

Dear Member,

The next Management Committee will be held on **Thursday 27 January 2022 at 11AM via Zoom**

<b>Agenda Item</b>	<b>Lead</b>	<b>Time</b>	
1. Welcome, <i>Sederunt</i> & Apologies	Chair	1min	Verbal
2. Jargon Buster			For Information
3. Declarations of Interest.	Chair	1min	Verbal
4. Minutes of the Committee Meeting of 30 November 2021	Chair	2min	Approval
5. Matters Arising & Actions from the minutes report	Director	2min	Note
6. Rent Consultation update and decision	Housing Manager	15min	Approval
7. Management Accounts – November 2021	Finance Manager	10min	Approval
8. Budget 22/23 - 2 <sup>nd</sup> Draft	Finance Manager	15min	Note
9. Rent Arrears update report	Housing Manager	10min	Approval
10. Policy Review Report	Housing Manager	10min	Note
1. Short Scottish Secure Tenancy Policy			
2. Tenancy Sustainment Policy			
3. Tenancy Support Leaflet			
11. ABS complaints report	Housing Manager	10min	Note
12. Operational update	Management Team	10min	Note
13. AOCB	Chair		

Close of Meeting: 1PM.

Next Meeting: 24 February 2022 at 6PM.

Terminology	Definition
<b>Bad Debts</b>	A <b>Bad Debt</b> is an outstanding sum of money owed to the <b>Housing</b> Association that has not been paid, despite repeated efforts to collect the <b>debt</b> .
<b>Covenant compliance</b>	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.
<b>CPI</b>	The Consumer Price Index ( <b>CPI</b> ) is the official measure of inflation of consumer prices of the <b>United Kingdom</b>
<b>Cyclical Maintenance</b>	<b>Cyclical maintenance</b> is work to maintain the general condition of the property and some communal fittings
<b>FTA</b>	Former Tenant Arrears
<b>Housing Property Depreciation</b>	<b>Housing Property Depreciation</b> 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.
<b>KPI</b>	Key performance Indicator
<b>LIBOR</b>	<b>LIBOR</b> is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans. <b>LIBOR</b> , which stands for <b>London Interbank Offered</b> Rate, serves as a globally accepted key benchmark interest rate that indicates borrowing costs between banks
<b>Major repairs/planned renewals</b>	Major Repairs (Investment works) – Kitchen & bathroom renewals, central heating replacements, door entry systems etc.
<b>Negative Goodwill</b>	An accounting concept to acknowledge the challenges of quantifying the value of intangible fixed assets
<b>Reactive Maintenance</b>	<b>Reactive</b> 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 <b>maintenance</b> programmes
<b>RSL</b>	Registered social landlord. The vast majority of Registered Social Landlords are also known as <b>Housing</b> associations. <b>Housing</b> associations are independent, not-for-profit organisations that provide <b>homes</b> for people in <b>housing</b> need.
<b>SHAPS</b>	Scottish Housing Association Pension Scheme
<b>SHIP</b>	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
<b>SHR Regulatory Framework</b>	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.
<b>Statement of Comprehensive Income (SOCi)</b>	A statement of comprehensive income contains two main things: the <b>net income and other comprehensive income (OCI)</b> . 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
<b>Statement of Financial Position (SOFp)</b>	The statement of financial position. The statement <b>lists the assets, liabilities, and equity of an organization</b> as of the report date. This was previously known as the Balance Sheet.
<b>Short Scottish Secure Tenancy (SSST)</b>	A Short Scottish Secure Tenancy (SSST) is <b>a short term or probationary tenancy</b> . SSSTs can only be created in specific circumstances as outlined in Schedule 6 of the Housing (Scotland) Act 2001, as amended by the Housing (Scotland) Act 2014.
<b>Technical arrears</b>	' <b>technical arrears</b> ' – <b>arrears</b> relating to outstanding housing benefit that a landlord has <b>not</b> received
<b>Tenancy Sustainment</b>	Tenancy sustainment is the <b>provision of a range of measures which provide tenants with the necessary support to give them the best chance of successfully managing their tenancy</b>

**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD ON  
30 November 2021 at 6PM - VIA ZOOM**

**1. Welcome, Sederunt & Apologies.**

**Present:**

Maureen Morris	Chair
Clare Monteith	Vice Chair (Chaired the meeting)
Carol Torrie	Treasurer
Jane Heppenstall	Committee Member
Darron Brown	Committee Member
Sarah Morris	Committee Member

**In Attendance:**

Martin Wilkie-McFarlane	Director
Carol Hamilton	Housing & Customer Services Manager
Robert Murray	Finance & Corporate Services Manager
Linda Logan	Minute taker

**Apologies:**

Shona McKenna	Committee member
Michelle Harrow	Committee Member

**2. Jargon Buster**

Noted for information.

**3. Declarations of Interest.**

There were no declarations of interest.

**4. Minutes of the Committee Meeting of 28 October 2021.**

**Resolution:**

**The minutes of the Committee Meeting of 28 October 2021 were proposed by Jane Heppenstall and seconded by Maureen Morris as an accurate record of the proceedings.**

**5. Matters arising and actions from the minute report.**

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

**6. Management Accounts to 31 October 2021**

The Finance Manager presented the report to provide Management Committee members with a comparison of the budget and actual financial positions to 31 October 2021.

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the 7 months to 31 October 2021 was £321,209. The actual results for the period showed a surplus of £445,843, a favourable variance for the period of £124,634.

The overall variance arises from:

Operational activities £122,300 – favourable variance

Net interest and other £2,334 – favourable variance

He noted over and underspends against budget. Salaries had an underspend of £21,890, in the main due to replacement staff being recruited at a lower pay scale and current vacancies taking longer than anticipated to recruit. Overheads had an overspend of £12,274, due to increased costs for legal fees

Repairs and Maintenance had an underspend of £80,096 against budget over all areas. He provided an explanation of underspends within reactive and cyclical maintenance and asked that committee note the underspend in major/planned repairs of £53,779 due to restrictions of multi-trades being able to work together and delayed. It is anticipated that works on bin areas and additional verandas work will be completed before year end.

Cash had increased by £119, 948 to £3,049,835, resulting in a healthy financial position. There were no issues with covenant compliance.

#### **Resolution:**

**Committee approved the management accounts to 31 October 2021.**

**Maureen Morris proposed and Jane Heppenstall seconded the management accounts to 31 October 2021.**

## **7. 2022/23 Draft Budget**

The Finance & Corporate Services Manager presented the report to provide details of the expected financial position of WHA for the financial year 2022/23. He noted rental income assumptions had been discussed in closed session. He took committee through other financial assumptions as follows:

He noted that we are in the final year of a 2-year wage deal, under EVH terms and conditions, of 2.5% however, further negotiations may be required, as the agreed lower threshold may be breached as any increase due from April 2022 will be determined with reference to the November 2021 CPI figure. Each 1% of salary increase equates to circa £8,000. In addition, the Government will bring in an additional 1.5% increase in NI contributions which will result in an additional £87,000 of expenditure.

The Director reiterated discussion in October with regards pay increases for 2022, where committee had confirmed they would prefer option 4 – where employers would hold back at this time to ascertain the rate of inflation over the coming months and revisit at that time. It is anticipated that the JNC will come back in January with proposals.

Management overheads are assumed to remain at the same level of spend of £461,000 but with a prudent inflationary increase of around 3% added. Insurance has assumed an increase of 10%. Additional savings are being investigated.

Maintenance spend is based upon the most up to date expectations and pricing structures updated. It is anticipated that projected price increases will be in the region of 15%.

Arrears are assumed to increase by £40,00, with bad debts provision expected to increase by three quarters of that increase.

Base rates are expected to rise for the second half of 22/23, however, because the majority of our loans are at a fixed rate there is less exposure to interest rate rises. More detail will be provided at the January committee meeting.

Cash is expected to reduce by £600K due to upgrades to buildings, to leave a balance at March 2022 to £2.5M. All lenders' covenants are comfortably achieved.

Committee discussed employee terms and conditions of employment. The Director suggested that a report be brought back to committee in the future to look alternative options. Darron Brown asked that a risk assessment and cost implications be included within the report.

Jane Heppenstall asked that further information/explanations be provided on the expected bad debt provision within the budget.

#### **Resolution:**

**Committee noted the draft budget for the 2022/23 financial year. A further report will be presented in January 2022.**

**An erratum** has been added to note errors contained within the Draft Budget report 2022/23. The Finance Manager will amend the report accordingly. The following points had errors as noted.

- Point 2.3 Should read CPI plus 1% i.e., 4.1%
- Point 6.1 RPI should read 4.8% in August
- Point 6.2 second line should read "generates a healthy surplus of £3.6 million for the five years; however, the cash position is a bit different with an increase in cash of just shy of £1.8 million over the same 5-year period"
- Point 6.2 second paragraph second line should read an additional income of £35,000
- Point 6.3 second paragraph should read Assuming we adopt an increase of CPI + 1% this would equate to 4.1% rent increase
- Point 6.3 fourth paragraph line three and line seven should read £35,000
- Point 6.6 point 4 should read an additional £137,742
- Point 6.6 second paragraph should read £137,742
- Point 6.7 paragraph 2 last line, should read is based on the wage deal of 2.5%

#### **8. ICT update.**

The Finance Manager reported that the new phone system went live on 22<sup>nd</sup> November 2021. Contact numbers will be updated on the website and an article included within the Christmas newsletter. All staff now have the appropriate equipment to access information either remotely or within tenants' homes.

#### **9. Quarter 2 – KPI Report – July – September 2021.**

The Housing Manager presented the report to bring to the attention of Committee the performance in relation to KPI's for the period July – September 2021. She noted appendix 1 of the report which

detailed results for the second quarter against targets set for 20/21. She highlighted the following results for information;

Rent arrears remain a huge concern;

Relet times were lengthier than normal at an average of 27.04 days mainly due to the delay in process as a result of Covid; coupled with an increase in refusals,

Gas servicing is back to 100% access; however, we are still experiencing a high level of forced access which takes up a lot of staff time.

Appendix 2 highlighted continuous monitoring and favourable performance against our peer groups.

**Committee noted the contents of the report.**

#### **10. Rent arrears report.**

The Housing Manager presented the report to update on the rent arrears position. She noted that there were fewer people in rent arrears than previously reported and current rent arrears have reduced by £2,364 to £298,564. During the period net current arrears reduced by £6,264 and former tenant arrears decreased by £8,169, this is expected to increase due to abandonments. It is being carefully monitored. She highlighted 40 rent arrears cases in the legal system, the highest arrears balance had increased to £9,387, no payment had been received recently.

She noted an action point from the last meeting to provide an update on the Covid 19 Tenant Grant Fund. She stated that GCC had advised that their process is still in the discussion stage and they are currently looking at who will administer the fund. An update will be provided at a future committee meeting.

**Committee noted the rent arrears update.**

#### **11. Complaints and Compliments report.**

The Housing Manager reported that 4 Stage 1 complaints were received during the period July 21 to 20 September 21. All stage 1 complaints were responded to within quarter 2 and within timescales. There were no stage 2 complaints received during the period. Our internal auditors will review our processes during the coming month.

Carol Torrie sought clarification if the report included neighbourhood disputes. The Housing Manager confirmed that neighbourhood disputes had been discussed when the Anti-Social team from GCC had attended a previous committee meeting and offered to bring further report to the March committee meeting.

#### **12. Allocations Policy**

The Housing Manager reiterated that the Association had withdrawn from the Common Housing Register in April 2021 and that committee had given approval for staff to draft a new policy which would better reflect the needs of our community and to make best use of our stock. Priority groups continue to be prioritised in line with statutory obligations and legislation. She noted that there was not a lot of demand within Wellhouse from current residents, however, the policy makes extra provision for current tenants to move more easily to suitable accommodation in certain circumstances which will enhance their wellbeing. She sought committee approval to consult with tenants on the draft allocation allocations.



**Resolution.**

**Committee approved progressing to tenant consultation on the draft Allocations policy.**

**Clare Monteith proposed and Maureen Morris proposed progressing to tenant consultation.**

**13. Operational update.****Director:**

This item was discussed in closed session.

**Housing Manager:**

The Income Advise Officer continues to support tenants by providing benefit advice and is the process of applying for a further £6,000 fuel poverty grant funding via the SFHA. £350 remains in the additional support fund as does the Ruchazie Community Pantry Fund. The Housing Manager advised that there has not been a huge uptake on the Ruchazie pantry fund, and in light of the recent energy price increases she asked committee to consider adding the remaining pantry funding to the fuel fund to help those who will experience fuel poverty over the winter.

She noted that the removal of the Universal Credit temporary uplift of £20.00 per week will plunge those already struggling into further financial hardship.

One member of the team had taken a period of unpaid leave of absence and had been replaced by a temporary member of staff who has settled in really well.

**Resolution:**

**Committee approved the use of the £350 remaining in the Ruchazie pantry fund being allocated to assist with fuel poverty.**

**Finance Manager:**

The Finance & Corporate Services Assistant has settled in well and continues to work through issues relating to invoices and reconciled supplier statement. Data cleansing continues for migration to the Homemaster system and the Audit and Risk Committee meetings have recommenced. The budgets over the coming week will receive further analysis with the aim of refining figures to reflect current trends in costs.

**Maintenance Manager:**

Committee noted no update from the Maintenance Manager due to absence.

**14. AOCB****1 Office Closure.**

Permission was sought for the office to close at 1pm on 24<sup>th</sup> December for the Christmas break. Staff will use annual leave to cover this time.



### **Resolution.**

**Committee approve the closure of the office at 1pm on 24<sup>th</sup> December 2021.**

**Maureen Morris proposed and Sarah Morris seconded the request.**

### **2. Audit and Risk Committee.**

An update from the audit and risk committee meeting will be presented to committee once the minute has been approved.

### **3. Christmas Lunch**

The Director confirmed that some staff had confirmed that they would prefer the Christmas lunch at the same venue as last year on 17<sup>th</sup> December 2021. Some staff had declined due to current Covid restrictions and caring responsibilities. The Director will ask a staff member to organise and communicate arrangements to the committee.

There was no other business. Meeting closed: 8:00PM

Next meeting: 27 January 2022 at 11am

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 November 2021**

MINUTE REFERENCE	ACTION	OWNER	DUE BY	STATUS OPEN/ CLOSED	PROGRESS
<b>24 October 2019</b>					
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	<b>Open</b>	Ongoing – new development agent appointed in Dec 2021
<b>November 2019</b>					
11. Management Team Report	The Finance Manager will email proposed dates for fraud training to interested members	Finance Manager	January 2020	<b>Open</b>	The Finance Manager is still waiting for proposed dates for fraud training from the auditors. Suspended during COVID-19 lockdown period
<b>April 2020</b>					
10. AOCB Return to work.	The Director will bring a further reports as required	Director	Monthly	<b>Open</b>	Current new suspension due to Omicron currently in place – verbal update will be given at committee meeting
<b>August 2021</b>					
Business Plan	The Director will present an updated business plan to the October committee meeting.	Director	October 2021	<b>Open</b>	Committee agreed in November to use JHC consultancy and the company have started the initial stages of the work: SMT are updating the consultant at this time of reporting and a report will be brought to committee in due course.

