

**23 November 2022**

Dear Member,

The next Management Committee will be held on **Wednesday 30 November 2022 at 6PM via Zoom/in house**

Agenda Item	Lead	Time	
<b>Closed Session</b>	<b>Chair</b>	<b>5min</b>	<b>Verbal</b>
1. Welcome, <i>Sederunt</i> & Apologies	Chair	1min	Verbal
2. Jargon Buster			Information
3. Declarations of Interest.	Chair	1min	Verbal
4. Minutes of the Committee Meeting of 26 October 2022	Chair	2min	Approval
5. Matters Arising & Actions from the minutes report	Director	3min	Note
6. Management Accounts to 31 October 2022	Finance Manager	15min	Approval
7. Draft Budget 2023/24	Finance Manager	15min	Approval
8. Rent Arrears update	Housing Manger	10min	Approval
9. Policy Report <ul style="list-style-type: none"> <li>Tenant participation strategy and action plan</li> <li>Rent Management policy</li> </ul>	Housing Manager	10min	Approval
10. Complaints and Compliments Report	Housing Manager	10min	Note
11. KPI's report	Management Team	10 min	Note
12. Operational update	Management Team	10min	Note
13. AOCB	Chair		
14. Close of Meeting: 8PM Next Meeting 25 January 2023 at 6PM			



<b>JARGON BUSTER Nov - 22</b>	
<b>Terminology</b>	<b>Definition</b>
<b>Bed 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>Cyclical Maintenance</b>	<b>Cyclical maintenance</b> is work to maintain the general condition of the property and some communal fittings
<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>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 Rate</b> , 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>KPI's</b>	Key Performance Indicators
<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 (SOI)</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>Technical arrears</b>	' <b>technical arrears</b> ' – <b>arrears</b> relating to outstanding housing benefit that a landlord has <b>not</b> received



**WELLHOUSE HOUSING ASSOCIATION  
MINUTES OF THE COMMITTEE MEETING HELD  
ON 26 October 2022 AT 6PM – via Zoom**

**1. Welcome, Sederunt & Apologies**

**Present:**

Maureen Morris	Chair
Gordon Kerr	Committee Member
Darron Brown	Committee Member
Helen Lafferty	Committee Member
Jane Heppenstall	Committee Member
Michelle Harrow	Committee Member

**In Attendance:**

Martin Wilkie-McFarlane	Director
Bill Black	Assets & Maintenance Manager
Carol Hamilton	Housing & Customer Services Manager
Robert Murray	Corporate & Finance Manager
Linda Logan	Minute Taker
Leeann Brown	Observer
Fiona Cochran	Housing Officer, Observer
John Stevenson	Service Improvement Officer (Items 6 & 7 only)

**Apologies:**

Shona McKenna	Committee Member
---------------	------------------

The Chair welcomed Leeann Brown, who would observe tonight's meeting. Graeme Wetherill had been detained due to work commitments. He will attend the November meeting. Introductions were made.

**2. Jargon Buster**

Noted for information.

**3. Declarations of Interest**

There were no declarations of Interest.

**4. Minutes of the Committee Meeting of 24 August 2022**

The minutes of the committee meeting of 24 August 2022 were proposed by Darron Brown and seconded by Jane Heppenstall as an accurate record of the proceedings.

**4.a Minutes of the Committee Meeting of 1<sup>st</sup> September**

The minutes of the committee meeting of 1<sup>st</sup> September 2022 were proposed by Jane Heppenstall and seconded by Darron Brown as an accurate record of the proceedings



## 5. Matters arising from the minutes report.

The Housing and Customer Services Manager informed committee that that the Tenant Participation Strategy would be presented to committee at the November meeting. She proposed to email committee members with Equalities Training dates for December.

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

## 6. Assurance Statement & Evidence

The Director recapped that the assurance statement was an annual submission to the Scottish Housing Regulator and to provide assurance to the committee that we are meeting our regulatory requirements. He introduced John Stevenson, who would present the report.

John Stevenson affirmed that all RSL's must produce an annual assurance statement and as part of the statement, the management committee must confirm that the governing body has assurance that we comply with the SHR's published guidance. He noted an updated spreadsheet which had fully functioning linked evidence, that the Association remains compliant and meets the regulatory requirements including the standards of governance and financial management.

He stated a major change in providing assurance was the process of implementing an effective approach to the collection of equalities information and how we adopt a human rights approach to our work as outlined at 5.2. He noted that committee had recently approved our Equalities and Diversity policy and the action plan.

He emphasised that whilst going through the evidence bank no material issues of non-compliance were highlighted however it was noted that we need to improve consultation with residents beyond committee, complete planned works to fully comply with human rights and equalities, understand the continuing impact of Covid and Brexit including the current cost of living crises. In addition, we must ensure that we continue to meet our tenant's safety requirements and support tenants through these challenging times.

Jane Heppenstall sought clarification on the timescales for delivering the above improvements. John confirmed that delivery would include good planning, actions that have been received and built into the business plan and consultation with our tenants.

Michelle Harrow referred to recent guidance on ECIR's and abeyances and how we record these. She sought clarification if the Association were compliant with the recording of ECIRs and abeyances and whether there was a crossover into the assurance evidence. John confirmed that alterations had been made to the ARC return to reflect the guidance and recording of ECIRs and abeyances. He stated that guidance from the SHR was that if we felt we wanted to reflect recording of ECIRs and abeyances into the assurance statement, we could, however we had covered the position directly with the Regulator at the time of the ARC submission.

Committee discussed and the Director reflected on whether the committee would prefer that the recording of ECIRs and abeyances be within the assurance statement. Committee considered that the recording of such within the ARC and clarification directly with the Regulator provided sufficient reassurance.

The Finance Manager confirmed that the Assurance Evidence Bank would be reviewed by the Internal Auditors in January. The Director asked that those committee members who wish to volunteer to meet the internal auditors following their review email him directly with their availability.



## Resolution:

### Committee

- **Noted the regulatory framework;**
- **Noted that we were currently compliant and that we meet the regulatory requirements including the standards of governance and financial management;**
- **Approved the Assurance Statement and authorised the Chair to sign said statement;**
- **Agreed that 1-2 committee members would meet with the Internal Auditors following the internal audit in January to discuss their findings of the assurance evidence bank.**

**Michelle Harrow proposed and Gordon Kerr seconded that the Chair sign the Assurance Statement on behalf of the committee for submission to the Scottish Housing Regulator Portal no later than 31 October 2022.**

## 7. Performance Analysis 21/22

John Stevenson informed committee that as part of the Scottish Housing Network (SHN) we submit benchmarking information to the SHN submitting a report on our performance against other organisations within our peer groups as outlined within the committee report. He asked committee to note that overall satisfaction was good at 95.83% with performance being above the peer group and SHN average. 93.40% of tenants felt that we were good at keeping them informed with 94.79% satisfied with the opportunities to participate in their landlord's decision making process. He took committee through data in relation to our stock condition and repairs performance. 99.12% of our stock had a valid EPC of C or better with 95.08% of our stock meeting SHQS.

He noted that turnover of lets over the reporting period were low, as they had been in previous years. He provided an overview of offers refused and the reasons thereof as reported. Tenancy sustainment indicates that 95.83% of new tenancies sustained for more than one year.

Michelle Harrow sought clarification if repairs were carried out before or after a tenant moves into a property and if this could be a reflection on the high refusal rate on tenemental properties. The Maintenance Manager confirmed that all repairs were carried out before a tenant moves into a property.

Committee discussed at length the rate of refusals and why some properties may be less desirable than others. Darron Brown reflected that further consideration would be required at a later date on the type of housing required within the new build programme.

**Action: John Stevenson will forward the full report to committee for information and report to committee at a later date in relation to refusals data, the reasons thereof and investigate in combination with the Housing Manager, the grant funding being made available by the Scottish Government for improvements to properties if let for humanitarian reasons, as advised by Michelle Harrow.**

**Committee noted the results of Performance Analysis for 21/22.**

## 8. Allocation Policy

The Housing Manager presented the Allocations Policy for approval. She noted that final adjustments had been made resulting from the recommendations of the Equalities Assessment and action plan. The final draft had been published for consultation and discussed by the Customer Opinion Panel in October. There were no responses to the website consultation and the panel were supportive of the policy.

She asked committee to note and comment at page 14 of the policy in relation to aspirational moves. She stated to make best use of our housing stock and to keep a balanced community, where an existing tenant had expressed an interest to move from a flat to a house within Wellhouse that an aspirational move may be considered for a small percentage of applicants.. Such moves would come from existing targets and where there



was no other demand from within the transfer list. Detailed allocation procedures would be developed following approval of the policy.

Michelle Harrow agreed that providing the option of an aspirational move within the policy to be a good idea. She considered that providing a small number of moves from a transfer request list, creates a letting chain which opens up another property for let from the waiting list.

Committee discussed the allocation procedures and the percentage of homeless lets being offered.

#### **Resolution**

**Committee approved the Allocations Policy.**

**The Allocations Policy was proposed by Michelle Harrow and seconded by Darron Brown for adoption.**

#### **9. Management Account to 30 September 2022**

The Finance & Corporate Services Manager presented the report to provide committee members with a comparison of the estimated and actual financial position to 30 September 2022.

He provided a brief overview of the Statement of Comprehensive Income and variances. The budgeted surplus for the 6 months to 30 September was £307,391. The actual results for the period show a surplus of £369,908, a favourable variance for the period of £62,517.

The overall variance arises from:

Operational activities ££59,846 – favourable variance

Net interest and other activities £2,671 – favourable variance

The Finance & Corporate Services Manager provided a breakdown overspends in relation to reactive and voids maintenance which were in the main as a result increased voids for the period and the poor condition of the voids as compared to previous years. He discussed the underspend in cyclical maintenance against budget however a detailed program of works is now being worked through and it is anticipated that the underspend will be utilised in the following quarter for programmed works.

He asked committee to note that the property at Newhills Road has been let and provided an explanation of the grant energy fund of £15,00 and how it was recorded within the balance sheet.

He reported no covenant compliance issues and a gearing result of 17.88%

He noted the cash position had reduced and in a reasonably healthy position finishing the period at over £2.952M.

#### **Resolution:**

**Committee noted and approved the Management Accounts for the period to date.**

**The Management Accounts to 30 September 2022 were proposed by Michelle Harrow and seconded by Gordon Kerr.**

#### **10. Rent Arrears update.**

The Housing Manager noted that as reported at the last committee meeting the Association is in the process adopting a similar reporting method to our peers. Homemaster had updated our system which now allows us to record within our technical arrears all universal credit payments. She noted that there are still some issues with the calculation of technical arrears which Homemaster are working to resolve.



She asked committee to note concern regarding the increased in arrears bands as a result of the cost of living crisis. Officers continue to provide support to tenants.

She discussed the evictions moratorium announced by the Scottish Parliament in September which will impact on any decrees granted in respect of court proceedings. The impact of the Bill on any such order will prevent enforcement of the decree for a period of six months starting on the day in which the decree was granted. In addition to the Bill, the Sheriffs Principal introduced guidance on Sheriff court practice intended to prevent a culture of repeat hearings. She noted that Sheriffs are less likely to sist cases to allow monitoring of payment arrangements with the likely impact that some tenants' may take advantage of the situation and choose not to pay their rent or rent arrears which may result in Officers having to restart the process of recovery as well as increasing court costs.

She asked committee to note correspondence received from the Deputy Director of Better Homes at appendix 1, which had been written to landlords to provide assurance that concerns raised by the social rented sector would be considered.

She advised that since the last committee update gross tenant rent arrears had reduced by £1,372 to £27,885. During the same period net current arrears had reduced by £32,872 to £235,969.

**Committee noted the update on the arrears position.**

#### **11. Operational update.**

##### **Housing Manager.**

She advised that the consultation event which had been planned for earlier in the week with regards Estate Management had been cancelled due to concern for tenants gathering in an enclosed space following a Covid outbreak within the office.

She noted that we had been awarded £15K from the SFHA Fuel Insecurity Fund to help household experiencing fuel poverty over the winter period. Staff will help identify tenants in need of support.

The Income Advice Officer continues to support tenants by providing benefit advice and crisis support. She noted that one tenant with rent arrears over £3K had been assisted by the Income Advice Officer to challenge housing benefit decision which had resulted in the tenants receiving over £12K in backdated housing benefit.

##### **Assets & Maintenance Manager.**

The Maintenance Manager informed committee that we would be re-advertising the vacant Estate Wardens position in October/November.

Void meters are still causing an issue with need to be reset. A meeting had been arranged with Utility Aid for resets on 20 October 2022.

##### **Finance Manager.**

The Finance manager advised that an internal audit on Cyber Security had been carried out in early October with no significant issues being raised. A full report will be presented to the Audit & Risk Committee in November 2022.

**Committee noted the operational update.**



## 12. Election to Committee

The Corporate & Governance Officer presented the report confirm elected members following the 2022 Annual General Meeting and to seek nominations to elect a Vice Chair.

Darron Brown volunteered to stand for election for the position of Vice Chair. There were no further nominations.

