

23 August 2023

Dear Member,

The next Management Committee will be held on **Wednesday 30 August at 6PM via Teams/in house.**

	AGENDA ITEM	LEAD	TIME	DECISION
1	Welcome, Sederunt & Apologies	Chair	1min	Verbal
2	Jargon Buster			For information
3	Declarations of interest	Chair	1min	Verbal
4	Minutes Committee Meeting of 28 June 2023	Chair	2min	Approval
5	Matters arising and actions from the minutes report	Director	3min	Note
6	Audited Accounts to 31 March 2023 & Letter of Representation	James McBride, Azets	15min	Approval
7	Management Accounts to 30 June 2023	Finance Manager	15min	Approval
8	Rent arrears Update	Housing Manager	5min	Note
9	KPI report	Housing Manager	10min	Note
10	Arrears Strategy report	Housing Manager	10min	Approval
11	Purchase stock condition software	Maintenance Manager	10min	Approval
12	Policy Reports: <ul style="list-style-type: none"> Grievance Policy Stress Management Policy Disciplinary Policy Equality & Diversity Policy (HR) Equality & Diversity Policy (Housing) 	Governance Officer & Housing Manager	5min	Approval
13	Operational update	Management Team	10min	Note
14	Election to Committee	Governance Officer	5min	Note
15	AOCB	Chair	2min	

Close of Meeting: 8PM – Next Meeting AGM 27 September 2023 at 6PM

Terminology	Definition
Bad Debts	A Bad Debt is an outstanding sum of money owed to the Housing Association that has not been paid, despite repeated efforts to collect the debt .
Covenant compliance	A loan covenant is a condition in a commercial loan that requires the borrower to fulfill certain conditions or which forbids the borrower from undertaking certain actions, or which possibly restricts certain activities. Compliance means conditions are met in full.
CPI	The Consumer Price Index (CPI) is the official measure of inflation of consumer prices of the United Kingdom
Cyclical Maintenance	Cyclical maintenance is work to maintain the general condition of the property and some communal fittings
FTA	Former Tenant Arrears
Housing Property Depreciation	Housing Property Depreciation is an accounting method of allocating the cost of the property over its useful life and is used to account for reduction in value of the property.
KPI	Key performance Indicator
LIBOR	LIBOR is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans. LIBOR , which stands for London Interbank Offered Rate, serves as a globally accepted key benchmark interest rate that indicates borrowing costs between banks
Major repairs/planned renewals	Major Repairs (Investment works) – Kitchen & bathroom renewals, central heating replacements, door entry systems etc.
Negative Goodwill	An accounting concept to acknowledge the challenges of quantifying the value of intangible fixed assets
Reactive Maintenance	Reactive Repairs. Reactive repairs or day to day repairs are funded from rental income and are defined as those repairs which are carried out on a responsive basis as the need arises and are not deferred for inclusion in planned maintenance programmes
RSL	Registered social landlord. The vast majority of Registered Social Landlords are also known as Housing associations. Housing associations are independent, not-for-profit organisations that provide homes for people in housing need.
SHAPS	Scottish Housing Association Pension Scheme
SHIP	The purpose of the Strategic Housing Investment Plan (SHIP) is to set out the priorities for investment in housing in Glasgow over the 5-year period 2019/20 to 2023/24, and outline how the Council and its partners will deliver these priorities
SHR Regulatory Framework	This Framework is the Scottish Housing Regulators Statement on Performance of Functions and sets out

	how they regulate both Registered Social Landlords (RSLs) and the housing and homelessness services provided by local authorities.
Statement of Comprehensive Income (SOCl)	A statement of comprehensive income contains two main things: the net income and other comprehensive income (OCI) . The net income is the result obtained by preparing an income statement. On the other hand, OCI consists of all the other items that are excluded from the income statement. This was previously known as the Income & Expenditure Statement
Statement of Financial Position (SOFP)	The statement of financial position. The statement lists the assets, liabilities, and equity of an organization as of the report date. This was previously known as the Balance Sheet.
UC	Universal Credit
Technical arrears	' technical arrears ' – arrears relating to outstanding housing benefit that a landlord has not received

**WELLHOUSE HOUSING ASSOCIATION
MINUTES OF THE COMMITTEE MEETING HELD
ON 28 June 2023 AT 6PM – via Teams and in house**

1. Welcome, Sederunt & Apologies

Present:

Maureen Morris	Chair
Darron Brown	Vice Chair
Gordon Kerr	Committee Member
Helen Lafferty	Committee Member

In Attendance:

Martin Wilkie-McFarlane	Director
Bill Black	Assets & Maintenance Manager
James Wilson	Housing & Customer Services Manager
Robert Murray	Finance & Corporate Services Manager
Linda Logan	Minutes

Apologies:

Anna Dukova	Casual Member
Jane Heppenstall	Committee Member
Michelle Harrow	Committee Member
Leeann Brown	Co-optee

2. Jargon Buster

Noted for information.

3. Declarations of Interest

There were no declarations of Interest.

4. Minutes of the Committee Meeting of 24 May 2023

The minutes of the committee meeting of 24 May 2023 were proposed by Gordon Kerr and seconded by Maureen Morris as an accurate record of the proceedings.

5. Matters arising from the minutes report.

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

6. Loan Portfolio Return.

The report was presented to provide committee with details of the Annual Loan Portfolio Return to be submitted to the Scottish Housing Regulator. There were no concerns regarding any aspect of the Return.

The Finance Manager highlighted that approximately 17% of all housing stock was not granted as security for loans and compliance, which remains unencumbered. Total loan debt at March 2023 was £7.421.4M and

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around 86% of loan debt is on a fixed rate basis, which complies with the treasury management policy. There were no issues in terms of covenant compliance. He drew committee's attention to appendix 1 of the report and invited comments. There were none.

Resolution

Committee approved the submission of the Annual Load Portfolio Return to the Scottish Housing Regulator.

Darron Brown proposed and Maureen Morris seconded submission of the Annual Loan Portfolio Return.

7. GDPR.

The Finance Manager presented the report to provide the committee with an update on GDPR and any breaches that have occurred as at appendix 1 of the report.

The Committee noted the details of the register and any lessons learned.

8. Information Commissioners Office

The Finance Manager presented the report to provide the statistics on the Freedom of Information requests made during the year 22-23. The report benchmarked the requests received by Wellhouse Housing Association against other members of EHRA for the year 1 April 2022 to 31 March 2023. During the year 6 FOISA requests and 1 EIR were responded to. We had the highest number of requests of all EHRA members.

Committee noted the details of the quarterly returns submitted to the Scottish Information Commissioner.

9. Disability Committed Employer

The Finance Manager presented the report highlighting Wellhouse Housings' commitment to the Disability Confident Scheme. He noted that due to lockdown the progression of the scheme requirements were not within timescales and therefore registration of the scheme was withdrawn. We have now registered on the scheme at level 1. He outlined the 5 key commitments of the scheme and actions required in relation to where vacancies are advertised and providing work experience to disabled people. An update on progress will be brought to the committee annually.

Committee noted the details of the Scheme and the timescales of progression through the levels.

10. Rent Arrears Report

The report was presented to update the committee on the rent arrears position. Since the last committee update gross current rent arrears have decreased by £1,683. During the same period net current arrears decreased by £13,464. Former tenant arrears increased by £1,643. Housing Officers continue to make new payment arrangements or alter previous arrangements to assist tenants who are dealing with the cost of utility bills and the cost of living. The collection rate was 94.3%.

He provided an overview of the rent arrears performance charts. 60% of tenants in rent arrears have arrangements in place. 51% of tenants have arrears under £1,000, 25% have arrears between £1 – 2,000 and 24% of tenants have arrears of over £2,000.

The committee noted the rent arrears position.

11. Complaints and Compliment Report.

The Housing Manager presented information for complaints and compliments in line with the Scottish Public Services Ombudsman (SPSO) and the Association's regulatory requirements covering the period 1 January 2023 to 31 March 2023. We received 1 stage 1 complaint within the period 1 January 2023 and 31 March 2023. The resolution time was 5 days against the SPSO target of 5 working days. 1 stage 2 complaints were received within the quarter with a resolution time of 9 days against the SPSO target of 20 working day.

The Housing Manager noted that compared to last years outcomes, stage 1 complaints decreased from 30 cases during the year to 11 cases this year. In the last year 18 stage 2 complaints were received with 3 being carried forward to this year. This year 6 new complaints were received and the 3 carried forward had been responded to.

Committee noted the update on our complaints and compliments position.

12. Policy Review Report

Committee were provided with the reviewed Contractors in Liquidation, Defects and Acquisition, Protocol for entering into settlement agreements, Smoke Free and the new Disciplinary policy for less the 2 years service for consideration and approval. The policies will be reviewed 3 – 5 yearly with the amendments being made as appropriate and communicated to all staff and relevant stakeholders.

Resolution:

Committee approved the reviewed Contractors in Liquidation, Defects and Acquisition Policies approval. The policies will be reviewed 3 yearly.

Committee approves the new Draft Disciplinary policy for less than two service and the reviewed Protocol for entering into settlement agreements and the Smoke Free policies. The policies will be reviewed 3 – 5 yearly.

Darron Brown proposed and Helen Lafferty seconded the aforementioned policies.

13 Operational Update

Director:

EVH:

The Director noted that committee had been considering cancelling full membership of EVH as discussed at previous staffing committee meeting in 2022. He highlighted that if we were not a full member we would

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need to negotiate every year on salary increase and that staff would lose continuity of conditions of service if they changed jobs. Committee had agreed in principle to remain members at the May committee meeting. He recommended that we remain full members as it would save significant time negotiating salaries and other Terms and Condition for an organisation of our size. He sought comments from the committee.

Gordon Kerr concurred with the Director. He advised that his organisation were not members of EVH and negotiations were complex and time consuming.

Resolution:

Committee agreed to remain full members of EVH.

Maureen Morris proposed and Darron Brown seconded the proposal to remain full members of EVH.

Regulation of Social Housing.

The Director advised that the SHR was conducting a review of regulation of social housing. He will respond on behalf of the Association. Committee noted the discussion paper and agreed to email the Director with any specific comments.

Investors in People awards 2023.

The Director advised that the Association had been initially shortlisted in the top 20 UK Employer of the Year Silver in the liP 2023 award. We did not apply to be shortlisted. We have been invited to submit a supporting statement by 1 September 2023 which will enable liP to determine if Wellhouse HA will reach the final shortlist. The Director will complete the statement on behalf of the committee.

Committee noted the Cost of living (tenant protection Scotland Act 2023). The Director will keep committee updated.

e-learning portal.

The Corporate and Governance Officer will advise when new committee emails addresses are active and when all members have been registered on the e-learning portal.

Housing Manager:**HomeMaster.**

The Housing Manager advised that the first HomeMaster user group meeting had taken place on Tuesday to share best practices and issues arising with HomeMaster.

Insurance:

He sought approval to share information received from ECH Facilities with regards contents insurance in the upcoming newsletter, general correspondence and at sign up of new tenants. He noted that few of our tenants have contents insurance which leaves tenants in a vulnerable position when damage is done.

Committee agreed to the option being made available to our tenants.

Rent & Debt Management.

The new arrears procedure will be implemented from 1st July 2023. Committee will be updated on results at the August committee meeting.

Factoring Service.

The Housing Manager noted that the review of the factoring service was progressing well. A further internal meeting is scheduled, and thereafter looking to begin consultation with owners. The Factory Policy and Factoring Debt Policy is due for review and will be presented to committee once the above changes have been implemented.

Welfare Advice update

Committee noted the increase in pension age tenants accessing the service to claim benefits such as attendance allowance and pension credit.

Allocations and Voids.

He advised that the property which had fire damage has now been repaired and back with the tenants since 16th June 2023. We are dealing with our insurance company to recover costs for damages.

Maintenance Manager:

Saltire are currently completing the surveys for boiler replacements.

Sheils Construction have withdrawn their labour with no notice to us. We have obtained the services of S & D Maintenance for joinery works.

The Maintenance Manager advised that we have started reviewing our EPCs to work out potential costs. A budget against each property will be implemented depending on its failure range from reach a B from the EPC information we have.

Finance Manager:

The Finance Manager advised that meeting had taken place with our lenders and a third potential lender (CAF Bank) regarding funding options for future development. Further specifics will be provided on their rates and reported to committee at a future meeting.

The Finance & Corporates Services Assistant vacancy has now been filled. He welcomed Stephne Moir to the team.

Our IT provider has completed setting up Wellhouse email addresses and a dedicated file space for the committee to access. Appropriate training will be provided to the committee. We are currently sourcing entry level laptops for committee use.

He noted that the HomeMaster system enables purchase invoices to be authorised using the system. Any spend above £15,000 is required to be approved by a committee members. He noted that training is required for committee members who would be willing to review and authorise invoices.

He noted that Fraud training has taken place on 1st June 2023. A recording of the session was made on teams was available for members to access should they wish to do so.

14. AOCB

AGM planning/venue.

The Corporate & Governance Officer sought committee's preference on the format and venue for this year's AGM. It was agreed that the AGM will be convened in the Hub Café and be an in-house event. Easthall Residents will be asked to cater the event.

There was no other business. Meeting closed 7:40PM

Next Meeting 30 August 2023 at 6PM via Teams and in house

ACTIONS ARISING FROM PREVIOUS MANAGEMENT COMMITTEE MEETINGS June 2023

MINUTE REFERENCE	ACTION	OWNER	DUE BY	STATUS OPEN/ CLOSED	PROGRESS
August 2021					
Factoring Policy	Review of Factoring Policy and Factoring Process	Management Team	October 23	Open	The management team continue to review the factoring service and current charges. An improved welcome pack is being implemented. Another meeting was scheduled for 20/6/23. The Housing Manager hopes to have the Factoring policy completed by the end of August as per feedback to the Auditors and will present to the October committee meeting.
June 2022					
Rent Arrears		Housing Manager		Open	The Housing Manager will provide an update on the arrears position at the August committee meeting.
January 2023					
Rent Consultation update	The Director discussed and it was agreed that a report be brought to committee in the future to explore a hardship fund and a benchmarking exercise completed.	Housing Manager	January 24	Open	The Housing Manager will speak to FOI and with the Income & Advice Officer with regard the benchmarking exercise which will be brought to the January 2024 committee meeting.
23/24 budget assumptions		Finance Manager and Management Team	Future Committee meeting	Open	Actions required: <ul style="list-style-type: none"> A formal re-forecasting budget will be brought to the committee later in the year.

					<ul style="list-style-type: none"> The Business Plan approved last year will be reviewed and a different model and scenario planning will be considered. A formal budget reforecast will be brought to the October Committee meeting.
May 2023					
7. 30 year financial projections including (FYFP)		Finance & Maintenance Managers	August 2023	Open	A report will be presented committee in the next couple of months to focus on alternative heading systems, the challenges, maintenance and running costs, in particular for our tenants, whats happening within the sector and up to date information from the Government relating to fund and our advisors such as the SFHA.
June 2023					
There were no matters or actions arising from the June committee meeting					

Management Committee	30 th August 2023
Agenda Item	6
Title of Paper	2022/23 Draft Annual Statutory Accounts
Author	Robert Murray, Finance & Corporate Services Manager
Attachment(s)	1. Draft Annual Statutory Accounts 2. Auditors Management Report 3. Letter of representation 4. Scottish Housing Regulator (SHR) Annual Financial Statements (AFS)

FOR APPROVAL

1 PURPOSE

- 1.1 To consider and approve the annual financial statements for the year 2022/23.
- 1.2 To consider the management letter received from the external auditors.
- 1.3 To agree the response from the Association to the management letter/report.
- 1.4 To approve the letter of representation to be sent from the Association to the external auditors.
- 1.5 To consider the AFS On-line Submission.

