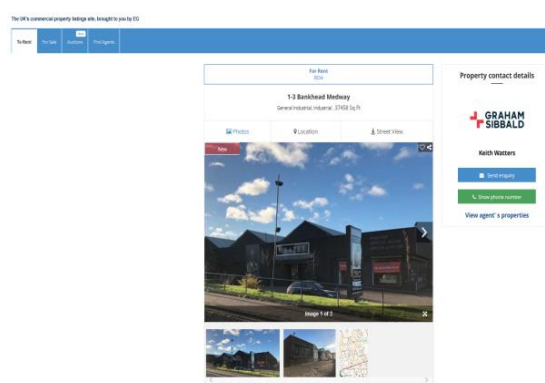
- Prominent Retail Unit
- Extensive Frontage
- High Levels of Pedestrian Footfall/passing traffic
- Large Private Carpark
- Offers Over £290,000

Scotland's Leading Property Consultancy Firm Find out more at www.g-s.co.uk

Marketing Particulars



Showcase



Property Link

12.0 Marketing Campaign

- Preparation and agreement of the marketing brochure / HTML flyer
- Preparation and erection of property marketing board(s)
- Listing of property on the Graham + Sibbald and linked websites
- Conduct targeted mailing campaigns
- Consider placement of advertisement features in specialist publications, property press and national/local press
- Conduct viewings with interested parties
- Liaise with client and clients' legal advisers to organise Closing Date for receipt of offers, if required
- Report to client and clients' legal advisers on all offers received, together with recommendations
- Work closely with your legal advisers and other representatives through to final settlement.



13.0 Conflicts of Interest

In marketing any property, it is important to ensure that the marketing team remain committed to the task in hand and that conflicts of interest are avoided wherever possible.

Whilst Graham + Sibbald are dealing with various properties throughout Glasgow/Great Glasgow Area we are not currently marketing any which we consider to directly compete with this property.

Should a potential conflict of interest arise during the course of our marketing campaign, it is our strict policy to immediately advise the client of same and adhere at all times to the RICS Rules of Conduct by taking the appropriate action.

14.0 Timescales

In our opinion, the letting of the property will take in the order of 0-9 months, subject to inspections and availability of information regarding the property.

It is critical therefore that the property is properly prepared for market prior to open marketing commencing and this should involve as much liaison between ourselves, your legal team and other representatives, as may be appropriate. The absence of critical documentation regarding planning and other statutory consents will only delay in the final conclusion of the disposal.

15.0 Delivery Team

The marketing of the property will be conducted by the Commercial team in our Glasgow Office, headed by Mark Gillies, who will be assisted by Chris King.

From within this team, Chris King in particular would be responsible for the daily marketing of the property, but each member of the team will be familiar with the property and be able to respond to any queries raised.

16.0 Money Laundering

Before marketing can commence, in order to comply with **Money Laundering, Terrorist Financing and Transfer of Funds (Information on Payer) Regulations Act 2017**, we are required to conduct Customer Due Diligence (CDD) measures on you as our customer.

Please refer to **Appendix 3** for the documentation which we require from you before we commence marketing the property.

Any document(s) supplied will be retained securely in line with Data Protection Act regulations.



17.0 Fee Proposal

Please find attached our standard Conditions of Engagement for Property Agency (**Appendix 4**). We would ask you to peruse same and should there be any points requiring clarification please contact us.

We would propose that our professional fees in connection with achieving a successful letting would be based on 10% of the first year's rent plus VAT, excluding any rent-free periods/incentives, subject to a minimum fee of £1,500 plus VAT.

There will be an initial Administration fee of £500 plus VAT to cover website insertions, preparation of details/property brochures, initial mailshot campaign and Anti Money Laundering checks (SmartSearch). A marketing board will be erected at an additional cost of £180 min plus VAT.

The contingency fee as referred to in Point 4 of our Conditions of Engagement in this instance would be £750 plus VAT.

18.0 Money Laundering

Before marketing can commence, in order to comply with **Money Laundering, Terrorist Financing and Transfer of Funds (Information on Payer) Regulations Act 2017**, we are required to conduct Customer Due Diligence (CDD) measures on you as our customer.