### **Resolution:**

**Darron Brown was duly elected as Vice-Chair.**

**Committee agreed to elect Chair for the Audit & Risk and Staffing Committee at their next meeting.**

## 13. AOCB

The Director advised of requests for donations from Sandaig Primary and Cllr Kelly for a firework display being held at Glasgow Fort. He considered that given the current financial climate that we do not contribute to a fireworks display or to Sandaig Primary as it not a school within our area. Committee agreed with the recommendation. The Director will write Sandaig Primary outlining our position.

**There was no other business. Meeting closed 7:30PM**

**Next Meeting 30 November 2022 at 6PM via Zoom and in house**



**ACTIONS ARISING FROM PREVIOUS MANAGEMENT COMMITTEE MEETINGS October 2022**

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>Ongoing</b>	The Director met with Curb6 on 15 <sup>th</sup> November to discuss development opportunities which also included a site visit. The Directors operational update will provide further information at the November committee meeting.
<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>August 2021</b>					
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.
Budget 22/23	Committee discussed employee terms and conditions of employment	Director	Future Committee Meeting	<b>Open</b>	Committee agreed to remit to the Staffing Committee and this matter will be discussed in 2023.
<b>March 2022</b>					
Budget 22/23	To provide further assurance and to take account of cost instability and the rapidly changing market, the Director proposed that at the	Management Team	October	<b>Open</b>	The Finance Manager reported on the implications of a rent freeze at the October committee meeting. The reforecast budget will be presented to committee at the November meeting.



	October committee meeting a formal budget reforecast be presented for consideration				
April 2022					
There were no matters or actions arising from the April 2022 Committee meeting					
June 2022					
Rent Arrears		Housing Manager		<b>Open</b>	The Housing Manager will provide an update on the arrears position at the November committee meeting.
August 2022					
There were no matters or actions arising from the August 2022 Committee meeting					
October 2022					
Performance Analysis	The Service Improvement Officer will forward the full report to committee for information and report to committee at a later date in relation to refusals data, the reasons thereof and investigate in combination with the Housing Manager, the grant funding being made available by the Scottish Government for improvements to properties if let for humanitarian reasons	Service Improvement	October	<b>Open</b>	The Service Improvement officer will report at a later in relation to refusals data



<b>Management Committee</b>	30 November 2022
<b>Agenda Item</b>	6
<b>Title of Paper</b>	Management Accounts – 31 October 2022
<b>Author</b>	Robert Murray, Finance & Corporate Services Manager
<b>Attachment(s)</b>	1. Management Accounts (included separately on A3 paper)

## FOR INFORMATION & APPROVAL

### 1 PURPOSE

- 1.1 To provide Management Committee members with a comparison of the budget and actual financial positions to 31<sup>st</sup> October 2022

### 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 the requirement from the 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, which 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 31 October 2022 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 first seven months budget for the period which shows a projected surplus of £357,206.

## 5 MAIN ISSUES

### 5.1 Statement of Comprehensive Income (SOCI) -

The budgeted surplus (24) for the 7 months to 31st October 2022 is £357,206 however, the actual results for the period show a surplus of £4425,305. There is, therefore, a favourable variance for the period of £68,099

The overall favourable variance of £68,099 arises from-

- Operational activities £64,368– favourable variance
- Net interest and other activities £3731- favourable variance

#### Income

Rental income (1) is close to budget with a positive variance of £3179. Void losses (2) are higher than the budget figure £16,251 as opposed to £26,311. An adverse variance in net rental income of £6,881. The number of void properties is significantly higher than budgeted.

Commercial rent (3a) is showing quite an adverse variance of £4,178 from a budget figure of £30,968 This is explained, mainly due to 17-19, Newhills Road being let only for 2 months of the period. A new tenant entered on 1<sup>st</sup> September 2022 with a lower than budgeted rent for the first year.

Factoring income (3b) – adverse variance of £3,011 from a budget of £10,844. Works to properties that have factored properties is currently ongoing and recharges will be made to factored owners in the near future when all works are completed.

Stage 3 Medical Adaptations Grant Income (5a) –. adverse variance of £13,458.

A grant of £15,000 to support fuel poverty is shown under other income. The money will be distributed to those who meet the criteria and £1700 has already been paid out.

Grants released from Deferred Income (4) – the budget figure was calculated on a projected figure based on the 2021/22 outturn; however, the actual charge is based on



the final 2021/22 position. A bit more (£34,981) due to disposal of components which have now been replaced.

### Expenditure

Management & Maintenance Admin - £13,086 under-spend against budget. The following make up this favourable variance: -

- Salaries (6) (£31,020) – 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. The estate warden vacancy has recently been readvertised.
- Overheads (7) – an overspend of £17,934 against budget. The attached overheads schedule shows a more detailed analysis of all variances.

Repairs & Maintenance – an underspend of £94,959 against budget over all areas of maintenance, from a total budget of almost £604,209 for the seven months. A more detailed explanation of some of the over- and under-spends as follows: -

- Reactive maintenance (9)– an over spend of £53,691 (Budget £282,392 actual £336,083 This includes Voids maintenance overspend of £25,654 as there were more voids and the poor condition of the voids are worse than previous years.
- Cyclical maintenance (10) – Under-spend of £105,949 actual £78,712 against budget £184,661. Most works are now being carried out as planned and a detailed program of works is being worked through and it is anticipated that this underspend will be used in the following quarter with the programmed work
- Major repairs/planned renewals (11) – under-spend of £52,341- £58,317 actual against budget £110,658. The largest portion of underspend is for the modifications of the back courts (£26,250) and the external Verandas (£28,175) The work planned for the verandas is almost complete and will be reflected in the costs in the next report. Further consultation with residents and the council will be required before work on the back courts can take place.

Housing Property Depreciation (12) – adverse variance of £61,021. The budget figure was calculated on a projected figure based on the 2021/22 outturn; however, the actual charge is based on the final 2021/22 position updated to include any replacement components. Replacement components this year much lower than budget so far, also contributing to the lower depreciation charge.

Bad Debts (13) – this is actually the charge to income and expenditure, which will increase the provision rather than the actual amount of bad debts written off. 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 31 October 2022 and also the position at 31 March 2022 and the resulting movement in this financial year.

**Trust      Honesty      Integrity      Excellence      Accountability      Sustainability**



Housing Properties (18) has decreased by £244,527. Individual kitchen, bathroom and boiler replacements and windows and doors has amounted to £346,918 with depreciation of £591,446 being charged.

Cash (19) has reduced by £167,065 to £2,959,711

Payables < 1 Year (20)

- Misc. creditors have reduced by £296,461 since 31 March 2022—This is mainly due to the reduction in purchase ledger control A/C.
- Due to the new accounting treatment for pensions, we no longer show the element of pension deficit payable within one year separately.

Payables > 1 Year

- Loans (21) – have reduced by £134,295 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. The scheme is presently being revalued and the actual liability will be adjusted within the final accounts.
- Deferred income (22) – similarly, the monthly release of deferred grant to Statement of Comprehensive Income of £325,937 has reduced these balances to just over £13 million.
- Reserves (23) – has increased by just under £425k to over £8.2million, 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 outflow (deficit) of £167,069 as opposed to a surplus of £425,305 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 31 October 2022: -

- Interest cover - Target > 110%, Result = 322.76%
- Gearing - Target < 30%, Result = 17.83%



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

## 6. DISCUSSION

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

## 7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

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

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

## 8. FINANCIAL IMPLICATIONS

8.1 Any material points are noted at section 5 above.

## 9. KEY RISKS

9.1

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to provide up to date and accurate financial reports and budget monitoring would result in the Association being unaware of its actual financial position. This could lead to decisions being taken on incorrect information and could result in financial and reputational damage		
<b>Mitigation</b>	<b>Mitigation</b>	<b>Mitigation</b>
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, overall, the actual surplus position is higher than the budget surplus for the seven months to 31 October 2022.

Cash position has reduced by £167k since March 2022 and is in a reasonably healthy position finishing the period at just under £2.96million. The reduction in cash has funded the investment in the replacement windows and doors, kitchens and bathrooms

Overall, a reasonable performance for the first seven months of 2022/23 maintaining 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	2,034,614	0	2,034,614						2,034,614	2,031,435	3,179	3,482,460
(2) Less: Voids losses	(26,311)		(26,311)						(26,311)	(16,251)	(10,060)	(27,860)
(3) Commercial Rental Income				14,564			12,226		26,789	30,968	(4,178)	53,088
Factoring Income					7,833				7,833	10,844	(3,011)	18,589
(4) Grants released from Deferred Income	325,937		325,937						325,937	290,956	34,981	498,781
(5a) Other Revenue Grants	12,209		12,209						12,209	25,667	(13,458)	44,000
(5b) Other Income								16,369	16,369	0	16,369	0
	2,346,449		2,346,449	14,564	7,833	0	12,226	16,369	2,397,440	2,373,617	23,822	4,069,058
(6) Management Expenses - Staff Costs	273,891	43,613	317,504		3,259			157,481	478,244	509,264	31,020	873,024
(7) Management Expenses - Overheads	14,371		14,371	0	0		0	257,847	272,218	254,284	(17,934)	435,915
(8) Service Costs		0	0						0	0	0	0
(9) Reactive Maintenance	336,083		336,083						336,083	282,392	(53,691)	486,100
(10) Cyclical Maintenance	78,712		78,712						78,712	184,661	105,949	316,562
(11) Planned Renewals/Major Repairs	94,456		94,456						94,456	137,156	42,701	232,696
(12) Depreciation on Housing Properties	591,446		591,446						591,446	530,424	(61,021)	909,299
(13) Bad Debts	12,310		12,310						12,310	5,833	(6,477)	10,000
	1,401,269	43,613	1,444,882	0	3,259	0	0	415,328	1,863,469	1,904,015	40,546	3,263,596
Operating Surplus	945,180	(43,613)	901,567	14,564	4,573	0	12,226	(398,959)	533,971	469,603	64,368	805,462
(14) Release of Negative Goodwill	22,245		22,245						22,245	22,245	(0)	38,134
(15) Gain/Loss on Disposal of Fixed Assets	0		0						0	0	0	0
(16) Interest Receivable			0					5,100	5,100	2,188	2,913	3,750
(17) Interest Payable/Other Finance Costs	(136,010)		(136,010)						(136,010)	(136,829)	818	(234,563)
(23)	831,415	(43,613)	787,802	14,564	4,573	0	12,226	(393,859)	425,305	357,206	68,099	612,783
Actuarial Gain/(Loss) in Pension Scheme									0.00			(100,000)
(24)												512,783



## WELLHOUSE HOUSING ASSOCIATION LTD

## STATEMENT OF FINANCIAL POSITION AS AT

31 October 2022



ANNUAL BUDGET £	Ref		AS AT 31/03/2022 £	ACT YTD 31/10/2022 £	MOVEMENT £
<b>Non Current Assets</b>					
42,399,363	(18)	Housing Properties - gross cost	41,907,600	42,254,519	346,918
(15,745,304)		Depreciation	(14,599,492)	(15,190,937)	(591,446)
26,654,059			27,308,109	27,063,581	(244,527)
1,274,020		Other	1,308,792	1,291,473	(17,319)
27,928,079			28,616,901	28,355,055	(261,846)
(943,829)		<b>Negative Goodwill</b>	(991,491)	(969,246)	22,245
<b>Current Assets</b>					
125,509		Debtors	191,192	236,439	45,247
0		Inventory	0	0	0
3,030,861	(19)	Cash at Bank and in hand	3,126,775	2,959,711	(167,065)
3,156,370			3,317,967	3,196,150	(121,817)
<b>(20) Payables &lt; 1 year</b>					
(982,292)		Misc Creditors	(1,332,989)	(1,036,528)	296,461
0		Pension Deficit	0	0	0
		Deferred Capital Grants	0	0	
(265,137)		Loans	(241,503)	(241,503)	0
(1,247,429)			(1,574,492)	(1,278,031)	296,461
1,908,941		<b>Net Current Assets/ ( Liabilities )</b>	1,743,476	1,918,119	174,643
28,893,191		<b>Total Assets less current liabilities</b>	29,368,885	29,303,927	(87,203)
<b>(21) Payables &gt; 1 year</b>					
(7,072,870)		Loans	(7,428,759)	(7,294,465)	134,295
(202,373)		Pension Deficit	(116,753)	(86,720)	30,033
(7,275,243)			(7,545,513)	(7,381,185)	164,328
<b>(22) Deferred Income</b>					
(12,697,894)		Social Housing Grant	(13,342,261)	(13,030,087)	312,174
(677,237)		Non Housing Grants	(671,338)	(657,576)	13,763
(13,375,130)			(14,013,599)	(13,687,662)	325,937
<b>8,242,818</b>		<b>Net Assets</b>	<b>7,809,773</b>	<b>8,235,080</b>	<b>425,306</b>
<b>Capital and Reserves</b>					
122		Share Capital	103	100	(3)
8,242,696	(23)	Reserves	7,809,670	8,234,980	425,310
<b>8,242,818</b>			<b>7,809,773</b>	<b>8,235,080</b>	<b>425,307</b>
0			0	(0)	(0)