2 RECOMMENDATIONS

- 2.1 That the Management Committee considers and approves the annual financial statements for the year to 31 March 2023.
- 2.2 That the Management Committee considers and discusses the Audit Management Letter/Report from the external auditors in respect of their audit of financial statements to 31 March 2023.
- 2.3 That the Management Committee agrees the Association's response to the Audit Management Letter/Report.
- 2.4 That the Management Committee agrees the contents of Letter of Representation, signed version of which to be issued to the external auditors.
- 2.5 That the Finance Manager should proceed to submit the AFS On-line Return to SHR once the Financial Statements have been approved.
- 2.6 That the Finance & Corporate Services Manager submits the FCA Annual Return by the specified deadline of 30 September 2023 once the Financial Statements have been approved.

3 BUSINESS PLAN, VISION AND VALUES

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

4 BACKGROUND

4.1 Annual Accounts

- 4.1.1 Draft annual accounts for the year to 31 March 2023 are attached for consideration and review. The opportunity to make changes, where appropriate, remains.
- 4.1.2 The financial statements have been audited by Azets Audit Services, and in their opinion the statements:-
- give a true and fair view of the Associations affairs at 31 March 2023 and of its income and expenditure for the year ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator
- 4.1.3 The figures are consistent with the information presented to Azets Audit Services by the finance team at the commencement of the audit. There were after discussions a few adjustments required to figures on the face of the Accounts, together with some presentational changes.

4.2 Audit Management Report

- 4.2.1 On an annual basis the external auditors are required to issue a formal report to the Management Committee on their findings from the audit carried out - including conclusions, areas of risk and any significant audit and accounting matters. This information is provided to SHR as a matter of course together with the formal reply to the report by the Management Committee. Details of the draft report are attached and can be discussed in full at Management Committee meeting.
- 4.2.2 A representative from Azets Audit Services shall be in attendance at the meeting to review the contents of the accounts and discuss audit findings with Committee. The

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Finance & Corporate Services Manager will also be in attendance at the Management Committee meeting.

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

4.3 Letter of Representation

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

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

4.4 Scottish Housing Regulator AFS On-line Return

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

4.5 Financial Conduct Authority Annual Return

- 4.5.1 There is a statutory requirement for Wellhouse to complete and submit the Annual Returns to FCA by 30 September 2023 and it is attached.

5 MAIN ISSUES

5.1 Draft Statutory Accounts

The Report of the Management Committee starts on page 1 and covers 9 pages. This is quite detailed and reports on core values, strategic objectives, review of business, future developments, principal risks, KPI's and internal financial controls. This report is followed by the Report of the Independent Auditor, which covers scope of the audit, conclusions on Going Concern, responsibilities of Management Committee and Auditors, and their opinion of the financial statements. The financial statements, as such, and all accompanying notes are on pages 16 to 45.

Main Points from the Accounts

- Turnover for the year is £4,132,107 increasing from £3,986,547 in 2021/22.
- Operating expenditure for the year is £3,507,489 which is an increase from the previous year of over £177,613.
- Surplus for the year is £433,595 compared to a surplus for 2021/22 of £475,404.
- Other Comprehensive Income includes an actuarial loss of £87,000 in respect of the multi-employer DB Pension Scheme in the Accounts. This compares with an actuarial gain in the previous year of £120,000.

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- Surplus after including Other Comprehensive Income is £346,595. This is down from £595,404 in 2021/22, a reduction of £248,809 from the previous year.
- Housing properties has decreased to £26,653,696 reflecting replacement components of £671,465, disposals of £238,718 and depreciation of £953,082.
- Housing properties depreciated cost is £26,653,696.
- Cash balance has reduced by £5,591 to £3,121,185 at year-end.
- Net assets at 31 March 2023 are £8,138,274 increasing from £7,791,700, reflecting the total comprehensive income for the year of £346,595.

The annual surplus for the year of £346,595 is £300,709 lower than the figure reported in the management accounts to 31 March 2023. The main changes are as follows: -

- £87,000 – Actuarial loss in respect of multi-employer DB Pension Scheme.
- £175,120 – Increase to property depreciation.

The budget for the year indicated a surplus of £514,783, therefore, an adverse variance of around £168,188.

Turnover has increased from 2021/22 by just over £145,560 The rent increase of 3.8% accounted for £127,545, together increase in revenue grants accounted for most of this increase. The revenue grants were funding that was redistributed to meet community need for food and fuel poverty.

Operating costs have increased by around £193,734 since 2021/22. The charge to SOCI for bad debts provision accounts for an increase of £97,175. Staffing costs have increased by around £9,836, and these have been offset by a reduction in other administration costs of £101,549.

Interest payable has increased by £8,733, mainly due to the changes in the Bank of Interest Base rate during the year.

There was no development in 2022/23, however, cost properties increased due to investing £671,465 in replacement components. Disposals of components and depreciation of over £1.19 million means that the figure in the Statement of Financial Position for Housing Properties has fallen by £520,335.

Cash has reduced by £5,591 to just over £3.12 million. This is due operational surpluses offsetting the spend on component replacements.

Debtors – increased from £196,033 to £300,552 this in part is an increase in tenant arrears and insurance settlements that were still outstanding.

Creditors: Amounts falling due in less than one year has increased by £51,755. This is due to the trade creditors and accruals figures reducing significantly and other creditors reducing.

Creditors: Amounts falling due in more than one year has reduced by £755,696 This is due to the release of Deferred Capital Grants £505,199 and loan capital repayments of £250,497.

Cumulative Revenue Reserves and Net Assets are now sitting around £8.14 million, increasing from £7.8 million.

5.2 Audit Management Report

The Audit Management Report identifies 9 audit adjustments, which were made to Accounts after being presented for Audit. These adjustments had an effect on the bottom line and the main adjustment was the treatment of the SHAPS Past Service deficit. These adjustments have been made and are included in the draft statutory accounts within this report.

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

During the course of the audit of the financial statements, Azets examined the principal internal controls, which are in place to ensure accuracy of accounting records and to safeguard the Association's assets. They have identified one observation and this is considered to be moderate risk exposure. This is a similar observation as was included in last year's report and, therefore, the observation still remains. Processes had been put in place to address the inaccuracy of invoice entry and the level of checks before authorisation had reduced this to almost zero. Due to sickness and absence within the department the November ledger had been closed off and reported to committee when it became known that 2 invoices for November were not included and they were therefore entered as 1st December rather than the November invoice date. We are confident that the measures currently being adopted will reduce this to zero for future audits.

6. DISCUSSION

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

7. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 7.1 There is a regulatory requirement for Wellhouse to submit the approved and signed financial statements together with the management letter and the management response to the management report to SHR by 30 September 2023 in accordance with SHR guidance. There is also a regulatory requirement for Wellhouse to submit an online Return to SHR detailing the figures within the accounts by 30 September 2023.
- 7.2 There is a statutory requirement for Wellhouse to prepare and have audited financial statements for the year ended 31 March 2023 completed by 30 September 2023. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).
- 7.3 Covenant compliance - Lenders, in line with the loan agreements, require signed copies of the year end accounts information by 30 September 2023.

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

8. FINANCIAL IMPLICATIONS

- 8.1 Not applicable.

9. KEY RISKS

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

10. EQUALITY, DIVERSITY AND HUMAN RIGHTS IMPLICATIONS

- 10.1 None apparent.

11. SUSTAINABILITY

- 11.1 Not applicable.

12. SWOT ANALYSIS

- 12.1 Not required.

13. CONCLUSION

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

WELLHOUSE HOUSING ASSOCIATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

WELLHOUSE HOUSING ASSOCIATION LIMITED**MANAGEMENT COMMITTEE, EXECUTIVE OFFICERS AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023****MANAGEMENT COMMITTEE**

Maureen Morris	Chair
Darron Brown	Vice-Chair
Michelle Harrow	Committee Member
Jane Heppenstall	Committee Member
Gordon Kerr	Committee Member (appointed 28 April 2022)
Helen Lafferty	Committee Member (appointed 28 April 2022)
Leeann Brown	Co-optee (appointed 26 October 2022)
Anna Dukova	Casual Member (appointed 28 February 2023)
Graeme Wetherill	Committee Member (appointed 26 October 2022, resigned 24 May 2023)
Shona McKenna	Committee Member (resigned 18 January 2023)
Clare Monteith	Committee Member (resigned 21 September 2022)
Sarah Morris	Committee Member (resigned 21 September 2022)
Carol Torrie	Committee Member (resigned 13 July 2022)

EXECUTIVE OFFICERS

Martin Wilkie-McFarlane	Director & Secretary
James Wilson	Housing & Customer Services Manager (appointed 5 January 2023)
Robert Murray	Finance & Corporate Services Manager
William Black	Assets & Maintenance Manager & Interim Director (1 July 2022 – 30 September 2022)
Carol Hamilton	Housing & Customer Services Manager (retired 31 December 2022)

REGISTERED OFFICE

The Hub
49 Wellhouse Crescent
Glasgow
G33 4LA

EXTERNAL AUDITOR

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

INTERNAL AUDITOR

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

BANKERS

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

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

WELLHOUSE HOUSING ASSOCIATION LIMITED

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Registration information

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

The Management Committee presents its report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2023.

Legal Status

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

Strategic Report**Business Profile**

Wellhouse Housing Association (referred to as “Wellhouse” or “WHA”) is an independent social business that operates exclusively in the Wellhouse area of Easterhouse. We are a not-for-profit organisation, meaning that we reinvest any surpluses we make for the benefit of our customers instead of distributing them to shareholders.

WHA has the following statutory registrations:

- Office of the Scottish Charity Regulator: Registered Scottish Charity
- Scottish Housing Regulator: Registered Social Landlord
- Financial Conduct Authority: Registered Community Benefit Society
- Scottish Government: Registered Property Factor

The following graphic gives an **at a glance overview** of some of the main features of our business:

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023****Community based housing association, registered in 1994**

Governed by volunteer Management Committee

Owner and manager of all social rented homes in Wellhouse

Provider of comprehensive housing, estate and asset management services

85.12% tenant satisfaction rating with WHA's overall service (ARC 2022/23)

Easthall Residents Association is Community anchor organisation for Wellhouse

15 office-based staff and 4 estate management staff

Stable and capable workforce and governing body

WHA now owns and manages 794 homes, all located in Wellhouse

Also factor for 54 properties and owner of a small portfolio of 3 commercial properties

Average weekly rent for 3 apartment £80.85 in 22/23 (Scottish average £84.18)

Rent increase 3.0% for 22/23

3 new build projects under consideration, potential to provide circa 150 homes in the next 3 to 5 years

WHA is a significant business

Our turnover in 2022/23 was £4.17m

Our operating expenditure costs were £3.55m

20% of turnover was spent on staffing costs

Our net surplus was 10% of annual turnover in 22/23

The net book value of our housing stock was £26.7m

We had £7.4m of bank loans to be repaid in the long term (at 31 March 2023)

We had cash at bank of £3.1m at 31 March 2023

Principal Activities

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

Our Vision

Our vision is:

Wellhouse – the Place to Be

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

Our Values

As a charity and a community-based housing association working to deliver social benefits, our drive our behaviours and the work that we do. Our values are:



Our Strategic Objectives

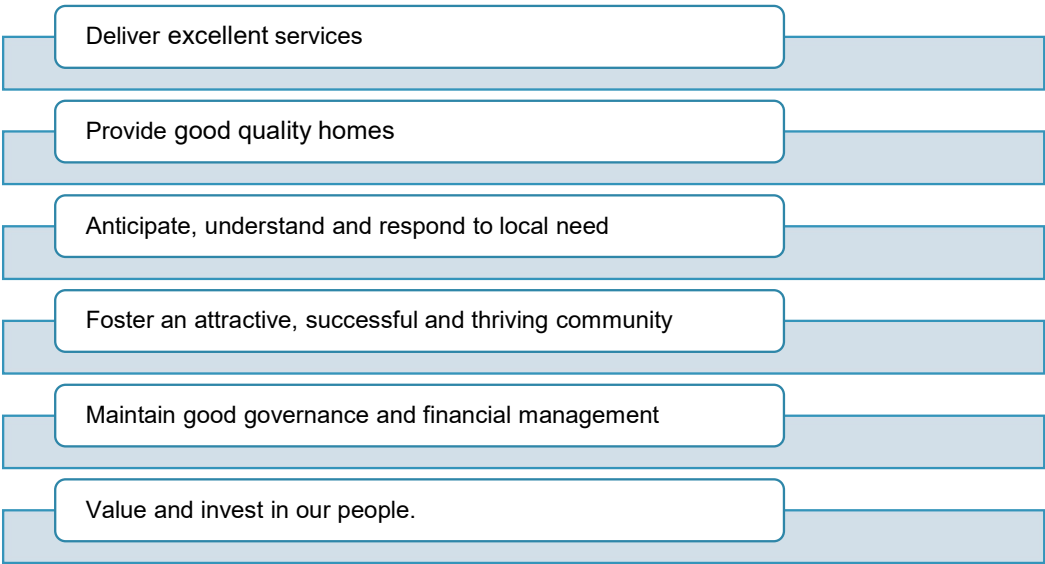
Our strategic objectives are the overarching aims we have set for the next three years, in particular the impact we want to make as a housing provider, as a partner in supporting the Wellhouse community, and in the management of our organisation.

All of the activities described in the Business Plan flow from our strategic objectives, which are set out in this Chapter and then referenced throughout the Business Plan as we describe the priorities the Management Committee has set.

WELLHOUSE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023

Wellhouse’s six strategic objectives



Our Strategic Direction

Review of Business 2022/23

1. Regulatory Engagement

- We continue to work with the Scottish Housing Regulator (SHR) in a positive and constructive manner. We submitted an assurance statement in October 2022 and all other regulatory returns timeously;
- Wellhouse is **compliant** with regulatory requirements, including the standards for governance and financial management.

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023****Review of Business 2022/23 (cont'd)****2. Governance**

The Management Committee:

- Held 11 committee meetings in the year and our AGM;
- Scheduled 19 days of internal audit days in 2022/23 conducted by Wylie Bisset, reviewing the following subjects –New Finance & Housing management System, Maintenance, Gas Safety, Factoring and Cyber Security;
- Conducted a 8th consecutive year of committee appraisals and are acting upon continuous improvement and our approved succession planning policy;
- Reaffirmed our approach to equalities & diversity, extending it to embrace human rights and promoted this to tenants, applicants, staff and stakeholders. We are working with the regulator and membership bodies to ensure we get this right and appointed a consultant in partnership with Blairtummock HA to review our work and applied learning accordingly; and
- Submitted our returns timeously and accurately to the SHR, OSCR and the FCA.