Please refer to **Appendix 4** for the documentation which we require from you before we commence marketing the property.

Any document(s) supplied will be retained securely in line with Data Protection Act regulations.

19.0 Timing

On receiving confirmation of instructions to proceed, we will place draft marketing materials before you within 10 working days and when signed off, would have the marketing commenced immediately thereafter.

20.0 Why Graham + Sibbald LLP?

In summary, Graham + Sibbald believes its key points of differentiation are:

- Extensive Scottish property market knowledge
- Strong geographical spread throughout the whole of Scotland
- Intimate knowledge of different local markets
- Pooled knowledge of buyers / tenants / investors
- Inter-office collaboration when required, to deliver optimum client service
- Senior highly experienced team
- Single point of contact for the duration of the instruction
- Ability to apply a defined marketing process



- Value for money

21.0 Conclusion

The disposal of this property requires to be handled carefully and in a considerable manner in order to achieve the best results for Wellhouse Housing Association. It is our objective to provide our clients with realistic and deliverable advice which, coupled with our extensive local knowledge, creates a comprehensive marketing campaign in a realistic timeframe, which will achieve the best results for our clients.

We hope this report is helpful and we would be delighted to sit down with you to discuss its contents in more detail in due course.

Finally, we would like to thank you for giving Graham + Sibbald the opportunity to act on your behalf.

We trust you will be satisfied with the above recommendations and fee proposals. We would be grateful if you would duly sign and return a copy of this Marketing Report to us confirming your agreement whereupon we shall proceed.

Yours faithfully

For and on behalf of
Graham + Sibbald LLP
T: 0141 332 1193
E: chris.king@g-s.co.uk



Agreement	
We hereby agree to the above Recommendations and Terms of Engagement.	
Name:	Signature:
Name of Firm:	
Position in Firm:	
Date:	
17-19 Newhills Road, Glasgow, G33 4HH	
CLIENT: Wellhouse Housing Association The Hub 49 Wellhouse Crescent Glasgow G33 4LA	