## STATEMENT OF CASHFLOWS

Operating Surplus	533,971	
Adjust for Depreciation and other non-cash transactions	282,827	
Adjusted Operating Surplus	816,798	
Movement in Debtors	(45,247)	
Movement in Creditors	(326,494)	
<u>Investing Activities</u>		
Purchase of Properties and Components	(346,918)	
Purchase of Other Fixed Assets	0	
Disposal of Other Fixed Assets	0	
Grants received	(0)	
	(346,918)	
<u>Financing Activities</u>		
Interest receivable	5,100	
Interest payable	(136,010)	
Loan capital repaid	(134,295)	
Share capital issued	(3)	
	(265,208)	
	(167,069)	
Movement in Cash per Balance Sheet	(167,069)	
	(0)	



**WELLHOUSE HOUSING ASSOCIATION**
**COVENANTS AS AT 31 OCTOBER 2022**


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

	Accounts	Target set by Bank	Actual	Covenant Satisfied?
<b>INTEREST COVER</b>				
Operating Surplus	533,971	Greater than 110%	322.76%	Yes
LESS:Housing Grants Amortised	(325,937)			
LESS:Pension Deficit Contribution	(30,033)			
ADD:Housing Depreciation	591,446			
LESS:Component Replacements	(346,918)			
	<b>422,528</b>			
Interest Payments	136,010			
Interest Receipts	(5,100)			
	<b>130,910</b>			

	Accounts	Target set by Bank	Actual	Covenant Satisfied?
<b>GEARING</b>				
Balance of Outstanding Loans	<b>7,535,968</b>	Less than 30%	17.83%	Yes
Historic Housing Cost	<b>42,254,519</b>			

	Accounts	Target set by Bank	Actual	Covenant Satisfied?
<b>ASSET COVER</b>				
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

## 2022/23 Budget



Overheads		Housing Management	Commercial Lettings	Factoring	The Hub Services	Corporate Services	2022/23 Budget Total	Budget Apr-Oct'22	Actual Apr-Oct'22	(Adverse) Favourable Variance
24). Advertising (Publicity & Promotions)	36,000					36,000	36,000	21,000	7,074	13,926
25). Audit Fee - External	11,900					11,900	11,900	6,942	10,304	(3,363)
Audit Fee - Internal	12,500					12,500	12,500	7,292	6,300	992
26). Bank Charges - Allpay	10,500	10,500					10,500	6,125	6,152	(27)
- General	500					500	500	292	436	(144)
27). Depreciation - Other Fixed Assets	27,349					27,349	27,349	15,954	17,319	(1,365)
28). General Expenses - Miscellaneous	2,800					2,800	2,800	1,633	716	917
- Provisions	1,900					1,900	1,900	1,108	514	594
- Staff Welfare Costs	700					700	700	408	2,027	(1,618)
- Cash Collection Costs (G4S)	600					600	600	350	0	350
Taxi	1,250					1,250	1,250	729	11	718
Health & Safety	6,000					6,000	6,000	3,500	1,740	1,760
29). General Committee Expenses	3,600					3,600	3,600	2,100	0	2,100
30). Heat & Light	12,000				4,000	8,000	12,000	7,000	19,884	(12,884)
31). Cleaning	11,000				1,500	9,500	11,000	6,417	4,766	1,651
32). Insurance - Housing Stock	43,782	39,856		3,926			43,782	25,540	24,360	1,180
- Non-Housing premiums	24,534					24,534	24,534	14,312	15,749	(1,438)
								0		
33). Office Maintenance - Repairs & Renewals	14,000					14,000	14,000	8,167	5,789	2,377
- Equip Maintenance	4,000					4,000	4,000	2,333	965	1,369
34). Office Equipment - New items	2,000					2,000	2,000	1,167	1,367	(200)
IT Maintenance Support Costs	16,500					16,500	16,500	9,625	10,704	(1,079)
IT Expenses	3,000					3,000	3,000	1,750	1,329	421
HomeMaster Annual Support	25,000					25,000	25,000	14,583	16,590	(2,007)
Disaster Recovery	3,000					3,000	3,000	1,750		1,750
35). Printing (External)	8,200					8,200	8,200	4,783	4,192	592
Printing (Internal Photocopier Charges etc)	5,000					5,000	5,000	2,917	3,233	(316)
Stationery	2,500					2,500	2,500	1,458	978	481
36). Postage	3,000					3,000	3,000	1,750	1,806	(56)
37). Rent & Rates	1,900					1,900	1,900	1,108	4,669	(3,561)
38). Seminars & Training - Staff	15,000					15,000	15,000	8,750	8,087	663
39). Seminars & Training - Committee	2,000					2,000	2,000	1,167	122	1,045
40). Staff Recruitment	5,000					5,000	5,000	2,917	2,724	192
41). Subscriptions	25,000					25,000	25,000	14,583	22,012	(7,429)
42). Telephones	8,500					8,500	8,500	4,958	6,368	(1,410)
43). Legal Fees - General	6,000					6,000	6,000	3,500	9,956	(6,456)
44). Legal Fees - Housing	20,000	20,000					20,000	11,667	14,371	(2,704)
GCC ASB Support Services	10,000	10,000					10,000	5,833		5,833
45). Professional Fees	11,000					11,000	11,000	6,417	21,434	(15,017)
Housing -Agency Fees - WR	0	0				0	0	0		0
46). Commercial Property Cost	1,000					1,000	1,000	583	0	583
47). Donation - Grant Funding Wider Role	22,000					22,000	22,000	12,833	12,833	0
Donations -Others	1,400					1,400	1,400	817	0	817
48). Tenant Participation	12,000	12,000					12,000	7,000	3,143	3,857
49). Vehicle Costs						0	0	0	0	0
50). AGM Costs	2,000					2,000	2,000	1,167	493	673
51). Wider Role						0	0	0	1	(1)
52). SFHA Fuel Funding						0	0	0	1,700	(1,700)
										0
										0
	435,915	92,356	1,000	3,926	5,500	333,133	0 435,915	254,284	272,218	(17,934)



## WELLHOUSE HOUSING ASSOCIATION LTD

MAINTENANCE BUDGET TO MARCH 2023	Total 2022/23 TOTAL	Budget Apr-Oct'22	Actual Apr-Oct'22	(Adverse) Favourable Variance
<b>CYCLICAL MAINTENANCE</b>				
ELECTRICAL TESTING	51,840	30,240	17,431	12,809
CLOSE ELECTRICAL TESTING			80	(80)
EXTERNAL PAINTING- phase 2B	15,000	8,750	0	8,750
EXTERNAL PAINTING- phase 8	0	0		
EXTERNAL PAINTING - phase 10	0	0		
GAS SERVICING	110,400	64,400	22,861	41,539
GUTTER CLEANING	90,720	52,920	27,056	25,864
GAS SAFETY AUDIT	8,970	5,233	1,974	3,259
FIRE SERVICE - 14 LANGBAR GDNS	6,210	3,623	847	2,776
FIRE SERVICE - EQUIPMENT	0	0	0	0
ASBESTOS MANAGEMENT	2,722	1,588	710	878
WATER TESTING	30,700	17,908	7,752	10,156
	<b>316,562</b>	<b>184,661</b>	<b>78,712</b>	<b>105,949</b>
<b>REACTIVE MAINTENANCE</b>				
REACTIVE MAINT	220,320	128,520	191,954	(46,046)
SCOTTISH POWER L/LSUP	29,808	17,388		
ESTATE SERVICES - Materials	34,776	20,286	8,512	11,774
ESTATE SERVICES - Van/Fuel	16,096	9,390	7,180	2,210
Close Cleaning	0	0		
VOIDS	176,200	102,783	128,437	(25,654)
Facilities Management Costs	6,900	4,025		4,025
Assume a £2,000 spend on Factored Owners properties	0	0		0
	<b>484,100</b>	<b>282,392</b>	<b>336,083</b>	<b>(53,691)</b>
<b>Stage 3 Adaptations- Ex GH A</b>	12,996	6,498	0	
<b>Stage 3 Adaptations</b>	30,000	20,000	36,138	(9,640)
	<b>42,996</b>	<b>26,498</b>	<b>36,138</b>	<b>(9,640)</b>
<b>MAJOR REPAIRS - NON-CAPITALISED</b>				
KITCHEN EXTRACTOR FANS Phase 5	6,900	4,025	102	3,923
Bathroom EXTRACTOR FANS Phase 5	6,900	4,025	0	4,025
Doors	0	0	0	0
Smoke Alarms Phase 8	20,000	11,667	28,021	(16,355)
Commercial Units - Newhills Rd R&R		0	560	(560)
External Paths	10,000	5,833	6,645	(811)
Back Courts Phase 1	45,000	26,250	0	26,250
Back Courts Phase 2A	0	0		0
External Verandas	48,300	28,175	0	28,175
Consultants Costs	25,000	14,583	12,045	2,538
Chimney Breast Reoval	27,600	16,100	10,944	5,156
	<b>189,700</b>	<b>110,658</b>	<b>58,317</b>	<b>52,341</b>
<b>MAJOR REPAIRS - CAPITALISED COMPONENTS</b>				
Kitchens Phase 5	115,000	67,083	50,352	16,731
Bathrooms Phase 3	130,000	75,833	50,207	25,626
Gas Boiler Replacements Phase 10	69,966	40,814	26,066	14,748
External Doors 2B	0	0	198,943	(198,943)
External Windows 2A	586,500	342,125	21,350	320,775
the Hub boiler replacment	0	0	0	0
the Hub poss remodeling	0	0		0
	<b>901,466</b>	<b>525,855</b>	<b>346,918</b>	<b>178,937</b>



<b>Management Committee</b>	30 November 2022
<b>Agenda Item</b>	7
<b>Title of Paper</b>	2022/23 Projected Budget
<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 and loan covenant 2) Maintenance Budget 3) Overheads

## FOR INFORMATION AND APPROVAL

### 1 PURPOSE

- 1.1 Following the internal auditors review of the budget setting process it was recommended that a review of budgets takes place mid-year and be reported to committee
- 1.2 To present the findings of the review by the senior management team of costs and the expected outcome at 31 March 2023

### 2 RECOMMENDATIONS

- 2.1 That the management Committee acknowledge the content of the report and attachments and the revised potential surplus to 31 March 2022

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

**Trust    Honesty    Integrity    Excellence    Accountability    Sustainability**



## 4 BACKGROUND

- 4.1 The management team recognises the challenges that the committee faces in being suitably informed with regards the projected financial position at 31 March 2023.
- 4.2 The process of preparing a revised budget is following best practice guidance from the internal auditors

## 5 MAIN ISSUES

- 5.1 The budget approved in March 2022 showed an anticipated surplus of £512,783
- 5.2 The reforecast budget shows a projected surplus of £427,677
- 5.3 Details of the movement between these budgets of £85,105 is discussed in more detail below split between maintenance, payroll and other overhead costs
- 5.4 With £1.1m expenditure the Maintenance budget represents the highest percentage of the expenditure. The original budget was £1m

### **Cyclical Maintenance (£306,562 revised compared to £316,562 total cost in March 2022 version)**

- The budget for External painting has been reduced from £15,000 to £5,000

### **Reactive Maintenance (£599,960 revised compared to £484,100 total cost in March 2022 budget)**

- Reactive maintenance of £265,200 in current projected budget compared to £220,320 in original and this is mainly due to increase in materials
- The level of work and the volume of voids has resulted in a projected increase from £176,200 to £249,600.
- The landlord supply provides for the lighting and has increased significantly and we have further increased our provision for this cost from £29,808 to £36,570
- Most other costs within this subgroup have remained unchanged

### **Major Repairs Non-Capitalised ( £151,400 revised compared to £189,700 in March 2022 version)**

- The back court upgrades has not progressed this year and therefore the budget has been reduced to from £45,000 to £15,000. This may enable some feasibility and consultation to take place with residents and the council as to a planned approach going forward.
- Most other costs within this category have remained as budgeted
- **In addition to the detailed maintenance budget above the Association plans to spend £789k on Major repairs/Upgrades that are considered to be of a capital nature.**



- £301,000 will be spent on kitchens. This is increasing the original planned program from 34 kitchens noted to be replaced this budget year to approx. 60 kitchens
- 65 Bathrooms are planned to be replaced at a cost of £168,000 it was originally planned for a spend of £130,000
- Saltire have provisionally confirmed costs to replace 26 boilers for £70k
- The widow and door replacements were originally budgeted for £586k but approx. £340k of this work was carried out before March 2022 and reflected in the last audited accounts

#### **5.5 Payroll Costs (£841,509 revised compared to £873,024 in March 2022 version)**

- The original budget assumed the current staffing level of 18 full time members of staff and 3 part time(1.5 FTE) but to date 1 estate wardens post has remained vacant and we have reduced the staff cost accordingly for this year only. It is anticipated this will be filled before the festive break.
- We have reduced the provision for Maternity or Adoption leave being forthcoming as we have not been aware of any member of staff that would need this cost. Provision had been made to cover statutory payments for maternity etc equivalent to 6 months' pay at the midpoint of an officer (PA22). This has reduced costs by £20,515 in the budget
- The budget has been prepared on the assumption that the EVH cost of living payment of £150 per staff member will be agreed by members. Recent communication from EVH has indicated that discussions are still ongoing with employee representatives and the unions.