3. Strategic Update**3.1 Wellhouse Housing Association Executive Management: -**

- Switched the service to a hybrid service delivery model, allowing continuity of service delivery and a better life/ work balance for staff going forward;
- Make significant progress, in partnership with Glasgow City Council and Scottish Water, with our plans in relation to flood mitigation and environmental work in order to prepare for development work;
- Commissioned Curb6 (Link Housing Group) as our new Development Agent and established two design teams to take forward our plans for new housing;
- Updated valuations on the Balado Road and St John Ogilvie site are due by the end of Q2 23/24;
- Focused on operations and core business;
- Completed a further programme of policy reviews;
- Published all committee minutes and reports;
- Reported on our performance to tenants;
- Relet the vacant shop unit at 17-19 Newhills Rd;
- Worked with Glasgow City Council on matters such as refuse collection; fly tipping; litter and dog fouling; and
- Were recredited as a Silver Investors In People employer in Q3 of 22/23.

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023****Review of Business 2022/23 (cont'd)****3.2 In 2023/24, our plans include -**

- The continual improvement in community activities provided by our partner, Easthall Residents Association;
- Making an offer for both the St John Ogilvie Site & Balado Road Primary School Site and opening negotiations accordingly, subject to a full financial and risk assessment;
- Providing significant investment in back court and bin area upgrades;
- Consult widely with tenants;
- Establish a fully refreshed factoring service;
- Explore options around estate management and bulk refuse in particular;
- Work with Scottish Water to provide environmental improvements;
- Carry out a tender process for reactive repairs; and
- Establishing a full community benefit programme for all contracts and tenders and consulting with residents accordingly.

Key performance indicators as reported in 2022/23 Annual Return on the Charter

KPI Brief Description	KPI Target	2022/23 Actual (ARC)
Rent Collected as % of total rent due for year	100%	98.33%
Gross Rent Arrears as % of rent due for year (Current & Former Tenants)	8%	9,06%
% of Void Rent Loss	0.60%	1.07%
Average time to complete EME repairs	4 hours	1.45
Average time to complete NON-EME repairs	6 days	hours
Reactive repairs carried out completed right first time	100%	2.51 days

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023****Management Committee and Executive Officers**

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

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

Statement of the Management Committee's Responsibilities

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- Prepare a statement on internal financial control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

The Management Committee is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023****Statement on Internal Financial Control**

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2023 and until the date these financial statements have been signed. No weaknesses were found in the internal financial control which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2023**

Donations

During the year the Association made charitable donations of £22,000 (2022: £24,843).

Auditor

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

Disclosure of information to the auditor

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

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

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

By order of the Management Committee

Maureen Morris

Chair

Dated: 30 August 2023

WELLHOUSE HOUSING ASSOCIATION LIMITED**REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF WELLHOUSE HOUSING
ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL
FOR THE YEAR ENDED 31 MARCH 2023**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 8 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

**Azets Audit Services
Statutory Auditor**

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Opinion**

We have audited the financial statements of Wellhouse Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Other information (continued)**

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 7 the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023****Auditor's responsibilities for the audit of the financial statements (continued)**

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

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

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

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

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

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

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLHOUSE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Use of our report

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

**Azets Audit Services
Statutory Auditor**

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date:

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	4	4,132,107	3,986,547
Operating expenditure	4	(3,507,489)	(3,329,876)
Operating surplus	4	624,618	656,671
Release of negative goodwill	15	38,134	38,134
Interest receivable and other income	10	11,376	2,399
Interest and financing costs	11	(240,533)	(231,800)
Revaluation gain on investment properties	13	-	10,000
		(191,023)	(181,267)
Surplus before tax		433,595	475,404
Taxation	12	-	-
Surplus for the year		433,595	475,404
Other comprehensive income			
Actuarial (loss)/gain in respect of pension scheme	24	(87,000)	120,000
Total comprehensive income for the Year		346,595	595,404

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee on 30 August 2023 and signed on their behalf by:

Maureen Morris

Chair

Darron Brown

Vice-Chair

Martin Wilkie-McFarlane

Secretary

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital £	Revenue Reserve £	Total Reserve £
Balance at 1 April 2022	99	7,791,601	7,791,700
Total comprehensive income for the year	-	346,595	346,595
Issue of shares	7	-	7
Cancellation of shares	(28)	-	(28)
Balance at 31 March 2023	<u>78</u>	<u>8,138,196</u>	<u>8,138,274</u>

STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital £	Revenue Reserve £	Total Reserve £
Balance at 1 April 2021	103	7,196,197	7,196,300
Total comprehensive income for the year	-	595,404	595,404
Cancellation of shares	(4)	-	(4)
Balance at 31 March 2022	<u>99</u>	<u>7,791,601</u>	<u>7,791,700</u>

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Tangible fixed assets					
Housing properties – depreciated cost	13(a)		26,653,696		27,174,031
Other fixed assets	13(b)		1,295,274		1,321,878
			<u>27,948,970</u>		<u>28,495,909</u>
Negative goodwill	15		(953,357)		(991,491)
			<u>26,995,613</u>		<u>27,504,418</u>
Current assets					
Debtors	16	300,552		196,033	
Cash and cash equivalents	17	3,121,185		3,126,776	
			<u>3,421,737</u>	<u>3,322,809</u>	
Creditors: amounts falling due within one year	18	(1,518,615)		(1,570,370)	
Net current assets			<u>1,903,122</u>		<u>1,752,439</u>
Total assets less current liabilities			<u>28,898,735</u>		<u>29,256,857</u>
Creditors: amounts falling due after more than one year	19		(20,709,461)		(21,465,157)
Pension defined benefit liability	24		(51,000)		-
Net assets			<u>8,138,274</u>		<u>7,791,700</u>
Capital and reserve					
Share capital	21		78		99
Revenue reserve	22		8,138,196		7,791,601
			<u>8,138,274</u>		<u>7,791,700</u>

The financial statements were approved by the Management Committee on 30 August 2023 and signed on their behalf by:

Maureen Morris

Chair

Darron Brown

Vice-Chair

Martin Wilkie-McFarlane

Secretary

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Net cash generated from operating Activities	28		1,179,843		1,525,999
Cash flow from investing activities					
Purchase of components for housing properties		(671,465)		(798,938)	
Purchase of other fixed assets		-		-	
Purchase of housing units		-		-	
Government Capital grants received		-		-	
Interest received		10,823		2,399	
Net Cash outflow from investing activities			(660,642)		(796,539)
Cash flow from Financing Activities					
Interest paid on loans		(240,533)		(228,553)	
Loan principal repayments		(248,819)		(244,771)	
Share capital issued		7		-	
SHAPs past service deficit payment (net of expenses)		(35,447)		(59,247)	
Net cash outflow from financing			(524,792)		(532,571)
Net change in cash and cash equivalents			(5,591)		196,889
Cash and cash equivalents at 1 April	17		3,126,776		2,929,887
Cash and cash equivalents at 31 March	17		3,121,185		3,126,776

(i) Analysis of changes in net debt

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash and cash equivalents				
Cash	3,126,776	(5,591)	-	3,121,185
	3,126,776	(5,591)	-	3,121,185
Borrowings				
Debt due within one year	(241,503)	248,819	(250,497)	(243,181)
Debt due after one year	(7,428,760)	-	250,497	(7,178,263)
	(7,670,263)	248,819	-	(7,421,444)
Total	(4,543,487)	243,228	-	(4,300,259)

The notes form part of these financial statements.

WELLHOUSE HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****1. General information**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Association's transactions are denominated. They comprise the financial statements of the Association drawn up for the year ended 31 March 2023. These financial statements comprise the results of the Association only.

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

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

The Association's Scottish Charity number is SC036552.

2. Principal accounting policies**Basis of accounting**

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

The effect of events relating to the year ended 31 March 2023, which occurred before the date of approval of the financial statements by the Management Committee have been included in the financial statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2023 and of the results for the year ended on that date.

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

The principal accounting policies are set out below.

Going concern

The Association has generated a healthy surplus in the year under review and is forecasting to continue to generate healthy surpluses in the future. The Association has healthy cash reserves and a strong net assets position with an ongoing investment program for replacing windows, doors, bathrooms and kitchens included within the long term forecasts. The Management Committee has therefore adopted the going concern basis in preparing the financial statements. This conclusion has been arrived at after considering the current inflationary pressures to the Association's operations and financial performance.

Turnover

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

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****2. Principal accounting policies (cont'd)****Apportionment of management expenses**

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

Government capital grants

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

Government revenue grants

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

Non-government capital and revenue grants

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

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

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

Interest receivable

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

Interest and financing costs

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**2. Principal accounting policies (cont'd)****Valuation of housing properties**

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

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

Depreciation and impairment of other fixed assets

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

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

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

Capitalisation de-minimus

There is a de-minimus limit in place of £1,000 in respect of the capitalisation of other fixed assets.

Works to existing properties

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

Capitalisation of development overheads

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

WELLHOUSE HOUSING ASSOCIATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****2. Principal accounting policies (cont'd)****Development interest**

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

Commercial properties

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

Leases/leased assets

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

Negative goodwill

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

Debtors

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

Rental arrears

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

Cash and cash equivalents

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

Creditors

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

Loans

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**2. Principal accounting policies (cont'd)****Financial instruments**

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

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

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

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

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

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

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

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

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

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

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**3. Judgements in applying policies and key sources of uncertainty**

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

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

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

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

Estimate

Useful lives of property, plant and equipment

The main components of housing properties and their useful lives

Recoverable amount of rental and other trade receivables

The obligations under the SHAPS pension scheme

The valuation of the commercial properties

Basis of estimation

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

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

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

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

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

4. Particulars of turnover, operating expenditure and operating surplus

	Notes	Turnover £	Operating Expenditure £	2023 Operating surplus £	Turnover £	Operating Expenditure £	2022 Operating surplus £
Affordable lettings	5	4,068,430	(3,473,880)	594,550	3,929,799	(3,280,146)	649,653
Other activities	6	63,677	(33,609)	30,068	56,748	(49,730)	7,018
Total		4,132,107	(3,507,489)	624,618	3,986,547	(3,329,876)	656,671

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Particulars of turnover and operating expenditure from social letting activities

	General Needs Housing £	2023 Total £	2022 Total £
Income from lettings			
Rent receivable net of identifiable service charges	3,484,598	3,484,598	3,359,474
Service charges receivable	-	-	-
Gross rents receivable	3,484,598	3,484,598	3,359,474
Less: Rent losses from voids	(40,565)	(40,565)	(28,609)
Net rents receivable	3,444,033	3,444,033	3,330,865
Release of deferred government capital grants	525,630	525,630	548,637
Other revenue grants	98,767	98,767	50,297
Total income from affordable letting activities	4,068,430	4,068,430	3,929,799
Expenditure on affordable letting activities			
Service costs	-	-	-
Management and maintenance administration costs	1,271,612	1,271,612	1,363,325
Reactive maintenance costs	627,982	627,982	473,433
Bad debts – rents and service charges	70,483	70,483	(26,692)
Planned and cyclical maintenance	174,545	174,545	187,515
Major repairs	82,587	82,587	85,166
Stage 3 repairs	54,871	54,871	48,623
Depreciation of social housing	1,191,800	1,191,800	1,148,776
Operating expenditure for affordable letting activities	3,473,880	3,473,880	3,280,146
Operating surplus on letting activities, 2023	594,550	594,550	
<i>Operating surplus on letting activities, 2022</i>	<i>649,653</i>		<i>649,653</i>

Included in depreciation of affordable housing is £92,943 (2022: £116,254) in respect of the loss on disposal of components.

There is no supporting housing accommodation or shared ownership accommodation.

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Particulars of turnover, operating expenditure and operating (deficit)/surplus from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting People income £	Other income £	Total Turnover £	Operating expenditure - bad debts £	Other operating expenditure £	2023 Operating surplus/ (deficit) £	2022 Operating surplus/ (deficit) £
Wider role activities	-	-	-	-	-	-	(53,793)	(53,793)	(24,843)
Factoring	-	-	-	13,427	13,427	-	-	13,427	13,449
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Agency / management services	-	-	-	-	-	-	-	-	-
Commercial properties rental income & hub income	-	-	-	48,803	48,803	36,879	(12,480)	73,202	31,084
Tenant participation costs	-	-	-	-	-	-	(4,215)	(4,215)	(12,676)
Re-chargeable repair bad debts	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	1,447	1,447	-	-	1,447	4
Total from other activities 2023	-	-	-	63,677	63,677	36,879	(70,488)	30,068	
<i>Total from other activities 2022</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>56,748</i>	<i>56,748</i>	<i>-</i>	<i>(49,730)</i>		<i>7,018</i>

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. Directors' emoluments

The directors are defined as the members of the Management Committee, the Director and any other person reporting directly to the Director or the Management Committee. No emoluments were paid to any member of the Management Committee during the year (2022: £nil). The Association considers key management personnel to be the Management Committee and the senior management team of the Association only.

	2023 £	2022 £
Emoluments payable to the Director (excluding pension contributions)	55,442	70,435
Pension contributions in respect of the Director	5,499	7,044
In 2022/23, the Director took a three-month unpaid sabbatical in line with Wellhouse HA's approved HR policies.		
Total emoluments paid to key management personnel	194,628	209,122
Employer NI in respect of key management personnel	23,659	23,977
Pension contributions payments in respect of key management personnel	15,677	16,075
	233,964	249,174

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

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

	2023 Number	2022 Number
£60,001 to £70,000	-	-
£70,001 to £80,000	-	1

8. Employee information

	2023 Number	2022 Number
The average number of full-time equivalent persons employed during the year was:	19	20
The average total number of employees employed during the year was	19	21
Staff costs were:		
	2023 £	2022 £
Wages and salaries	692,370	686,802
Society security costs	69,842	65,516
Other pension costs	64,835	64,893
	827,047	817,211

8. Employee information (cont'd)**Year ended 31 March 2023**

During the year, past service deficit contributions of £37,366 (2022: £61,162) were paid. Of this payment, £35,447 (2022: £59,247) was a payment in respect of the SHAPS past service deficit liability. The remainder of £1,919 (2022: £1,915) was pension management costs which have been included in the pension contributions total included in staff costs above.

9. Operating surplus

	2023 £	2022 £
Surplus before tax is stated after charging:		
Depreciation - Tangible Fixed Assets	1,125,460	1,059,125
- Loss on disposed components	92,943	116,254
Auditor's Remuneration - Audit services (exc VAT)	12,000	11,500
- Other services (exc VAT)	4,138	5,500
Internal Auditor's fees (exc VAT)	9,450	4,950
Operating lease rentals – other	21,589	9,491
	<u>21,589</u>	<u>9,491</u>

10. Interest receivable and other income

	2023 £	2022 £
Bank interest	10,823	2,399
Defined benefit pension liability – interest income (Note 24)	553	-
	<u>11,376</u>	<u>2,399</u>

11. Interest and financing costs

	2023 £	2022 £
Defined benefit pension liability – interest charge (Note 24)	-	3,247
On bank loans and overdrafts	240,533	228,553
	<u>240,533</u>	<u>231,800</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Tax on surplus on ordinary activities

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities (2022: £nil). No tax is due on the Association's other activities due to the losses incurred (2022: £nil tax due).