Factoring Policy	Review of Factoring Policy	Housing Manager	October 2021	<b>Open</b>	The Factoring policy was approved at the January 2021 meeting. The factoring process is still under review and will be presented to future committee meeting.
October 2021					
Rent arrears report	The Housing Manager will contact GCC for further information on their administration of the Scottish Gov fund and feedback to committee	Housing Manager	November 2021	<b>Open</b>	The Housing Manager will report back to committee at the January 2022 committee meeting.
November 2021					
Budget 22/23	Committee discussed employee terms and conditions of employment	Director	Future Committee Meeting	<b>Open</b>	The Director will look at alternative arrangements. Risk assessments and cost implications will be included within the report.
Budget 22/23	The Finance Manager will provide a remodelling exercise to take account budgetary and cost pressures and include a rental freeze within the comparisons.  Further explanation will be provided on the bad debt provision within the budget.	Finance Manager	January 2022	<b>Open</b>	The Finance Manager will complete a remodelling exercise to take account of discussions at the November committee present a 2 <sup>nd</sup> draft budget to the January 2022 committee meeting.
Rent Consultation	The Housing Manager will carry out a full tenant consultation.	Housing Manager	January 2022	<b>Open</b>	The Housing Manager will report the outcome of the rent consultation outcome to the January 2022 committee and an affordability assessment and further benchmarking no later than the February 2022 committee meeting.

<b>Management Committee</b>	27 January 2022
<b>Agenda Item</b>	6
<b>Title of Paper</b>	Rent Consultation
<b>Author</b>	Carol Hamilton, Housing & Customer Services Manager
<b>Attachment(s)</b>	Appendix 1. Rent Consultation Responses' Appendix 2. Landlord Rent Comparisons

## FOR INFORMATION AND DECISION

### 1. PURPOSE

- 1.1 To highlight the rent consultation process that ended on Friday 14<sup>th</sup> January 2022 and provide the feedback to Committee.
- 1.2 To advise Committee of consultation methods undertaken by Wellhouse HA to involve residents and encourage feedback on rent increase proposals.

### 2. RECOMMENDATIONS

- 2.1 Committee is asked to discuss and note the content of the report and a review of the responses received from tenants.
- 2.2 Committee are asked to approve the recommendation of progressing with CPI October (3.1%) plus 1% rent increase from 1<sup>st</sup> April 2022, i.e., an increase of 4.1%

### 3. BUSINESS PLAN, VISION & VALUES

- 3.1 Rent consultation and income is integral to the RSL's being able to complete repair, maintenance, development and day to day needs of the business, ensuring that we deliver effective and efficient services and is consistent with all strategic objectives, our vision values and business planning.
- 3.2 Wellhouse HA is committed to Value for Money savings in future years across all aspects of our business which will be measurable and feed into our business planning process.

### 4. BACKGROUND

- 4.1 Rent consultation on an increase of CPI (3.1%) plus 1% with current tenants was agreed at previous Committee meeting on 25<sup>th</sup> November 2021.

### 5 MAIN ISSUES

- 5.1 An article dedicated to the proposed rent increase was incorporated into the winter newsletter and delivered to all tenants along with a separate survey form that could be completed and returned. 16 forms were returned, and 2 of these responders also submitted a response by text.

Tenants were offered an opportunity to telephone the office to discuss and complete the survey. Tenants also had the option of contacting via email to advise of their responses. No tenants made contact by email or telephone.

Due to Covid restrictions, home visits were not offered to discuss the proposals and take feedback. Similarly, rent consultation drop-in sessions were unable to be held.

As in previous years, the option to respond by text was the preferred method. 116 texts were received therefore a total of 130 responses were submitted.

## 6 DISCUSSION & RENT INCREASE RESPONSES

6.1 Appendix 1 contains more detail and comments from tenants.

6.2 Void and leased properties are not included in the consultation process. Of the 773 tenants consulted on the proposed rent increase, 130 responded (16.81%) Of the 130 tenants who responded, 99 (12.8% of total number of properties contacted and 76.15% of those who responded) do not feel their rent represents value for money and 115 (14.87% of total number of properties contacted and 88.4% of those who responded) do not support the rent increase of 4.1%. 3 of those responded by text only left a comment. 1 of those who responded by survey form did not answer the first question in relation to the rent being value for money and another responded that they didn't know if they agreed with the proposed increase.

## 7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

7.1 Regulatory: There is a regulatory requirement for Wellhouse to consult with tenants prior to applying any rental increase.

7.2 It is also considered good practice for Wellhouse to regularly carry out financial viability exercises.

7.3 This also complies with SHR Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being and economic effectiveness.

## 8. FINANCIAL IMPLICATIONS

8.1 Rent levels determine Wellhouse HA's ability to meet the needs and requirements of the business plan. Any changes to rent charges will require changes to the business plan.

## 9. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Risks	Level
Increasing rent levels place residents into poverty and reduce affordability of housing stock.	Reputational through higher rent levels than local RSL's	None	
<b>Mitigation</b>	<b>Mitigation</b>	<b>Mitigation</b>	

Consultation process allows residents to feedback on proposals and committee to consider benchmarking.	Benchmarking indicates that our rent charges compare favourably with average charges locally and nationally.	n/a

## 10. EQUALITY & DIVERSITY ISSUES

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

## 11. SUSTAINABILITY

- 11.1 There is an impact on day-to day business and future programme requirements depending on the outcome of the rent consultation.

## 12. SWOT ANALYSIS

Strengths	Weaknesses
We have consulted with residents and advised of impact of rent levels on future works.	No rent increase will impact on income, Business Plan and planned investment.
Our rent charge compares favourably with the national and local average	We were unable to consult with tenants throughout 2021 on how they wanted their rent money spent.
Opportunities	Threats
There is an opportunity to discuss the impact of a 4.1% rent increase on our residents and affordability.	Potential local reputational damage if higher increase than EHRA members.
	Possible loss of confidence with residents if 4.1% increase applied.

## 13. CONCLUSION

- 13.1 Committee is asked to note the content of this report and raise any questions with the Management Team. Committee are asked to note that we had a 16.81% return rate – slightly higher than last year. Committee are asked to approve the increase.

## Appendix 1- Rent Consultation responses

### 1. Rent Consultation Responses

- Void and leased properties are not included in the consultation process. Of the 773 tenants consulted on the proposed rent increase, 130 responded (16.81%) Of the 130 tenants who responded, 99 (12.8% of total number of properties contacted and 76.15% of those who responded) do not feel their rent represents value for money and 115 (14.87% of total number of properties contacted and 88.4% of those who responded)
- Due to Covid restrictions, home visits and drop-in sessions were unable to take place;
- The article in the winter newsletter did attract returns by way of survey forms, 16 were returned via this method although 2 of these forms were from tenants who had already responded via text message.
- Tenants were offered the opportunity to telephone the office and complete the rent consultation form however there were no tenants who chose to do this.
- There were no email responses;
- The majority of responses were received by text. 116 (15%) tenants responded to the survey by this method.
- Several responses only had one answer of yes or no so we have assumed this is to be the answer to both questions. 3 responses had only comments. 1 tenant returned with 'don't know' to answer question 2.

#### a. Do you feel your rent represents value for money?

Yes – 27

No – 99

- 12.8% of the total number of properties contacted did not feel their rent represents value for money

#### b. Do you support this increase of inflation (3.1%) plus 1%

Yes – 11

No – 115

- 14.87% of the total number of properties contacted did not support this increase of inflation (3.1%) plus 1%

### 2. Please provide comments

- are you being serious?
- Other association in the area rent considerably more value for money
- I didnt get a newsletter
- defo no its a joke asking for that amount of increase from people what has wellhouse done this year and still no doors being painted again is your staff getting a pay rise i dint see that in your news ketter. : I was on the committee for years and every year the staff got a pay rise i say enough is enough no rise at all for staff this year my opinion
- Do not text me this question again as it is a complete waste of time your rent increase is a joke and it doesnt matter what I text the rent will go up



- Never got newsletter
- Monthly wage doesn't go that far
- No a rip off 4.1% is a joke
- No to both questions could you please give me a justifiable reason for an excessive increase recommendation
- Disgrace
- no, as it's ok for people on benefits who get it paid but NO working person is getting anything like this as a rise.
- People are struggling losing jobs. Food fuel. A don't think. It or anything should go up. During Covid n19 and No. To high. With. Inflation
- Sitting in freezing cold house that needs windows. Windows had to be sticky taped 3 years and you replaced windows for others that had no problems And people like us have to suffer in cold why not pay the heating for us as it all goes out the windows
- Not value for money as the buzzer is broken, has been for weeks and still no fix in sight? Do not agree, no
- Yes as it stands it value for money and no to increase
- the rents will soon be at private lets level
- not sure for rent increase.
- not sure for rent increase. I would hope to see an improvement on communal back areas. The current state of mine is not acceptable. I understand this mess is down to tenants so I believe the Housing Association should hold them accountable. However, a massive improvement would be fixing the stair lighting at the bin areas as it is pitch black at night. For the most part I have zero complaints with the housing and any dealings with my Housing Officer etc have been helpful. However the state of the back area is very frustrating and very much brings the look of the area down and is unsafe. Thanks
- I have said I feel the rent is value for money but only because I'm comparing to what most people I know pay for private landlords. I feel you are always saying we need to make increases in rent in order to update properties. However seeing a lot of the houses in the area I feel you spend money upgrading for some tenants not to maintain and look after properties. Also I feel the flats like mine are paying over as looking at people in houses that have their own front and back doors, garden, toilet and bathroom, driveways and larger rooms rents are only about £20 more than mines. We have insufficient bins also. Can I also point out that after the bathroom refit not much choice one thing and also no follow up from clerk of works to check standard of fit and job. You went on pictures from a mobile phone to judge!!!! Changed my mind and say no to rent being value for money. I would also say like most people in the area even though I work F/T I'm on a basic salary i.e lowest not had a wage increase in last 3 rent increases.
- There is always a lot of rubbish in the yard. Rubbish is not taken away very often. I work for minimum wage, therefore, please do not increase the rent.
- I would strongly recommend for the rent to stay at the current amount due to the current economic climate as people are really struggling at present to put food on the table and buy appropriate clothing for weather conditions. This increase is going to cause further distress to families and young people and affect overall health or wellbeing
- Again WHA increase rents when wages are not improving making it almost impossible to afford to pay anymore already on poverty line!! Absolutely disgusting.
- People who say yes are on social I'm on my own it's a 1 bedroom. Shocking. I'll end up homeless.

- Considering today's climate with high energy bills I think maybe rethink the rent increase and leave it at £10 just to help. Working familys who will be paying, rise in tax, national insurance, energy bills. The rent as it stands is good value for money so please rethink the rise meantime to help struggling families.
- At present I pay full rent and amount towards arrears, most of which is under investigation by my MP. There is no value for money can see, 41% to be spent on upgrade and repairs is a joke. I should have got kitchen replaced but didn't and wasn't informed of this until I queried why work men didn't arrive. I had already paid for people to come to my home and empty kitchen and remove flooring but no kitchen..... continued for 4 pages.
- I got a 2% wage rise and my rent is going up 4.1%, the numbers just don't add up. Fuel has jumped up through the roof. Food costs soared, I feel as though I am working just to survive. I don't think the rent increase is justifiable as they have not improved as all. The area is deteriorating.
- I note on the local comparisons that WHA rents at last year were the largest of all. This year's proposal is only second to Lochfield HA. Surely WHA tenants deserve a break. I recommend 2.1% rise. No general grass cutting on our public back paths at all this year. Use these savings and a smaller pay rise on workers earning over 52k a year. The majority of your tenants will be almost destitute when a rent rise this size is added to other rises like power, food, clothing, fuel etc.

We will respond to all of those who expressed a view in the next newsletter which will also be available online. In addition, we will contact individuals who have raised other issues.

## Appendix 2

### Rent Increase Comparison 2022/2023

#### How our Rent Increase Compares

Wellhouse has undertaken a comparison exercise with other local RSLs and has found their proposals are very mixed. They are also proposing rent increases based on their Business Plan requirements. Some use the Consumer Prices Index (CPI) as their measure of inflation, whilst others use the Retail Prices Index (RPI). This means one local RSL is therefore considering a maximum increase of 4.6% and two 4.1%. The others have not made decisions yet on increase levels they are likely to consider. Blairtummock are not proposing a rise due to working through their own rent harmonisation process.

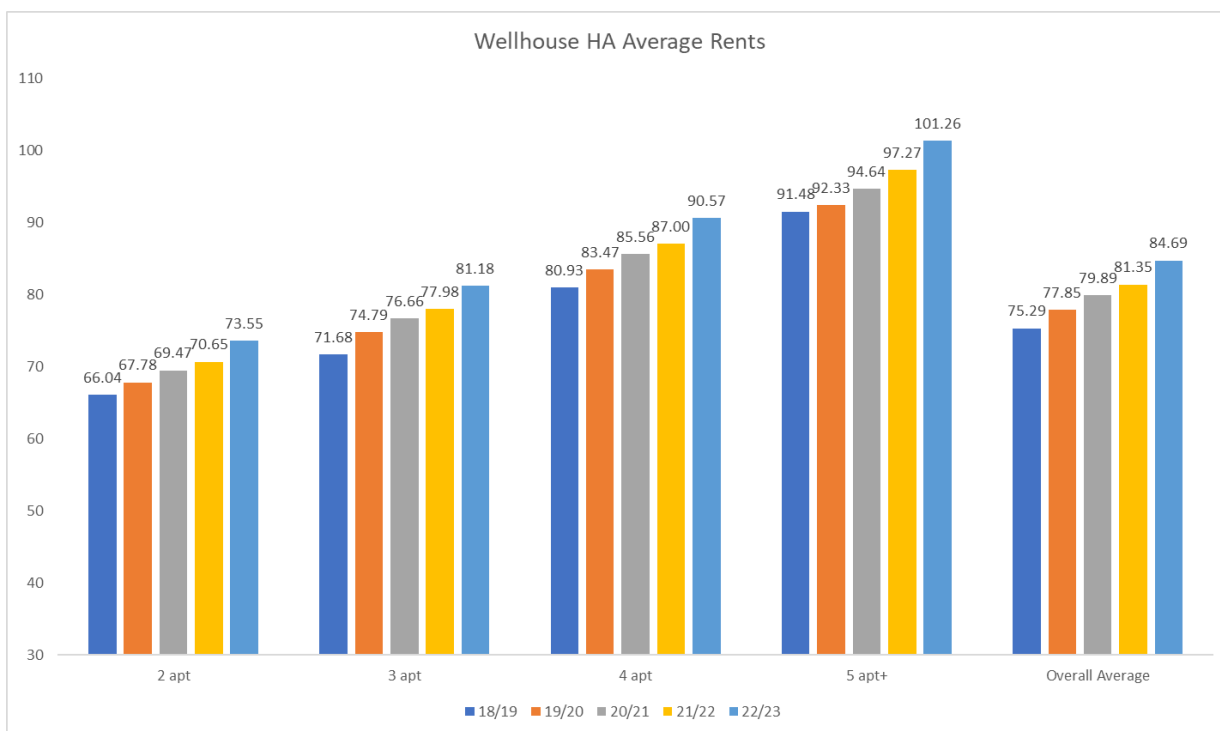
Our proposal, based on our Business Plan requirements, suggests that a 4.1% rent increase is required if we are to continue investment in our stock and maintaining and developing our services to tenants. This proposed increase is calculated by using the CPI (Consumer Price Index) for September 2021 of 3.1% + 1%, which is consistent with Business Plan projections.