#### **5.6 Management Expenses- Overheads £465,965 revised compared to £435,915 in March 2022 Version)**

This section of the budget is over several distinct expenditure groups and the detail is provided below

##### **Housing Management (£88,356 revised compared to £92,356 in March 2022 version)**

The expenses within this section of expenses covers the insurance of the properties and costs associated with chasing rents, pursuing debts and anti-social behaviour. The majority of these costs are of a fixed contract price and therefore the budget has been left unchanged. Due to COVID restrictions tenant participation events were less than planned and the reduction of £4,000 is for these costs

- Insurance of homes £39,856 (Unchanged)
- Legal Fees £20,000 (Unchanged)
- Glasgow City Council Anti-Social Behaviour team £10,000 (Unchanged)
- Tenant Participation £8,000 reduced from £12,000

##### **Commercial lettings (£3,00 revised compared to £1000 in March 2022 version)**

Due to the fact it took longer to have the lease for 17-19 Newhills Road signed we were responsible for utility costs until that time.



### **The Hub Services (£9,500 revised compared to £5,500 in March 2022 version)**

These expenses are for the sections of The Hub occupied by others who pay for the services within their rent. £8000 (previously £4,000) is allocated for Heat and Light and £1500 for cleaning which is the commercial waste uplift.

### **Corporate Services (£361,183 revised compared to £333,133 in March 2022 version)**

This section of the budget covers the expenses required to operate the organisation safely and according to regulatory authority. Below are noted the main lines where expenses have changed

Expense	Revised	Original	Difference
Advertising	£18,000	£36,000	Contract with Big partnership ended
General Expenses	£6,800	£13,250	Reduction in travel cost provision, cash collection costs and Health and Safety costs as PPE equipment for COVID no longer required
Committee Expenses	£2,000	£3600	Away day not taken place and not same level of expense claims
Heat & Light	£14,000	£8,000	Increase in energy costs
Office Maintenance	£62,000	£65,500	Slight reduction in equipment maintenance costs
Office Equipment	£3,000	£2,000	Few additional PC's required to keep equipment up to date
Printing & Stationery	£18,200	£15,700	Additional external print costs for business plan etc
Rent & Rates	£6,000	£1,900	Old historical rates not previously paid now cleared
Subscriptions	£35,000	£25,000	Additional cost for Homemaster licence & configuration
Telephone	£12,000	£8,500	Additional broadband line installed as

**Trust    Honesty    Integrity    Excellence    Accountability    Sustainability**



			contingency as all software now cloud based
Legal Fees	£14,000	£6,000	Additional costs for commercial leases
Professional Fees	£35,000	£11,000	Additional costs for configuration of Homemaster system and other consultants such as Investor in people and help with governance issues
AGM	£500	£2,000	Costs are less than budgeted

## 5.7 Bad Debts (£10,000)

A review of the first six months indicated a write of approx. £4.5k and therefore appropriate to keep this figure unchanged at £10,000

## 6. DISCUSSION

6.1 The revised budget has been prepared based on discussions with each senior manager regarding their budget lines and their expectations to 31 March 2023. These figures presented are our best estimate based on the data available at the time of preparing this report.

The figures presented included commercial income that doesn't form part of the core activities of the Association.

6.2 Remaining financially viable is not only determined by increasing income but by also cutting costs or operating more efficiently. During the year photocopier contracts, vehicle leases have been reviewed that have resulted in more efficient assets being available for the same or less cost. The waste uplift costs were also renegotiated to a lower cost. These are examples of the VFM exercise being carried out within the association.

### 6.3 Draft Budget Results

- Surplus for 2022/23 will be £427,677 compared to the original budget of £512,782
- Cash is expected to reduce by £69k compared to the original budget of £140k to leave a balance at March 2023 of £3.2m. This increase is mainly due to the capital spend of windows and door replacements being less this year than the original budget



- Lenders' covenants are now being achieved. The level required is 110% and 141.32% is being achieved

## 7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

7.1 It is also considered Good Practice for Wellhouse to regularly carry out financial viability exercises.

7.2 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 revised budget to 31 March 2023 based on our knowledge of the predicted outcomes to the year end	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 on an ongoing basis and map these against a revised budget to monitor appropriately	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 the revised budget to 31 March 2023 and is based on the best available information at the point it has been prepared



2022/23 Budget

## STATEMENT OF FINANCIAL POSITION

	Mar'22	2022/23 Movement							Mar'23	Mar'22
		1	2	3	3	4A	4B	5	6	
		Operating Activities	Non-cash Transactions	Loan Repayments	Loan Repayments	Pension Deficit	Pension Revaluation	Arrears/ Bad Debts	Replacement Components	
<b>Non Current Assets</b>										
Housing Properties - gross cost	41,497,897								788,966	41,497,897
Depreciation	(14,836,005)		(923,599)						(15,759,604)	(14,836,005)
	26,661,892								26,527,259	26,661,892
Other	1,301,369		(27,349)						1,274,020	1,301,369
	27,963,261								27,801,279	27,963,261
										0
<b>Negative Goodwill</b>	(981,963)		38,134						(943,829)	(981,963)
<b>Current Assets</b>										
Debtors	175,509		(10,000)					(40,000)	125,509	175,509
Inventory	0								0	0
Cash at Bank and in hand	3,170,876	527,677	434,033	(211,678)		(29,623)			(788,966)	3,170,876
	3,346,385								3,227,828	3,346,385
<b>Payables &lt; 1 year</b>										
Misc Creditors	(1,012,292)		(10,000)					40,000	(982,292)	(1,012,292)
Pension Deficit	0								0	0
Loans	(241,503)				(23,634)				(265,137)	(241,503)
	(1,253,795)								(1,247,429)	(1,253,795)
<b>Net Current Assets/ ( Liabilities )</b>	2,092,590								1,980,399	2,092,590
<b>Total Assets less current liabilities</b>	29,073,889								28,837,850	29,073,889
<b>Payables &gt; 1 year</b>										
Loans	(7,308,323)			211,678	23,634				(7,073,011)	(7,308,323)
Pension Deficit	(161,620)					29,623	(100,000)		(231,997)	(161,620)
	(7,469,943)								(7,305,007)	(7,469,943)
<b>Deferred Income</b>										
Social Housing Grant	(13,196,675)		498,781						(12,697,894)	(13,196,675)
Non Housing Grants	(677,237)								(677,237)	(677,237)
	(13,873,911)								(13,375,130)	(13,873,911)
<b>Net Assets</b>	<u>7,730,035</u>								<u>8,157,712</u>	<u>7,730,035</u>
<b>Capital and Reserves</b>										
Share Capital	118							4	122	118
Reserves	7,729,917	527,677					(100,000)	(4)	8,157,590	7,729,917
	<u>7,730,035</u>								<u>8,157,712</u>	<u>7,730,035</u>
	(0)								(0)	(0)



**WELLHOUSE HOUSING ASSOCIATION**

**2022/23 Budget**



**CASHFLOW STATEMENT**

**Mar'23**

Operating Surplus	721,318
Adjust for Depreciation and other non-cash transactions	452,163
Adjusted Operating Surplus	<u>1,173,481</u>

Movement in Debtors	50,000
Movement in Creditors	(59,623)

**Investing Activities**

Purchase of Properties and Components	(788,966)
Purchase of Other Fixed Assets	(0)
Grants received	<u>0</u>
	(788,966)

**Financing Activities**

Interest receivable	3,750
Interest payable	(235,524)
Loan capital repaid	(211,678)
Share capital issued	<u>4</u>
	(443,449)
	<u>(68,557)</u>

Movement in Cash per SOFP	(68,557)
---------------------------	----------

0



# WELLHOUSE HOUSING ASSOCIATION

2022/23 Budget



## COVENANTS AS AT 31 MARCH 2023

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

### Royal Bank of Scotland & Clydesdale

		Accounts	Target set by Bank	Actual	Covenant Satisfied?
INTEREST COVER					
Operating Surplus	A	721,318	Greater than 110%	141.32%	Yes
Housing Grants Amortised	B	(498,781)			
Pension Deficit Contribution	C	(29,623)			
Housing Depreciation	D	923,599			
Component Replacements	E	(788,966)			
	X	327,546			
Interest Payments	H	235,524			
Interest Receipts	J	(3,750)			
	Y	231,774			
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	7,338,148	Less than 30%	17.35%	Yes
Historic Housing Cost	B	42,286,863			
Calculation: A divided by B					



## WELLHOUSE HOUSING ASSOCIATION

## 2022/23 Budget



Overheads		Housing Management	Maintenance	Service Costs	Commercial Lettings	Factoring	Development	The Hub Services	Corporate Services	2022/23 Total		
24). Advertising (Publicity & Promotions)	18,000								18,000	18,000	0	
25). Audit Fee - External	11,900								11,900	11,900	0	
- Internal	12,500								12,500	12,500	0	
26). Bank Charges - Allpay	10,500		10,500							10,500	0	
- General	500								500	500	0	
27). Depreciation - Other Fixed Assets	27,349								27,349	27,349	0	
28). General Expenses										0	0	
General Expenses	1,800								1,800	1,800	0	
Provisions	600								600	600	0	
Staff Welfare costs	700								700	700	0	
Cash Collection costs	300								300	300	0	
Taxi	400								400	400	0	
Health & Safety	3,000								3,000	3,000	0	
										0	0	
29). General Committee Expenses	2,000								2,000	2,000	0	
30). Heat & Light	22,000							8,000	14,000	22,000	0	
31). Cleaning	11,000							1,500	9,500	11,000	0	
32). Insurance - Housing Stock	43,782	39,856				3,926				43,782	0	
- Non-Housing premiums	24,534								24,534	24,534	0	
											0	
33). Office Maintenance -										0	0	
- Repairs & Renewals	14,000								14,000	14,000	0	
- Equip Maintenance	2,000								2,000	2,000	0	
- IT Equip Maintenance & Support Fees	16,500								16,500	16,500	0	
- IT Expenses (Other)	3,000								3,000	3,000	0	
HomeMaster Annual Support	25,000								25,000	25,000	0	
Disaster Recovery	1,500								1,500	1,500	0	
Hub Costs (Remodelling)									0	0	0	
										0	0	
34). Office Equipment ( incl.new PCs)	3,000								3,000	3,000	0	
											0	
35). Printing & Stationery									0	0	0	
Printing External	8,200								8,200	8,200	0	
Printing Photocopier charges	8,000								8,000	8,000	0	
Stationery	2,000								2,000	2,000	0	
										0	0	
36). Postage	3,000								3,000	3,000	0	
37). Rent & Rates	6,000								6,000	6,000	0	
38). Seminars & Training - Staff	15,000								15,000	15,000	0	
39). Seminars & Training - Committee	2,000								2,000	2,000	0	
40). Staff Recruitment	5,000								5,000	5,000	0	
41). Subscriptions	35,000								35,000	35,000	0	
42). Telephones	12,000								12,000	12,000	0	
43). Legal Fees - General	14,000								14,000	14,000	0	
44). Legal Fees - Housing	20,000	20,000								20,000	0	
GCC ASB Support Services	10,000	10,000								10,000		
TC Young savings due to above		0								0		
45). Professional Fees	35,000								35,000	35,000	0	
Housing ~Agency Fees - WR	0	0								0	0	
46). Commercial Property Cost	3,000				3,000					3,000	0	
47). Donation -Grant funding Wider Role	22,000								22,000	22,000	0	
-Others	1,400								1,400	1,400	0	
48). Tenant Participation	8,000	8,000								8,000	0	
49). AGM Costs	500								500	500	0	
50).										0	0	
51).										0	0	
	<b>465,965</b>	<b>88,356</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>3,926</b>	<b>0</b>	<b>9,500</b>	<b>361,183</b>	<b>0</b>	<b>465,965</b>	<b>0</b>