13. Tangible fixed assets	Housing properties held for letting	Housing properties under construction	Total
(a) Housing properties			
Cost	£	£	£
At 1 April 2022	41,459,731	80,530	41,540,261
Additions - properties	-	-	-
Additions - components	671,465	-	671,465
Disposals - properties	-	-	-
Disposals - components	(238,718)	-	(238,718)
At 31 March 2023	41,892,478	80,530	41,973,008
Depreciation			
At 1 April 2022	14,366,230	-	14,366,230
Charge for year	1,098,857	-	1,098,857
On disposals – properties	-	-	-
On disposals - components	(145,775)	-	(145,775)
At 31 March 2023	15,319,312	-	15,319,312
Net Book Value			
At 31 March 2023	26,573,166	80,530	26,653,696
At 31 March 2022	27,093,501	80,530	27,174,031

Additions to housing properties include capitalised development administration costs of £Nil (2022: £nil) and capitalised interest of £Nil (2022: £nil).

Included in freehold housing properties is land with a historic cost allocation of £2,708,922 (2022: £2,708,922).

All land and properties are freehold.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible fixed assets

(b) Other fixed assets	Commercial properties	Office premises (leasehold)	Office furniture & equipment	Total
Cost	£	£	£	£
As at 1 April 2022	350,000	1,408,547	184,796	1,943,343
Additions	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
As at 31 March 2023	350,000	1,408,547	184,796	1,943,343
Aggregate Depreciation				
As at 1 April 2022	-	436,669	184,796	621,465
Charge for year	-	26,604	-	26,604
Depreciation on disposals	-	-	-	-
As at 31 March 2023	-	463,273	184,796	648,069
Net Book Value				
At 31 March 2023	350,000	945,274	-	1,295,274
At 31 March 2022	350,000	971,878	-	1,321,878

The commercial properties (4 shop units) were revalued by Jones Lang La Salle, Chartered Surveyors, at 25 July 2022 on a market value basis. The Management Committee consider this to be the fair value at 31 March 2023.

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

14. Housing stock

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

General Needs	- New build	342	342
	- Rehabilitation	452	452
		794	794

15. Negative goodwill

Gross	2023	2022
	£	£
	1,449,101	1,449,101
Amortisation		
As at 1 April	(457,610)	(419,476)
Released during the year	(38,134)	(38,134)
	(495,744)	(457,610)
Net position at 31 March	953,357	991,491

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. Debtors	2023 £	2022 £
Arrears of rent and service charges	403,055	327,736
Less: Provision for doubtful debts	(297,099)	(247,396)
	<u>105,956</u>	<u>80,340</u>
Other debtors	194,596	115,693
	<u>300,552</u>	<u>196,033</u>
All amounts shown under debtors fall due for payment within one year.		
17. Cash and cash equivalents	2023 £	2022 £
Cash at bank and in hand	<u>3,121,185</u>	<u>3,126,776</u>
18. Creditors: amounts falling due within one year	2023 £	2022 £
Bank loans (note 19)	243,181	241,503
Trade creditors	353,781	397,952
Rent in advance	184,636	134,517
Other taxation and social security	18,752	19,452
Other creditors	113,468	146,940
Accruals	79,167	83,945
Deferred capital grant (note 20)	525,630	546,061
	<u>1,518,615</u>	<u>1,570,370</u>

At the year-end other creditors included outstanding pension contributions of £8,818 (2022: £13,131).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Creditors: amounts falling due after more than one year	2023 £	2022 £
Bank loans	7,178,263	7,428,760
Deferred capital grants (note 20)	13,531,198	14,036,397
	<u>20,709,461</u>	<u>21,465,157</u>

Bank loans are secured by specific charges on the Association's properties. The net book value of housing properties secured at the year-end was £21,988,124 (2022: £22,422,433). The loans are repayable at rates of interest of between 1.12% to 4.4% in instalments, due as follows:

Amounts due within one year	243,181	241,503
Amounts due between one and two years	245,015	236,699
Amounts due between two and five years	757,609	719,660
Amounts due in more than five years	6,175,639	6,472,401
	<u>7,421,444</u>	<u>7,670,263</u>
Less: amount shown in current liabilities	(243,181)	(241,503)
	<u>7,178,263</u>	<u>7,428,760</u>

20. Deferred capital grants	2023 £	2022 £
Balance at 1 April	14,582,458	15,131,095
Grants received in year	-	-
Released to income in year – components disposed	-	(2,577)
Released to income in year – Housing properties	(502,102)	(522,532)
Released to income in year – Other fixed assets (office)	(23,528)	(23,528)
	<u>14,056,828</u>	<u>14,582,458</u>
Balance at 31 March	14,056,828	14,582,458
Split as follows:		
Amounts due within one year	525,630	546,061
Amounts due between one and two years	525,630	546,061
Amounts due between two and five years	1,576,891	1,638,182
Amounts due in more than five years	11,428,677	11,852,154
	<u>14,056,828</u>	<u>14,582,458</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Share capital	2023	2022
	£	£
Shares of £1 each issued and fully paid		
At 1 April	99	103
Shares issued in year	7	-
Shares cancelled in year	(28)	(4)
	<hr/>	<hr/>
At 31 March	78	99
	<hr/>	<hr/>

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

22. Revenue reserve

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

23. Related party transactions

Three Committee members and two members who resigned during the year (2022: *four*) are tenants of the Association. Those members that are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage. The total rent charged in the year relating to tenant Management Committee members is £12,780 (2022: £17,411). The total rent arrears relating to tenant Management Committee members is £60 (2022: £2,545). The total prepaid rent relating to tenant Management Committee members is £314 (2022: £254).

WELLHOUSE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**24. Retirement benefit obligations****General**

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

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

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

Defined benefit scheme

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

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

Final Salary with a 1/60th Accrual Rate Scheme

There was an annual employer past service deficit contribution of £35,447 (net of expenses) made in the year ended 31 March 2023 (2022 - £59,247).

As at the Statement of Financial Position date there are no active members (2022: *nil*) of the defined benefit scheme employed by Wellhouse Housing Association Limited. The last remaining member transferred to the defined contribution scheme during the year to 31 March 2019. Wellhouse Housing Association Limited no longer offers membership to the defined benefit scheme with all existing and new staff offered the defined contribution scheme.

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

24. Retirement benefit obligations (cont'd)**General (cont'd)**

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

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

	31 March 2023 £'000	<i>31 March 2022 £'000</i>
Fair value of plan assets	1,169	<i>1,804</i>
Present value of defined benefit obligation	(1,220)	<i>(1,804)</i>
Defined benefit liability to be recognised	(51)	<i>-</i>

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2023 £'000	<i>Year ended 31 March 2022 £'000</i>
Defined benefit obligation at start of period	(1,804)	<i>(1,906)</i>
Current service cost	-	<i>-</i>
Expenses	(2)	<i>(2)</i>
Interest expense	(50)	<i>(41)</i>
Actuarial gains/(losses) due to scheme experience	21	<i>(39)</i>
Actuarial gains/(losses) due to changes in demographic assumptions	27	<i>(6)</i>
Actuarial gains due to changes in financial assumptions	557	<i>160</i>
Benefits paid and expenses	31	<i>30</i>
Defined benefit liability at the end of the period	(1,220)	<i>(1,804)</i>

24. Retirement benefit obligations (cont'd)

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

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Fair value of plan assets at start of the period	1,804	1,730
Interest income	51	38
Experience on plan assets (excluding amounts included in interest income) - gain	(692)	5
Contributions by the employer	37	61
Benefits paid and expenses	(31)	(30)
Fair value of plan assets at end of period	1,169	1,804

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Current service cost	-	-
Admin expenses	2	2
Net interest (income)/expense	(1)	3
Defined benefit costs recognised in Statement of Comprehensive Income	1	5

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Retirement benefit obligations (cont'd)

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) – (loss)/gain	(692)	5
Experience gains and losses arising on the plan liabilities – gain/(loss)	21	(39)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation gain/(losses)	27	(6)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	557	160
Total amount recognised in Other Comprehensive Income – actuarial (loss)/gain	(87)	120

Fund allocation for employer's calculated share of assets

	31 March 2023 £'000	31 March 2022 £'000
Absolute Return	16	83
Alternative Risk Premia	7	75
Cash	5	-
Corporate Bond Fund	2	115
Credit Relative Value	45	58
Currency Hedging	2	(8)
Distressed Opportunities	36	65
Emerging Markets Debt	9	68
Global Equity	31	359
High Yield	6	18
Infrastructure	126	113
Insurance-Linked Securities	32	38
Liability Driven Investment	494	440
Long Lease Property	39	52
Net Current Assets	3	-
Over 15 Year Gilts	-	1
Private Debt	52	46
Property	49	47
Risk Sharing	85	59
Secured Income	78	97
Liquid Credit	-	12
Opportunistic Credit	-	6
Opportunistic Illiquid Credit	52	60
Total Assets	1,169	1,804

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Retirement benefit obligations (cont'd)

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

Assumptions as at	31 March 2023 % per annum
Discount rate	4.85
Inflation (RPI)	3.18
Inflation (CPI)	2.78
Salary growth	3.78
Allowance for commutation of pension for cash at retirement	75% of maximum allowance

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2023	20.5
Female retiring in 2023	23.0
Male retiring in 2043	21.7
Female retiring in 2043	24.4

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

Member data summary**Active members**

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

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	2	24	53
Females	5	17	47
Total	7	41	49

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	3	20	66
Females	2	19	69
Total	5	39	67

24. Retirement benefit obligations (cont'd)**Employers debt on withdrawal**

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

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

The Association has been notified by The Pensions Trust of the estimated debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2022. As of this date the estimated debt for the Association was £494,386.

Review of historic benefit changes

We were notified in 2021 by the Trustee of the Scheme (TPT Retirement Solutions) that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items and this process is ongoing with it being unlikely to be resolved before the end of 2021 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

25. Connect Community Trust

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

During the 2020/21 year Connect Community Trust formally terminated their relationship with Wellhouse Housing Association Limited and vacated both the Hub and Newhills Road. Consequently, there were no charges made to CCT by the Association in the current year.

At the year end, Connect Community Trust owed the Association £nil (2022: £37,608). The balance of £37,608 was fully provided for as at 31 March 2022. During the year ended 31 March 2023, the provision was used to write off the balance owed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

26. Capital commitments	2023	2022
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	-	310,765
Approved but not contracted	76,009	-
	76,009	310,765
Funded by:		
Grants	-	-
Reserves	76,009	310,765
Private finance	-	-
	76,009	310,765
27. Commitments under operating leases		
At the year end, the total future minimum payments under operating leases were due as follows:		
	2023	2022
	£	£
Equipment:		
Not later than one year	21,146	9,491
Later than one year and not later than five years	8,443	-
More than five years	6,560	-
	36,149	9,491
28. Net cash flow from operating activities	2023	2022
	£	£
Surplus for the year	433,595	475,404
Adjustments for non-cash items:		
Carrying amount of other fixed asset disposals	-	-
Depreciation of housing properties	1,191,800	1,148,776
Depreciation of other fixed assets	26,604	26,603
(Increase)/decrease in debtors	(104,519)	72,142
(Decrease)/(increase) in creditors	(33,002)	170,448
Release of negative goodwill	(38,134)	(38,134)
Release of deferred Government capital grant	(525,630)	(548,637)
Adjustments for investing and financing activities:		
Movement in fair value of investment properties	-	(10,000)
Interest payable	240,533	231,800
Interest received	(11,376)	(2,399)
Forfeited share capital	(28)	(4)
Net cash generated from operating activities	1,179,843	1,525,999

Private & Confidential

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

17 August 2023

Our ref: JMCB/NNOC/WELLHO01

Dear Committee members

Wellhouse Housing Association Limited
Audit findings for the year ended 31 March 2023

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

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

1 Audit status and audit opinion

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

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

We are an accounting, tax, audit, advisory and businesses services group that delivers a personal experience both digitally and at your door.

Accounting | Tax | Audit | Advisory | Technology

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2 Significant findings

Significant and other risks of material misstatement

Significant risks are risks that require special audit consideration and include identified risks of material misstatement that:

- our risk assessment procedures have identified as being close to the upper range of the spectrum of inherent risk due to their nature and a combination of the likelihood and potential magnitude of misstatement; or
- are required to be treated as significant risks due to requirements of ISAs (UK), for example in relation to management override of internal controls.

Significant risks at the financial statement level

The below table summarises significant risks of material misstatement identified at the financial statement level, our audit approach and our audit conclusions. These risks are considered to have a pervasive impact on the financial statements as a whole and potentially affect many assertions for classes of transaction, account balances and disclosures.

Identified risk	Audit approach	Audit findings and conclusion
<p>Management override of controls</p> <p>Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>Although the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable way in which such override could occur, it is a risk of material misstatement due to fraud and thus a significant risk.</p> <p>Risk of material misstatement: High</p>	<p>Procedures performed to mitigate risks of material misstatement in this area included:</p> <ul style="list-style-type: none"> • reviewing the key accounting estimates, judgements and decisions made by management; • testing of journal entries; and • reviewing any unusual significant transactions. 	<p>From the testing performed we identified no evidence of management override.</p>
<p>Going concern</p> <p>As part of the audit of the financial statements we will review the going concern status of the Association.</p> <p>Risk of material misstatement: Low</p>	<p>In respect of going concern, we reviewed:</p> <ul style="list-style-type: none"> • your assessment of going concern; • the annual budget; • the long term financial forecasts; • the current banking facilities including renewal details; and • post year end management accounts. <p>We also had detailed discussion with the finance team in respect of going concern.</p>	<p>We concur with the Committee's assessment that it is appropriate to continue to prepare the financial statements on a going concern basis and there are no material uncertainties relating to going concern which should be disclosed in the financial statements.</p>

	Finally, we asked the Management Committee, via the letter of representation, to confirm that the Management Committee has concluded that the Association is a going concern.	
Finance system changed at the beginning of the period The finance system changed to Homemaster at the beginning of the year. It important that the finance system is correctly transferred post year end, with all balances being correctly carried forward. Risk of material misstatement: Medium	In respect of the new finance system we reviewed the closing balances in the old system and compared them to the opening balances in the new system.	We have concluded that the trial balance was imported correctly into the new system and that no data was lost.

Significant risks at the assertion level for classes of transaction, account balances and disclosures

The below table summarises significant risks of material misstatement at assertion level for classes of transaction, account balances and disclosures, our audit approach and our audit conclusions.