Appendix 1.0

Location Plan





Appendix 2.0

Photographic Schedule



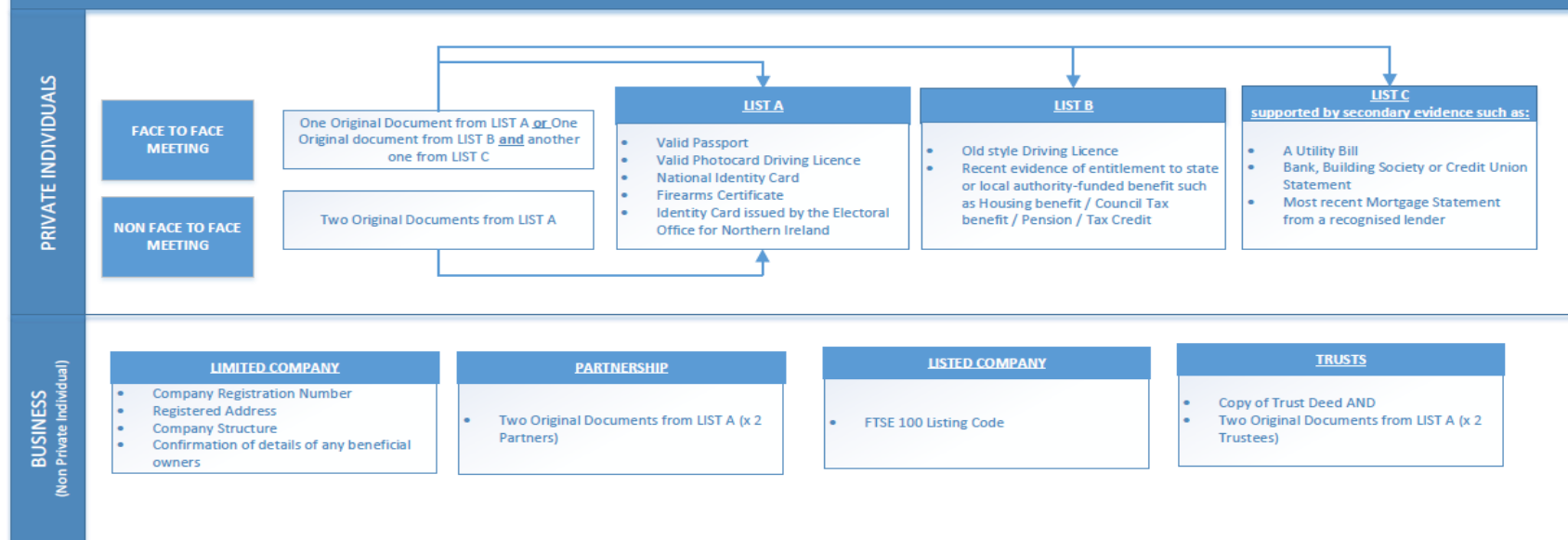


Appendix 3.0

Money Laundering Regulations



Customer Due Diligence (CDD) Documentation Requirements (Property Sales - Clients)



October 2017



Appendix 4.0

Conditions of Engagement for Property Disposal

PROPERTY DISPOSAL

Terms + Conditions

I

GRAHAM + SIBBALD



TERMS AND CONDITIONS OF ENGAGEMENT FOR PROPERTY DISPOSAL

These Terms and Conditions of Engagement will apply to all property disposal agency business conducted by the Agent. This is a legal document so please take the time to read it carefully before signing the Instructions.

1. In these Terms and Conditions of Engagement, the following expressions shall have the following meanings:

"Agreement" means these Terms and Conditions of Engagement and the Instructions, as the same may be varied, amended or supplemented in accordance with these Terms and Conditions of Engagement.

"Appointment Term" means the period of the Agent's appointment which commences on the date of signing the Instructions and continues until completion of the legal transaction for the sale or the letting of the Property (as appropriate), unless terminated earlier by either party on giving at least one month's prior written notice to the other party.

"Agent"/"we"/"us"/"our" means Graham + Sibbald LLP, a limited liability partnership incorporated in Scotland (Registered Number SO307130) and having its registered office address at Seabrook House, 18 Greenmarket, Dundee, DD1 4QB

"Client"/"you"/"your" means the person, firm, company, organisation or other entity appointing the Agent, and being the seller or the landlord of the Property, as appropriate.

"Data Protection Legislation" means the UK Data Protection Legislation and any other European Union legislation relating to personal data and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of personal data (including, without limitation, the privacy of electronic communications).

"Fee" means the fee payable by the Client to the Agent in the amount specified in the Instructions and in the circumstances set out in clause 2 in these Terms and Conditions of Engagement.

"Instructions" means the written instructions, signed by the Client and the Agent, which appoint the Agent to act on behalf of the Client in the sale or the letting of the Property, as appropriate.

"Introduced" means the passing of information, whether written or oral, which identifies the purchaser or the tenant, whether or not the Client or its agents had knowledge of that purchaser or tenant before. **"Property"** means the property identified and described in the Instructions.

"Property" means the property identified and described in the Instructions.

"UK Data Protection Legislation" means all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018; the Privacy and Electronic Communications Directive 2002/58/EC (as updated by Directive

2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.

"UK GDPR" has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018.

2. The agreed Fee will be payable by you to us in each of the following circumstances:

- (a) If a purchaser/tenant has expressed an interest in the Property, entered into negotiations, either verbally or in writing, or had his/her agents or others acting on his/her behalf enter into such negotiations with a view to purchasing/letting the Property and thereafter made an offer or caused an offer to be made for the Property whether verbally or in writing, at an acceptable price or rent and on normal terms, but has been unable to conclude a bargain for the Property on account of your actions or omissions or the actions or omissions of agents or others acting on your behalf, or representing you or your interests in the matter.
- (b) If at any time during the Appointment Term or within 12 months of the expiry of the Appointment Term missives for the sale/letting of the Property are completed with a purchaser/tenant who has been Introduced by us, another agent or other party or parties including yourself during the Appointment Term.