## WELLHOUSE HOUSING ASSOCIATION LTD

## MAINTENANCE BUDGET TO MARCH 2023

	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	TOTAL			
<b>CYCLICAL MAINTENANCE</b>																
ELECTRICAL TESTING	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	4,320	51,840	40,000	51,840	allow 8% increase
EXTERNAL PAINTING- phase 2B	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	5,000	10,000	15,000	some catchup
EXTERNAL PAINTING- phase 8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EXTERNAL PAINTING - phase 10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
GAS SERVICING	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	9,200	110,400	80,000	110,400	141 Per saltire
GUTTER CLEANING	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	7,560	90,720	70,000	90,720	
GAS SAFETY AUDIT	748	748	748	748	748	748	748	748	748	748	748	748	8,970	6,500	8,970	112 Per Scotia
Asbestos Management	227	227	227	227	227	227	227	227	227	227	227	227	2,722	2,100	2,722	allow 8% increase staff & database update
Water Testing	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	2,558	30,700	15,000	30,700	some catchup remedial works
FIRE SERVICE - 14 LANGBAR GDNS	518	518	518	518	518	518	518	518	518	518	518	518	6,210	4,500	6,210	HMO
	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>26,380</b>	<b>306,562</b>	<b>228,100</b>	<b>316,562</b>	
<b>REACTIVE MAINTENANCE</b>																
REACTIVE MAINT	22,100	22,100	22,100	22,100	22,100	22,100	22,100	22,100	22,100	22,100	22,100	22,100	265,200	170,000	265,200	based on first 6 months raised by 30%
ESTATE SERVICES - Materials	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070	24,840	18,000	24,840	allow for additional bulk charges
ESTATE SERVICES - Van/Fuel	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	1,404	16,850	12,210	16,850	may save if can get new lease for van
VOIDS	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	20,800	249,600	160,000	249,600	4,992 based on first 6 months raised by 30%
SCOTTISH POWER L/LSUP	3,048	3,048	3,048	3,048	3,048	3,048	3,048	3,048	3,048	3,048	3,048	3,048	36,570	26,500	36,570	allow 22% increase
Facilities Management Costs	575	575	575	575	575	575	575	575	575	575	575	575	6,900	5,000	6,900	
Office Repairs - Hub Remodelling	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>49,997</b>	<b>599,960</b>	<b>391,710</b>	<b>599,960</b>	
<b>Stage 3 Adaptations- Ex GHA</b>																
Stage 3 Adaptations	0	2,166	0	2,166	0	2,166	0	2,166	0	2,166	0	2,166	12,996	12,996	14,945	allow 15% as high material costs
	5,000		5,000		5,000		5,000		5,000		5,000		30,000	35,000	34,500	allow 15% as high material costs
	<b>5,000</b>	<b>2,166</b>	<b>5,000</b>	<b>2,166</b>	<b>5,000</b>	<b>2,166</b>	<b>5,000</b>	<b>2,166</b>	<b>5,000</b>	<b>2,166</b>	<b>5,000</b>	<b>2,166</b>	<b>42,996</b>	<b>47,996</b>	<b>49,445</b>	
<b>MAJOR REPAIRS - NON-CAPITALISED</b>																
													0			
KITCHEN EXTRACTOR FANS Phase 5	575	575	575	575	575	575	575	575	575	575	575	575	6,900	5,000	6,900	allow 15% as high material cost
Bathroom EXTRACTOR FANS Phase 5	575	575	575	575	575	575	575	575	575	575	575	575	6,900	5,000	6,900	allow 15% as high material cost
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Smoke Alarms Phase 8	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	20,000	25,000	20,000	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Back Courts Phase 1	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	15,000	60,000	45,000	phase 1 demolition as consultation required
Back Courts Phase 2A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
External Paths	833	833	833	833	833	833	833	833	833	833	833	833	10,000	20,000	10,000	repair as required
External Verandas	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	4,025	40,000	35,000	48,300	per works being done at present
Chimney Breast Removal	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	27,600	20,000	27,600	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Consultants costs	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000	25,000	25,000	
	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>15,808</b>	<b>151,400</b>	<b>195,000</b>	<b>189,700</b>	
													189,700			
<b>MAJOR REPAIRS - CAPITALISED COMPONENTS</b>																
													0			
Kitchens Phase 5	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	25,083	301,000	301,000	301,000	8,853 doubling up on original program
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bathrooms Phase 3	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000	168,000	168,000	3,360 additional 50% from original
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Gas Boiler Replacements Phase 10	5,831	5,831	5,831	5,831	5,831	5,831	5,831	5,831	5,831	5,831	5,831	5,831	69,966	50,700	69,966	2,691 per Saltire
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
External Doors 2B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
External Windows 2A	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	250,000	225,000	250,000	per contract
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
the Hub boiler replacment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
the Hub poss remodeling	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	<b>44,914</b>	<b>65,747</b>	<b>101,513</b>	<b>65,747</b>	<b>44,914</b>	<b>65,747</b>	<b>44,914</b>	<b>55,022</b>	<b>44,914</b>	<b>65,747</b>	<b>69,525</b>	<b>65,747</b>	<b>788,966</b>	<b>744,700</b>	<b>788,966</b>	

Assume a £2,000 spend on Factored Owners properties

2,000

£1,889,883

£1,607,506 £1,944,633



<b>Management Committee</b>	30 November 2022
<b>Agenda Item</b>	8
<b>Title of Paper</b>	Rent Arrears Update
<b>Author</b>	Carol Hamilton, Housing & Customer Service Manager
<b>Attachment(s)</b>	
<b>Executive summary</b>	<p>The following information is recorded at the end of Period 7, 31<sup>st</sup> October 2022:</p> <ul style="list-style-type: none"> <li>• Gross current tenant rent arrears are £282,118 8.09% of annual income</li> <li>• Net arrears are £225,469– 6.46% of annual income</li> <li>• Former Tenant's arrears are £61,637</li> <li>• Rent collection is currently 98.8% (cumulative 7 months to end October 2022)</li> <li>• 96 tenants (12.12% of all tenants) owing £1,000+ now owe £209,597 collectively – 74.29% of current arrears and 6.01% of annual rent income.</li> <li>• 56 (7.07% of all tenants) of those owing £1,000+ are UC recipients</li> <li>• 48 tenants (6.06% of all tenants) owe £2,000+</li> <li>• The number of tenants claiming UC is 247 (31.19 % of tenants).</li> <li>• The amount of UC arrears figure is £160,799 (57% of the current arrears) or (4.61% 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 October position.
- 4.3 The charter definition of gross rent arrears is the value (to the nearest £) of current and former tenant rent arrears as at 31 March each year (year-end), prior to any arrears write-off. Rent paid in advance should not be used to offset the overall value.
- 4.4 The net rent arrear is the actual rent that should have been collected taking into account any void loss of Housing Benefit or Universal Credit payments.

## **5. MAIN ISSUES:**

- 5.1 Since the last Committee update, gross current tenant rent arrears have increased by £4,233 to £282,118 (8.09%).
- 5.2 During the same period, net current arrears have reduced by £10,500 to £225,469 (6.46%).
- 5.3 The Former Tenant Arrears have increased by £4,804 and write-offs are being presented for approval in a separate paper. 3 tenancies were ended in October with a balance of £5,031. 2 of these households were fleeing violence and the other was abandoned.
- 5.4 We are still working to resolve issues with backdated payments on Homemaster.
- 5.5 96 tenants owe more than £1,000, which is 1 less than reported at last Committee meeting, and those owing more than £2,000 have increased by 4 to 48.
- 5.6 Universal Credit (UC) is now claimed by 247 of WHA households according to the Universal Credit Portal.
- 5.7 Officers are continuing make new payment arrangements, or alter previous arrangements, as tenants are dealing with the cost of utility bills and the cost of living generally.
- 5.8 Confirmation has been given by a support group that lease one of our properties that they will clear their arrear of £2,317 in November.

## **6 Discussion**

- 6.1 Officers are continuing to monitor legal cases which were lodged in court prior to 6 September 2022. An eviction decree that was granted in October will not be enacted as the tenancy has been voluntarily ended and the debt will be pursued. We will continue to take legal action where appropriate pending the outcome of the eviction moratorium. Currently there are 18 cases in the court system.
- 6.2 2 more tenancies are entering trust deeds.

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

- 7.1 ARC report will include our performance.

## **8. FINANCIAL IMPLICATIONS**



8.1 Dealt with in the body of the report.

## **9 KEY RISKS**

9.1 Failure to robustly manage arrears is a failure to deliver on core KPI and reduces income to the Association. Mitigation – persistent and consistent application of policy and staff performance management.

9.2 Any rise in evictions may lead to reputational damage. Mitigation- use only as a last resort.

## **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>	30 November 2022
<b>Agenda Item</b>	9
<b>Title of Paper</b>	Policy Review
<b>Author</b>	Carol Hamilton, Housing and Customer Services Manager
<b>Attachment</b>	1. Tenant Participation Strategy 2. Tenant Participation Action Plan 3. Rent Management Policy

## FOR DECISION

### 1 PURPOSE

- 1.1 To provide a draft of the review of the Tenant Participation Strategy (Appendix 1), Tenant Participation Action Plan (Appendix 2), and the Rent Management Policy (Appendix 3) for approval.

### 2 RECOMMENDATIONS

- 2.1 That the Management Committee approves the Tenant Participation Strategy, Tenant Participation Action Plan, and the Rent Management Policies.

### 3 BACKGROUND

- 3.1 The draft Tenant Participation Strategy and Tenant Participation Action Plan were presented to Management Committee in August 2022, and it was agreed that consultation with service users would commence, and that the outcome would be reported back to Committee for final approval.
- 3.2 The Rent Management Policy was approved in August 2021 and has been reviewed to take account of a potential conflict of interest in terms of Committee involvement in dealing with rent arrears where a Committee Member themselves have rent arrears.

### 4 OBJECTIVES

Our policies will assist to deliver our commitment and enable staff/organisation to live up to all our strategic objectives of;

#### Our Strategic Objectives:

1. Deliver excellent services.
2. Provide good quality homes.
3. Anticipate, understand, and respond to local needs.
4. Foster an attractive, successful, and thriving community.
5. Maintain good governance and financial management.
6. Value and invest in our people



## **5. MAIN CHANGES**

- 5.1** The draft Tenant Participation Strategy and Action Plan was published on the website for consultation for 2 weeks from 2nd September and there were no responses. It was discussed in detail at the September meeting of the Customer Opinion Panel who were supportive of each draft.
- 5.2** The Scottish Tenant Participation Advisory Service was very supportive of the draft documents, which have since been reviewed in line with their minor recommendations. This included removing reference to the Next Steps Programme, which no longer exists, as well as emphasising face to face and online opportunities for participating tenants.
- 5.3** Page 9, paragraph 3, and section 9.1 of the Rent Management Policy outlines the process that will be used for dealing with Committee members with arrears related issues.

## **6 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES**

### **Regulatory Framework**

We will comply with regulatory Standards of Governance and Financial Management for RSLs as noted below:

- Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users

We will comply with the Scottish Social Housing Charter requirements relating to the provision of tenancy management services as noted below:

- Outcome 1: Equalities.
- Outcome 2: Communication.
- Outcome 3: Participation
- Outcome 4: Quality of housing
- Outcome 5: Repairs, Maintenance and Improvements
- Outcome 6: Estate Management, Anti-Social behaviour, Neighbour Nuisance and Tenancy Disputes
- Outcome 7, 8 and 9: Housing Options.
- Outcome 10: Access to Social Housing.
- Outcome 11: Tenancy Sustainment



- Outcome 13: Value for Money
- Outcome 14 and 15 Rents and Service Charges

## **7 FINANCIAL IMPLICATIONS**

There are no financial implications.

## **8 KEY RISKS**

- 8.1** Policies are not fit for purpose and become outdated.

## **9. EQUALITY AND DIVERSITY & HUMAN RIGHTS ISSUES**

- 9.1** The policies have been written with our commitment to diversity and there are no adverse implications for any identified group.

## **10. SUSTAINABILITY**

- 10.1** The report meets the Association's commitment to sustainability.

## **11. SWOT ANALYSIS**

- 11.1** Not required as no new business activity proposed

## **12. CONCLUSION**

- 12.1** The Policies has been reviewed to take account of relevant legislative changes to the Housing (Scotland) Act 2001, as amended in the Housing (Scotland) Act 2014 as well as the revised Scottish Social Housing Charter which was published on 1 November 2022.
- 12.2** It is recommended that Management Committee approves the Tenant Participation Strategy and Action Plan and the Rent Management Policy.
- 12.3** It is recommended that the Tenant Participation Strategy and Action Plan be reviewed in 12 months.





## Tenant Participation Strategy

### Strategy

# Wellhouse - The Place to Be

Strategy Created: July 2022

Date of Last Review: N/A

Date of Current Review: August 2022

Date of Next Review: August 2025

Reviewed by: Housing and Customer Services  
Manager

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



## Contents

1.	Introduction	3
2.	Aims and Objectives	3
3.	Defining Engagement and Participation	4
4.	General Principles	4
5.	Compliance with Standards	4
	5.1 Scottish Social Housing Charter	
6.	Strategic Priorities	6
7.	Participation	6
8.	Communication	7
9.	Training	7
10.	Funding and Support	7
11.	Tenant Consultation	8
12.	Review Timeframe	8
13.	General Data Protection Regulation	8

<b>Appendices</b>		
<b>Appendix 1</b>	Tenant Participation Action Plan	



## 1. Introduction

Wellhouse Housing Association has a legal duty to have in place a Tenant Participation Strategy and to consult its tenants on a range of issues.

At Wellhouse Housing Association, we believe everyone has a role to play in shaping and delivering the services we provide.

This Tenant Participation Strategy recognises this. Although we will use the terms tenant or tenants throughout this document, it is not just tenants who can have a part to play in working with us. So where appropriate the term tenant or tenants may also include Wellhouse residents or other service users, such as housing applicants or those affected by homelessness.

Tenants have the power to highlight areas for improvement, suggest solutions and help staff implement them.

Staff will work with tenants, listen to their feedback, provide information, and support and deliver on what has been agreed. This strategy sets out how we will achieve this together.

We recognise that we need to improve on our tenant engagement and participation and have committed to the Scottish Government's Next Steps Programme and will be working with the Tenant Participation Advisory Services (TPAS) Scotland and our tenants to develop and deliver on an agreed action plan.

The strategy is linked to our Tenant Participation Action Plan, that sets out an ambitious and exciting plan for the years ahead. We want:

- to strengthen the opportunities for tenants to get involved
- to continue developing the different ways tenant and landlord can communicate
- to embrace available technology to ensure that all tenants have the appropriate access to the information they need and to participate

The action plan is attached to this strategy, and it sets out these goals in more detail.

This will be continually reviewed, revised, and updated as it progresses.