Fraud in revenue recognition Material misstatement due to fraudulent financial reporting relating to revenue recognition is a presumed risk in ISA 240 (The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements). Our focus is on the recognition of rental income as well as other income (factoring income, commercial rent income, wide role income) as they are the main sources of income for the Association. Inherent risk of material misstatement: <ul style="list-style-type: none"> Area (Assertion): Completeness, occurrence, cut off Medium 	Procedures performed to mitigate risks of material misstatement in this area included: <ul style="list-style-type: none"> reviewing and testing of revenue recognition policies; undertaking detailed substantive testing on material revenue streams; undertaking cut off testing; and performing a rental income proof in total. 	We identified no issues in respect of the recognition of revenue recognition.
Defined benefit pension scheme - this is a key accounting estimate The Association is a member of a defined benefit pension scheme: the	We obtained the annual FRS 102 pension valuation and reviewed the year-end accounting journals. We reviewed the assumptions used within the valuation to	From the audit work performed we are satisfied that the pension valuation has

<p>SHAPS. Each year TPT provides a year-end accounting valuation of the SHAPS defined benefit scheme. The Association needs to account for the pension movement in the financial statements and ensure the disclosure is appropriate.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Area (Assertion): Valuation Medium 	<p>ensure that these are appropriate and reasonable in comparison to benchmark assumptions, and we ensured that all necessary disclosure requirements were met.</p>	<p>been correctly accounted for and disclosed within the financial statements.</p>
<p>Depreciation of housing properties - this is a key accounting estimate</p> <p>In accordance with component accounting, the cost of each housing unit is split across its identified significant components. Each component is then depreciated over their expected useful life with reference to expected life cycles and sector benchmarks. On replacement, the disposed component is removed from the accounting records and the new component is capitalised and depreciated over its expected useful life.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Area (Assertion): Valuation Medium 	<p>We tested a sample of components and ensured the components selected were depreciated in line with the Association's depreciation policy. We assessed the rate of depreciation and ensured that this was in line with the Association's life cycle plans and with sector benchmarks. We reviewed additions and repairs to ensure that all new components were capitalised and appropriately depreciated and that all replaced components had been removed from the accounting records.</p>	<p>From our testing, we have concluded that the depreciation policies applied were appropriate for the underlying component and consistent with prior years.</p> <p>We identified no evidence of bias in the depreciation rates used.</p>
<p>Recoverability of rental arrears- this is a key accounting estimate</p> <p>Rental arrears are overstated as not all sums are recoverable.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Area (Assertion): Valuation Medium 	<p>We ensured the bad debt provision is reasonable by:</p> <ul style="list-style-type: none"> testing a sample of tenants with an arrears balance at the year-end for cash received post year end; and estimating what we think the bad debt provision should be based on the results of our post year end cash testing, the aging of the debtors and size of individual balances and comparing that against the bad debt provision in place. As part of this we expect former arrears to be fully provided for and a provision in place for current arrears which are 	<p>The rental arrears at the year-end were reviewed and the bad debt provision was considered appropriate.</p>

	deemed at higher risk of not being recovered, these being tenants on payment plans which are not consistently being adhered to or tenants with larger arrears balances (e.g. > £1,000).	
<p>Impairment of social housing units - this is a key accounting estimate</p> <p>An impairment may have occurred and not be recognised meaning that housing properties are overstated in the financial statements.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Area (Assertion): Valuation Medium 	<p>We reviewed the carrying value (net book value less any unamortised grant) of the social housing units against the estimated depreciated replacement cost (this being the estimated cost of building or purchasing an asset of equivalent age and condition) to ensure no impairment has occurred.</p> <p>We considered whether there were any potential impairment indicators such as:</p> <ul style="list-style-type: none"> long term voids and difficult to let units; units with significant repairs required; cost overruns on new developments; land banks; units expected to be sold; and units earmarked for demolition. 	<p>From our review we did not identify any impairment indicators and did not identify any impairment.</p>
<p>Expenditure</p> <p>It important that all expenditure is appropriately incurred and subject to the appropriate purchase authorisation procedures.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Area (Assertion): Occurrence Medium 	<p>We tested a sample of purchases, ensuring that the item selected from the ledger had sufficient backup, was appropriate expenditure for a RSL and was subject to the Association's purchase authorisation procedures.</p>	<p>For the sample of expenditure items tested we confirmed that these had been approved in line with the Association's formal authorisation procedures and that the expenditure was appropriate.</p>
<p>Valuation of Investment Properties</p> <p>It important that all investment properties held by the association are valued properly.</p> <p>Inherent risk of material misstatement:</p> <ul style="list-style-type: none"> Area (Assertion): Occurrence Medium 	<p>We agreed with the Committee that the PY valuation was still reflective of the fair value at 31 March 2023.</p>	<p>We are satisfied that the investment properties are held at their fair value.</p>

The Management Committee

3 Going concern

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

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

4 Accounting policies, presentation and disclosures

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

Our work included a review of the adequacy of disclosures in the financial statements and consideration of the appropriateness of the accounting policies adopted. We found the disclosed accounting policies, and the overall disclosures and presentation to be appropriate.

5 Other communication requirements

Fraud or suspected fraud

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

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

Non-compliance with laws and regulations

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

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

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

Related parties

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

The Management Committee

6 Misstatements

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

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

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

7 Internal controls

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

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

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

The deficiency identified from our audit work in the current year is detailed in Appendix III.

8 Independence

The Ethical Standard 2019 and ISA (UK) 260 require us to confirm our independence.

The provision of non-audit services

We have detailed in the table below the non-audit services provided together with the threats to our independence as external auditor these present and the safeguards we put in place to mitigate these threats:

Non-audit service	Type of threat	Safeguard
Corporation tax compliance services	Self-review	Corporation tax compliance services are provided by a separate tax team.
iXBRL tagging of the financial statements	Self-review Management decisions	The iXBRL tagging is performed by an audit assistant, not involved in the actual audit, after the financial statements have been signed. Tagging is a largely mechanical process. In the event there are questions of judgement, these will be passed to management or those charged with governance to answer.
Preparation of the financial statements	Self-review	2 nd manager review of the financial statements
Preparation of the fixed asset register	Self-review	The fixed asset register was prepared by a member of staff that was not involved with the audit.

The Management Committee

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

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

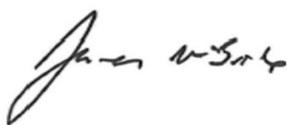
9 Disclaimer

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

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

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

Yours faithfully



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

Appendix I

Audit adjustments

	JE detail	Statement of Comprehensive Income (SOCl)		Statement of Financial Position (SOFP)		Impact on SOCI
		Dr	Cr	Dr	Cr	
1	Other Income Stage 3 Grant Income Being misallocation of stage 3 grant income	£ 46,327	£ 46,327			-£ 46,327 £ 46,327
2	Reactive maintenance Housing property additions Capitalised components Being reallocation of additions	£ 7,212		£ 671,465	£ 678,677	-£ 7,212 £ - £ -
3	HP - cost HAG HP - accumulated amortisation HAG OFA - accumulated amortisation HP - accumulated depreciation HP - accumulated depreciation (disposals) OFA - accumulated depreciation Loss on disposal OFA - Depreciation HP - Depreciation HAG Amortisation Non HAG Amortisation Being fixed asset journal	£ 92,943 £ 1,098,857 £ 26,603	£ 502,102 £ 23,528 £ 145,775 £ 502,102 £ 23,528	£ 238,718 £ 502,102 £ 23,528 £ 1,098,857 £ 145,775 £ 26,603	£ - £ - £ - £ - £ - £ - £ - £ - £ - £ 502,102 £ 23,528	-£ 92,943 1,098,857 26,603 - - - - - - 502,102 23,528
4	Actuarial loss Pension liability Interest income Sundry expenses Being adjustment to incorporate year end SHAPS actuarial valuation	£ 87,000	£ 553 £ 4,935	£ 81,512		-£ 87,000 £ - £ 553 £ 4,935
5	Other creditors Deferred Govt capital grants creditor Being reallocation of DGCG			£ 558,748 £ 558,748		£ - £ -
6	Rental arrears Rent in advance Being gross up of credit balances within rental arrears			£ 171,828 £ 171,828		£ - £ -
Late client adjustments						
7	Property Insurance Insurance Office Policy Being misallocation of insurance invoice	£ 41,756	£ 41,756			-£ 41,756 £ 41,756
8	Bad debt provision Debtors Other activities - bad debt Being offset of debtors against provision		£ 36,879	£ 78,321 £ 41,442		£ - £ - £ 36,879
9	Other creditors HAG repayable Being reallocation of HAG repayable			£ 70,614 £ 70,614		£ - £ -
Impact on SOCI - decrease of						-£ 744,618

Appendix II

Uncorrected misstatements

Uncorrected misstatements - current year						
	JE detail	Statement of Comprehensive Income (SOI)		Statement of Financial Position (SOF)		Impact on SOI
		Dr	Cr	Dr	Cr	
1	Bad debts - rechargeable repairs	£	37,538		-£	37,538
	Bad debt - rechargeable repairs			£	37,538	-
	Being 100% provision for tenant rechargeable repairs					
2	Operating expenditure	£	10,181		-£	10,181
	Trade creditors			£	10,181	-
	Being extrapolated difference in supplier statement testing					
3	Bad debt expense	£	7,500		-£	7,500
	Other debtors - bad debt provision			£	7,500	-
	Being provision for sundry debtor					
4	Other activities - bad debt	£	20,684		-£	20,684
	Other creditors			£	12,807	-
	Debtors			£	33,491	-
	Being other debtors to be written off					
5	Other activities - bad debt	£	18,564		-£	18,564
	Other Debtors			£	18,564	-
	Being opening sundry debtors written off					
6	Intangible asset			£	6,480	-
	Amortisation of intangible asset	£	720		-£	720
	Reserves			£	7,200	-
	Being recognition of Homemaster costs which should have been capitalised and the current year's amortisation					
Impact on SOI - a decrease of						-£ 95,187

The Management Committee

Appendix III

Internal controls

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

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

Follow up of prior year points

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

Area	Observation	Implication	Recommendation	Follow up in current year
Significant deficiency 1	<p>Per review of purchase invoices being posted to the nominal ledger it was identified that invoices had incorrectly been posted into the wrong period.</p> <p>As part of the walk-through testing of purchase ledger, 2 invoices were discovered to have been posted to December instead of November.</p> <p>An audit adjustment was raised in the prior year for invoices posted to the incorrect period.</p>	Expenditure could be recognised in the wrong accounting period.	Ensure all invoices are being posted on the date per the invoice. If the invoices relate to a prior or future period then an accrual or prepayment should be recognised.	<p>As part of the purchase cut off testing, an invoice was discovered to have been posted to the wrong date. This was human error, and ordinarily, invoices mis-posted will be picked up as part of the accruals process where they are re-allocated into the correct period.</p> <p>An uncorrected misstatement was raised in the current year for the invoice posted to the incorrect period.</p> <p>Thus this point has not been fully actioned and we will review as part of next year's audit.</p>

Wellhouse: the Place to Be



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

Wellhouse Housing Association Limited

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Association's financial statements for the year ended 31 March 2023. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

GENERAL

1. We have fulfilled our responsibilities as Committee members, as set out in the terms of your engagement letter dated 5 May 2023 under the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010 for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the Association have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the Association, and with all other records and related information requested, including minutes of all Management Committee meetings, AGMs and SGMs.

ADJUSTMENTS & DISCLOSURES

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

INTERNAL CONTROL AND FRAUD

8. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
9. We have disclosed to you all instances of known or suspected fraud affecting the Association involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
10. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the Association's financial statements communicated by current or former employees, regulators or others.

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ASSETS AND LIABILITIES

11. The Association has satisfactory title to all assets and there are no liens or encumbrances on the Association's assets except for those that are disclosed in the notes to the financial statements.
12. There were no changes in fixed assets during the year ended 31 March 2023 other than those disclosed in the financial statements.
13. We have reviewed the residual values attached to fixed assets and confirm they are still appropriate and reasonable reflections of these assets condition and usage.
14. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
15. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
16. We confirm that all bank accounts have been disclosed to you and are included within the financial statements.
17. We confirm that the Association has not contracted for any capital expenditure other than as disclosed in the financial statements.

ACCOUNTING ESTIMATES

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

LOANS AND ARRANGEMENTS

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

LEGAL CLAIMS

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

LAWS AND REGULATIONS

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

RELATED PARTIES

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

SUBSEQUENT EVENTS

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

GOING CONCERN

25. We believe that the Association's financial statements should be prepared on a going concern basis on the grounds that there are sufficient cash reserves in place and long-term forecasts show that surpluses and positive cashflows will continue to be generated.
26. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the Association's ability to continue as a going concern need to be made in the financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

Yours faithfully

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

Maureen Morris
Chair

Date: 30 August 2023

Appendix 1 – Audit adjustments

	JE detail	Statement of Comprehensive Income (SOI)		Statement of Financial Position (SOP)		Impact on SOCI	
		Dr	Cr	Dr	Cr		
1	Other income Stage 3 Grant Income <i>Being misallocation of stage 3 grant income</i>	£ 46,327	£ 46,327			-£ 46,327	£ 46,327
2	Reactive maintenance Housing property additions Capitalised components <i>Being reallocation of additions</i>	£ 7,212		£ 671,465	£ 678,677	-£ 7,212	£ 7,212
3	HP - cost HAG HP - accumulated amortisation HAG OFA - accumulated amortisation HP - accumulated depreciation HP - accumulated depreciation (disposals) OFA - accumulated depreciation Loss on disposal OFA - Depreciation HP - Depreciation HAG Amortisation Non HAG Amortisation <i>Being fixed asset journal</i>			£ 502,102 £ 23,528 £ 145,775	£ 238,718 £ £ 1,098,857 £ 26,603	£ £ £ £ £ £	£ £ £ £ £ £
		£ 92,943				-£ 92,943	£ 92,943
		£ 1,098,857				-£ 1,098,857	£ 1,098,857
		£ 26,603				-£ 26,603	£ 26,603
			£ 502,102			£ 502,102	£ 502,102
			£ 23,528			£ 23,528	£ 23,528
4	Actuarial loss Pension liability Interest income Sundry expenses <i>Being adjustment to incorporate year end SHAPS actuarial valuation</i>	£ 87,000			£ 81,512	-£ 87,000	£ 87,000
			£ 553			£ 553	£ 553
			£ 4,935			£ 4,935	£ 4,935
5	Other creditors Deferred Gov capital grants creditor <i>Being reallocation of DGCG</i>			£ 558,748	£ 558,748	£	£
6	Rental arrears Rent in advance <i>Being gross up of credit balances within rental arrears</i>			£ 171,828	£ 171,828	£	£
Late client adjustments							
7	Property Insurance Insurance Office Policy <i>Being misallocation of insurance invoice</i>	£ 41,756	£ 41,756			-£ 41,756	£ 41,756
8	Bad debt provision Debtors Other activities - bad debt <i>Being offset of debtors against provision</i>			£ 78,321	£ 41,442	£	£
			£ 36,879			£ 36,879	£ 36,879
9	Other creditors HAG repayable <i>Being reallocation of HAG repayable</i>			£ 70,614	£ 70,614	£	£
Impact on SOCI - decrease of						£ 744,618	

Appendix 2 – Uncorrected misstatements

Uncorrected misstatements - current year						
JE detail		Statement of Comprehensive Income (SOI)		Statement of Financial Position (SOFP)		Impact on SOCI
		Dr	Cr	Dr	Cr	
1	Bad debts - rechargeable repairs	£	37,538		-£	37,538
	Bad debt - rechargeable repairs			£	37,538	£
	Being 100% provision for tenant rechargeable repairs					-
2	Operating expenditure	£	10,181		-£	10,181
	Trade creditors			£	10,181	£
	Being extrapolated difference in supplier statement testing					-
3	Bad debt expense	£	7,500		-£	7,500
	Other debtors - bad debt provision			£	7,500	£
	Being provision for sundry debtor					-
4	Other activities - bad debt	£	20,684		-£	20,684
	Other creditors			£	12,807	£
	Debtors			£	33,491	£
	Being other debtors to be written off					-
5	Other activities - bad debt	£	18,564		-£	18,564
	Other Debtors			£	18,564	£
	Being opening sundry debtors written off					-
6	Intangible asset			£	6,480	£
	Amortisation of intangible asset	£	720		-£	720
	Reserves			£	7,200	£
	Being recognition of Homemaster costs which should have been capitalised and the current year's amortisation					-
Impact on SOCI - a decrease of						-£ 95,187