The following table indicates how a 4.1% rent increase would affect the average monthly rent:

Property Size	Average Monthly Rent 2021/22	Average Monthly Rent 2022/23 (based on proposed 4.1% uplift)	Monthly Increase
2Apt	£306.15	£318.70	£12.55
3Apt	£337.93	£351.79	£13.86
4Apt	£376.99	£392.45	£15.46
5Apt+	£416.66	£433.74	£17.08

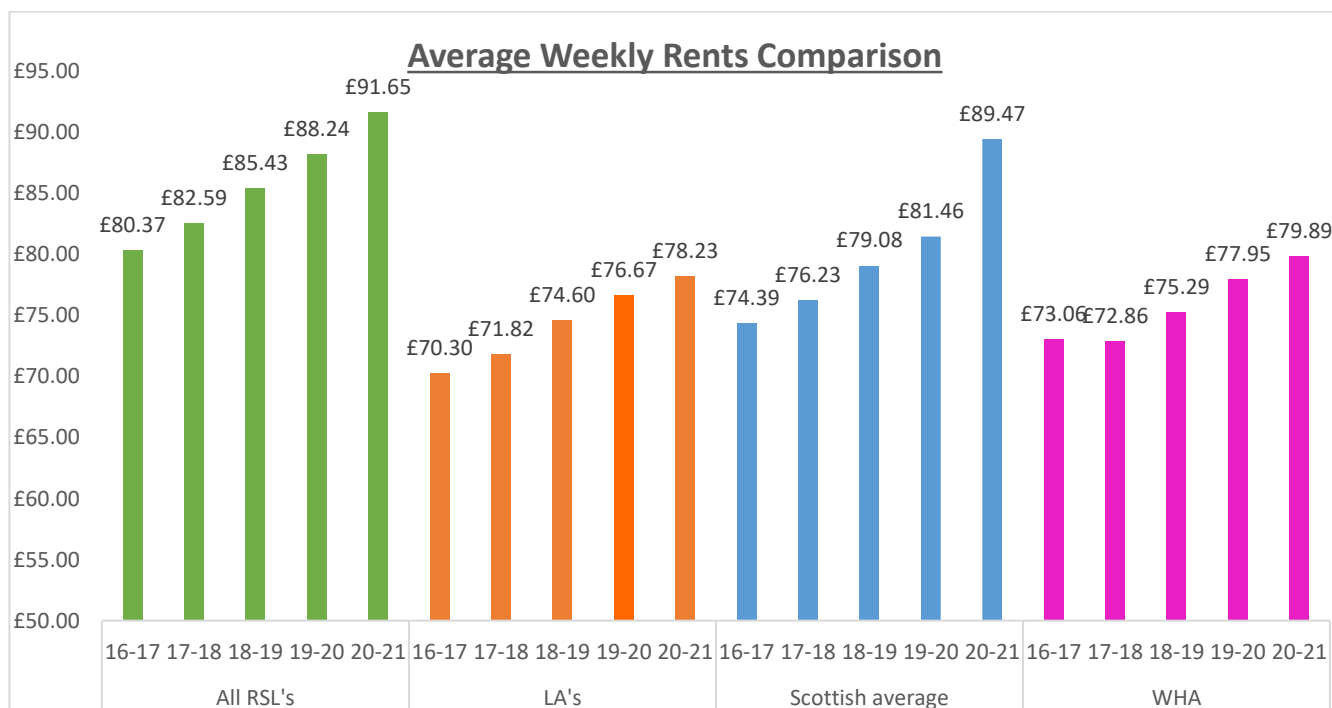
Please note that these averages are based on the range of existing monthly charges per apartment size.

## How has the rent increased in recent years?



Figures for previous years based on actual increases, 22/23 is a projection based on proposed increase.

## How do our rents compare?



As you can see from the above graph Wellhouse Average weekly rents (£79.89) are lower than the average of all RSL's in Scotland (£91.65) and very similar to council rents (£78.23). Overall, we are £9.58 lower than the Scottish Average. Please note data for 2020/21 are the latest available figures and based on our own analysis from the Lettable Stock and Weekly Rents data from the Scottish Housing Regulator.

### **Business Plan Requirements**

Implementing a 4.1% rent increase will generate an additional £137,442 of rental income and should allow Wellhouse to be able to meet all increased costs being passed on by its suppliers.

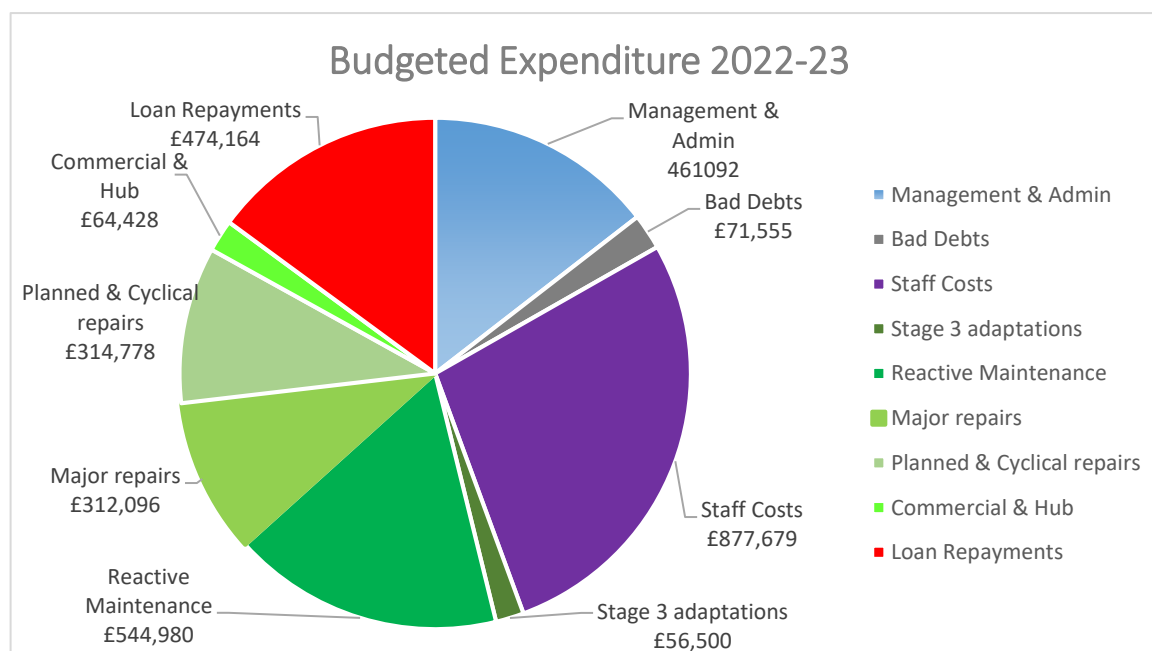
Failure to do so would result in Wellhouse not being able to meet all of its obligations currently included in the Business Plan. For example, we would be unable to carry out all of the planned investment if the proposed increase is not applied.

We believe this increase will allow us to maintain our current level of service whilst ensuring that tenant's rents are kept affordable.

If agreed, the increase would take effect from 1<sup>st</sup> April 2022.

### **Budgeted Expenditure**

The proposed budget assumes that repairs costs will rise by 15% over the year, 41% will be spend on the upgrade and repairs to properties and 15% will be spend repaying loans and borrowings. The remaining costs will be for staff and the regulatory costs of running the association with salary increases at 2.5%



<b>Management Committee</b>	27 January 2022
<b>Agenda Item</b>	7
<b>Title of Paper</b>	Management Accounts – 30 November 2021
<b>Author</b>	Robert Murray, Finance & Corporate Services Manager
<b>Attachment(s)</b>	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 30 November 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 November 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 eight months to 30<sup>th</sup> November 2021 is £369,001 however, the actual results for the period show a surplus of £427,874. There is, therefore, a favourable variance for the period of £58,873

The overall favourable variance of £ arises from-

- Operational activities £55,643– favourable variance
- Net interest and other activities £3,231- favourable variance

#### Income

Rental income (1) is close to budget with a slight adverse variance of £49. Void losses (2) are also lower than the budget figure £17,918 as opposed to £17,318. A favourable variance in net rental income of £551.

Commercial rent (3a) is showing quite a significant adverse variance of £11,118 from a budget figure of £36,620 This is explained, mainly due to no rental income for 17-19, Newhills Road. A commercial property marketing company has now been engaged to provide assistance to have the premises let in the near future and some interest has been expressed although formal offers have not been submitted. A meeting with the agent is being arranged to discuss alternative marketing solutions.

Factoring income (3b) – adverse variance of £1,576 from a budget of £10,549. 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 £2,715. 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 (£13,355) due to disposal of components which have now been replaced.



## Expenditure

Management & Maintenance Admin - £27,870 over-spend against budget. The following make up this favourable variance: -

- Salaries (6) (£12,3890 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. There are several vacancies at present that are taking longer than anticipated to fill.
- Overheads (7) – an overspend of £40,259 against budget. The attached overheads schedule shows a more detailed analysis of all variances. The main elements of overspend are
  - Heat & Light £6,024
  - cleaning materials due to Covid £1,013
  - IT equipment to enable full remote working £8,585
  - Legal fees £8,878
  - Staff recruitment £9,283
  - Professional fees £34,562

Repairs & Maintenance – an underspend of £60,654 against budget over all areas of maintenance, from a total budget of almost £540,081 for the seven months. A more detailed explanation of some of the over- and under-spends as follows: -

- Reactive maintenance (9)– an overspend of £23,528 (Budget £290,800 actual £314,328. Voids maintenance overspend of £14,514 as there were less voids but the conditions of the voids are worse than previous years.
- Cyclical maintenance (10) – Under-spend of £28,383 actual £117,483 against budget £145,867. 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 £54,013- actual £95,987 against budget £150,000. Some work on Kitchen and bathroom extractor fans and smoke alarms has been able to take place together with the window and doors phase 1 replacement. Unbudgeted costs of £35,071 for the commercial units was incurred this period.
- 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 £1983. 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 November 2021 and also the position at 31 March 2021 and the resulting movement in this financial eight months.

Housing Properties (18) has decreased by £298,192. A few individual kitchen, bathroom and boiler replacements and windows and doors has amounted to £377,100 with depreciation of £675,292 being charged.

Cash (19) has increased by £162,797 to £3,092,684

Payables < 1 Year (20)

- Misc. creditors have reduced by almost £19,000 since 31 March 2021.–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 increased by £241,503 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 £14.2 million.
- Reserves (23) – has increased by just under £428k to over £7.8 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 £162,797 as opposed to a surplus of £427,874 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).

#### 5.4 **Covenant Compliance**

There are no covenant compliance issues with the following results being achieved at 30 November 2021: -

- Interest cover - Target > 110%, Result = 290.60%
- Gearing - Target < 30%, Result = 18.7%

Both lenders – Royal Bank of Scotland and Virgin Money (formerly 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 November 2021.

Cash position continues to increase and is in a reasonably healthy position finishing the period at over £3 million.

Overall, a good performance for the first 8 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	2,239,680	0	2,239,680							2,239,680	2,239,729	(49)	3,359,594
(2) Less: Voids losses	(17,318)		(17,318)							(17,318)	(17,918)	600	(26,877)
(3) Commercial Rental Income				14,930				10,573		25,502	36,620	(11,118)	54,930
Factoring Income					8,974					8,974	10,549	(1,576)	15,824
(4) Grants released from Deferred Income	372,499		372,499							372,499	385,854	(13,355)	578,781
(5a) Other Revenue Grants	24,715		24,715							24,715	22,000	2,715	33,000
(5b) Other Income									0	0	0	0	0
	2,619,577		2,619,577	14,930	8,974	0		10,573	0	2,654,053	2,676,835	(22,782)	4,015,252
(6) Management Expenses - Staff Costs	323,451	56,789	380,241		4,244				172,273	556,758	569,146	12,389	853,719
(7) Management Expenses - Overheads	45,369		45,369	0	2,138			6,167	282,381	336,054	295,795	(40,259)	443,692
(8) Service Costs		0	0							0	0	0	0
(9) Reactive Maintenance	313,792		313,792		536					314,328	290,800	(23,528)	435,200
(10) Cyclical Maintenance	117,483		117,483							117,483	145,867	28,383	218,800
(11) Planned Renewals/Major Repairs	122,865		122,865							122,865	178,664	55,799	267,996
(12) Depreciation on Housing Properties	675,292		675,292							675,292	677,275	1,983	1,015,913
(13) Bad Debts	(22,621)		(22,621)							(22,621)	21,037	43,658	31,556
	1,575,631	56,789	1,632,421	0	6,918	0		6,167	454,654	2,100,159	2,178,584	78,425	3,266,876
Operating Surplus	1,043,945	(56,789)	987,156	14,930	2,056	0		4,406	(454,654)	553,894	498,251	55,643	748,376
(14) Release of Negative Goodwill	25,423		25,423							25,423	25,423	(0)	38,134
(15) Gain/Loss on Disposal of Fixed Assets	0		0							0	0	0	0
(16) Interest Receivable			0						1,419	1,419	2,500	(1,081)	3,750
(17) Interest Payable/Other Finance Costs	(152,861)		(152,861)							(152,861)	(157,173)	4,312	(235,759)
(23)	916,507	(56,789)	859,718	14,930	2,056	0		4,406	(453,235)	427,874	(24) 369,001	58,873	554,502
Actuarial Gain/(Loss) in Pension Scheme										0.00			(100,000)
													454,502

## STATEMENT OF FINANCIAL POSITION AS AT

30 November 2021



ANNUAL BUDGET			AS AT 31/03/2021	ACT YTD 30/11/2021	MOVEMENT
£	Ref		£	£	£
<b>Non Current Assets</b>					
42,443,511	(18)	Housing Properties - gross cost	41,102,439	41,479,540	377,100
(14,634,469)		Depreciation	(13,578,570)	(14,253,862)	(675,292)
27,809,042			27,523,869	27,225,678	(298,192)
1,286,604		Other	1,338,481	1,318,688	(19,793)
29,095,647			28,862,350	28,544,366	(317,984)
(991,501)		<b>Negative Goodwill</b>	(1,029,625)	(1,004,202)	25,423
<b>Current Assets</b>					
197,567		Debtors	206,284	176,493	(29,791)
0		Inventory	0	0	0
2,230,566	(19)	Cash at Bank and in hand	2,929,887	3,092,684	162,797
2,428,133			3,136,171	3,269,178	133,006
<b>(20) Payables &lt; 1 year</b>					
(1,010,650)		Misc Creditors	(1,131,477)	(1,112,856)	18,621
0		Pension Deficit	0	0	0
		Deferred Capital Grants	0	0	
(244,972)		Loans	0	(241,503)	(241,503)
(1,255,622)			(1,131,477)	(1,354,359)	(222,882)
1,172,511		<b>Net Current Assets/ ( Liabilities )</b>	2,004,694	1,914,819	(89,875)
29,276,656		<b>Total Assets less current liabilities</b>	29,837,419	29,454,982	(407,859)
<b>(21) Payables &gt; 1 year</b>					
(7,424,586)		Loans	(7,915,034)	(7,516,720)	398,315
(83,233)		Pension Deficit	57,520	97,018	39,497
(7,507,819)			(7,857,514)	(7,419,702)	437,812
<b>(22) Deferred Income</b>					
(13,283,962)		Social Housing Grant	(13,877,417)	(13,520,646)	356,771
(706,663)		Non Housing Grants	(694,931)	(679,203)	15,729
(13,990,625)			(14,572,348)	(14,199,849)	372,499
<b>7,778,213</b>		<b>Net Assets</b>	<b>7,407,557</b>	<b>7,835,432</b>	<b>427,874</b>
<b>Capital and Reserves</b>					
122		Share Capital	118	118	0
7,778,091	(23)	Reserves	7,407,439	7,835,314	427,874
<b>7,778,213</b>			<b>7,407,557</b>	<b>7,835,432</b>	<b>427,874</b>