## 2. Aims and Objectives

Through our tenant participation strategy, we aim to:

- build and strengthen opportunities for tenants to be actively involved in our service delivery
- develop engagement opportunities and partnership working
- foster a positive engagement ethos
- strengthen and develop communication methods

Active tenant involvement can help us to meet our objectives of:

- Understanding our tenants needs
- Improving our service standards



- Improving tenant satisfaction
- Delivering affordability and value for money

### 3. Defining Engagement and Participation

Tenant engagement and participation involves a range of processes designed to encourage tenants to become actively involved in how we deliver our services.

This can include things such as informing tenants, listening to their thoughts and ideas, seeking input from them, through to active involvement by supporting empowerment.

This strategy will set out the opportunities for tenants to be involved in our activities in a variety of ways on this spectrum.

### 4. General Principles

We want to ensure tenants have as wide a range of opportunities as possible to engage with us. This can be something simple like completing a short survey to more detailed involvement, such as being a representative on our Board. Tenants will be given the opportunity to engage, regardless of how they wish to do so and to what extent.

We want to ensure that every tenant, regardless of their health and wellbeing, receives information and guidance in a way that suits them. This includes documents, such as this strategy, being readily available in a range of formats.

We want tenants to feel connected to us, so it is vital that we begin working together to achieve our shared objectives and deliver better, more responsive services. This comes through strong communication and respect for each other.

We aim to help tenants with information and advice when they need it. In turn, we look for tenants to help us to deliver the services they need. We will provide training and support for tenants to get involved, as well as for staff, to help build an ethos of engagement throughout the Association.

We always look to learn from what we have done previously. Tenants can also learn and be involved in how we operate and help shape the standards and goals for the future.

### 5. Compliance with Standards

As a Registered Social Landlord (RSL), Wellhouse Housing Association will comply with legislation and the regulatory requirements of the Scottish Housing Regulator (SHR).

The Housing (Scotland) Act 2001 created a legal requirement for landlords to actively develop and support Tenant Participation and introduced requirements for Landlords to have a Tenant Participation strategy. The Housing (Scotland) Act 2010 introduced the Scottish Social Housing Charter (The Charter). This sets out the standards and outcomes which landlords should be delivering to all social housing tenants. It focuses landlord activity on services that are important to tenants and other customers and encourages a culture of involving tenants in the design, delivery and performance of services.

The Tenant Participation Strategy has been guided by the Scottish Government's Guide to Successful Tenant Participation (2019) and Charter requirements.



## 5.1 Scottish Social Housing Charter

The Scottish Social Housing Charter (updated March 2017) sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities.

For tenant participation there are two specific outcomes that we need to focus on:

### 2: Communication

Social landlords manage their businesses so that:

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

And

### 3: Participation

Social landlords manage their businesses so that:

- **Tenants and other customers are offered a range of opportunities that make it easy for them to participate in, and influence their landlord's decisions at a level they feel comfortable with.**

To assess us for how well we are doing with these, the Scottish Housing Regulator reviews how our tenants respond to the following two questions:

#### Indicator 2

Percentage of tenants who feel their landlord is good at keeping them informed about their services and decisions.

#### Indicator 5

Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision making processes.

The outcomes for every landlord in Scotland can be found on the SHR's website:

[National reports on the Scottish Social Housing Charter | Scottish Housing Regulator](#)

Around October each year we provide information to our tenants in our Landlord Report to Tenants on our performance against the Charter Indicators.



## 6. Strategic Priorities

The first strategic priority identified in our business plan is:

### **Consolidation and Continuous improvement**

We will focus mainly on our core activities as a social landlord and property manager. In doing this, we will seek continued improvement in our performance, invest in our tenants' homes, increase our community engagement activities, and get to know our customers' aspirations and priorities better

To achieve this, our business plan sets several strategic objectives. The most relevant to this strategy are:

1. DELIVER EXCELLENT SERVICES
2. PROVIDE QUALITY HOMES
3. ANTICIPATE, UNDERSTAND AND RESPOND TO LOCAL NEED

## 7. Participation

Wellhouse has a range of engagement opportunities for tenants to have their say:

- **Membership**

Tenants can sign up to become members of the Association. This gives them the opportunity to attend and vote at the Annual General Meetings and apply for vacant Board positions

- **Registered Tenant Organisations**

Tenants can form a registered tenant group in their area

- **Register of Interested Tenants**

Tenants can sign up to this register to be contacted for the views on issues or changes that may impact on their tenancy. This is particularly useful for those who wish to engage from home

- **Consultations**

We consult tenants and other customers on a range of issues including the annual rent increase and proposed policy changes

- **Surveys**

We use an independent company to conduct a quarterly survey of our tenants with regards the Charter satisfaction indicators. We also issue local surveys to tenants on a range of topics, including rents and repairs.

As part of this strategy and action plan, we will be looking at how we can broaden the opportunities for tenants to engage with us and provide their views to us, as well as reviewing the effectiveness of our current methods.



## 8. Communication

Here are just some of the different methods we will use to communicate with tenants:

- **Website**

Our website, [www.wellhouseha.org.uk](http://www.wellhouseha.org.uk), should contain all the information a tenant would need. In addition, it serves as a platform for updates and background information on us

- **Newsletters**

Wellhouse tenants receive a quarterly newsletter. This is a great way to receive updates and share information. Other customers can access our newsletters on our website

- **Annual Landlord Report to Tenants**

Around each October, we update our tenants on our performance against the Charter. Again, other customers can access this on our website

- **Annual Report**

Around each September, we update Association members on our organisation's performance, including our statutory accounts. These again can be accessed on our website

- **Everyday Communication**

Be it a phone call, text, email, letter, or visit - it is important that the information we share is accurate, easy to understand and delivered in a timely and helpful manner. We will use face to face and online opportunities for tenants to share their views

## 9. Training

It is important that tenants are given the guidance and support they need for them to be confident in bringing their knowledge and skills when engaging with us.

Wellhouse Housing Association will ensure that training and skills development opportunities will be available to participants.

## 10. Funding and Support

We want to ensure that there are no barriers to engagement within the Association. This includes, among others:

- Arranging transportation to meetings where necessary
- Making meeting or event venues fully accessible
- Providing hearing loops when needed
- Providing large print documents



- Providing text in different languages or formats

We have a budget specifically for developing and promoting tenant participation within the Association.

We are also taking part in the Next Steps programme to develop and improve our tenant participation. This is a free support programme funded by the Scottish Government and delivered by TPAS Scotland.

## **11. 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 strategies are working and help us to make changes that will improve it. In line with this strategy:

- We make it easy for customers to give us their comments and views - face to face, by telephone, e-mail, online 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 when we are reviewing our strategies.

## **12. Review Timeframe**

This strategy will be reviewed every three years, or sooner, in response to a change in legislation or circumstance. The attached action plan will be reviewed on an ongoing basis.

## **13. General Data Protection Regulation**

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.



# TENANT PARTICIPATION ACTION PLAN

Aim 1: To build and strengthen opportunities for tenant to be actively involved in our service delivery			
Objective	Task	Resources	Timeframe
Understanding Our Tenants Needs	Develop and promote an engagement training programme for tenants wishing to be more actively involved in our service delivery	Staff Time/ Budget	Short Term
	Engaging with tenants on surveys to agree how these are best issued, what we ask, what we learn and how we feedback	Staff Time	Short Term
	Review the process for tenants' becoming Members of the Association	Staff Time	Medium Term
Improving Our Service Standards	Utilise and develop the current Register of Interested Tenants for engagement projects	Staff Time	Short Term
	Establish a programme of Customer Scrutiny Activities	Staff Time	Long Term
	Introduce informal drop-in engagement sessions at the office	Staff Time	Short Term
Improving Tenant Satisfaction	Develop tenant engagement via text messaging	Staff Time/ IT	Short Term
	Explore and develop the opportunities to engage with tenants who sign up to portal services	Staff Time/ IT/ Budget	Medium Term
Delivering Affordability and Value For Money	Liaise with tenants on our current rent review process and implement any agreed changes	Staff Time	Medium Term
	Develop a range of digital engagement methods	Staff Time/ IT/ Budget	Ongoing



Aim 2: To develop engagement opportunities and partnership working			
Objective	Task	Resources	Timeframe
Improving Our Service Standards	Promote, encourage, and support greater tenant involvement in estate walkabouts	Staff Time	Short Term
Improving Tenant Satisfaction	Increase awareness of community initiatives around matters such as social activities and events	Staff Time	Ongoing
Delivering Affordability and Value For Money	Utilise, support, and develop local initiatives to create a range of engagement opportunities for tenants through joint working with other RSLs and EHRA	Staff Time	Medium Term
	Build a partnership of information sharing with local and national community groups and services	Staff Time	Long Term



## TENANT PARTICIPATION ACTION PLAN

### Aim 3: To foster a positive engagement ethos

Objective	Task	Resources	Timeframe
	Create, promote and maintain the use of a Tenant Engagement Calendar & Inbox through Outlook.	Staff Time/ IT	Short Term
<b>Improving Tenant Satisfaction</b>	Establish monthly Engagement & Communication Meetings within our organisation	Staff Time	Short Term
	Provide training for staff around engagement and communication	Budget/ Staff Time	Ongoing
<b>Delivering Affordability and Value For Money</b>	Encouraging and supporting use of digital engagement platforms for communicating and engaging with customers	Staff Time/ IT/ Budget	Ongoing

### • Aim 4: Strengthen and develop communication methods

Objective	Task	Resources	Timeframe
-----------	------	-----------	-----------



## TENANT PARTICIPATION ACTION PLAN

<b>Understanding Our Tenants Needs</b>	Encourage tenant role in production and content of the Association's Newsletters	Staff Time	Medium Term
<b>Improving Our Service Standards</b>	Ensure tenants handbook is kept up to date regarding our service standards so tenants know what to expect of us	Staff Time	Ongoing
	Introduce a range of service information leaflets on core services for customers	Staff Time/ Budget	Short Term
	Explore potential for a Wellhouse HA YouTube channel	Staff Time/ IT/ Budget	Long Term
<b>Improving Tenant Satisfaction</b>	Produce an annual report to all tenants on tenant engagement and communication over the past year	Staff Time/ Budget	Medium Term
	Promote good engagement and communication practices within the Association.	Staff Time	Short Term
<b>Delivering Affordability and Value For Money</b>	Developing use of digital engagement for communication, inviting tenant input into what and how information is shared	Staff Time/ IT/ Budget	Ongoing
	Introduce opportunities for tenants and staff to review the Association's communication channels	Staff Time	Long Term

NB To reflect the 3-year projected lifetime of this action plan, Short Term means by the end of the first year (March 2023), Medium Term by the end of the second year (March 2024) and Long Term by the end of the third year (March 2025).





**POLICY**

**RENT MANAGEMENT**

# Wellhouse - The Place to Be

Policy Created: August 2021
Date of Last Review: August 2021
Date of Current Review: December 2022
Date of Next Review: December 2025
Reviewed by: Housing and Customer Service Manager

We can produce this document in different formats, for instance, in larger print, Braille or audio-format; we can also translate this document into specific languages, as appropriate.



Section	Content	Pages
1.	Vision and Values	4
2.	Governance	4
3.	Policy Aims	4
4.	Equal Opportunities Statement	4
5.	Legislation	5
6.	Scottish Housing Charter	5
7.	Our Principles and Standards	6
8.	The Policy	7
9.	Monitoring and Performance	13
10.	Consultation	14
11.	Complaints	14
12.	Policy Review	15
13.	General Data Protection Regulation UK	15

#### Linked Policies/Procedures

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



## 1. Vision and Values

### Wellhouse – the Place to Be.

Our Rent Management Policy is a strategic policy in helping us deliver our vision of 'the place to be' by promoting a sustainable community, social justice and equal opportunities.

The policy is underpinned by our strategic values of Trust, Honesty, Integrity, Excellence, Accountability and Sustainability.

## 2. Governance

Wellhouse HA is a community controlled Registered Social Landlord and is managed by our Management Committee.

Our rent management policy has been approved by the Management Committee, and they will monitor its implementation, to ensure that it delivers against our strategic aims, promotes our strategic values, delivers against our agreed service standards and that outcomes are broadly in line with targets set and our equality duties.

## 3. Policy Aims

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

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

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

## 4. Equal Opportunities and Human Rights Statement

We aim to ensure that all our services provide equality of opportunity.

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.

We will promote equality and diversity throughout our rent management policy and related procedures by:



- providing accurate and clear information to tenants about their rental responsibilities, rent arrears and any other debts owed to the Association
- using interpreters for people from black and minority ethnic groups, or for disabled people, as appropriate
- responding to the different needs and service requirements of individuals (including those with protected characteristics)
- monitoring arrears services to ensure that our services are delivered without any form of discrimination, as well as promoting awareness of equal opportunity matters

## 5. Legislation

The following legislation is relevant to this policy:

- The Coronavirus (Scotland) Bill 2020
- The Housing (Scotland) Act 2014
- The Housing (Scotland) Act 2001 & 2010
- Equality Act 2010
- Data Protection Act 2018
- Human Rights Act 1998
- Welfare Reform Act 2012
- Debtors (Scotland) Act 1987
- Homelessness etc. (Scotland) Act 2003

## 6. Scottish Housing Charter

The Scottish Government's Social Housing Charter came into force in April 2012 and was reviewed in 2019 and in November 2022. The Charter sets out the standards and outcomes that Registered Social Landlords should achieve.