Landlord Name:	Wellhouse Housing Association Ltd
RSL Reg No.:	281
Report generated date:	21/08/2023 12:41:54

Approval

A1.1	Date approved	
A1.2	Approver	
A1.3	Approver job title	

Audited Financial Accounts (AFS) 2022-2023

STATEMENT OF COMPREHENSIVE INCOME

	Current Year	Prior Year
	£'000	£'000
Turnover	4,132.1	3,986.5
Operating costs	(3,507.5)	(3,329.8)
Gain/(loss) on disposal of property, plant and equipment	0.0	0.0
Exceptional items	0.0	10.0
Operating surplus/(deficit)	624.6	666.7
Share of operating surplus/(deficit) in joint ventures and associates	0.0	0.0
Interest receivable	11.4	2.4
Interest payable	(240.5)	(231.8)
Other financing (costs)/income	0.0	0.0
Release of negative goodwill	38.1	38.1
Movement in fair value of financial instruments	0.0	0.0
Decrease in valuation of housing properties	0.0	0.0
Reversal of previous decrease in valuation of housing properties	0.0	0.0
Total	(191.0)	(191.3)
Surplus/(deficit) before tax	433.6	475.4
Tax (payable)/recoverable	0.0	0.0
Surplus/(deficit) for the year	433.6	475.4
Actuarial (loss)/gain in respect of pension schemes	(87.0)	120.0
Change in fair value of hedged financial instruments	0.0	0.0
Total comprehensive income for the year	346.6	595.4

Audited Financial Accounts (AFS) 2022-2023

STATEMENT OF CHANGES IN EQUITY

	Share capital	Revenue reserve Restricted fund	Revenue reserve Unrestricted fund	Restricted reserve	Revaluation reserve
	£'000	£'000	£'000	£'000	£'000
Balance at end of the previous year	0.1	0.0	7,791.6	0.0	0.0
Opening balance adjustments	0.0	0.0	0.0	0.0	0.0
Issue of shares	0.0	0.0	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	0.0	0.0	346.6	0.0	0.0
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0	0.0	0.0
Balance at end of the current year	0.1	0.0	8,138.2	0.0	0.0

	Total excluding non-controlling interest	Non-controlling interest	Total including non-controlling interest
	£'000	£'000	£'000
Balance at end of the previous year	7,791.7	0.0	7,791.7
Opening balance adjustments	0.0	0.0	0.0
Issue of shares	0.0	0.0	0.0
Cancellation of shares	0.0	0.0	0.0
Surplus/(deficit) from statement of comprehensive income	346.6	0.0	346.6
Transfer from revaluation reserve to revenue reserve	0.0	0.0	0.0
Transfer of restricted expenditure from unrestricted reserve	0.0	0.0	0.0
Balance at end of the current year	8,138.3	0.0	8,138.3

Audited Financial Accounts (AFS) 2022-2023

STATEMENT OF FINANCIAL POSITION

	Current Year	Prior Year
	£'000	£'000
<u>Non-current assets</u>		
Intangible assets and goodwill	0.0	0.0
Housing properties - NBV	26,654.0	27,174.0
Negative goodwill	(953.3)	(991.5)
Net housing assets	25,700.7	26,182.5
Non-current investments	0.0	0.0
Other plant, property and equipment	1,295.3	1,321.9
Investments in joint ventures and associates	0.0	0.0
Total non-current assets	26,996.0	27,504.4
Receivables due after more than one year	0.0	0.0
<u>Current assets</u>		
Investments	0.0	0.0
Stock and work in progress	0.0	0.0
Trade and other receivables due within one year	300.6	196.0
Cash and cash equivalents	3,121.2	3,126.8
Total current assets	3,421.8	3,322.8
Payables: amounts falling due within one year	(993.4)	(1,024.4)
<u>Deferred income: amounts falling due within one year</u>		
Scottish housing grants (SHG)	(525.6)	(546.0)
Other grants	0.0	0.0
Total deferred income: amounts falling due within one year	(525.6)	(546.0)
Net current assets/(liabilities)	1,902.8	1,752.4
Total assets less current liabilities	28,898.8	29,256.8
Payables: amounts falling due after more than one year	(7,178.3)	(7,428.7)
Provisions	0.0	0.0
Pension asset/(liability)	(51.0)	0.0
<u>Deferred income: amounts falling due after more than one year</u>		
Scottish housing grants (SHG)	(13,531.2)	(14,036.4)
Other grants	0.0	0.0
Total deferred income: amounts falling due after more than one year	(13,531.2)	(14,036.4)
Total long term liabilities	(20,760.5)	(21,465.1)
Net assets	8,138.3	7,791.7
<u>Capital and reserves</u>		
Share capital	0.1	0.1
Revaluation reserves	0.0	0.0
Restricted reserves	0.0	0.0
Revenue reserves	8,138.2	7,791.6
Total reserves	8,138.3	7,791.7

Audited Financial Accounts (AFS) 2022-2023

STATEMENT OF CASH FLOWS

	Current Year	Prior Year
	£'000	£'000
Net cash inflow/(outflow) from operating activities	1,179.8	1,466.8
Tax (paid)/refunded	0.0	0.0
<u>Cash flow from investing activities</u>		
Acquisition and construction of properties	(671.5)	(798.9)
Purchase of other non-current assets	(35.4)	0.0
Sales of properties	0.0	0.0
Sales of other non-current assets	0.0	0.0
Capital grants received	0.0	0.0
Capital grants repaid	0.0	0.0
Interest received	10.8	2.4
Net cash inflow/(outflow) from investing activities	(696.1)	(796.5)
<u>Cash flow from financing activities</u>		
Interest paid	(240.5)	(228.6)
Interest element of finance lease rental payment	0.0	0.0
Share capital received/(repaid)	0.0	0.0
Funding drawn down	0.0	0.0
Funding repaid	0.0	0.0
Early repayment and associated charges	0.0	0.0
Capital element of finance lease rental payments	(248.8)	(244.8)
Withdrawal from deposits	0.0	0.0
Net cash inflow/(outflow) from financing activities	(489.3)	(473.4)
Net change in cash and cash equivalents	(5.6)	196.9
Cash and cash equivalents at end of the previous year	3,126.8	2,929.9
Cash and cash equivalents Opening balance adjustment	0.0	0.0
Cash and cash equivalents at end of the current year	3,121.2	3,126.8

Particulars of turnover, operating costs and operating surplus or deficit – Current Year

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	4,068.4	(3,473.9)	594.5
Other activities	63.7	(33.6)	30.1
Total	4,132.1	(3,507.5)	624.6

Particulars of turnover, operating costs and operating surplus or deficit – Prior Year

	Turnover	Operating Costs	Operating Surplus/(Deficit)
	£'000	£'000	£'000
Affordable letting activities	3,929.8	(3,280.1)	649.7
Other activities	56.7	(49.7)	7.0
Total	3,986.5	(3,329.8)	656.7

Audited Financial Accounts (AFS) 2022-2023

Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Current Year Total	Prior Year Total
	£'000	£'000	£'000	£'000	£'000	£'000
Rent receivable	3,484.6	0.0	0.0	0.0	3,484.6	3,359.5
Service charges	0.0	0.0	0.0	0.0	0.0	0.0
Gross income	3,484.6	0.0	0.0	0.0	3,484.6	3,359.5
Voids	(40.6)	0.0	0.0	0.0	(40.6)	(28.6)
Net income	3,444.0	0.0	0.0	0.0	3,444.0	3,330.9
Grants released from deferred income	525.6	0.0	0.0	0.0	525.6	548.6
Revenue grants from Scottish Ministers	0.0	0.0	0.0	0.0	0.0	50.3
Other revenue grants	98.8	0.0	0.0	0.0	98.8	0.0
Total turnover: letting	4,068.4	0.0	0.0	0.0	4,068.4	3,929.8
Management and maintenance administration costs	(1,271.6)	0.0	0.0	0.0	(1,271.6)	(1,363.3)
Service costs	0.0	0.0	0.0	0.0	0.0	0.0
Planned maintenance	(311.0)	0.0	0.0	0.0	(311.0)	(321.3)
Reactive maintenance	(629.0)	0.0	0.0	0.0	(629.0)	(473.4)
Bad debts written (off)/back	(70.5)	0.0	0.0	0.0	(70.5)	26.7
Depreciation: housing	(1,191.8)	0.0	0.0	0.0	(1,191.8)	(1,148.8)
Impairment	0.0	0.0	0.0	0.0	0.0	0.0
Operating costs	(3,473.9)	0.0	0.0	0.0	(3,473.9)	(3,280.1)
Operating surplus/(deficit)	594.5	0.0	0.0	0.0	594.5	649.7

Prior Year

Total turnover: letting	3,929.8	0.0	0.0	0.0
Operating costs	(3,280.1)	0.0	0.0	0.0
Operating surplus/(deficit)	649.7	0.0	0.0	0.0

Audited Financial Accounts (AFS) 2022-2023

Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Other operating costs	Current Year Operating surplus/(deficit)	Prior Year Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wider role	0.0	0.0	0.0	0.0	0.0	(16.9)	(16.9)	(23.8)
Care and repair	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment property activities	0.0	0.0	0.0	48.8	48.8	(12.5)	36.3	31.1
Factoring	0.0	0.0	0.0	13.5	13.5	0.0	13.5	13.4
Support activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Care activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracted out services undertaken for RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contracted out services undertaken for others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Developments for sale to RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Developments for sale to non-RSLs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uncapitalised development administration costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other activities	0.0	0.0	0.0	1.4	1.4	(4.2)	(2.8)	(13.7)
Current Year Total	0.0	0.0	0.0	63.7	63.7	(33.6)	30.1	
Prior Year Total	0.0	0.0	0.0	56.7	56.7	(49.7)	7.0	

Audited Financial Accounts (AFS) 2022-2023

ANALYSIS - UNITS

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Current Year Total	Prior Year Total
Units owned and managed at year end						793
Units managed, not owned at year end						0
Units owned, not managed at year end						0
Units held for demolition at year end						0
Total units owned / managed						793

COST PER UNIT - Current Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	-	-	-	-	-
Planned maintenance	-	-	-	-	-
Reactive maintenance	-	-	-	-	-
Total direct maintenance	-	-	-	-	-
Total management & maintenance	-	-	-	-	-

COST PER UNIT - Prior Year

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Other	Total
Management & maintenance administration	£1,719	-	-	-	£1,719
Planned maintenance	£405	-	-	-	£405
Reactive maintenance	£597	-	-	-	£597
Total direct maintenance	£1,002	-	-	-	£1,002
Total management & maintenance	£2,721	-	-	-	£2,721

Audited Financial Accounts (AFS) 2022-2023

SUPPLEMENTARY ITEMS

	Current Year	Prior Year
	£'000	£'000
Chief Executive emoluments excluding pension contributions	55.4	70.4
Total key management personnel emoluments	194.6	249.2
Total staff costs	827.0	817.2
External auditors' fees – audit	12.0	11.5
External auditors' fees – other	4.1	1.5
Capitalised maintenance costs	671.5	798.9
Capitalised development administration costs	0.0	0.0
Capitalised interest costs	0.0	0.0
Accumulated depreciation	15,345.9	14,366.2
Receivables - gross rental	403.1	
Receivables – bad debt provision	(297.1)	(247.4)
Receivables - net rental	106.0	80.3
Total Pension deficit recovery payments due	1,220.0	1,804.0
Housing loans due within one year	243.1	241.5
Housing loans due after more than one year	7,178.3	7,187.3
Other loans due within one year	0.0	0.0
Other loans due after more than one year	0.0	0.0
Overdraft / bridging finance	0.0	0.0
Intra-group loans due within one year	0.0	0.0
Intra-group loans due after more than one year	0.0	0.0
Intra-group lending	0.0	0.0
Intra-group receivables (trading)	0.0	0.0
Other intra-group payables (trading)	0.0	0.0

Audited Financial Accounts (AFS) 2022-2023

CONTEXTUAL INFORMATION

Accounting year end	March		
Date financial statements authorised	30/08/2023		
Are the financial statements qualified?	No		
Were there any emphasis of matter points raised in the audit report?	No		
External auditors' name	Azets		
Number of years since a full procurement exercise was undertaken for the external auditor	1		
Internal auditors' name	Wylie & Bisset		
Number of years since a full procurement exercise was undertaken for the internal auditor	2		
Do you have an Audit Committee?	Yes		
Do you have a Treasury Management Strategy?	Yes		
How do you account for capital grant income?	Accruals method		
Calendar year of last housing asset revaluation	N/A		
Contingent liabilities	Legal action	<input type="checkbox"/>	
	LSVT contract compliance	<input type="checkbox"/>	
	Pension	<input type="checkbox"/>	
	Repayment of SHG	<input type="checkbox"/>	
	Other	<input checked="" type="checkbox"/>	
	None	<input type="checkbox"/>	
SHAPS financial assessment risk rating	Low		
Are you appealing this risk rating?	No		
How many staff members not currently contributing to any scheme?	1		

Staff Pension Schemes

Which scheme(s) are you members of?	How many participating members in each scheme?
SHAPS DC	19

SUBSIDIARIES AND CONNECTED ORGANISATIONS
SUBSIDIARIES

Subsidiary name		Subsidiary status during Financial year	Accounts status	Subsidiary company Turnover £'000	Subsidiary company Operating surplus/(deficit) £'000	Subsidiary company Net assets £'000

SUBSIDIARIES AND CONNECTED ORGANISATIONS
SUBSIDIARIES

Subsidiary name		Subsidiary status during Financial year	Accounts status	Subsidiary company Turnover £'000	Subsidiary company Operating surplus/(deficit) £'000	Subsidiary company Net assets £'000

Audited Financial Accounts (AFS) 2022-2023

RATIOS

	Current Year	Prior Year	Prior Year Sector Median
Financial capacity			
Interest cover	495.1%	642.7%	532.3%
Gearing	52.8%	55.2%	47.9%
Efficiency			
Voids	1.2%	0.9%	0.9%
Gross arrears	11.7%	9.8%	3.9%
Net arrears	3.1%	2.4%	1.9%
Bad debts	2.0%	(0.8%)	0.4%
Staff costs / turnover	20.0%	20.5%	21.1%
Key management personnel / staff costs	23.5%	30.5%	14.5%
Turnover per unit		£5,027	£5,458
Responsive repairs to planned maintenance ratio	1.6	2.4	1.7
Liquidity			
Current ratio	2.3	2.1	2.1
Profitability			
Gross surplus / (deficit)	15.1%	16.7%	18.7%
Net surplus / (deficit)	10.5%	11.9%	12.7%
EBITDA / revenue	27.7%	25.5%	29.4%
EBITDA exc. deferred grant	15.0%	11.7%	19.0%
Financing			
Debt burden ratio	1.8	1.9	1.9
Net debt per unit		£5,425	£7,102
Debt per unit		£9,368	£10,687
Diversification			
Income from non-rental activities-	16.7%	16.4%	17.6%