# WELLHOUSE HOUSING ASSOCIATION LIMITED

## MANAGEMENT ACCOUNTS TO

30 November 2021



## STATEMENT OF CASHFLOWS

Operating Surplus		553,894	
Adjust for Depreciation and other non-cash transactions		322,585	
Adjusted Operating Surplus			876,479
Movement in Debtors			29,791
Movement in Creditors			(58,119)
<u>Investing Activities</u>			
Purchase of Properties and Components	(377,100)		
Purchase of Other Fixed Assets	0		
Disposal of Other Fixed Assets	0		
Grants received	0		
			(377,100)
<u>Financing Activities</u>			
Interest receivable	1,419		
Interest payable	(152,861)		
Loan capital repaid	(156,812)		
Share capital issued	0		
			(308,254)
			162,797
Movement in Cash per Balance Sheet			162,797



## COVENANTS AS AT 30 NOVEMBER 2021

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

INTEREST COVER	Accounts	Target set by Bank	Actual	Covenant Satisfied?
Operating Surplus	553,894	Greater than 110%	290.60%	Yes
LESS:Housing Grants Amortised	(372,499)			
LESS:Pension Deficit Contribution	(39,497)			
ADD:Housing Depreciation	675,292			
LESS:Component Replacements	(377,100)			
	<b>440,089</b>			
Interest Payments	152,861			
Interest Receipts	(1,419)			
	<b>151,442</b>			

GEARING	Accounts	Target set by Bank	Actual	Covenant Satisfied?
Balance of Outstanding Loans	7,758,223	Less than 30%	18.70%	Yes
Historic Housing Cost	41,479,540			

ASSET COVER	Accounts	Target set by Bank	Actual	Covenant Satisfied?
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			
	13,587,997			
Outstanding RBS Loans	7,029,412			

## WELLHOUSE HOUSING ASSOCIATION

## 2021/22 Budget



Overheads		Housing Management	Commercial Lettings	Factoring	The Hub Services	Corporate Services	2021/22 Budget Total	Budget Apr-Nov't21	Actual Apr-Nov't21	(Adverse) Favourable Variance
24).	Advertising (Publicity & Promotions)	1,000				1,000	1,000	667	0	667
25).	Audit Fee - External	11,900				11,900	11,900	7,933	11,626	(3,693)
	Audit Fee - Internal	12,500				12,500	12,500	8,333	0	8,333
26).	Bank Charges - Allpay	10,500	10,500				10,500	7,000	7,068	(68)
	- General	500				500	500	333	338	(5)
27).	Depreciation - Other Fixed Assets	27,349				27,349	27,349	18,233	19,793	(1,560)
28).	General Expenses - Miscellaneous	2,800				2,800	2,800	1,867	1,038	829
	- Provisions	1,900				1,900	1,900	1,267	0	1,267
	- Staff Welfare Costs	700				700	700	467	0	467
	- Cash Collection Costs (G4S)	600				600	600	400	0	400
	Taxi	1,250				1,250	1,250	833	63	771
	Health & Safety	6,000				6,000	6,000	4,000	1,161	2,839
29).	General Committee Expenses	3,600				3,600	3,600	2,400	0	2,400
30).	Heat & Light	11,500			4,000	7,500	11,500	7,667	13,691	(6,024)
31).	Cleaning	12,000			1,500	10,500	12,000	8,000	9,013	(1,013)
32).	Insurance - Housing Stock	61,983	58,057	3,926			61,983	41,322	26,824	14,498
	- Non-Housing premiums	24,534				24,534	24,534	16,356	15,025	1,331
33).	Office Maintenance - Repairs & Renewals	15,000				15,000	15,000	10,000	9,050	950
	- Equip Maintenance	7,000				7,000	7,000	4,667	1,930	2,737
34).	Office Equipment - New items	6,000				6,000	6,000	4,000	12,585	(8,585)
	IT Maintenance Support Costs	53,500				53,500	53,500	35,667	43,930	(8,263)
	IT Expenses	9,000				9,000	9,000	6,000	350	5,650
35).	Printing (External)	8,200				8,200	8,200	5,467	3,746	1,721
	Printing (Internal Photocopier Charges etc)	6,000				6,000	6,000	4,000	2,996	1,004
	Stationery	4,300				4,300	4,300	2,867	959	1,907
36).	Postage	2,900				2,900	2,900	1,933	398	1,535
37).	Rent & Rates	1,900				1,900	1,900	1,267	2,485	(1,218)
38).	Seminars & Training - Staff	16,000				16,000	16,000	10,667	13,877	(3,210)
39).	Seminars & Training - Committee	5,500				5,500	5,500	3,667	1,209	2,458
40).	Staff Recruitment	3,600				3,600	3,600	2,400	11,683	(9,283)
41).	Subscriptions	25,976				25,976	25,976	17,317	29,019	(11,702)
42).	Telephones	9,500				9,500	9,500	6,333	6,382	(49)
43).	Legal Fees - General	12,000				12,000	12,000	8,000	1,753	6,247
44).	Legal Fees - Housing	14,500	14,500				14,500	9,667	18,545	(8,878)
45).	Professional Fees	13,000				13,000	13,000	8,667	43,229	(34,562)
	Housing ~Agency Fees - WR	0	0			0	0	0		0
46).	Commercial Property Cost	1,000		1,000			1,000	667	0	667
47).	Donation - Grant Funding Wider Role	21,800				21,800	21,800	14,533	14,533	0
	Donations -Others	1,400				1,400	1,400	933	110	823
48).	Tenant Participation	12,000	12,000				12,000	8,000	8,108	(108)
49).	Vehicle Costs						0	0	0	0
50).	AGM Costs	3,000				3,000	3,000	2,000	0	2,000
51).	Wider Role						0	0	3,537	(3,537)
										0
		443,692	95,057	1,000	3,926	5,500	338,209	0	443,692	
								295,795	336,054	(40,260)

**WELLHOUSE HOUSING ASSOCIATION LTD**

<b>MAINTENANCE BUDGET TO MARCH 2022</b>	<b>Total 2021/22 TOTAL</b>	<b>Budget Apr-Nov'21</b>	<b>Actual Apr-Nov'21</b>	<b>(Adverse) Favourable Variance</b>
<b>CYCLICAL MAINTENANCE</b>				
ELECTRICAL TESTING	36,000	24,000	23,314	686
CLOSE ELECTRICAL TESTING			4,265	(4,265)
EXTERNAL PAINTING- phase 2B	12,000	8,000	0	8,000
EXTERNAL PAINTING- phase 8	0	0		
EXTERNAL PAINTING - phase 10	0	0		
GAS SERVICING	75,000	50,000	23,564	26,436
GUTTER CLEANING	70,000	46,667	62,639	(15,973)
GAS SAFETY AUDIT	7,800	5,200	1,382	3,818
FIRE SERVICE - 14 LANGBAR GDNS	3,600	2,400	562	1,838
FIRE SERVICE - EQUIPMENT	0	0	0	0
ASBESTOS MANAGEMENT	2,400	1,600	880	720
WATER TESTING	12,000	8,000	876	7,124
	<b>218,800</b>	<b>145,867</b>	<b>117,483</b>	<b>28,383</b>
<b>REACTIVE MAINTENANCE</b>				
REACTIVE MAINT	198,000	132,000	176,241	(33,841)
SCOTTISH POWER L/LSUP	15,600	10,400		
ESTATE SERVICES - Materials	30,000	20,000	6,667	13,333
ESTATE SERVICES - Van/Fuel	15,600	10,400	4,906	5,494
Close Cleaning	0	0		
VOIDS	168,000	112,000	126,514	(14,514)
Facilities Management Costs	6,000	4,000		4,000
Assume a £2,000 spend on Factored Owners properties	2,000	2,000		2,000
	<b>435,200</b>	<b>290,800</b>	<b>314,328</b>	<b>(23,528)</b>
<b>Stage 3 Adaptations- Ex GHA</b>	12,996	8,664	0	
<b>Stage 3 Adaptations</b>	30,000	20,000	26,878	1,786
	<b>42,996</b>	<b>28,664</b>	<b>26,878</b>	<b>1,786</b>
<b>MAJOR REPAIRS - NON-CAPITALISED</b>				
KITCHEN EXTRACTOR FANS Phase 5	6,000	4,000	0	4,000
Bathroom EXTRACTOR FANS Phase 5	6,000	4,000	0	4,000
Doors	0	0	1,719	(1,719)
Smoke Alarms Phase 8	48,000	32,000	46,685	(14,685)
Commercial Units - Newhills Rd R&R		0	35,071	(35,071)
External Paths	24,000	16,000	1,907	14,093
Back Courts Phase 1	72,000	48,000	0	48,000
Back Courts Phase 2A	0	0	0	0
External Verandas	0	0	10,605	(10,605)
Consultants Costs	45,000	30,000		30,000
Chimney Breast Reoval	24,000	16,000		16,000
	<b>225,000</b>	<b>150,000</b>	<b>95,987</b>	<b>54,013</b>
<b>MAJOR REPAIRS - CAPITALISED COMPONENTS</b>				
Kitchens Phase 5	120,000	80,000	94,733	(14,733)
Bathrooms Phase 3	117,600	78,400	50,873	27,527
Gas Boiler Replacements Phase 10	30,000	20,000	42,102	(22,102)
External Doors 2B	120,000	80,000	42,935	37,065
External Windows 2A	394,800	263,200	146,458	116,742
the Hub boiler replacment	0	0	0	0
the Hub poss remodeling	22,000	14,667		
	<b>804,400</b>	<b>536,267</b>	<b>377,100</b>	<b>144,500</b>

<b>Management Committee</b>	27 <sup>th</sup> January 2022
<b>Agenda Item</b>	8
<b>Title of Paper</b>	2022/23 Draft Budget Discussion
<b>Author</b>	Robert Murray, Finance & Corporate services Manager
<b>Attachment(s)</b>	1) Draft budget statement of comprehensive income, statement of financial position and cashflow statement. 2) Draft 1 budget paper from Nov 2021 committee; with erratum.

## FOR INFORMATION AND APPROVAL

### 1 PURPOSE

- 1.1 To provide a brief update on the revised budget based on additional work and information for the 2022/23 budget.
- 1.2 To give a further update to initial draft, which committee discussed in November 2021. Please note there were a number of errata in that report, therefore the corrected one is attached as appendix 2 to this report.

### 2 RECOMMENDATIONS

- 2.1 That the Committee notes the current levels of Consumer Price Index (CPI), Retail Price Index (RPI) and Consumer Price Index with Housing costs (CPIH) and be aware of the assumptions used in the current Business Plan.
- 2.2 To instruct the Finance Manager to bring a final version of the budget to the Management Committee February meeting for approval following a more detailed discussion at Audit & Risk

### 3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objectives:-
  - Objective 1: Deliver excellent services
  - Objective 5: To maintain good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values:-
  - Accountability
  - Excellence
  - Sustainability
- 3.3 This Report also meets point 12:4 from 2022/23 Operational Plan – "Monitor the external financial environment and economy closely".

**Trust    Honesty    Integrity    Excellence    Accountability    Sustainability**

3.4 This Report also meets point 12:12 from 2021/22 Operational Plan – “Draft and Final budget for following year”.

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

## **4 BACKGROUND**

4.1 All Registered Social Landlords (RSLs) are expected to carry out a review and consultation exercise on an annual basis to gauge the level of rent increase to be applied to tenant's rents on the following 1 April. The level of increase in rental income will go a long way in determining how much funding we have available to manage the operational expenditure of the Association in the following financial year.

4.2 The management team recognises the challenges that the committee faces in determining the budget setting process and therefore wants to provide updated information to help in the process.

## **5 MAIN ISSUES**

5.1 The budget requires to provide for maintaining and investing in the housing stock

5.2 Paying employees in accordance with agreed agreements as part of EVH or at a level that will be agreed through other recognised negotiation methods

5.3 Recognising that costs are continuing to rise significantly as a result of Brexit, Covid and a world shortage of certain materials

5.4 That rent increases could result in an increase in rent arrears and bad debts

## **6. DISCUSSION**

6.1 The budget has been prepared based on the inflation figures used in the rent consultation the figures used were for September 2021 and are CPI – 3.1%, plus 1% i.e., 4.1%

6.2 The current Business Plan assumes an inflationary rise plus 1% for each of the first five years. This, in turn, generates a healthy surplus of over £5.6 million for the five years; however, the cash position is a bit different with an increase in cash of just shy of £1.8 million over the same five-year period

6.3 We also must ensure that any proposed increase, should not be too far removed from the rest of the RSLs in the sector. Particularly other RSLs in Wellhouse Peer Group or neighbouring RSLs. The GWSF survey results are our initial indicators of that, although not readily available at this point in time.

6.4 Tenant consultation has taken place and the results will be presented in a separate paper by the Housing Manager who recommends an increase of 4.1% and is reflected in the current proposed budget

6.5 Remaining financially viable is not only determined by increasing income but by also cutting costs or operating more efficiently. This should help cap the level of rent

increase. An increased focus on Value for Money (VFM) should identify areas where costs can be controlled.

## 6.6 Other Financial Assumptions

- The CPI measure of inflation has risen from 0.3% in November 2020 when last years budget was set to 5.1% in November 2021 (the latest available figure)
- Post Brexit and COVID there has been a global shortage of certain materials resulting in an average increase in materials of at least 15%
- Utility costs for Commercial purposes is not subject to a price cap like domestic customers and has risen by around 55% since last year
- Costs for software are also increasing at around 20% as large corporations such as Microsoft are restructuring their charging methods resulting in additional charges
- In recent months there has been significant progress in collecting and reducing the level of rent arrears. It is anticipated that the level of collection will be maintained. Currently provision is made for 100% of all former tenant debts, 100% for all debts over £1000 for current tenants and 25% for debts below £1000 from current tenants. The separate paper presented by the Housing Manager will demonstrate the movement in rent collection over the past year.

## 6.7 Draft Budget Results

- Results highlighted below are achieved based on the assumption that rent increase of September CP1 + 1% (4.1%) is applied.
- Surplus for 2022/23 will be £334,898.
- Cash is expected to reduce by £600k to leave a balance at March 2022 of £2.5m. This reduction is mainly due to the capital spend of windows and door replacements.
- All lenders' covenants are comfortably achieved.

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

- 7.1 There is a regulatory requirement for Wellhouse to consult with tenants prior to applying any rental increase and this has taken place and will be reviewed under a separate agenda item.
- 7.2 It is also considered Good Practice for Wellhouse to regularly carry out financial viability exercises.
- 7.3 This also complies with SHR Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. Specific Guidance noted below:-
  - 3.1 – The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively.

- 3.3 – The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively.
- 3.4 – the Governing Body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.