3. The agreed Fee will be inclusive of the following services:

- (a) Carrying out an inspection (excluding valuation and/or report on the condition of the Property) of the Property for the purpose of providing marketing advice to the Client.
- (b) Dealing with all enquiries from interested parties and, if appropriate, conducting viewings of the Property.
- (c) Negotiating with interested parties or their agents and assistance to your solicitors in connection with the conclusion of missives.

4. The agreed Fee will be subject to the following:

- (a) VAT at the prevailing rate.
- (b) If the Fee relates to the sale of the Property and where the Fee is agreed as a percentage, it will be calculated on the total purchase consideration but excluding any VAT chargeable thereon.
- (c) If the Fee relates to the letting of the Property and where the Fee is agreed as a percentage, it will be calculated on the annual rent which is deemed to be net of any service charge, rates, insurance premiums or VAT and ignoring any initial rent free period or concessionary rent, landlord's payment or any other financial inducement to the tenant. Where the annual rent is stepped, then the aggregate amount of the rent, reserved for the period from the expiry of any initial rent free/concessionary rent interval until the first rent review or expiry of the term, will be divided by the length of that period expressed in years for the purpose of this calculation.
- (d) If our account details change, we will notify these to you by letter or face to face and never by email.



5. Subject to prior agreement, additional charges will be made in respect of the following items:
 - (a) The erection of on-site boards advertising the availability of the Property.
 - (b) Costs in connection with the production and placing of advertising.
 - (c) Production of marketing materials relating to the Property (e.g. brochures).
 - (d) Direct mailing of marketing materials relating to the Property.
 - (e) Inclusion of Property on our website and our appropriate property available schedule.
 - (f) All postage and packaging incurred by sending marketing materials relating to the Property in response to enquiries.
 - (g) Financial research into prospective purchaser/tenant (e.g. bank references, company accounts searches, etc.).
 - (h) Travelling time where the Property is in a location remote from our offices.
 - (i) If required, emergency expenditure (e.g. securing the Property).
 - (j) Any other authorised expenditure.
6. Recovery of all additional charges listed in clause 5 will be by way of monthly invoice as and when the costs are incurred or by way of direct invoice from a third party supplier.
7. The Property may be withdrawn from the market or your Instructions may be cancelled for any reason provided at least one month's prior written notice has been given to us. In either event, an agreed contingency fee together with all previously authorised outstanding additional charges pursuant to clause 5 will become payable by you to us immediately. This Agreement shall not terminate until we receive said payment in full.
8. Our invoices are payable on presentation. We reserve the right to charge interest in the case of overdue accounts. We may terminate this Agreement if payment of any Fees, and/or additional charges billed is delayed. In the event of our Fees, VAT thereon and/or any additional charges incurred on your behalf in connection with this Agreement is not settled, we reserve the right to:
 - (a) Instruct solicitors, debt collection agents or other third parties to endeavour to collect said Fees, VAT and/or additional charges for us. In the event of said solicitors, debt collection agents or third parties being instructed by us, you will be liable to reimburse us for the whole fees and other costs charged by them to us and thereby incurred in that connection; and
 - (b) Exercise our statutory right under the Late Payment of Commercial Debts (Interest) Act 1998 as amended by the Late Payment of Commercial Debts Regulations 2013 and any subsequent legislation to claim interest and compensation for debt recovery costs under such legislation.
9. Prior to the commencement of any marketing campaign, you will provide us with all relevant information about the Property and your interest in it. This information will include full details of ownership and

of any rights, obligations, benefits and restrictions, liabilities and outgoings and anything else which may affect the accuracy of our description of the interest you wish us to market. We will rely on the information you provide and when you receive a copy of the draft marketing materials relating to the Property which you approve, we will, in terms of The Business Protection from Misleading Marketing Regulations 2008, require you to sign a validation certificate.

You must inform us immediately if any aspect of any of the marketing materials relating to the Property is or becomes inaccurate or misleading.