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

### Outcome 2 Communication

Social landlords manage their business so that:

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



## **Outcome 11 Tenancy Sustainment**

Social Landlords ensure that:

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

## **Outcome 13 Value for Money**

Social Landlords manage all aspects of their business so that:

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

## **Outcome 14 and 15: Rents and Service Charges**

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

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

## **7. Our Principles and Standards**

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

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



## 8. The Policy

### Current rent

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

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

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

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

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

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

### New Tenants

We spend time with new tenants to tell them about

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



- Signposting to local advice and support agencies that are available

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

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

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

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

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

### **Our approach to arrears**

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

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

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

- a change in personal circumstances (e.g., relationship breakdown)
- loss of income (e.g., loss of job or reduced income as a result of Covid-19)
- low household income in general and additional pressures on income
- multiple debts
- tenants having difficulty managing their finances
- where there has been a delay in benefits being processed and payment is delayed
- where people pay late
- where people do not update their standing orders and continue to pay the old rent amount
- where new customers do not pay from day one or in advance
- where customers miss a payment
- where customers consistently do not pay rent



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

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

Immediately upon identifying a Committee member with rent arrears the Housing Officer will, in addition to following Policy as for all other tenants, advise the Housing Manager of the case. The Housing Manager will, in turn, raise the case with the Association's Director who will approach the Committee Member to discuss their responsibilities should they not immediately contact the Housing Officer to deal with the arrear.

We check weekly, fortnightly, 4-weekly or monthly as required depending on the payment arrangement to ensure that the tenant is keeping to their agreement and follow up if this fails.

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

We ask our customers:

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

We ask ourselves to:

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



## Consistent non-payment of rent

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

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

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

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

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

## Taking Legal Action

We do all that we can to help the customer to put things right and to encourage all our customers to pay their rent and keep their account clear. However, because of the impact of not paying rent on all of our customers, we will take legal action.

Where we instigate legal action, by booking the case to court, against a committee member concerning their arrears, they will be required to step down as a committee member, by rule. The same general rule would apply to tenants applying to join Committee as new members. They would not be able to do so.

There are various types of action that can be considered, including a Repayment Decree, wage arrestment or a Decree for Recovery of Possession i.e., eviction. However, we always want to support our customers at every stage of the escalation process:

- We will hand deliver the customer a Notice of Proceedings, which says that we intend to take court action which will give a minimum of 28 days-notice depending on the tenancy agreement. The Notice allows us to raise an action in court at any



time over the subsequent 6 months. At the end of the six months, we may issue a new Notice if required.

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

We ask our customers:

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

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

We ask ourselves to:

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

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



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

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

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

### **Technical Arrears**

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

Similarly, there is a delay in Universal Credit Housing Element payments. However, Universal Credit is a personal payment paid monthly directly to the tenant and the onus is on the tenant to ensure payments are made on time. The landlord can request payment of the rent or arrears direct from Department of Work and Pensions under certain circumstances such as arrears on rent account, tenants who require support or at the request of tenants.

### **Former Tenant Debts**

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

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

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

Court Costs do not require further actions raised to recover the debt. The original decree granted with costs should be used to recover court costs even if the costs relate



to a tenancy that is no longer current. Staff will contact the former tenant and discuss the arrear to be paid in full or to agree a repayment plan. If the former tenant is unwilling to co-operate staff may pass the debt onto a debt recovery agency. If we do not have a forwarding address, staff will take appropriate action which may include contacting the former tenant's next of kin. Staff may also instruct tracing services through a debt recovery agency.

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

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

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

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

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

## 9. Monitoring and Performance

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



However, there is a potential conflict of interest in terms of Committee involvement in dealing with arrears related issues where a committee member themselves has rent arrears.

## **9.1 Conflicts of Interest**

The general rule to be applied in the case of existing Committee members is that if the Committee member concerned has responded immediately to notification of their arrears by paying these off in full or by entering into and maintaining an appropriate arrangement under the terms of the Association's Rent Arrears Policy then the conflict would be considered satisfactorily resolved. Otherwise, the Committee member concerned would be considered to have a conflict of interest and consequently would be required not to participate in any discussions relating to rent arrears. This would require declaring an interest in the relevant Agenda Item of any Committee Meeting. The same general rule would apply to tenants joining Committee as new members

See also Section 8 Policy for further details.

## **10. Consultation**

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

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

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

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

## **11. Complaints**

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

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



## **12. Review Timeframe**

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

## **13. General Data Protection Regulation UK**

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.



<b>Management Committee</b>	30 November 2022
<b>Agenda Item</b>	10
<b>Title of Paper</b>	Complaints and Compliments 2022/23 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 Complaints and Compliments report is produced to assist the Board's understanding and interpretation of the volume and nature of complaints handled within the organisation</li> <li>The Association has a commitment to learning from complaints</li> <li>The Association continually reviews its complaints handling</li> </ul>

## FOR INFORMATION

### 1 PURPOSE

- 1.1 This report contains information for complaints and compliments in line with the Scottish Public Services Ombudsman (SPSO) and the Association's regulatory requirements covering the period 1 July 2022 to 30 September 2022.

### 2 RECOMMENDATIONS

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

### 3 BUSINESS PLAN, VISION AND VALUES

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

### 4 COMPLAINTS

- 4.1 The Association received **3** complaints during the second Quarter of 2022/23.

#### 4.2 Stage 1 Complaints

**2** Stage 1 Complaints were received within the period 1 July 2022 to 30 September 2022. **100% (2)** of Stage 1 complaints were responded to within Quarter 2. **50% (1)** of Stage 1 complaints were handled within timescale. The average resolution time was **5.5 days against an SPSO target of 5 working days.**

For the Year to Date (YTD) our average performance is now **4.5 days** which is within the target response times.



The outcome of these complaints are as follows:

Outcome - Stage 1	Quarter 2 2022/23
Upheld	1
Partially Upheld	-
Not Upheld	1
Resolved	-
<b>Total</b>	<b>2</b>

#### 4.3 Stage 2 Complaints

1 Stage 2 complaint was received within the period 1 July 2022 to 30 September 2022. In addition, there was 1 Stage 2 complaint carried forward from Quarter 1. **50% (1)** of these Stage 2 complaints were responded to within Quarter 2. The other was not due a reply until October 2022.

The one complaint responded to within the quarter, was resolved in **18 days against an SPSO target of 20 working days.**

For the Year to Date (YTD) our average performance is now **13.5 days** which is within the target response times.

Outcome - Stage 2	Quarter 2 2022/23
Upheld	-
Partially Upheld	1
Not Upheld	-
Resolved	-
<b>Total</b>	<b>1</b>

#### 4.4 Complaint Issues

The table below details the main issues WHA received complaints about during the Quarter ending 30 September 2022:

**Trust   Honesty   Integrity   Excellence   Accountability   Sustainability**



Issues raised	Q2 2022/23	Outcome
Equalities issue	1	1 Not upheld*
Failed to attend appointment	-	-
Contractor conduct	-	-
Poor workmanship	-	-
Incomplete repair	-	-
Repairs Delay	1	1 Partially Upheld
Rechargeable Repairs	-	-
Common Repairs	1	1 Upheld
Rent Arrears	-	-
Anti-Social Behaviour	-	-
Estate Management	-	-
Estates Team	-	-
Policy/Procedure	-	-
Communication	-	-
Staff issue	-	-
Development	-	-
Not WHA Responsibility	-	-
<b>Total</b>	<b>3</b>	<b>3</b>

\*Details are provided at 10.2 below

**However**, although these are the main recorded reasons for complaints, 3 also commented on communications and 1 on monitoring of common services.

## 5 COMPLIMENTS

During the Quarter to 30 September 2022, no compliments have been recorded.

## 6 LEARNING FROM COMPLAINTS & TRENDS

### 6.1 Learning from Complaints

The main learning outcomes from the last quarter are:

- Complaints Management

Complaints are being monitored by our Service Improvement Officer and all cases have been resolved during period that could be. The one open case the 20 working days for a Stage 2 were needed to provide a detailed response, following on from an earlier Stage 1 complaint, where our explanations failed to resolve matters. The one Stage 1 that has gone over target time, was



responded to on the response date noted by system but was due the previous day.

- Repairs Management

All complaints were related to repairs issues and as noted above were related in some way to communication over repairs.

This suggests that we may wish to give consideration to producing information leaflets on our services, so that customers have a clearer idea of what to expect from us.

- Common Services were a feature of the upheld complaint, where we agreed to look at improving information on our close cleaning service on our website, circulating specifications and displaying them in common closes and improving our monitoring of these services.

## 6.2 Trends

Compared to the second quarter outcomes from last year the level of Stage 1 complaints has decreased from 4 to 2 and Stage 2 complaints decreased from 2 to 1.

Compared to last year if complaints remain on a similar pattern during this year, we are on trend for less Stage 1 and 2 complaints.

Our response time performance last year was Stage 1 3.88 days and Stage 2 12.6 days, and for the year to date are slightly greater at Stage 1 4.5 days and Stage 2 13.5 days.

As noted above, repair issues continue to form most of the complaints received.

## 7 REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

### 7.1 Standard 2

The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. In addition, its primary focus is the sustainable achievement of these priorities.

#### Guidance 2.2

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

#### Guidance 2.3

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



## 8. FINANCIAL IMPLICATIONS

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

## 9 KEY RISKS

### 9.1 *Reputational*

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

## 10 EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

- 10.1 Wellhouse Housing Association embraces the principles of empowerment, accountability, equality and diversity that are integral to human rights. Complaints and compliments are monitored for equality issues.
- 10.2 During the Quarter to 30 September 2022 one equality complaint was raised. The complainant stated that our contractors and staff were racist, following a repairs service request.

However, our investigations did not uphold the complainant's view.

The complaint arose based on a repair not being carried out, and the complainant's perception that we would not have treated others in same way.

Our contractor called to the complainant's house and carried out a reported repair. However, whilst in the property, the tenant requested that the contractor also carry out an additional repair that had not been reported. The contractor explained that tenant would need to report this to Association.

The tenant then contacted us and put in complaint and at this point we put through repair request for him. Both repairs were completed within normal timescales. The communication between staff and the tenant was also checked.

There was no evidence found to support any aspect of the complaint.

Repairs were correctly recorded and completed and both the contractor and staff's advice were in accordance with policy and procedures.



<b>Management Committee</b>	30 November 2022
<b>Agenda item</b>	11
<b>Title of Paper</b>	Quarter 2 - KPI Report April-September 2022
<b>Author</b>	Carol Hamilton, Housing and Customer Service Manager Bill Black, Assets and Maintenance Manager
<b>Attachments</b>	Appendix 1 – KPI results Quarter 2
<b>Executive Summary</b>	This KPI report is presented from the Management Team on our performance to the end of quarter 2 of 2022/23

## FOR INFORMATION

### 1 PURPOSE

- 1.1 The purpose of this report is to bring to the attention of Committee the performance in relation to Key Performance Indicators (KPI) for period April – September 2022.
- 1.2 The report and attached Appendix 1 details performance results to the end of the second quarter against targets set for 2022/23. Committee is asked to discuss with the Management Team any of the presented performance trends, consider any influencing factors and suggest appropriate responsive action.

### 2 RECOMMENDATIONS

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

### 3 BUSINESS PLAN, VISION AND VALUES

- 3.1 Key areas of performance are integral to business; we measure our success by setting targets against these objectives, ensuring that we deliver them effectively and efficiently. The six objectives are to: -
  1. Deliver excellent services.
  2. Provide good quality homes.
  3. Anticipate, understand and respond to local needs.
  4. Foster an attractive, successful and thriving community.
  5. Maintain good governance and financial management.
  6. Value and invest in our people.
- 3.2 It is also consistent with our Values of:
  - Trust, Honesty, Integrity, Excellence, Accountability, Sustainability
- 3.3 The report reflects priorities set from the 2022/23 Operational Plan.



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

#### **4. BACKGROUND and MAIN ISSUES**

- 4.1 Committee is kept updated throughout the year on key areas of the business. The Annual Return of the Charter (ARC) also provides areas of performance. The KPI targets referred to in this report and attached Appendix 1 reflect areas included in the ARC. Our own internal targets and any service standard we deem important are collated and monitored separately.

The full suite of KPIs were reviewed last year to ensure that we are reporting on relevant KPIs with proper targets in place. As well as being a working internal management document, this also appears on the website and is available for everyone to view. This now results in a more condensed version of the KPI report meaning it is less likely that important information could be overlooked.

This quarterly Committee report will still highlight areas of concern and areas of particularly good performance or improvement and will once again have the recently reviewed table of KPIs as an appendix, as this will still be the source of any information contained in this report. The Housing & Customer Services Manager and Assets & Maintenance Manager will concentrate on certain areas for discussion each quarter and may also have some attachments displaying visual content.

#### **5 DISCUSSION**

##### **5.1 Housing & Customer Services Manager- Discussion points**

Rent collected as a % of total rent due was 99.57% at end of Quarter 2. This is based on rent charges against rent collected and is impacted by technical arrears.

Gross rent arrears have reduced to 8.61% although they are still an area of concern, remaining above target.

Former Tenant arrears were 1.63% at end of Quarter 2 remaining above our 1% target.

Current Tenant rent arrears reduced to 7.97% remaining above our 7% target.