Comments

Page	Field	Comment
SOCI	Interest receivable	Bank deposit interest
SOCI	Release of negative goodwill	Negative goodwill
SOCI	Actuarial (loss)/gain in respect of pension schemes	Pension scheme valuation per scheme provider
SOCF	Acquisition and construction of properties	component replacements
SOCF	Interest received	Bank interest received
Analysis - Affordable Lettings	Rent receivable	social housing gross rents
Analysis - Affordable Lettings	Voids	Social Housing void losses
Analysis - Affordable Lettings	Grants from Scottish Ministers	none
Analysis - Affordable Lettings	Management and maintenance administration costs	management & Admin expenses
Analysis - Affordable Lettings	Planned maintenance	Planned maintenance, major repairs and stage 3 adaptations
Analysis - Affordable Lettings	Reactive maintenance	Reactive Maintenance
Analysis - Affordable Lettings	Bad debts written (off)/back	bad debts
Analysis - Affordable Lettings	Depreciation: housing	Depreciation
Analysis - Other Activities	Wider role	payment for community support
Analysis - Other Activities	Investment property activities	rental of commercial properties
Analysis - Other Activities	Factoring	Factored property charges
Analysis - Other Activities	Other activities	electricity charges and replacement keys
Supplementary	Chief Executive emoluments	Director had 3 months sabbatical

Page	Field	Comment
Items	excluding pension contributions	
Supplementary Items	Total key management personnel emoluments	key personnel having responsibilities while director on unpaid leave
Supplementary Items	External auditors' fees - other	Includes cost for payroll services, tax returns and other consultancy
Supplementary Items	Capitalised maintenance costs	Previous year had significant investment in Windows & doors
Supplementary Items	Receivables - gross rental	rental arrears has grown due to current economic conditions
Supplementary Items	Receivables - bad debt provision	higher provision in line with provision policy
Supplementary Items	Receivables - net rental	roundings
Supplementary Items	Total Pension deficit recovery payments due	figures provided by pension provider
Contextual Information	Full procurement exercise undertaken for external auditor	Current auditor were the successful company following a procurement exercise

Management Committee	30 August 2023
Agenda Item	7
Title of Paper	Management Accounts – 30 June 2023
Author	Robert Murray, Finance & Corporate Services Manager
Attachment(s)	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 30th June 2023

2 RECOMMENDATIONS

- 2.1 That members review the attached papers and, subject to satisfaction, approve the management accounts for the year 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 30 June 2023 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 quarter budget of the year which shows a projected surplus of £69,857.

5 MAIN ISSUES

5.1 Statement of Comprehensive Income (SOCl) -

The budgeted surplus (24) for the period to 30 June 2023 is £69,857 however, the actual results for the period show a surplus of £185,428. There is, therefore, a favourable variance for the first quarter of £115,572.

The overall favourable variance of £115,572 arises from-

- Operational activities £128,254, favourable variance
- Net interest and other activities £12,682, adverse variance

Income

Rental income (1) is close to budget with a negative variance of £438. Void losses (2) are lower than the budget figure £10,775 as opposed to the actual figure of £5,294. A positive variance in net rental income of £5,044. The number of void properties is currently lower than budgeted.

Commercial rent (3a) is showing an adverse variance of £955 from a budget figure of £14368. This is explained, mainly due to 17-19, Newhills Road being let on reduced rent until 1st September 2023.

Factoring income (3b) – adverse variance of £1,636 from a budget of £4,993. Works to properties that have factored properties is currently ongoing and recharges will be made to factored owners soon when all works are completed. A consultation exercise is currently being carried out with factored owners to enable charges to be increased in line with current costs. The charges have not been reviewed for several years.

Stage 3 Medical Adaptations Grant Income (5a) –. adverse variance of £14,234. Claims for the 1st quarter have now been submitted and we are also waiting on approval for additional funding given the level of spend to date for adaptations.

The £1,408 is for electricity charges recharged to the allotment and some charges made for replacement key fobs.

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 (£14992) due to disposal of components which have now been replaced.

Expenditure

Management & Maintenance Admin - £11,237 under-spend against budget. The following make up this adverse variance: -

- Salaries (6) (£16,159) underspend – mainly due to replacement staff being recruited at a lower pay scale. There is also provision for having to provide for long term sickness or maternity cover that hasn't been used and for additional costs for a handover if a new director had been appointed.
- Overheads (7) – an overspend of £4,922 against budget. The attached overheads schedule shows a more detailed analysis of all variances. The main items leading to the overspend is additional utility charges as contracts were only available for higher charges than anticipated and the cost for development, some of which may be supported by grant funding.

Repairs & Maintenance – an underspend of £130,268 against budget over all areas of maintenance, from a total budget of £327,926 for the quarter. A more detailed explanation of some of the over- and under-spends as follows: -

- Reactive maintenance (9) – an underspend of £52,299 (Budget £178,467 and actual £126,168) This includes Voids maintenance underspend of £41,415 as there were less voids this quarter.
- Cyclical maintenance (10) – Under-spend of £66,838 actual £21,545 against budget £88,383. Most works are now being carried out as planned and a detailed program of works is being worked through. Some of the works are traditionally carried out late autumn and costs will be reflected in later periods.
- Major repairs/planned renewals (11) – under-spend of £34,178- £13,672 actual against budget £47,850. The largest portion of underspend is for the modifications of the back courts (£6,180) the external Verandas (£5,627), chimney breast removal (£6,900) and External Consultants (£10,523). Some of the major works are currently being scheduled and will be reflected in future months expenditure.

Housing Property Depreciation (12) – adverse variance of £21,580. 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. Once the audit is completed the depreciation calculations will be updated to more accurate amounts

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. As per the auditor's recommendations from several years ago we provide for any balance greater than £1,000 as a bad debt.

5.2 **Statement of Financial Position-**

The Statement of Financial Position shows the actual position at 30 June 2023 and also the position at 31 March 2022 and the resulting movement in this financial year.

Housing Properties (18) has decreased by £209,271. Individual kitchen, bathroom and boiler replacements and windows and doors has amounted to £40,603 with depreciation of £249,874 being charged.

Cash (19) has reduced by £150,235 to £2,974,819.

Payables < 1 Year (20)

- Misc. creditors have reduced by £158,896 since 31 March 2023. This is mainly due to the reduction in purchase ledger control Account balances when a large portion of capital expenditure was incurred before 31 March 2023 but paid this quarter.
- 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 £62,917 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 £139,687 has reduced these balances to just over £13.3 million.
- Reserves (23) – has increased by just under £185.5k to over £8.6million, 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 £150,235 as opposed to a surplus of £185,428 in SOCI.

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

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

5.4 **Covenant Compliance**

There are no covenant compliance issues with the following results being achieved at 30 June 2023: -

- Interest cover - Target > 110%, Result = 519.18%
- Gearing - Target < 30%, Result = 17.26%

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

6. **DISCUSSION**

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

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

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

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

8. **FINANCIAL IMPLICATIONS**

8.1 Any material points are noted at section 5 above.

9. **KEY RISKS**

9.1

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

10. EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS

10.1 None apparent.

11. SUSTAINABILITY

11.1 Not applicable.

12. SWOT ANALYSIS

12.1 Not required as no new business activity proposed.

13. CONCLUSION

13.1 Some over- and under-spends against budget in the Statement of Comprehensive Income, overall, the actual surplus position is higher than the budget surplus for the quarter to 30 June 2023.

Cash position has reduced by £150,235 since March 2023 and is in a reasonably healthy position finishing the period at just over £2.97million. The reduction in cash has funded the investment in the replacement boilers, kitchens and bathrooms.

Overall, a reasonable performance for quarter ended 30 June 2023 maintaining a healthy financial position.

WELLHOUSE HOUSING ASSOCIATION

MANAGEMENT ACCOUNTS TO 30TH JUNE 2023



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	897,519	0	897,519						897,519	897,956	(438)	3,591,825
(2) Less: Voids losses	(5,294)		(5,294)						(5,294)	(10,775)	5,481	(43,102)
(3) Commercial Rental Income				8,017			5,397		13,413	14,368	(955)	57,472
Factoring Income					3,357				3,357	4,993	(1,636)	19,972
(4) Grants released from Deferred Income	139,687		139,687						139,687	124,695	14,992	498,781
(5a) Other Revenue Grants	0		0						0	14,234	(14,234)	56,937
(5b) Other Income								1,408	1,408	0	1,408	0
	1,031,911		1,031,911	8,017	3,357	0	5,397	1,408	1,050,089	1,045,471	4,618	4,181,884
(6) Management Expenses - Staff Costs	125,390	24,708	150,098		1,846			71,456	223,401	239,560		958,240
(7) Management Expenses - Overheads	21,634		21,634	0	0		0	121,777	143,411	138,489	(4,922)	553,955
(8) Service Costs		0	0						0	0	0	0
(9) Reactive Maintenance	126,168		126,168						126,168	178,467	52,299	713,875
(10) Cyclical Maintenance	21,545		21,545						21,545	88,383	66,838	353,532
(11) Planned Renewals/Major Repairs	49,945		49,945						49,945	61,076	11,131	248,337
(12) Depreciation on Housing Properties	249,874		249,874						249,874	228,294	(21,580)	913,177
(13) Bad Debts	1,290		1,290						1,290	5,000	3,710	20,000
	595,846	24,708	620,554	0	1,846	0	0	193,233	815,633	939,269	123,636	3,761,116
Operating Surplus	436,065	(24,708)	411,357	8,017	1,510	0	5,397	(191,825)	234,456	106,202	128,254	420,768
(14) Release of Negative Goodwill	9,533		9,533						9,533	9,534	(0)	38,134
(15) Gain/Loss on Disposal of Fixed Assets	0		0						0	0	0	0
(16) Interest Receivable			0					4,732	4,732	16,563	(11,830)	66,250
(17) Interest Payable/Other Finance Costs	(63,293)		(63,293)						(63,293)	(62,442)	(852)	(249,766)
(23)	382,305	(24,708)	357,598	8,017	1,510	0	5,397	(187,093)	185,428	69,857	115,572	275,386
Actuarial Gain/(Loss) in Pension Scheme									0.00			(100,000)
(24)												175,386

WELLHOUSE HOUSING ASSOCIATION LTD

STATEMENT OF FINANCIAL POSITION AS AT

30 June 2023



ANNUAL BUDGET £	Ref		AS AT 31/03/2023 £	ACT YTD 30/06/2023 £	MOVEMENT £
Non Current Assets					
42,645,019	(18)	Housing Properties - gross cost	42,585,497	42,626,100	40,603
(16,602,805)		Depreciation	(15,616,171)	(15,866,046)	(249,874)
26,042,213			26,969,326	26,760,055	(209,271)
1,249,279		Other	1,279,103	1,271,681	(7,422)
27,291,493			28,248,429	28,031,735	(216,694)
(912,050)		Negative Goodwill	(953,357)	(943,824)	9,533
Current Assets					
223,939		Debtors	253,619	434,941	181,322
0		Inventory	0	0	0
3,121,455	(19)	Cash at Bank and in hand	3,125,054	2,974,819	(150,235)
3,345,394			3,378,673	3,409,761	31,087
(20) Payables < 1 year					
(1,046,528)		Misc Creditors	(1,254,736)	(1,095,840)	158,896
0		Pension Deficit	0	0	0
		Deferred Capital Grants	0	0	
(241,503)		Loans	(241,503)	(241,503)	0
(1,288,031)			(1,496,239)	(1,337,343)	158,896
2,057,363		Net Current Assets/ (Liabilities)	1,882,434	2,072,418	189,984
28,436,805		Total Assets less current liabilities	29,177,506	29,160,329	(26,710)
(21) Payables > 1 year					
(6,901,859)		Loans	(7,178,856)	(7,115,939)	62,917
(216,754)		Pension Deficit	(86,720)	(86,720)	0
(7,118,613)			(7,265,577)	(7,202,660)	62,917
(22) Deferred Income					
(12,251,931)		Social Housing Grant	(12,807,105)	(12,673,316)	133,789
(657,576)		Non Housing Grants	(647,745)	(641,847)	5,898
(12,909,506)			(13,454,850)	(13,315,163)	139,687
8,408,686		Net Assets	8,457,079	8,642,507	185,428
Capital and Reserves					
100		Share Capital	100	100	0
8,408,586	(23)	Reserves	8,456,979	8,642,407	185,428
8,408,686			8,457,079	8,642,507	185,428
0			(0)	(0)	0

STATEMENT OF CASHFLOWS

Operating Surplus	234,456	
Adjust for Depreciation and other non-cash transactions	117,609	
Adjusted Operating Surplus	352,065	
Movement in Debtors	(181,322)	
Movement in Creditors	(158,896)	
<u>Investing Activities</u>		
Purchase of Properties and Components	(40,603)	
Purchase of Other Fixed Assets	0	
Disposal of Other Fixed Assets	0	
Grants received	(0)	
	(40,603)	
<u>Financing Activities</u>		
Interest receivable	4,732	
Interest payable	(63,293)	
Loan capital repaid	(62,917)	
Share capital issued	0	
	(121,479)	
	(150,235)	
Movement in Cash per Balance Sheet	(150,235)	
	(0)	

WELLHOUSE HOUSING ASSOCIATION
COVENANTS AS AT 30 JUNE 2023


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

	Accounts	Target set by Bank	Actual	Covenant Satisfied?
INTEREST COVER				
Operating Surplus	234,456	Greater than 110%	519.18%	Yes
LESS:Housing Grants Amortised	(139,687)			
LESS:Pension Deficit Contribution	0			
ADD:Housing Depreciation	249,874			
LESS:Component Replacements	(40,603)			
	304,040			
Interest Payments	63,293			
Interest Receipts	(4,732)			
	58,561			

	Accounts	Target set by Bank	Actual	Covenant Satisfied?
GEARING				
Balance of Outstanding Loans	7,357,442	Less than 30%	17.26%	Yes
Historic Housing Cost	42,626,100			