10. Under the terms of the Health & Safety at Work etc Act 1974 we have a duty of care to ensure that our staff, prospective purchasers, tenants and their advisors, are not be exposed to undue risk. You agree to advise us, in writing, of any known hazards or risks arising from the condition of the Property or its service, and provide copies of any notices served to you in relation to the Property. Should we identify any additional hazards, these will be notified to you.
11. The Control of Asbestos Regulations 2012 require a register of asbestos and an effective management plan to be in place in respect of the Property as well as the appointment of a duty holder. If such documentation is not in place, this may cause delays to the legal process in effecting a disposal of the Property.
12. Any advertising boards, once erected on the Property, become the Client's responsibility.
13. The Client confirms that third party liability insurance is in place and that the Client's insurer is aware of the Property's present status.
14. We accept no liability or responsibility for the security, maintenance or repair of or for any damage to the Property and unless a separate agreement is reached we will not be deemed to be the registered key holder.
15. Graham + Sibbald's total liability to the Client under this Agreement (including liability in contract, tort (including negligence), breach of statutory duty, or otherwise) shall not exceed £250,000. Nothing in this Agreement limits any liability which cannot legally be limited including but not limited to liability for death or personal injury, and fraud.
16. You agree that you will indemnify us and keep us indemnified, from and against all direct costs, expenses, damages and losses, which may be suffered or incurred by us in connection with any third party claim made against us arising as a result of your breach of this Agreement or your legal responsibilities.
17. When adverse weather conditions are likely, frost damage may occur to water and heating systems and sanitary appliances. You should take all necessary action to protect the Property from such risks and to ensure that you have adequate insurance cover.
18. To comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as



subsequently varied or ~~amended~~ we will require to be satisfied as to the Client's identity.

19. We confirm that we operate formal procedures to deal with any complaints from our clients.
20. No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
21. This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
22. This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of Scotland. The courts of Scotland shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims).
23. Graham + Sibbald and the Client each undertake that:
 - (a) they shall comply with all applicable requirements of the Data Protection Legislation, including without limitation any obligations relating to the rights of a data subject and the reporting of personal data breaches (all as defined in the UK GDPR); and
 - (b) not do or omit to do anything which puts any other party to the Agreement in breach of the Data Protection Legislation.

Without prejudice to the generality of this clause, you shall ensure that you have all necessary appropriate consents and notices in place to enable lawful transfer of the personal data to Graham + Sibbald for the duration and purposes of this Agreement. You shall have liability for and shall indemnify Graham + Sibbald for any loss, liability, costs (including legal costs), damages, or expenses resulting from any breach by you of the Data Protection Legislation. For further information regarding how Graham + Sibbald processes personal data in relation to this Agreement, please see Graham + Sibbald's privacy notice at <https://www.g-s.co.uk/privacy-policy/>.



Management Committee	26 August 2021
Agenda Item	15
Title of Paper	AGM arrangements
Authors	Linda Logan, Governance & Corporate Services Officer
Attachment	none

FOR INFORMATION AND APPROVAL

1 PURPOSE

To outline our procedure for virtual AGM arrangements as agreed by committee at its meeting in June 2021 and to note the members who will stand down and seek re-election at the Annual General Meeting on 22 September 2021.

2 RECOMMENDATIONS

- 2.1 That committee note the update and to confirm those members who will seek re-election to the committee.
- 2.2 Approve the recommendation to restrict the business being discussed at the AGM to those required by the Rules and to allow for postal votes.
- 2.3 That committee note that the 9-year rule applies to Maureen Morris. (Please see point 5.3) Committee are asked to confirm her continued effectiveness as a committee member and that she may stand for re-election.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 The production of the AGM arrangements report is consistent with:
 - strategic objective 5: to maintain good governance

4. BACKGROUND

- 4.1 WHA's Rules state that "At the end of the first annual general meeting after the total membership of the Association has risen to seven or more, all committee members must retire. From then on at the end of every annual general meeting, at least one-third of the Committee Members or the nearest number thereto, must retire. Anyone appointed as a co-optee under Rule 41.1 or to fill a casual vacancy under Rule 40 and who retires for that reason, shall not count toward the one third provision. The retiring Committee Members should be selected in accordance with Rule 38.2"

5. MAIN ISSUES

- 5.1 Under Rule 38.2 of the Association's Rules, at least one third of the Committee or the nearest whole number thereto, and who have served the longest on the Committee since the date of their last election, must retire.