## 8. FINANCIAL IMPLICATIONS

8.1 Outlined in main body of the report.

## 9. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
<ul style="list-style-type: none"> <li>- The budget must aim to recognise all costs and balance expenditure in line with the level of income. Damage to Wellhouse reputation as well as financial implications</li> <li>- not providing for investment in housing stock or staff will go against that of our business plan assumptions and will in future years impact on our ability to deliver that plan</li> </ul>	Failure to control costs will lead to upgrade projects being delayed or abandoned, debts not being serviced and staff not being adequately paid or supported	
Mitigation	Mitigation	Mitigation
<ul style="list-style-type: none"> <li>- Continually monitor costs and contracts to ensure expenditure is maintained at or below budget</li> </ul>	Through regular robust forecasting and good financial viability practice, expenditure should be matched to income	

## 10. EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None apparent.

## 11. SUSTAINABILITY

- 11.1 The budget must include all costs to maintain the housing stock, provide the services as required by the Housing Regulator and ensure staff with sufficient skills and competences continue to be employed and trained as appropriate
- 11.2 The budget must provide sufficient surplus each year to ensure that sufficient reserves are maintained to meet future funding requirements of lenders
- 11.3 The budget must provide sufficient surplus to ensure that Component upgrades in future years are able to be funded



## 12. SWOT ANALYSIS

### 12.1

Strengths	Weaknesses
We have prepared a detailed budget in line with previous years	The budget is prepared several months in advance of the financial year and costs may change significantly after the process has concluded
The budget process satisfies the SHR recommendations	
Opportunities	Threats
There is an opportunity to discuss the budget and affordability before the commencement of the new financial year	Potential reduction in investment in upgrading housing stock in the short term may result in more significant investment being required in later years
	Possible increase in rent arrears if tenants are unable to pay rent increases

## 13. CONCLUSION

- 13.1 This is a key decision for Wellhouse and impacts the business plan and financial viability
- 13.2 This is the second draft budget is showing moderate surplus of around £0.3 million and a cash outflow in excess of £600k.

## WELLHOUSE HOUSING ASSOCIATION

2022/23 Budget

## STATEMENT OF COMPREHENSIVE INCOME



	Social Lettings Rental Income	Social Lettings Service Charges	Commercial Lettings	Factoring	Development	The Hub Services	Corporate Services	Revised Jan 2022	Original Nov 2021	2022/23 Movement Movement
Rental Income & Service Charges	3,497,336.89							3,497,336.89	3,497,336.89	0.00
Less: Voids losses	(27,978.70)							(27,978.70)	(27,978.70)	0.00
Commercial Rental Income			36,928.68			17,858.84		54,787.52	52,787.52	2,000.00
Factoring Income				18,589.09				18,589.09	18,589.09	0.00
Grants released from Deferred Income	578,781.00							578,781.00	578,781.00	0.00
Other Revenue Grants	44,000.00							44,000.00	44,000.00	0.00
Other Income							0.00	0.00	0.00	0.00
	4,092,139.19		36,928.68	18,589.09	0.00	17,858.84	0.00	4,165,515.80	4,163,515.80	2,000.00
								4,165,515.80	4,163,515.80	2,000.00
Management Expenses - Staff Costs	470,433.90	51,295.81		5,699.53			350,249.74	877,678.98	877,678.98	0.00
Management Expenses - Overheads	108,556.88	0.00	1,000.00	3,925.92	0.00	5,500.00	365,809.40	484,792.20	461,092.20	23,700.00
Reactive Maintenance	492,108.00	50,872.32		2,000.00				544,980.32	544,980.32	0.00
Cyclical Maintenance	314,778.00							314,778.00	314,778.00	0.00
Planned Renewals/Major Repairs	284,796.00							284,796.00	312,096.00	27,300.00
Depreciation on Housing Properties	1,015,912.79							1,015,912.79	1,015,912.79	0.00
Bad Debts	15,000.00							15,000.00	31,555.55	16,555.55
	2,701,585.57	102,168.13	1,000.00	11,625.45	0.00	5,500.00	716,059.14	3,537,938.30	3,558,093.85	20,155.55
								3,537,938.30	3,558,093.85	20,155.55
Operating Surplus	1,390,553.62	(102,168.13)	35,928.68	6,963.64	0.00	12,358.84	(716,059.14)	627,577.51	605,421.96	22,155.55
								627,577.51	605,421.96	22,155.55
Release of Negative Goodwill	38,134.00							38,134.00	38,134.00	0.00
Gain/Loss on Disposal of Fixed Assets	0.00							0.00	0.00	0.00
Interest Receivable							3,750.00	3,750.00	3,750.00	0.00
Interest Payable/Other Finance Costs	(234,563.39)							(234,563.39)	(234,563.39)	0.00
										0.00
Surplus for the Year	1,194,124.23	(102,168.13)	35,928.68	6,963.64	0.00	12,358.84	(712,309.14)	434,898.12	412,742.57	22,155.55
Actuarial Gain/(Loss) in Pension Scheme							(100,000.00)	(100,000.00)	(100,000.00)	0.00
	1,194,124.23	(102,168.13)	35,928.68	6,963.64	0.00	12,358.84	(812,309.14)	334,898.12	312,742.57	22,155.55

## 2022/23 Budget

## STATEMENT OF FINANCIAL POSITION

	Oct'21 £	Movement between Nov '21 and Mar'22							Mar'22	2022/23 Movement							Mar'22	Mar'22
		1 Operating Activities	2 Non-cash Transactions	3 Loan Repayments	4A Pension Deficit	4B Pension Revaluation	5 Arrears/ Bad Debts	6 Replacement Components		1 Operating Activities	2 Non-cash Transactions	3 Loan Repayments	3 Loan Repayments	4A Pension Deficit	4B Pension Revaluation	5 Arrears/ Bad Debts	6 Replacement Components	
<b>Non Current Assets</b>																		
Housing Properties - gross cost	41,479,753								41,479,753								1,171,068	42,650,821
Depreciation	(14,171,029)								(14,171,029)		(1,015,913)						(15,186,942)	(14,171,029)
	27,308,724								27,308,724									27,463,879
Other	1,321,162								1,321,162		(27,349)							1,293,813
	28,629,886								28,629,886									28,757,692
																		0
<b>Negative Goodwill</b>	(1,007,380)								(1,007,380)		38,134						(969,246)	(1,007,380)
<b>Current Assets</b>																		
Debtors	198,314						7,500		205,814		(15,000)					30,000		220,814
Inventory	0								0								0	0
Cash at Bank and in hand	3,049,835	304,045	215,099	130,358	(28,760)		(20,000)	(544,000)	3,106,577	434,898	451,347	(211,818)		(59,246)		(30,000)	(1,171,068)	2,520,689
	3,248,149								3,312,391									2,741,503
																		0
<b>Payables &lt; 1 year</b>																		
Misc Creditors	(1,078,754)								(1,078,754)		(10,000)						(1,088,754)	(1,078,754)
Pension Deficit	0								0								0	0
Loans	(241,503)								(241,503)				(23,634)				(265,137)	(241,503)
	(1,320,257)								(1,320,257)								(1,353,891)	(1,320,257)
<b>Net Current Assets/ ( Liabilities )</b>	1,927,892								1,992,134								1,387,612	1,992,134
<b>Total Assets less current liabilities</b>	29,550,398								29,614,640								29,176,058	29,614,640
<b>Payables &gt; 1 year</b>																		
Loans	(7,542,669)			(130,358)					(7,673,027)			211,818	23,634				(7,437,575)	(7,673,027)
Pension Deficit	92,081				28,760	(100,000)			20,841					59,246	(100,000)		(19,912)	20,841
	(7,450,588)								(7,652,186)								(7,457,487)	(7,652,186)
<b>Deferred Income</b>																		
Social Housing Grant	(13,565,243)		279,375						(13,285,868)		578,781						(12,707,087)	(13,285,868)
Non Housing Grants	(681,169)								(681,169)								(681,169)	(681,169)
	(14,246,412)								(13,967,037)								(13,388,256)	(13,967,037)
<b>Net Assets</b>	<b>7,853,398</b>								<b>7,995,417</b>								<b>8,330,315</b>	<b>7,995,417</b>
<b>Capital and Reserves</b>	£																	
Share Capital	118								118							4	122	118
Reserves	7,853,280	304,045	(49,526)			(100,000)	(12,500)		7,995,299	434,898				(100,000)	(4)		8,330,193	7,995,299
	<b>7,853,398</b>								<b>7,995,417</b>								<b>8,330,315</b>	<b>7,995,417</b>
	0								0								0	0

**WELLHOUSE HOUSING ASSOCIATION****2022/23 Budget****CASHFLOW STATEMENT****Mar'23**

Operating Surplus	627,578
Adjust for Depreciation and other non-cash transactions	464,477
Adjusted Operating Surplus	<u>1,092,054</u>

Movement in Debtors	(15,000)
Movement in Creditors	(49,246)

Investing Activities

Purchase of Properties and Components	(1,171,068)
Purchase of Other Fixed Assets	(0)
Grants received	<u>0</u>
	(1,171,068)

Financing Activities

Interest receivable	3,750
Interest payable	(234,563)
Loan capital repaid	(211,818)
Share capital issued	<u>4</u>
	(442,628)
	<u>(585,888)</u>

Movement in Cash per SOFP	(585,888)
---------------------------	-----------

0

# WELLHOUSE HOUSING ASSOCIATION

2022/23 Budget



## COVENANTS AS AT 31 MARCH 2023

Mar'22

2022/23 Movement

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

### Royal Bank of Scotland & Clydesdale

INTEREST COVER		Accounts	Target set by Bank	Actual	Covenant Satisfied?
Operating Surplus	A	627,578	Greater than 110%	-71.75%	No
Housing Grants Amortised	B	(578,781)			
Pension Deficit Contribution	C	(59,246)			
Housing Depreciation	D	1,015,913			
Component Replacements	E	(1,171,068)			
	X	(165,605)			
Interest Payments	H	234,563			
Interest Receipts	J	(3,750)			
	Y	230,813			
Calculation: X divided by Y; where X=A+B+C+D+E+F & Y=H+J					

GEARING		Accounts	Target set by Bank	Actual	Covenant Satisfied?
Balance of Outstanding Loans	A	7,702,712	Less than 30%	18.06%	Yes
Historic Housing Cost	B	42,650,821			
Calculation: A divided by B					

<b>Management Committee</b>	25 <sup>th</sup> November 2021
<b>Agenda Item</b>	7
<b>Title of Paper</b>	2022/23 Draft Budget Discussion
<b>Author</b>	Robert Murray, Finance & Corporate services Manager
<b>Attachment(s)</b>	1) Draft budget statement of comprehensive income, statement of financial position and cashflow statement.

## FOR INFORMATION AND APPROVAL

### 1 PURPOSE

- 1.1 To have an early discussion to consider the proposed rent increase for 2022/23 and other financial assumptions which will be used in the Draft Budget.
- 1.2 To give an early indication of how the draft budget would look using these assumptions.

### 2 RECOMMENDATIONS

- 2.1 That the Committee notes the current levels of Consumer Price Index (CPI), Retail Price Index (RPI) and Consumer Price Index with Housing costs (CPIH) and be aware of the assumptions used in the current Business Plan.
- 2.2 To instruct the Finance Manager to bring a report to a future Management Committee meeting to report on progress of this issue and ensure that a committee decision can be made at that meeting to conclude the consultation.
- 2.3 To instruct the staff to progress with tenant consultation on CPI +1%, i.e., 4.1%

### 3 BUSINESS PLAN, VISION AND VALUES

- 3.1 This Report is consistent with Wellhouse's Strategic Objectives:-
  - Objective 1: Deliver excellent services
  - Objective 5: To maintain good governance and financial management
- 3.2 This Report is relevant in respect of the following Core Values:-
  - Accountability
  - Excellence
  - Sustainability
- 3.3 This Report also meets point 12:4 from 2022/23 Operational Plan – “Monitor the external financial environment and economy closely”.

- 3.4 This Report also meets point 12:12 from 2021/22 Operational Plan – “Draft and Final budget for following year”.
- 3.5 This Report should ultimately contribute towards our overarching Aim and Vision of making Wellhouse "the Place to Be"

## 4 BACKGROUND

- 4.1 All Registered Social Landlords (RSLs) are expected to carry out a review and consultation exercise on an annual basis to gauge the level of rent increase to be applied to tenant's rents on the following 1 April. The level of increase in rental income will go a long way in determining how much funding we have available to manage the operational expenditure of the Association in the following financial year.
- 4.2 The management team are keen that the consultation starts as early as possible this year and the Management Committee are given ample time to consider the proposed increase.

## 5 MAIN ISSUES

There are several factors to be taken into account, when attempting to determine the proposed rent increase:-

- The current levels of inflation;
- CPI or RPI or CPIH?
- Financial viability;
- Affordability
- Sector wide comparisons
- Results of tenant consultation
- Current Business Plan

## 6. DISCUSSION

### Rental Income Assumptions

- 6.1 The most up-to-date figures for September, published mid-October are as follows:-
- CPI – 3.1%, decreasing from 3.2% in August;
  - RPI – 4.9%, increasing from 4.8% in August;
  - CPIH (ONS's new preferred measure of inflation, including an element of owner occupiers housing costs) – 3.1%, decreasing from 3.2% in August.
- 6.2 The current Business Plan assumes an inflationary rise plus 1% for each of the first five years. This, in turn, generates a healthy surplus of over £3.6 million for the five years; however, the cash position is a bit different with an increase in cash of just shy of £1.8 million over the same five-year period.

The extra 1% rise above inflation in the budget generates, roughly, an additional **£35,000** of rental income, which would, to use a practical example, be able to replace 10 new kitchens at the revised cost.

- 6.3 We would need to take into account how affordable the rent increase would be for our tenants. The SFHA have published an Affordability Tool, which will be used in conjunction with this exercise. This exercise will be carried out in due course and will be available prior to any final decisions being made on the rent increase.

Assuming we adopt an increase of CPI + 1% this would equate to 4.1% rent increase. This would be much higher than most of the tenant's wage rises or HB payment rises.

Remaining financially viable is not only determined by increasing income but by also cutting costs or operating more efficiently. This should help cap the level of rent increase. An increased focus on Value for Money (VFM) should identify areas where costs can be controlled.

As previously stated, the Business Plan is modelled on an inflationary rise plus 1% rent increase each year. By approving a CPI (3.1%) only increase, this, effectively, reduces income by around £35,000 in 2022/23 and each subsequent year. By focusing on VFM, we can generate savings in order to absorb some of this reduction in income, however, it should be noted that the majority of VFM savings have already been identified and implemented. If Committee approve a rent increase of CPI only (3.1%) to be applied from 01 April 2022, then savings of around £35,000 would be required for 2022/23 and each subsequent year and it would be unlikely this level of savings on other expenses could be achieved annually without service being effected.

Due to Brexit and Covid contractors are finding pressures obtaining materials at an affordable price. Recent conversations with contractors have indicated a predicted rise of around 15% on materials and this is reflected in our costings.