The % of tenancy offers refused are now within target at 20.83%, although relet times have increased to 68.3 days. 8 of the 19 relets were carried forward from last year and Covid restrictions and metering issues impacted on our performance.

##### **5.2 Assets & Maintenance Manager - Discussion points**

Gas Servicing remains at 100% access, but we are still experiencing a very high level of services going to 'Forced Access' which takes up a lot of staff time.

Repairs Satisfaction Rates decreased to 90.2%, but this is within target.



## 6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

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

## 7. FINANCIAL IMPLICATIONS

- 7.1 Committee are asked to note the impact of arrears and void rent losses.

## 8. KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Increasing arrears impact on our income	Financially due to lost income	
Reputational through possible failure to provide excellent services.	Problems with stock – internal and external.	
<b>Mitigation</b>	<b>Mitigation</b>	<b>Mitigation</b>
Focus placed on rent arrears and void turnaround times	Redesigning arrears reports and actions	

## 9. SWOT ANALYSIS

Not required

## 10. EQUALITY AND DIVERSITY ISSUES

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

## 11. SUSTAINABILITY

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

## 12. CONCLUSION

- 12.1 Rent arrears and void turnaround times are causing concern for this time although there has been an improvement with rent arrears since September. We will be working with HomeMaster to improve reporting for the next report.





Within target
Minor Concern
Concern

Function	Business Area	ARC QUESTION	KPI Brief Description	Annual KPI Target	Performance at End of Year 2020/21	Performance at End of Year 2021/22	Performance at end Q1 2022/23	Performance at end Q2 2022/23	Variance	Comments
Rent Management	ARC	26	Rent Collected as % of total rent due for year	100%	97.21%	101.58%	91.73%	99.57%	0.43%	Based on rent charged and rent received YTD
		27	Gross Rent Arrears as % of rent due for year	8.00%	10.86%	10.23%	8.73%	8.61%	0.61%	Although rent arrears have reduced , following increase during Covid restrictions,they remain an area of concern. This figure includes arrears written off during Quarter 1.
		18	% of Void Rent Loss	0.60%	0.29%	0.72%	0.89%	1.00%	0.40%	Void condition and metering continued to delay void works.
		22	Number of court actions which resulted in eviction	n/a	0	1	0	0		
	Performance	Current Tenants Arrears		7.00%	9.20%	8.31%	8.88%	7.97%	0.97%	Current tenant arrears decreasing
		Former Tenant Arrears %		1.00%	1.66%	1.44%	1.48%	1.63%	0.63%	Former tenant arrears increased due to Covid 19 and tenancies ending
Allocations	ARC	14	Tenancy offers refused	30%	34.09%	34.25%	28.57%	20.63%		
		17	Property that became vacant in the year	n/a	27	48	11	23		
		30	Relet time	12 days	30.57 days	30.00 days	61.90 days	68.26 days	56.26 days	Void condition and metering causing delays. 8 of the 19 lets were carried forward from last year. There were three public holidays in this period. One void was delayed due to the applicant having several hospital admissions and the property was specifically adapted for this person. Another void was delayed due to a lengthy pest control issue.
	Performance	No of lets made		n/a	24	48	10	9		
Maintenance	ARC	6	% of stock meeting SHQS	100%	98.11%	95.08%	98.74%	98.74%		We have several properties in abeyance due to access to upgrade heating or kitchens.
		8	Average time to complete EME repairs	4 hours	2.18 hours	2.24 hours	1.48 hours	1.22 hours		
		9	Average time to complete NON-EME repairs	6 days	3.48 days	4.19 days	2.40 days	2.40 days		
		10	Reactive repairs carried out completed right first time	100%	99.21%	99.78%		98.00%		
		11	How many times did you not meet your statutory obligations to complete a gas safety check within 12 months of firmment or its last check	0%	4.30%	0.30%	0.00%	0.00%		
	Performance	Average time to complete Urgent jobs		3 days	2.1 days	2.1 days		1.2 days		
Adaptations	ARC	19	The number of Households currently waiting for adaptations to their home.	n/a	4	4	3	3		
		20	The total cost of adaptations complete in year	n/a	£62,010	£50,296	£21,119	£34,128		
		21	The average time to complete adaptation	60 days	46.06 days	25.05 days	19.00 days	41.00 days		
Estate Management	ARC	15	% of ASB cases reported in the last year which were resolved	n/a	94.20%	100.00%	62.50%	88.90%		2 cases carried forward into next quarter - all 2 resolved
		22	% of court actions initiated which resulted in eviction	n/a	0	0	0	0		
Satisfaction	ARC	1	% of tenants satisfied with overall service provided by their Landlord	90%	94.1%	95.8%	86.1%	84.8%	5.20%	Satisfaction has reduced across a number of satisfaction indicators in Q2, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes linked to City Council withdrawing estate services and peoples views harding as a result of wider financial pressures.
		2	% of tenants who feel their Landlord is good at keeping them informed about their services and decisions	95%	95.1%	93.4%	90.3%	91.7%	3.3%	Satisfaction has reduced across a number of satisfaction indicators in Q2, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes linked to City Council withdrawing estate services and peoples views harding as a result of wider financial pressures.
		5	% of tenants satisfied with the opportunities given to them to participate in the landlord's decision making processes	85%	97.6%	94.8%	94.4%	93.1%		
		7	% of existing tenants satisfied with the quality of their home	80%	87.2%	84.7%	77.8%	79.2%	0.80%	Satisfaction has reduced across a number of satisfaction indicators in Q2, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes linked to City Council withdrawing estate services and peoples views harding as a result of wider financial pressures.
		12	% of tenants who have had repairs or maintenance carried out in the last 12 months satisfied with the repairs and maintenance service.	85%	87.8%	79.7%	92.1%	90.2%		
		13	% of tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in	90%	92.4%	93.1%	72.3%	72.3%	17.70%	Satisfaction has reduced across a number of satisfaction indicators in Q2, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes linked to City Council withdrawing estate services and peoples views harding as a result of wider financial pressures.
		25	% of tenants who feel that the rent for their property represents good value for money	85%	93.1%	91.7%	86.1%	82.7%	2.30%	Satisfaction has reduced across a number of satisfaction indicators in Q2, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes linked to City Council withdrawing estate services and peoples views harding as a result of wider financial pressures.
Complaints	ARC	3	The percentage of all complaints responded to in full at Stage 1	100%	86.6%	100%	100%	100%		
			The percentage of all complaints responded to in full at Stage 2	100%	100%	62.50%	50.00%	66.67%	33.33%	1 case reported in September and responded to within timescale but not during Q2
		4	The average time in working days for a full response at Stage 1	5 days	2.74 days	3.88 days	3 days	4.5 days		
			The average time in working days for a full response at Stage 2	20 days	5 days	12.60 days	9 days	13.5 days		
Communications	Service Standards		4 newsletter articles per annum	100%	100%	100%	100%	100%		
Factoring	ARC	29	% of factored owners satisfied with factoring service they receive	70%	87.5%	87.5%	87.5%	87.5%		Based on last survey - new survey commissioned for this year (2022/23)



<b>Management Committee</b>	30 November 2022
<b>Agenda Item</b>	12
<b>Title of Paper</b>	Operational Update Report
<b>Author</b>	Management Team
<b>Appendices:</b>	

## FOR INFORMATION AND DECISION

### EXECUTIVE SUMMARY:

#### 1. Director – Main Issues

##### Community Work update

- Easthall Residents' Association (ERA) will be having a *Christmas at The Hub* event on **Saturday 10<sup>th</sup> December** including a few Fun Fair Rides. They are currently assessing the site and planning a poster. We will have a Santa's Grotto and a Craft stalls for on the day.
- ERA are working on bringing a group of parents from the school into the Hub, working with Barnardo's, the Chatty Café, offering training, FREE Childcare Course, they supply the food etc, This will be during the day whilst their wee ones are at school. ERA are in communication with the school for other activities.
- Youth Clubs are building well, with a core of children/YP attending with numbers gradually growing, the advert in newsletter will hopefully add to this.
- Looking to introduce meditation classes on a Thursday evening at The Hub, currently working with the teacher, they have delivered a 6 week course in Easthall, this went down well, now looking to change the venue and offer to the Wellhouse Community too. Most likely will be a January start given the time of year.
- Finally, they are speaking with the college about some computers being re-introduced to the IT Suite, early discussions are encouraging.
- Café is open all week.

#### 2. Housing & Customer Services Manager – Main Issues

- The collection of rent arrears is still a priority, and several cases are calling in court during November and December, which is resource intensive.
- The Housing Team are focusing on the next stage of Homemaster implementation and testing the Allocations process.

**Trust    Honesty    Integrity    Excellence    Accountability    Sustainability**



- We are preparing for rent consultation which is the subject of a separate report.
- Equalities and Diversity training for Committee has been arranged for 15 December and a date for the staff training is still to be confirmed. All teams received Fire safety and awareness training on 22 November.
- A date for an evening community event is being planned and a verbal update will be provided at the Committee meeting.
- Officers are allocating 10 void properties.
- During the summer months the office closed for lunch between 1-2 pm due to shortage of staff during the holiday season and this has continued due to Covid related illnesses. The telephones have been covered by voicemail and all calls are returned when the office reopens at 2pm. This has not caused any issues and we have not received any complaints from service users. Approval is sought from Committee members to continue with this practice. We have realised some benefits including:
  1. Less wasted time as staff don't have to be office based to cover telephone calls and reception as well as taking an hour for lunch
  2. There is more availability for tenancy visits as more staff are available for noon visits or viewings for tenants or applicants who work and have requested lunchtime appointments.
  3. When there are staff shortages due to holidays or illness, the reception desk is easier to cover when closed for lunch
  4. We have noticed that staff morale and team cohesion has improved as they are able to socialise
- 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.
- The UK government continue to pay cost-of-living payments. Those receiving certain means tested benefits on the 26<sup>th</sup> of August 2022 and 25<sup>th</sup> of September 2022 will receive the second cost of living payment of £324.00 between the 8<sup>th</sup> and 23<sup>rd</sup> of November 2022. There has been an increase of £300 to Winter Fuel payments for Pensioners. All payments are automatically paid to qualifying claimants, there is no application process.
- The Scottish Child Payment will increase from £20.00 per week to £25.00 per week, per child from 14<sup>th</sup> of November and will be extended to all under 16's. The IAO expects to be very busy w/c 14.11.2022 helping tenants apply for the extra support. An article has been put in newsletter and on the website to encourage uptake. It is crucial tenants claim as early as possible as they can only be paid from the date, they submit their claim.
- We were awarded £15K from the SFHA Fuel Insecurity Fund to help households experiencing fuel insecurity over the winter period. We can assist any tenant experiencing fuel poverty, this is not limited to prepayment customers. The IAO advised we have made 49 payments to tenants experiencing fuel poverty. We have £10,100.00 funding remaining.



- Energy Suppliers warm home discount schemes are starting to open after a delay due to eligibility criteria changes. The rebate has increased from £140 to £150. The IAO has been encouraging tenants to check their eligibility with their electricity supplier and has assisted tenants to submit applications

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

- Estates warden recruitment, closing date 25<sup>th</sup> November we currently have 2 temporary wardens in due to sickness within the team.
- Adaptations we have spent or have committed £53,000 of our £55,000 allocation and have requested a further £10,000.
- Following the meeting with Utility Aid we will be trailing the service for 3 months for metering issues in voids.
- We are starting to look at several contracts but will have to look at the time lines to procure these as currently costs are very high due to inflation and post covid we will have to ensure the timing is right.

### 4. Finance & Corporate Services Manager – Main Issues

- A positive meeting with the Homemaster Customer Services director recently has helped us to discuss ways that we can have additional reports and information grids. This has helped staff to feel more confident in the use of the system and reassured that any reasonable requests for amendments will be considered.
- The first draft of the 2023/24 is a separate paper being discussed. The senior management team will continue to review the information provided and update any material changes to be considered in any future amendments.
- Staff were asked for their opinion when the salary should be paid with the majority requesting that it was paid before Christmas. A request is therefore being made for approval by Committee to enable the December salary to be paid on Thursday 22<sup>nd</sup> December 2022 rather than the normal date of 28<sup>th</sup> December 2022.
- Staff were also asked for their opinion if they would like to take Thursday 5<sup>th</sup> and Friday 6<sup>th</sup> January 2023 as additional annual leave. The majority were in favour of this proposal and approval is therefore sought from Committee to have the office closed on 5<sup>th</sup> and 6<sup>th</sup> January 2023 and reopen on Monday 9<sup>th</sup> January 2023. This would mean the office was closed from Friday 23<sup>rd</sup> December 2022 until Monday 9<sup>th</sup> January 2023.
- In September we replaced the copiers in the downstairs and upstairs. The old copiers were over 6 years and were beginning to cause issues with poor quality copies and the documents jamming. We were able to negotiate a contract for new copiers that with reduced price per click prices will be cost neutral. Staff have already noticed the enhanced features and reliability of the new copiers in helping them perform their work more efficiently.



- The Audit and Risk Committee meeting was held on Thursday 17<sup>th</sup> November and the following was discussed and the chair will present a brief update on the following matters that were discussed
1. The Internal audit report on Cyber Security and the internal audit on Maintenance
  2. The requirement for updated bank signatures
  3. The SFHA's treasury management policy document