Under Rule 38 the following members will stand down and are asked to confirm that they will be seeking re-election, they do not require nomination;

These members are: Sarah Morris and Clare Monteith.

- 5.2 There were no co-optee's during the course of the preceding year

There were no Appointee's in the course of the preceding year.

There are up to 12 places on the Management Committee. No new Nominations for Election to the Committee have been received. We have 4 vacancies.

- 5.3 The Association must have a secretary, a chairperson and any other office bearers the committee considers necessary. The office bearers, except for the secretary, must be elected committee members and cannot be co-optees. An employee may hold the office of secretary although not be a committee member. The committee will appoint these office bearers. If the secretary cannot carry out his/her duties, the committee, or in an emergency the chairperson, can ask another officer bearer or employee to carry out the secretary's duties until the secretary returns.

The Secretary does not require election and it is proposed that the Director continue in this role.

Under Rule 58.10 the chairperson can be re-elected but must not hold office continuously for more than five years. The current Chair, Darron Brown has indicated that he will stand down as Chair and therefore **Nominations are sought for the position of Chair.**

Committee are asked to note that Maureen Morris has been an elected member from 13/9/2012 and as such the 9-year rule applies.

Under Rule 36.6 the committee shall assess annually the skills, knowledge, diversity and objectivity that it needs for its decision making and what is contributed by committee members by way of annual performance reviews. The committee must be assured that any committee member who has continuous service on the committee of nine years or more and who is seeking re-election is able to demonstrate his/her continued effectiveness as a committee member before he/she may stand re re-election.

In addition; under Rule 43. A committee member will cease to be a committee member if: 43.2 he/she ceases to be a member unless he/she is a co-optee in terms of Rule 41.1 or an appointee of the Scottish Housing Regulator.

Maureen Morris has indicated that she is willing to stand for re-election as Vice Chair. **She is asked to confirm this.**

Carol Torrie has indicated that she is willing to stand for re-election as Treasurer. **She is asked to confirm this.**

- 5.4 The Audit & Risk committee are asked to confirm that they are willing to continue their appointment to the Audit and Risk Committee. These are Carol Torrie (Chair), Clare Monteith, Maureen Morris, Sarah Morris, Michelle Harrow and Jane Heppenstall.

- 5.5 Staffing Committee members are asked to confirm that they are willing to continue their appointment to the Staffing Committee. These are Clare Monteith (Chair), Michelle Harrow and Sarah Morris.

6 Virtual AGM

As agreed by committee at its meeting in June 2021 we will convene a virtual AGM on 22nd September 2021. Even though a physical AGM is possible under the current protection level, because we adopted the New Model Rules it is at the discretion of the RSL as to whether the meeting is held physically or virtually. We will ensure that shareholding members fully understand our reasons for doing so.

It will also be necessary for members to confirm attendance in advance of the meeting in order to gain online access to the meeting. It is recommended to restrict the business being discussed to those required by the Rules and only those that are on the agenda will be discussed and that any questions be submitted in advance. The “raise hand” functionality can be used in Zoom if someone wishes to ask a question. Microphones will remain muted during the meeting. For those members who are unable to attend, and to further maximise member participation it is recommended that postal voting be offered in advance via post rather than at the meeting as this would be more practical. Postal votes will not be included for quorum. In order for the meeting to take place at least one-tenth of the membership must either be present or represented by a representative in terms of Rule 26.1 (Proxies/Representatives)

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 These are dealt with in the body of the report.

8. FINANCIAL IMPLICATIONS

- 8.1 None

9. KEY RISKS

- 9.1 Failure to manage the constitutional obligations of WHA in this area in accordance with their requirements would be a clear failure of governance effectiveness, and could also lead to challenges from existing members and potential new members. This would risk regulatory action and other regulatory consequences, possible undermining of previous decisions made by committee as being unconstitutional.

10 EQUALITY AND DIVERSITY IMPLICATIONS

- 10.1 The leaflets advertising committee vacancies identified that we are seeking people to increase the diversity on the board. However, all those elected, are white, ethnic British. The committee may want to take account of this in deciding whether to advertise for further members.