- 6.4 We also must ensure that any proposed increase, as well as meeting each of the first four criteria, should not be too far removed from the rest of the RSLs in the sector. Particularly other RSLs in Wellhouse Peer Group or neighbouring RSLs. The GWSF survey results are our initial indicators of that, although not readily available at this point in time.
- 6.5 Tenant consultation is likely to commence in late-November or early December, allowing time for healthy debate on the proposals and decide well ahead of the implementation date.
- 6.6 A sensitivity analysis of several potential rent increase scenarios as follows:-
- Rent Freeze – no increase in rental income for 2022/23. Rent income will remain at just a shade under £3.56 million
  - 1% increase – an additional £36,000 in rental income for 2022/23.
  - CPI only - an additional £110k in rental income for 2022/23.
  - CPI + 1% (as per Business Plan) - an additional £137,742 in rental income for 2022/23.



Using the same practical example as 6.2 above, the difference between applying a rent freeze and applying CPI + 1% increase would result in a difference in rental income of £137,k equating to the removal of a programme of around 41 kitchen replacements from the Business Plan.

#### 6.7 Other Financial Assumptions (with Sensitivity)

- Voids losses on rental income – 0.8%. Each 1% void loss equates to £35,000 in lost rental income.
- Salary increases are based on EVH terms and conditions. We are in the final year of a 2-year wage deal, with year 2 effective April 2022. However, it is anticipated that further negotiations may need to take place as the agreed lower threshold of 2.5% may be breached. Any increase due from April 2022 will be determined with reference to the November 2021 CPI figure, which will be released in mid-December 2021. Each 1% of salary increase equates to circa £8,000. Draft budget salary increase is based on the wage deal of 2.5%
- There are no changes assumed to the existing staff structure.
- Overheads, with the exception of Insurance, are assumed to remain at the same level of spend but with a prudent inflationary increase of around 3% added. Insurance has assumed to increase by 10%.
- Maintenance spend on each area has been provided by the Assets & Maintenance Manager based on most up-to-date expectations and up-to-date pricing structures included. Current prices have been projected to rise at around 15%.
- Arrears are assumed to increase by an additional £40,000, with the bad debts provision expected to increase by roughly  $\frac{3}{4}$  of that increase. This increase in arrears has been provided based on the loss of uplift in Universal Credits and increase in fuel costs in the coming months.
- Base rate is expected to be at 0.5% for the first half of 2022/23 and then assumed to rise by 0.25% for the second half of the year. Because the bulk of our loans (87%) are fixed, there is less exposure to interest rate rises. Each 0.25% increase in interest rate equates to an additional interest charge of £220 per month.
- No development will take place in 2022/23.
- No properties will be disposed of in the year and there will be no sales of other fixed assets.
- No additional properties are expected to be purchased either.
- There will be no additional loans taken out and no re-financing of existing loans.

## 6.8 Draft Budget Results

- Results highlighted below are achieved based on the assumption that rent increase of September CP1 + 1% (4.1%) is applied.
- Surplus for 2022/23 will be £312,742.
- Cash is expected to reduce by £600k to leave a balance at March 2023 of £2.5m
- All lenders' covenants are comfortably achieved.

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

- 7.1 There is a regulatory requirement for Wellhouse to consult with tenants prior to applying any rental increase.
- 7.2 It is also considered Good Practice for Wellhouse to regularly carry out financial viability exercises.
- 7.3 This also complies with SHR Regulatory Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay. Specific Guidance noted below:-
- 3.1 – The RSL has effective financial and treasury management controls and procedures, to achieve the right balance between costs and outcomes, and control costs effectively.
  - 3.3 – The RSL has a robust business planning and control framework and effective systems to monitor and accurately report delivery of its plans. Risks to the delivery of financial plans are identified and managed effectively.
  - 3.4 – the Governing Body ensures financial forecasts are based on appropriate and reasonable assumptions and information, including information about what tenants can afford to pay and feedback from consultation with tenants on rent increases.

## 8. **FINANCIAL IMPLICATIONS**

- 8.1 Outlined in main body of the report.

## 9. **KEY RISKS**

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
<ul style="list-style-type: none"> <li>- Applying a rent increase which is too high may make rent unaffordable to tenants. Damage to Wellhouse reputation as well as financial implications</li> <li>- Applying a rent increase below that of our business plan assumptions will impact on our ability to deliver that plan</li> </ul>	Failure to raise sufficient income would be detrimental to our planned maintenance plans.	

Mitigation	Mitigation	Mitigation
<ul style="list-style-type: none"> <li>- Be aware of proposed rises to HB and UC as well as current wage rises.</li> <li>- Adhere to business plan</li> </ul>	Through regular robust forecasting and good financial viability practice, income should cover all future operational expenditure.	

## 10. EQUALITY AND DIVERSITY IMPLICATIONS

10.1 None apparent.

## 11. SUSTAINABILITY

11.1 Not applicable.

## 12. SWOT ANALYSIS

12.1 Not required.

## 13. CONCLUSION

13.1 This is a key decision for Wellhouse and impacts upon customer satisfaction levels, our reputation and our ability to reinvest in our stock.

13.2 First draft budget is showing moderate surplus of around £0.3 million and a cash outflow in excess of £600k. Not applying the CPI + 1% rent increase would make these results worse.

<b>Management Committee</b>	27 January 2022
<b>Agenda Item</b>	9
<b>Title of Paper</b>	Rent Arrears Update
<b>Author</b>	Carol Hamilton, Housing & Customer Service Manager
<b>Attachment(s)</b>	N/A
<b>Executive summary</b>	<p>The following information is recorded at the end of Period 9, 31<sup>st</sup> December 2021:</p> <ul style="list-style-type: none"> <li>• Gross current tenant rent arrears are £290,516 – 8.65% of annual income</li> <li>• Net arrears are £279,958 – 8.33% of annual income</li> <li>• Former Tenant's arrears are £53,976</li> <li>• Rent collection is currently 101.68% (cumulative 9 months to end December 2021)</li> <li>• 90 tenants (11.36% of all tenants) owing £1,000+ now owe £204,750 collectively – 70.48% of current arrears and 6.09% of annual rent income.</li> <li>• 59 (7.45% of all tenants) of those owing £1,000+ are UC recipients</li> <li>• 40 tenants (5.05% of all tenants) owe £2,000+</li> <li>• The number of tenants claiming UC is 244 (30.08% of tenants).</li> <li>• The amount of UC arrears figure is £167,107.00 (57.52% of the current arrears) or (4.97% of annual income)</li> </ul>

## FOR INFORMATION

### 1 PURPOSE

- 1.1 To update Committee on the arrears position

### 2 RECOMMENDATIONS

- 2.1 That the update on the arrears position be noted

### 3 BUSINESS PLAN, VISION AND VALUES

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

### 4 BACKGROUND

- 4.1 Committee have requested regular arrears reports

4.2 This summary forms an update to the end of December position.

## 5. MAIN ISSUES:

5.1 Since the last Committee update, gross current tenant rent arrears have reduced by £8,048 to £290,516.

5.2 During the same period, net current arrears have reduced by £2,199 to £279,958.

5.3 The number of tenants in arrears across most bands continues to improve although it has remained fairly static during the last few weeks. 90 tenants owe more than £1000, which is 2 more than reported at last Committee update, and those owing more than £2,000 has increased by 1 to 40.

5.4 The former tenant arrears have increased by £5,734.

5.5 Direct Debits to the value of £3,982.08 were cancelled or returned as unpaid during the month of December and this can be attributed to those who prioritised Christmas expenditure over rent payments.

5.6 Universal Credit (UC) is now claimed by 344 of WHA households and UC arrears now accounts for £167,107 (57.52% of the total gross current rent arrear).

5.7 Despite the above factors, arrears have improved considerably since the Committee update of January 2021, when gross current arrears had increased by £10,449 to £329,700 over the festive period. See table below for further details:

Arrears	Jan 2021	Jan 2022	Difference
Current Tenant Arrears (Gross)	£329,700 (9.99%)	£290,516 (8.65%)	-£39,184 (1.25%)
Current Tenant Arrears (Net)	£331,762 (9.45%)	£279,958 (8.33%)	-£51,804 (1.12%)

## 6. DISCUSSION

6.1 Glasgow City Council have provided an update on the Coronavirus (Covid-19) Tenant Grant Fund. WHA have been allocated £7,817 and the Housing Team are now prioritising those households who fulfil the criteria and emphasis will be on preventing homelessness. Applications are to be lodged by January 31<sup>st</sup>.

## 7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

7.1 ARC report will include our performance.

7.2 Regulatory and current legislation dictates that legal action will not be pursued where arrears have occurred solely as a result of the Covid-19 situation.

## 8. FINANCIAL IMPLICATIONS

8.1 Dealt with in the body of the report.

## **9 KEY RISKS**

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

## **10 EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS**

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

<b>Management Committee</b>	27 January 2022
<b>Agenda Item</b>	10
<b>Title of Paper</b>	Policy Review
<b>Author</b>	Carol Hamilton; Housing and Customer Service Manager
<b>Attachment</b>	1. Appendix 1 -Short Scottish Secure Tenancy Policy 2. Appendix 2 - Tenancy Sustainment Policy 3. Appendix 3 - Tenancy Support Leaflet

## FOR DECISION

### 1 PURPOSE

- 1.1 To provide the Short Scottish Secure Tenancy Policy and the Tenancy Sustainment Policy to the Management Committee for approval.

### RECOMMENDATIONS

- 1.2 That the following policies be ratified for a further 3 years;
- Short Scottish Secure Tenancy Policy;
  - Tenancy Sustainment Policy.

### 2 BACKGROUND

- 2.1 The Short Scottish Secure Tenancy Policy (Appendix 1) has been drafted in accordance with Housing (Scotland) Act 2014 and subsequent published guidance in 2019.
- 2.2 The Tenancy Sustainment Policy has been reviewed and updated in accordance with current legislation (Appendix 2)
- 2.3 The directory of external tenancy support agencies has been reviewed and an updated tenancy support leaflet (Appendix 3) will be distributed to new tenants, existing tenants who require support and it is published on the Association's website.

### 3 MAIN ISSUE(S)

#### Wellhouse Business Plan, Vision and Values

- 3.1 The production of this report is integral to all business activity and our ethos and is therefore consistent with:
- All of our strategic objectives;
  - Our vision and;
  - All of our values.

### 4 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

None apparent.

## 5 FINANCIAL IMPLICATIONS

None at this time.

## 6 KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Policies are not fit for purpose and become outdated.		
<b>Mitigation</b>	<b>Mitigation</b>	<b>Mitigation</b>
Our policy and practice framework and new culture supports the developments and the management team must focus on improvements		

## 7. EQUALITY AND DIVERSITY

- 7.1 All policies must comply with and recognise WHA's equality and diversity obligations and objectives.

## 8. SUSTAINABILITY

Contributes positively to tenancy sustainment.

## 9. SWOT ANALYSIS

Not required as no new business activity proposed.

## 10. CONCLUSIONS

- 10.1 Our current policies are consistent with best practice; we should review them in three years' time.





## POLICY

### Short Scottish Secure Tenancy

# Wellhouse - The Place to Be

Policy Created	January 2022
Date of Next Review	January 2025

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.

<b>Section</b>	<b>Content</b>	<b>Pages</b>
1.	Vision and values	3
2.	Governance	3
3.	Policy Aims	3
4.	Equal Opportunities Statement	4
5.	Scottish Housing Charter	4
6.	Legislation	5
7.	The Policy	5
8.	Monitoring and performance	8
9.	Consultation	8
10.	Complaints	8
11.	Policy Review	8
12.	General Data Protection Regulations	8

## Linked Policies/Procedures

1.	Openness and Confidentiality Policy
2.	Common Allocation Policy
3.	Neighbourhood Management Policy
4.	Anti-Social Behaviour Policy
5.	Assignment, Sub-Letting and Lodgers Policy
6.	Complaints, Compliments and Comments Policy
7.	Data Protection Policy (GDPR)
8.	Tenancy Sustainment 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

The Association's general policy is to offer a full Scottish Secure Tenancy (SST) wherever possible, to maximise the rights which tenants enjoy. However, in very limited circumstances it may be necessary for the Association to issue a Short Scottish Secure Tenancy (SSST) under the terms of the Housing (Scotland) Act 2001 and the Housing (Scotland) Act 2014.

When an SSST is used our aims will be:

- To help us to create safe and sustainable communities by tackling Anti-Social Behaviour
- To help tenants sustain their tenancies with a view to converting the tenancy to a Scottish Secure tenancy (SST) including signposting to support where needed
- To prevent homelessness occurring

#### **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 6 outcomes under the Charter that are especially relevant to our Short Scottish Secure Tenancy Policy, these are:

##### **Outcome 1: Equalities**

Social landlords perform all aspects of their housing services so that:

- Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

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

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

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

## **Access to housing and support**

### **Outcome 7, 8 and 9: Housing options**

Social landlords work together to ensure that:

- people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them
- tenants and people on housing lists can review their housing options.

Social landlords ensure that:

people at risk of losing their homes get advice on preventing homelessness.

### **Outcome11 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.

## **6. Legislation**

The following legislation is relevant to this policy:

- The Housing (Scotland) Act 1987
- The Housing (Scotland) Act 2001
- The Housing (Scotland) Act 2014
- The Anti-social Behaviour etc. (Scotland) Act 2004
- Homelessness etc. (Scotland) Act 2003
- Equality Act 2010

## **7. The Policy**

### **7.1 Introduction**

Wellhouse Housing Association will only make use of SSST in accordance with the provisions of Schedule 6 of the 2001 Act.

This specifies that the only grounds on which this can be done are:

- Lets to persons evicted for anti-social behaviour from a tenancy in Scotland, England, Wales or Northern Ireland, within a period of 3 years prior to the service of a notice that a short SST will be offered
- Lets to persons where they or other members of their household are the subject of ASBO granted on or after 30 September 2002 under s 19 of the

Crime and Disorder Act 1998

- Temporary lets to persons moving into the area in order to take up employment
- Temporary lets pending development affecting the house
- Temporary lets to homeless persons for tenancies of 6 months or over
- Temporary lets to persons requiring or receiving housing support services as defined in section 91(8) of the Act
- Lets in houses leased by the landlord from another body where the terms of the lease preclude the landlord subletting under an SST.

## 7.2 Anti-Social Behaviour Cases

### New Tenants

Where grounds (1) or (2) above apply, the Association will act (in the case of a new tenant) to give a SSST. In order to cover situations where the Association becomes aware that:

- an applicant who is about to be housed by the Association has been evicted for anti-social behaviour in the previous three years;
- an applicant who is about to be housed by the Association, or any other household member, is the subject of an ASBO

The Association will seek to confirm with applicants and with local authority partners at the time of offer of housing that the declarations made on housing registration forms (including those relating to previous tenancy breaches and ASBOs) are correct.

### Conversion of Existing Tenants SST to a SSST

Section 7(2) of the Housing (Scotland) Act 2014 extends the circumstances under which the Association can serve a notice converting a SST to a SSST.

The circumstances now include any situation where a tenant or someone living with them has acted in an anti-social manner, or pursued a course of conduct amounting to harassment of another person. This conduct must have been in or around the property occupied by the tenant and it must also have happened in the 3 years before the notice is served. There is no need for there to be an ASBO in place.

The Association will seek to convert to an SSST in such circumstance, in accordance with our Anti-Social Behaviour Policy

## 7.3 Decant Situations

Where a Scottish Secure Tenant moves for a temporary period into an alternative property prior to moving back into their original home their SST continues. However, in circumstances where the tenant will not be moving back into their original home, for example, because it is being demolished, and the move to alternative housing is temporary prior to finding suitable permanent accommodation, the Association will give the tenant a SSST in their temporary home.

## 7.4 People with Support Needs

Where the let is intended to be the tenant's permanent home the Association will grant an SST, even where any support is intended to be only temporary.

However, where a let is to be made to someone requiring or in receipt of housing support services, and the accommodation is NOT to be the tenant's permanent home, for example, where it is designated supported accommodation where individuals are expected to stay for around 6-12 months before moving to completely independent housing the Association will give the tenant a SSST.

## 7.5 Interim Lets to People Under S5 of the Housing (Scotland) Act 2001

Occasionally a local authority making a Section 5 referral or other referral under the homeless regulations on "interim accommodation" may ask the Association to give a SSST.

The Council's duty to offer permanent accommodation will remain until a full SST has been given.

It should be noted that it may not necessarily be Wellhouse Housing Association which is asked to provide the permanent accommodation.

## 7.6 Notices

Prior to the issuing of any SSST or conversion of a SST to a SSST, the Association will issue the appropriate prescribed notice and will do likewise where a SSST is to be ended.

## 7.7 The Rights of a Short SST

Prior to the signing of any SSST the Association will also go through the SSST agreement with the tenant.

The rights under a SSST are identical to the full SST except that:

- there is no provision for succession; and
- security of tenure is limited

In addition, the rights to assign, sublet and/or add a joint tenant under a SSST are limited to the period of the SSST.

## 7.8 Appeal Procedure

If an applicant is unhappy with their treatment under the SSST policy they should use the Association's formal complaints procedure – see Section 10 below for details.

The Association will confirm its decision in writing and advise applicants, within the letter, that a provision also exists within Section 38 of the Housing (Scotland) Act

2001 that gives tenants a right of appeal to the Courts if they are not satisfied with the type of tenancy or occupancy offered by the landlord, for example where the tenant has been offered a SSST and thinks they should be entitled to an SST.

## **8. Monitoring and performance**

We will report on the use of Short Scottish Secure Tenancies annually to the Management Committee but we will not name our customers in our reports.

## **9. 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.

## **10. Complaints**

We have a separate complaints policy and procedure. Leaflets and copies of the complaints 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

## **11. Review timeframe**

The policy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance.

## **12. 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.



## **POLICY**

### **Tenancy Sustainment**

# **Wellhouse - The Place to Be**

Policy Created	January 2022
Date of Next Review	January 2025

**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.**

<b>Section</b>	<b>Content</b>	<b>Pages</b>
1.	Vision and values	3
2.	Governance	3
3.	Policy Aims	4
4.	Equal Opportunities Statement	4
5.	Scottish Housing Charter	4
6.	Legislation	5
7.	The Policy	5
8.	Monitoring and performance	8
9.	Consultation	8
10.	Complaints	9
11.	Policy Review	9
12.	General Data Protection Regulations	9

## Linked Policies/Procedures

1.	Openness and Confidentiality Policy
2.	Common Allocation Policy
3.	Neighbourhood Management Policy
4.	Anti-Social Behaviour Policy
5.	Rent Management Policy
6.	Assignment, Sub-Letting and Lodgers Policy
7.	Succession Policy
8.	SSST Policy
9.	Abandonment Policy
10.	Complaints, Compliments and Comments Policy
11.	Data Protection Policy (GDPR)
12.	Vulnerable Tenants Domestic Abuse Policy
13.	Succession 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**

By implementing a Tenancy Sustainment Policy Wellhouse Housing Association (WHA) seek to prevent tenancy failure and homelessness by:

- Providing a comprehensive and responsive customer service to applicants and tenants which supports sustainable tenancies and delivers customer satisfaction
- Taking steps prior to and from the commencement of a tenancy which will identify issues and assist in sustainment
- Being proactive in identifying prospective and existing tenant vulnerability issues and signposting tenants to appropriate support to sustain their tenancy
- Providing a comprehensive Income Advice Service
- Developing networks and partnership working with other agencies to address vulnerabilities and assist in sustaining tenancies

### **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 6 outcomes under the Charter that are especially relevant to our tenancy sustainment policy, these are:

#### **Outcome 1: Equalities**

Social landlords perform all aspects of their housing services so that:

- Every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services.

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

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

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

## **Access to housing and support**

### **Outcome 7, 8 and 9: Housing options**

Social landlords work together to ensure that:

- people looking for housing get information that helps them make informed choices and decisions about the range of housing options available to them
- tenants and people on housing lists can review their housing options.

Social landlords ensure that:

people at risk of losing their homes get advice on preventing homelessness.

### **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.

## **6. Legislation**

The following legislation is relevant to this policy:

- Housing (Scotland) Act 1987
- Housing (Scotland) Act 2001
- Housing (Scotland) Act 2014
- Homelessness etc. (Scotland) Act 2003
- Anti-Social Behaviour (Scotland) Act 2014
- Domestic Abuse (Scotland) Act 2018
- Adult Support and Protection (Scotland) Act 2007
- Children (Scotland) Act 1995
- Protection from Abuse (Scotland) Act 2001

## **7. The Policy**

### **7.1 Introduction**

This Policy sets out how Wellhouse Housing Association (WHA) will meet its aims, as set out in Section 3 above. Please note that WHA's approach will be primarily about identifying those applicants or tenants requiring support and signposting them to a range of agencies, the tenant or applicant may wish to work with. We will not provide Housing Support Services directly.

We consider 'Tenancy Sustainment' to be a generic term for the prevention of tenancy breakdown or a 'failed tenancy'. Failed tenancies are a waste of resources because each additional property becoming empty incurs significant costs. It can also have negative effects for the tenant who may become homeless or find it difficult to secure another tenancy because of issues relating to their former, failed tenancy.

We consider that a tenancy has not been sustained if it ends within 12 months and we use the definition set out by the Scottish Housing Regulator in Scottish Social Housing Indicator 16 (Percentage of new tenancies sustained for more than a year, by source of let) to assess our effectiveness in this area.

WHA is particularly concerned to prevent tenancies ending by:

- Eviction – at any time
- Abandonment – at any time
- Early termination (a tenancy which lasts under 12 months)

However, we recognise that there may be other less obvious reasons why people give up their tenancies such as domestic abuse and other forms of harassment. We also recognise that people may terminate their tenancy early for positive reasons such as purchasing a home, finding a new job or moving in with their partner.

## 7.2 Known Risk Factors

There are known risk factors in relation to early tenancy failure, and particular household types may need help or assistance in sustaining their tenancies. The following list is not exhaustive:

- Mental health issues
- Learning difficulties
- Drug and alcohol addiction problems
- Disabilities
- Leaving care
- Domestic violence
- Poverty & fuel poverty
- Being under 25 or in a first tenancy
- Young parents
- People with support needs
- No established local networks
- History of homelessness
- History of rent arrears, abandonment or antisocial behaviour in a previous tenancy
- Previously failed tenancy or eviction

Other causes of tenancy breakdown may include:

- Allocations in unwanted areas
- Dissatisfaction with property condition
- Antisocial behaviour
- Debt problems
- Inability to secure adequate furniture and equipment
- Lack of support with resettlement and setting up home
- Isolation
- Insufficient information sharing and partnership working

### 7.3 Prevention

WHA operates a points-based lettings system which allows applicants to select the house types they are interested in. Given the compactness of the Wellhouse area, we also allow applicants to note any streets they are not interested in. These choices restrict where an offer will be made and therefore reduces the risk of applicants accepting an inappropriate tenancy through offers of property being made that the applicant does not want, but then may feel pressured to accept.

WHA also aims to identify potential support needs at the point of registration from application form questions.

We carry out accompanied viewings to all of our empty properties. This provides an opportunity to explain the characteristics of the property and the local area, and for the prospective tenant to raise any concerns or issues. It also provides an opportunity to ensure that any support needs are identified to allow the tenant to move in and be able to live in the property.

We ensure that all of our empty homes meet our Lettable Standard when they are relet. We provide assistance with decoration materials where the standard of decoration is poor at the beginning of a tenancy.

We aim to ensure that our new tenants fully understand their tenancy obligations at the time of signing their agreement and highlight some of our key housing management policies which emphasise early intervention and prevention and adopt a customer centred approach.

Both the accompanied viewing and sign-up are normally carried out by the Housing Officer for the area, so that new tenants get the opportunity to meet and speak to their key contact, with regard to their tenancy.

Our Housing Officers will carry out New Tenancy Visits within six weeks of the beginning of a new tenancy. Follow up visits will be programmed as necessary following that initial visit, where it is apparent that the tenant may require support to keep to the conditions of tenancy. We will prioritise such visits where tenants are considered to present a high risk of tenancy failure.

Our Housing Officers should refer new tenants for interview by our Income Advice Officer. In addition, when arrears arise during a tenancy or where they feel that a significant change of circumstances has occurred. Our standard arrears letters also contain information to enable tenants to arrange an appointment with our Income



Advice Officer directly, as well as providing information of other local agencies who can assist with budgeting and financial advice.

Our Rent Management policy emphasises the importance of arrears prevention and encouraging tenants to seek help before debt becomes unmanageable. Eviction is always a last resort.

Our Income Advice Officer will assist with welfare advice aimed at maximising household income, form filing, submission of applications and even appeals.

We ensure that all information provided to applicants and tenants is in plain English, easy to understand and in a format suited to each individual.

Our quarterly newsletters and our website include regular information about our services, financial gain outcomes in our Income Advice Officer's Update, along with information on any benefit changes, as well any local funding or projects which may be able support or assist our tenants with such things as fuel poverty, access to affordable food etc.

#### **7.4 Partnership Working**

We work in partnership with a range of organisations skilled to provide the appropriate support to our tenants and this includes the agencies set out in Appendix 1.

We do not provide support services ourselves, beyond our Income Advice Service, but our staff can signpost tenants to a wide range of information, support and advice in confidence that can help with a wide range of issues.

We will ensure that, wherever possible, required support is in place at the start of a new tenancy and if we cannot help, we will refer tenants to an appropriate support provider as issues are identified.

We work closely with the Local Authority via a range of protocols to ensure applicants experiencing homelessness, domestic violence etc. secure appropriate housing and existing tenants receive appropriate advice and support.

#### **7.5 Training**

We will ensure that appropriate staff are trained to identify potentially vulnerable households.

### **8. Monitoring and performance**

We will report on the progress of the policy using ARC Indicator 16 'Percentage of new tenancies sustained for more than a year, by source of let' to the Management Committee.

## 9. 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.

## 10. Complaints

We have a separate complaints policy and procedure. Leaflets and copies of the complaints 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

## 11. Review timeframe

The policy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance.

## 12. 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.

## Tenancy Support – Information on Agencies who can assist



### North East Recovery Community (NERC)

NERC is a peer led voluntary organisation that provides a variety of recovery initiatives within the North East sector of Glasgow with the aim of promoting and assisting recovery from addiction to alcohol and drugs. NERC encourages people in recovery to come together for mutual support and works in partnership with other organisations to develop strategies, plans and structures that provide best practice on service provision for service users and individuals in recovery.

<https://www.north-east-recovery-community.co.uk>

### Glasgow East Alcohol Awareness Project (GEAAP)

The Glasgow East Alcohol Awareness Project “GEAAP” has been offering a service to the East of Glasgow since 1991. GEAAP’s aim is to reduce the harm associated with the use and misuse of alcohol.

Address:

51 Trondra Place  
Easterhouse  
Glasgow  
G34 9AX

Tel: 0141 773 1222

Web: <http://uk.geocities.com/geaap>  
[info@geapp.org](mailto:info@geapp.org)

We offer the following:

Counselling, Peer Mentoring for Alcohol Support, Alcohol Support Group for Women (Tues).

### North East Community Addiction Team (Glasgow)

Services: Advice and Information, Counselling, Family services

Glasgow City Council,  
Westwood House,  
1250 Westerhouse Road,  
GLASGOW,  
G34 9EA  
Phone: 0141 276 3420

Opening Hours:

Monday – Thursday (8.45am – 4.45pm), Fri (8.45am – 3.45pm).

### Narcotics Anonymous

Ledgowan Hall  
Ledgowan Place  
Maryhill  
G20 0JZ  
Email: [email@ukna.org](mailto:email@ukna.org)

Sunday 10am – Max 30 attendees

N.A. is a non-profit fellowship or society of men and women for whom drugs had become a major problem. We are recovering addicts who meet regularly to help each other stay clean. This is a program of complete abstinence from all drugs. There is only ONE requirement for membership, the desire to stop using. Our program is a set of principles written so simply that we can follow them in our daily lives. We have no initiation fees, anyone may join us, regardless of age, race, sexual identity, creed, religion or lack of religion. We have learned from our group experience that those who keep coming to our meetings regularly stay clean.

### Glasgow East Women's Aid

Provides information, support and safe temporary accommodation for women and children who have experienced domestic abuse.

Drop-in opening hours: Mon-Fri 9.30am-3.30pm

All other times are by appointment. Please call for further information.

753 Westerhouse Road,  
Easterhouse,  
Glasgow  
G34 9PB  
0141 781 0230  
[Info@gewa.org.uk](mailto:Info@gewa.org.uk)

### Victim Support Scotland

Provides support and information services to victims and witnesses of crime in Scotland. We're proud to serve victims and witnesses in Scotland by campaigning for their rights and helping to improve their experiences of the criminal justice system.

Victim Support Scotland provides help for witnesses. If you are attending court as a witness to a crime, our volunteers will be available to help you on the day.

The National Helpline number is 0800 1601985

You can contact the Helpline between 8:00 a.m. and 8:00 p.m., Monday to Friday.

Victim Support Scotland provides support and information services to victims and witnesses of crime in Scotland. We support 200,000 people affected by crime each year. This support is provided by staff and volunteers in national and local offices and court-based services across Scotland. We are an independent charity and not part of the Police Scotland or Scottish Courts. All conversations with victims and witnesses are confidential and are not shared with people outside of Victim Support Scotland.

Our service is completely free and covers:

- Assault
- Housebreaking & vandalism
- Domestic abuse (physical and emotional)
- Fraud
- Murder (bereavement by murder or violent death)
- Sexual crimes (assault, indecent exposure, rape)
- Harassment and stalking
- Hate crime (crimes relating to race, religion, sexuality, disability)
- Robbery
- Theft

Victim Support Glasgow  
2<sup>nd</sup> Floor  
10 Bothwell Street  
Glasgow  
G2 6LU

0141 553 2415  
[Victimsupport.glasgowcity@victimsupportscotland.org.uk](mailto:Victimsupport.glasgowcity@victimsupportscotland.org.uk)

Opening Hours: Mon – Fri 9am – 5pm

### Elderly Care Project

Contact Details: Margaret Marshall,  
Elderly Care Project  
Community Flat,  
153 Wardie Road,  
Easterhouse,  
G34 9EG

Office Hours 8.45am - 4.45pm.

### Glasgow's Golden Generation

Glasgow East Day Centre:  
Mattie Carwood Centre, Budhill Hall, 2 Hallhill Road, G32 0HW  
0141 766 0000  
[mattiecarwoodcentre@glasgow.org.uk](mailto:mattiecarwoodcentre@glasgow.org.uk)

There are three day care centres within Glasgow, all of which focus on reducing loneliness and social isolation in older adults. Each centre also has regular planned days out during the summer, Christmas shopping trips and themed party days. Each centre has its own programme of activities including: art classes, armchair exercises, bingo, carpet bowls, gardening, music therapy, reminiscence activities and much more!

### Older Carers Befriending Service

Older Carers Befriending Service is based in Academy House, Shettleston, and is part of the services for carers provided by East End Community Carers. We cover the East End of Glasgow and take referrals from a variety of sources. Caring for someone can be rewarding but also at times very demanding and stressful. As a result, carers often feel lonely and isolated. The Older Carers Befriending Service provides a vital support service to older carers, as well as providing opportunities for volunteering in the local community.

For more information contact:  
Tel: 0141 764 0550

If You're Having A Difficult Time: You can get in touch about anything that's troubling you, no matter how large or small the issue feels.

### SAMARITANS – GLASGOW

210 West George Street  
Glasgow  
G2 2PQ

Contact using any phone: 116123

0330 094 5717

Homelessness Services – providing help and support for addictions, also provides GP services

55 Hunter Street  
GLASGOW  
G4 0UP  
Phone: 0141 553 2802  
Opening Hours  
Monday – Friday  
9.00am – 5.00pm

### Glasgow Centre for Inclusive Living

We assist disabled people in Glasgow who want to take more control over the support they need. Whatever your situation, chances are we can help you. Our organisation is run by and for disabled people, so we appreciate the difficulties you may be facing.

117-127 Brook Street,  
Glasgow  
G40 3AP  
Tel: 0141 550 4455  
Textphone: 0141 554 6482  
Email: [gcil@gcil.org.uk](mailto:gcil@gcil.org.uk)

### **Greater Easterhouse Supporting Hands (GESH)**

Provides a training, social, and recreational service to young people and adults with physical disabilities and learning difficulties.

The centre is open Monday to Friday 9am-10pm. Opening times over the weekend may alternate & can be flexible & negotiable. Premises are wheelchair friendly.

1 Redcastle Square  
Glasgow,  
United Kingdom

Tel: 0141 774 7261

### **Skills Development Scotland** – Offers careers advice, support and guidance.

Glasgow (East) Careers Centre  
1200 Westerhouse Road, Easterhouse, Glasgow, G34 9JW

Tel: Our Glasgow (Westerhouse Road) careers centre is open for appointments only. Contact the local centre on 0141 554 6662 to book an appointment or for more information on how to access career information, advice and guidance.

Opening hours  
Monday and Friday 9 am - 5 pm

### **Money Advice**

Easterhouse Citizens Advice Bureau  
46 Shandwick Square  
Glasgow  
G34 9DT  
[adminuser@easterhousecab.casonline.org.uk](mailto:adminuser@easterhousecab.casonline.org.uk)  
0141 771 2328

Monday 09.30 - 15.00 (Drop in)  
Tuesday 09.30 - 17.00 (Appointments only)  
Wednesday 09.30 - 13.00 (Telephone Advice) and 14.00 - 17.00 (Emergency Appointments Only)  
Thursday 09.30 - 12.00 (Drop In) & 13.00 - 17.00 (Appointments Only)  
Friday 09.30 - 16.00 (Appointments only)  
Saturday 10.00 - 13.00 (First Saturday of month - by appointment)

You can get help and advice regarding all welfare benefits and also if you get into financial difficulties.

There are different funds and grants you can get depending on your circumstances:

- Social Funds: budgeting loans, crisis loans, funeral payment, and Sure Start maternity grant;
- Scottish Welfare Fund: crisis grants and community care grants;
- Bereavement benefits;
- Personal Independence Payments;
- Disability Living Allowance, Attendance Allowance, and Carers' Allowance;
- Employment Support Allowance if you are incapable of work;
- Income Support, Pension Credits, and Cold Weather Payments;
- Housing Benefit and Council Tax Reduction;
- Child Benefit, Working Tax Credits, and Child Tax Credits; and
- Jobseekers Allowance and Universal Credit.



<b>Management Committee</b>	27 January 2022
<b>Agenda Item</b>	11
<b>Title of Paper</b>	Anti-Social Behaviour Complaints Update
<b>Author</b>	Carol Hamilton, Housing & Customer Service Manager
<b>Attachment(s)</b>	N/A
<b>Executive summary</b>	<ul style="list-style-type: none"> <li>The Anti-Social Behaviour Complaints (ASB) report is produced to assist the Board's understanding and interpretation of the volume and nature of ASB complaints handled within the organisation</li> <li>The report also provides the Board with information on the interventions on our behalf by Glasgow City Council</li> </ul>

## FOR INFORMATION

### 1 PURPOSE

- 1.1 This report contains information on our handling of Anti-Social Behaviour (ASB) Complaints covering the period 1 April 2021 to 21 December 2021.
- 1.2 This report also contains information on the interventions by Glasgow City Council on our behalf, under the terms of the Gold Support Package approved by Board in February 2021

### 2 RECOMMENDATIONS

- 2.1 That the update on our ASB complaints position be noted

### 3 BUSINESS PLAN, VISION AND VALUES

- 3.1 The production of our anti-social behaviour report is consistent with the following strategic objectives:
  - Objective 1 – Deliver excellent services
  - Objective 3 – Anticipate, understand and respond to local need
  - Objective 4 – Foster an attractive, successful and thriving community
- 3.2 Our vision and values of excellence, accountability and sustainability

### 4 ANTI-SOCIAL COMPLAINT MANAGEMENT

- 4.1 The Association received **52** complaints during the period 1 April 2021 to 21 December 2021. In order to prioritise resources ASB complaints are categorised as either A, B or C. Category A are the more serious complaints, such as threats, assaults or harassment, through to Category C which are low level nuisance such as dog fouling, one off parties etc.

6 complaints were made on basis of providing Information Only, where the complainers did not want us to action. 4 were Category C and 2 Category B

#### 4.2 Category A Complaints

7 Category A complaints were received for the year to date, with 3 cases closed – 2 have court cases pending via Police Scotland - and 4 other cases remain open and are being managed by Glasgow City Council, all in the court system and awaiting court dates or court hearings.

#### 4.3 Category B Complaints

8 Category B complaints were received up to 21 December 2021, 2 of which are recorded as for Information Only. Of the remaining 6 cases, 5 cases were closed following the Association issuing the alleged perpetrators with a First Written Warning. 1 case remains open and is being managed by Glasgow City Council and awaiting a court date.

#### 4.4 Category C Complaints

37 Category C complaints have been received during the period. 7 of which have been closed due to Insufficient Evidence and 4 noted for Information Only. 10 First Written Warnings, 3 Final Written Warnings and 1 Court warning have been issued.

#### 4.5 Nature of Complaints

The table below details the main issues WHA received ASB complaints about during the year to date (YTD):

Issues raised	Case Numbers
Noise/Disturbance	22
Threats/Assaults	6
Harassment inc. Racial	6
Drugs	1
Other	17
<b>Total</b>	<b>52</b>

#### 4.6 Glasgow City Council Gold Service Package Outcomes

During the year to date, we have sought advice and support from Glasgow City Council for 13 ongoing cases. In addition, they were asked to manage 2 Category B Cases and 7 Category A cases for us.

They are currently managing 7 cases, via the court system for us. They are pursuing potential recovery action on all these cases, due to the severity of the complaints including assaults and harassment. The harassment cases include hate crimes (homophobic).

## 5 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

### 5.1 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.

#### ***Charter Standard 6 - Estate management, anti-social behaviour, neighbour nuisance and tenancy disputes***

Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that:

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

#### *Legislative Framework*

- The Housing (Scotland) Act 2001
- The Housing (Scotland) Act 2010
- The Housing (Scotland) Act 2014
- Equality Act 2010
- Human Rights Act 1998
- Regulation of Investigatory Powers (Scotland) 2000
- Data Protection Act 1998 & GDPR 2018
- Schedule 7, Housing Scotland Act 2001
- Sex Discrimination Act 1975
- Race Relations Act 1976 (Amendment) Regulations 2003
- Scottish Secure Tenancy Agreement
- Short Scottish Secure Tenancy Agreement

## 6. FINANCIAL IMPLICATIONS

- 6.1 The measures taken to resolve complaints affect staffing resources. These resources are being delivered within our existing salary budget plus additional support services contacted with Glasgow City Council to assist us to deal with more complex and serious anti-social behaviour cases.

## **7. KEY RISKS**

### **7.1 *Reputational***

Risk associated with anti-social complaints is mainly reputational but could include legal challenges. In order to manage this risk, we monitor complaint outcomes and our case management performance to ensure that we are acting within legislation and meeting our policy objectives.

## **8. EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS**

8.1 Wellhouse Housing Association embraces the principles of empowerment, accountability, equality and diversity that are integral to human rights. Anti-Social Complaints are monitored for equality issues.

8.2 During the period from 1 April 2021 to 21 December 2021, complaints received have included hate crimes (homophobic), domestic violence and alleged racial incidents. Where evidence has been available, we have worked closely with Glasgow City Council to ensure appropriate and serious action have been taken against the alleged perpetrators.

Management Committee	27 January 2022
Agenda Item	12
Title of Paper	Operational Update Report
Author	Management Team
Appendices:	1. Committee Member Support programme proposal

## FOR INFORMATION AND DECISION

### EXECUTIVE SUMMARY:

#### 1. Director – Main Issues

- **Development Agent.** Following committee approval, Link Housing have been commissioned as our new development agent. We will have some publicity to announce that within the next four weeks and then begin to open dialogue with City Property and the Archdiocese as appropriate.
- **Flood mitigation.** We continue to work well with Scottish Water and their associates and Glasgow City Council on our flood mitigation measures. There is an additional workshop being planned to discuss the options – we will prepare a special one-off newsletter to present the ideas and options to the community and seek resident feedback on the options. Unfortunately, the installation of the demonstration rain garden was delayed due to the mitigation measures announced by the government in relation to the Omicron variant of Covid 19. I received an update on 14 January that City Property await legal guidance on the issue with responsibility for the grout in the main pipe outside the Hub. We are firmly of the opinion that it is theirs.
- **Baillieston Area Partnership.** I became aware of a bid via the Partnership to purchase wildflowers and trees for Wellhouse through media coverage. Baillie Ballantyne was reported as raising concerns about the cost of it (c.£16,000). The issue we have is that we were not consulted or even advised of these plans and some of the proposed areas clash with the flood mitigation work, meaning some locations may not be suitable. I have spoken to the appropriate officers at the council. I wrote to the community council and contacted them through social media but have had no response, as I am operating on the assumption that they were consulted. I will keep you updated.
- **EHRA.** There was a covid report circulated to committee in December. EHRA are looking for a public launch soon and as part of that I am meeting the leader of the City Council with a PR firm, and 2 EHRA committee members. I will keep committee apprised.
- **Budget.** Subject to a separate report in these papers.
- **Insurance.** Finance Manager and I met with the insurance broker and we have begun our procurement process for all insurance. Audit & Risk Sub and Committee will be kept updated.
- **Auditors.** Procurement for external audit in progress.
- **IT review.** Finance Manager and I met with our IT providers recently: we will have moved fully to cloud based storage by the spring along with the new CRM.

**Trust    Honesty    Integrity    Excellence    Accountability    Sustainability**

- **Business Plan.** The consultant has started on preparation with the Plan and will work closely with SMT and committee on its production.
- **Committee support plan.** EHRA has drawn up a plan to support the individual committees by encouraging staff members across the group to volunteer as committee members (see appendix). I would ask that committee ratify this as a way of supporting staff development and committee skills. Committee should note that we have 2 staff members who are willing to stand as committee members elsewhere.

## 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.
- Glasgow City Council have published their guidance for applications for the Covid-19 Tenant Grant Fund. WHA have been allotted £7,817. The Housing Team have identified those tenants who fulfill the criteria and applications to the fund are being made on their behalf. The closing date is January 31<sup>st</sup>.
- The Income Advice Officer has made a successful bid for a further £6,000 from the Scottish Housing Fuel Support Fund which has been made available by the Scottish Government and administered by the Scottish Federation of Housing Associations. This is an excellent opportunity to provide much needed assistance to our tenants who are suffering from fuel poverty.
- Rent increase consultation has now concluded and consultation on the draft Allocations Policy has begun.
- The Income Advice Officer (IAO) 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 244 UC recipients.
- Funding from Glasgow City Council for fuel emergencies ended in December 2021 as the fund was run down. From the funding we made 56 awards to tenants experiencing fuel poverty, totaling £4056.00.
- The Ruchazie Community Pantry shop fund has been run down. We made 15 awards totaling £150.00 to allow tenants to access the pantry shop. We used the remaining £350 balance to award emergency fuel payments to 6 households experiencing fuel poverty. (Before we were awarded £6000 from SFHA fuel fund)
- The Digital Support Fund has £306.75 remaining. Thirty devices are still on loan as most people have internet access of some sort at home but lack devices. We continue to support two of our tenants without internet access, we agreed to continue to support them with access to 6GB of data per month until the Digital funding has been depleted. We awarded one mobile phone to a tenant in December, she was having difficulty engaging and did not have access to her own mobile phone. The tenant is now engaging with the IAO and Housing officer to reduce her rent arrears.
- The IAO has been supporting eligible tenants to apply for the £140.00 Warm Home Discount with their energy suppliers. The Warm Home Discount scheme has now closed for 2021/2022. The IAO continues to make referrals to Home Energy Scotland to help tenants find ways to save energy and keep the home warm while cutting down on costs.
- The IAO is continuing to ensure tenant Income is maximized and continues to assist tenants to claim new benefits such as the Scottish child payment and other social security benefits / devolved benefits.

### **3. Assets & Maintenance Manager – Main Issues**

No Update due to absence.

#### **Finance & Corporate Services Manager – Main Issues**

- Work continues on reviewing and updating the 2022/23 budget to reflect known changes or increase in charges from suppliers or contractors. Following the agreement on the rent increase level a final budget update will be provided at the February 2022 meeting.
- Regular meetings and updates are taking place between the Finance & Corporate services Manager and Homemaster to ensure the project implementation date of 1<sup>st</sup> April 2022 is achieved.
- Planning meetings with the auditor is scheduled for next week to discuss the 2022 audit and delivery dates. Current expectations are that the audit will take place from 1<sup>st</sup> August 2022.
- An Audit and Risk Committee meeting is scheduled for February 2022 before the next full Management committee and the Finance & Corporate Services Manager will discuss with the chair of the A&R Committee regarding the agenda in the near future.

# **EHRA Committee Member support programme proposal November 2021**

## **Aim:**

1. To support EHRA organisations succession plans
2. To fulfil outcomes of Staff appraisals
3. To provide wider Learning and Development Opportunities for Staff.

## **Proposal:**

EHRA would like to promote to Staff, and support them, to join a Management Committee of one of the other EHRA groups. Staff would attend the meetings in their own time, but would be given TOIL for any Learning and Development that they attend, that is not already provided by their own employer.

Learning and Development done at the employer Organisation would be recognised by the organisation Staff attend as a Committee Member.

The position taken on by any Staff Member would be reviewed annually during their appraisal. Staff can leave their Committee Member position at any time.

Staff would be required to speak to their employer before taking on any office Bearer position.

**This will be offered to any Staff member at officer level and above.**

## **Points for Discussion:**

1. View of EVH
2. View of SHR
3. Should TOIL be given for attending Management Committee meetings
4. Impact on Staff already on other EHRA Committees.
5. Would all EHRA groups be able to allow for hybrid meetings?