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

WELLHOUSE HOUSING ASSOCIATION

2023/24 Budget



	Social Lettings Rental Income	Social Lettings Service Charges	Commercial Lettings	Factoring	Development	The Hub Services	Corporate Services	Total	Budget Apr-Jun'23	Actual Apr-Jun'23	(Adverse) Favourable Variance	Comments
Rental Income & Service Charges	3,591,824.85							3,591,824.85	897,956	897,519	(438)	
Less: Voids losses	(43,101.90)							(43,101.90)	(10,775)	(5,294)	5,481	
Commercial Rental Income			35,206.15			22,265.61		57,471.76	14,368	13,413	(955)	
Factoring Income				19,971.51				19,971.51	4,993	3,357	(1,636)	
Grants released from Deferred Income	498,781.00							498,781.00	124,695	139,687	14,992	
Other Revenue Grants	56,937.00							56,937.00	14,234	0	(14,234)	
Other Income							0.00	0.00	0	1,408	1,408	
	4,104,440.95		35,206.15	19,971.51	0.00	22,265.61	0.00	4,181,884.22	1,045,471.06	1,050,089.22		
								4,181,884.22				
Management Expenses - Staff Costs	307,877.03	299,102.61		10,929.55			340,331.03	958,240.22	239,560	223,401	16,159	
Management Expenses - Overheads	139,512.43	0.00	1,000.00	4,632.68	0.00	9,500.00	399,310.00	553,955.11	Breakdown of all Overheads shown on separate Tab			
Service Costs								0.00	0	0	0	
Reactive Maintenance	635,584.00	76,291.20		2,000.00				713,875.20	Breakdown of all Repairs & Maintenance shown on separate Tab			
Cyclical Maintenance	353,532.24							353,532.24	Breakdown of all Repairs & Maintenance shown on separate Tab			
Planned Renewals/Major Repairs	248,336.94							248,336.94	Breakdown of all Repairs & Maintenance shown on separate Tab			
Depreciation on Housing Properties	913,176.79							913,176.79	228,294	249,874	(21,580)	
Bad Debts	20,000.00							20,000.00	5,000	1,290	3,710	
	2,618,019.43	375,393.81	1,000.00	17,562.23	0.00	9,500.00	739,641.03	3,761,116.50				
								3,761,116.50				
Operating Surplus	1,486,421.52	(375,393.81)	34,206.15	2,409.28	0.00	12,765.61	(739,641.03)	420,767.72				
								420,767.72				
Release of Negative Goodwill	38,134.00							38,134.00	9,534	9,533	0	
Gain/Loss on Disposal of Fixed Assets	0.00							0.00	0	0	0	
Interest Receivable							66,250.00	66,250.00	16,563	4,732	(11,830)	
Interest Payable/Other Finance Costs	(249,766.06)							(249,766.06)	(62,442)	(63,293)	(852)	
	1,274,789.46	(375,393.81)	34,206.15	2,409.28	0.00	12,765.61	(673,391.03)	275,385.66				

WELLHOUSE HOUSING ASSOCIATION

2022/23 Budget



Overheads		Housing Management	Commercial Lettings	Factoring	The Hub Services	Corporate Services	2022/23 Budget Total	Budget Apr-Jun'23	Actual Apr-Jun'23	(Adverse) Favourable Variance	Comments
24). Advertising (Publicity & Promotions)	12,000					12,000	12,000	3,000	0	3,000	
25). Audit Fee - External	15,495					15,495	15,495	3,874	4,250	(376)	The auditor have raised more interim fees than the quarter split
Audit Fee - Internal	13,125					13,125	13,125	3,281	0	3,281	Internal audit fees not accrued only charged when audit takes place
26). Bank Charges - Allpay	10,500	10,500					10,500	2,625	2,852	(227)	
- General	500					500	500	125	123	2	
27). Depreciation - Other Fixed Assets	27,349					27,349	27,349	6,837	7,422	(585)	
28). General Expenses - Miscellaneous	2,000					2,000	2,000	500	0	500	
- Provisions	1,900					1,900	1,900	475	103	372	
- Staff Welfare Costs	500					500	500	125	0	125	
- Cash Collection Costs (G4S)	360	360				360	360	90	40	50	
Taxi	400					400	400	100	0	100	
Health & Safety	3,000					3,000	3,000	750	1,241	(491)	Purchase of PPE equipment for estate wardens. Normally twice yearly
29). General Committee Expenses	3,500					3,500	3,500	875	69	806	More Committee members attending meetings remotely
30). Heat & Light	16,000				8,000	8,000	16,000	4,000	11,898	(7,898)	Increases in these costs. Issue with moving to new gas supplier and receiving higher than
31). Cleaning	18,000				1,500	16,500	18,000	4,500	4,927	(427)	
32). Insurance - Housing Stock	84,285	79,652		4,633		84,285	84,285	21,071	20,283	788	
- Non-Housing premiums	25,441					25,441	25,441	6,360	6,473	(113)	
33). Office Maintenance - Repairs & Renewals	18,000					18,000	18,000	4,500	4,116	384	
- Equip Maintenance	4,000					4,000	4,000	1,000	625	375	
34). Office Equipment - New items	8,000					8,000	8,000	2,000	0	2,000	
IT & Homemaster Annual Support Costs	48,000					48,000	48,000	12,000	14,186	(2,186)	HM additional text message credits £840. HM Annual charge £250 higher per mth than b
IT Expenses	6,000					6,000	6,000	1,500	245	1,255	
						0	0	0		0	
Disaster Recovery	1,800					1,800	1,800	450		450	
35). Printing (External)	9,000					9,000	9,000	2,250	2,526	(276)	headed stationery printed as all stock had been depleted during lockdown
Printing (Internal Photocopier Charges etc)	8,000					8,000	8,000	2,000	1,867	133	
Stationery	2,000					2,000	2,000	500	1,148	(648)	Items restocked after stationery cupboard sorted and also for away day
36). Postage	3,300					3,300	3,300	825	647	178	
37). Rent & Rates	1,900					1,900	1,900	475	734	(259)	charges for long term void as only allowed 6 months exemption
38). Seminars & Training - Staff	18,000					18,000	18,000	4,500	3,749	751	
39). Seminars & Training - Committee	4,000					4,000	4,000	1,000	713	287	
40). Staff Recruitment	20,000					20,000	20,000	5,000	5,560	(560)	New finance & corporate services assistant advertising and finder fee
41). Subscriptions	38,000					38,000	38,000	9,500	6,997	2,503	
42). Telephones	16,000					16,000	16,000	4,000	3,781	219	
43). Legal Fees - General	12,000					12,000	12,000	3,000	1,873	1,127	
44). Legal Fees - Housing	25,000	25,000				25,000	25,000	6,250	1,351	4,899	
GCC ASB Suppot Services	12,000	12,000				12,000	12,000	3,000		3,000	Invoice arrived in August so reflected in later accounts
45). Professional Fees	27,400					27,400	27,400	6,850	3,290	3,560	
Housing ~Agency Fees - WR	0	0				0	0	0		0	
46). Commercial Property Cost	1,000		1,000			1,000	1,000	250	0	250	
47). Donation - Grant Funding Wider Role	22,000					22,000	22,000	5,500	5,500	0	Funding to Easthall Residents Association still to be paid to them
Donations -Others	1,400					1,400	1,400	350	0	350	
48). Tenant Participation	12,000	12,000				12,000	12,000	3,000	938	2,062	
49). Vehicle Costs						0	0	0	0	0	
50). AGM Costs	800					800	800	200	0	200	
51). Wider Role						0	0	0	0	0	
52). SFHA Fuel Funding						0	0	0	0	0	
53). Development Costs - Allocated	0					0	0	0	23,880	(23,880)	£7,800 Curb & £16,080 Land & Mineral Services Ltd
										0	
	553,955	139,512	1,000	4,633	9,500	399,310	0	553,955	138,489	143,411	(4,922)

WELLHOUSE HOUSING ASSOCIATION LTD

MAINTENANCE BUDGET TO MARCH 2024

	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	Total 2023/24 TOTAL	Budget Apr-Jun'23	Actual Apr-Jun'23	(Adverse) Favourable Variance
CYCLICAL MAINTENANCE																
ELECTRICAL TESTING	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,337	40,000	9,999	11,316	(1,317)
CLOSE ELECTRICAL TESTING															0	0
EXTERNAL PAINTING- phase 2B	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,163	50,000	12,501	0	12,501
EXTERNAL PAINTING- phase 8	0	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	0
 GAS SERVICING	11,040	11,040	11,040	11,040	11,040	11,040	11,040	11,040	11,040	11,040	11,040	11,040	132,480	33,120	6,881	26,239
GUTTER CLEANING	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	8,694	104,328	26,082	2,244	23,838
GAS SAFETY AUDIT	807	807	807	807	807	807	807	807	807	807	807	811	9,688	2,421	281	2,140
FIRE SERVICE - 14 LANGBAR GDNS	559	559	559	559	559	559	559	559	559	559	559	558	6,707	1,677	396	1,281
FIRE SERVICE - EQUIPMENT													0	0	0	0
ASBESTOS MANAGEMENT	261	261	261	261	261	261	261	261	261	261	261	258	3,129	783	0	783
WATER TESTING	600	600	600	600	600	600	600	600	600	600	600	600	7,200	1,800	427	1,373
	29,461	29,461	29,461	29,461	29,461	29,461	29,461	29,461	29,461	29,461	29,461	29,461	353,532	88,383	21,545	66,838
 REACTIVE MAINTENANCE																
REACTIVE MAINT	23,868	23,868	23,868	23,868	23,868	23,868	23,868	23,868	23,868	23,868	23,868	23,868	286,416	71,604	88,623	(2,619)
SCOTTISH POWER L/LSUP	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600	14,400	0	0
 ESTATE SERVICES - Materials	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	4,800	57,600	14,400	7,627	6,773
ESTATE SERVICES - Van/Fuel	1,558	1,558	1,558	1,558	1,558	1,558	1,558	1,558	1,558	1,558	1,558	1,557	18,695	4,674	3,942	732
Close Cleaning													0	0	0	0
 VOIDS	22,464	22,464	22,464	22,464	22,464	22,464	22,464	22,464	22,464	22,464	22,464	22,464	269,568	67,392	25,977	41,415
 Facilities Management Costs	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	3,000	0	3,000
Office Repairs - Hub Remodelling	833	833	833	833	833	833	833	833	833	833	833	833	9,996	2,499	0	2,499
Assume £2k spend on Factoring	166	166	166	166	166	166	166	166	166	166	166	174	2,000	498	0	498
	59,489	59,489	59,489	59,489	59,489	59,489	59,489	59,489	59,489	59,489	59,489	59,496	713,875	178,467	126,168	52,299
 Stage 3 Adaptations- Ex GHA	0	0	0	4,315	0		4,315	0	0	4,316	0	4,316	17,262	0	0	0
Stage 3 Adaptations	6,613		6,613		6,613		6,613		6,613		6,610		39,675	13,226	36,273	(23,047)
	6,613	0	6,613	4,315	6,613	0	10,928	0	6,613	4,316	6,610	4,316	56,937	13,226	36,273	(23,047)
 MAJOR REPAIRS - NON-CAPITALISED																
KITCHEN EXTRACTOR FANS Phase 5	575	575	575	575	575	575	575	575	575	575	575	575	6,900	1,725	1,098	627
Bathroom EXTRACTOR FANS Phase 5	575	575	575	575	575	575	575	575	575	575	575	575	6,900	1,725	0	1,725
Doors													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	5,000	4,724	276
Commercial Units - Newhills Rd R&R													0	0	0	0
External Paths	833	833	833	833	833	833	833	833	833	833	833	833	10,000	2,500	180	2,320
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	45,000	11,250	5,070	6,180
Back Courts Phase 2A													0	0	0	0
External Verandas	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000	7,500	1,873	5,627
Consultants Costs	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000	11,250	727	10,523
Chimney Breast Reoval	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	6,900	0	6,900
	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	15,950	191,400	47,850	13,672	34,178
														327,926	197,658	130,268
 MAJOR REPAIRS - CAPITALISED COMPONENTS																
Kitchens Phase 5	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850	10,850	130,200	32,550	4,883	27,667
Bathrooms Phase 3	12,455	12,455	12,455	12,455	12,455	12,455	12,455	12,455	12,455	12,455	12,455	12,455	149,460	37,365	22,453	14,912
Gas Boiler Replacements Phase 10	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	5,070	60,840	15,210	2,197	13,013
 External Doors 2B	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,163	50,000	12,501	11,070	1,431
External Windows 2A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
the Hub boiler replacement													0	0	0	0
the Hub poss remodeling													0	0	0	0
	32,542	32,542	32,542	32,542	32,542	32,542	32,542	32,542	32,542	32,542	32,542	32,538	390,500	97,626	40,603	57,023

1,706,244

Management Committee	30 August 2023
Agenda Item	8
Title of Paper	Rent Arrears Update
Author	James Wilson, Housing & Customer Service Manager
Attachment(s)	Arrears performance report
Executive summary	<p>The following information is recorded at the end of Period 4, that is 31 July 2023:</p> <ul style="list-style-type: none"> • Gross current tenant rent arrears are £285,640 - 8.00% of annual charges. • Net arrears are £253,650 – 7.10% of annual charges. • Former Tenant's arrears are £72,927. • Rent collection is currently 99.07% (from 1 April 2023 to 31 July 2023) • 96 tenants (12.12% of all tenants) owing £1,000+ now owe £212,449 collectively – 74.38% of current arrears and 5.95% of annual charges. • 59 tenants (7.45% of all tenants) of those owing £1,000+ are UC recipients. • 43 tenants (5.43% of all tenants) owe £2,000+ • The number of tenants claiming UC is 273 (35.40% of tenants). • The amount of UC arrears figure is £173,121 (60.61% of the current arrears) or (4.85% of annual income)

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

Trust Honesty Integrity Excellence Accountability Sustainability

4.1 Committee have requested regular arrears reports.

4.2 This summary forms an update to the end of July 2023 position.

5. MAIN ISSUES:

5.1 Since the last Committee update, gross current tenant rent arrears have decreased by £33,147 to £285,640 (8.00%). This is based on ARC calculations, as opposed to our Annual Gross Rent receivable, which includes our supported accommodation. Any arrears in these two units are reported separately, at 5.8 below.

5.2 During the same period, net current arrears increased by £22,549 to £253,650.

5.3 The Former Tenant Arrears have increased by £521 to £72,927.

5.4 96 tenants owe more than £1,000, which is 1 more than reported at last Committee meeting, and those owing more than £2,000 at 43, which is 3 less.

5.5 Universal Credit (UC) is now claimed by 273 WHA households according to the Universal Credit Portal. UC arrears account for 60.61% of the total gross current rent arrears.

5.6 Officers are continuing to make new payment arrangements, or alter previous arrangements, as tenants are dealing with the cost of utility bills and the cost of living generally.

5.7 The collection rate is 99.07%.

5.8 Within our supported accommodation, we have 2 arrears cases, owing a total of £1,859.66. 1 where payments from care provider have not started after HB redirected and 1 where care provider cleared balance as agreed but has not started regular payments. In addition, there is 1 case where the tenant has died but we have been unable to close the account awaiting confirmation from the support provider.

6 ARREARS CASE BREAKDOWN BY VALUE AND QUANTITY

6.1 At the last Committee meeting it was requested a breakdown was provided of cases within balance bandings, which are detailed below.

6.2 Cases over a month's rent in arrears and under £1000 is 85 cases which accumulate £54,867 of arrears. Of these 85 cases we have 36 cases with an arrangement in place.

6.3 Cases over £1000 and under £2000 is 53 cases which accumulate £79,444 of arrears. Of these 53 cases we have 33 cases with arrangements in place.

6.4 Cases over £2000 is 43 cases which accumulate £133,006 of arrears. Of these 43 cases we have 25 cases with arrangements in place.

7 Court Cases

Currently there are 17 cases in the court system.

We have 1 case currently at a stage of a Proof Hearing which takes place in October.

8 **REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES**

- 8.1 ARC report will include our performance.

9 **FINANCIAL IMPLICATIONS**

- 9.1 Dealt with in the body of the report.

10 **KEY RISKS**

- 10.1 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.
- 10.2 Any rise in evictions may lead to reputational damage. Mitigation- use only as a last resort.

11 **EQUALITY, DIVERSITY & HUMAN RIGHTS IMPLICATIONS**

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

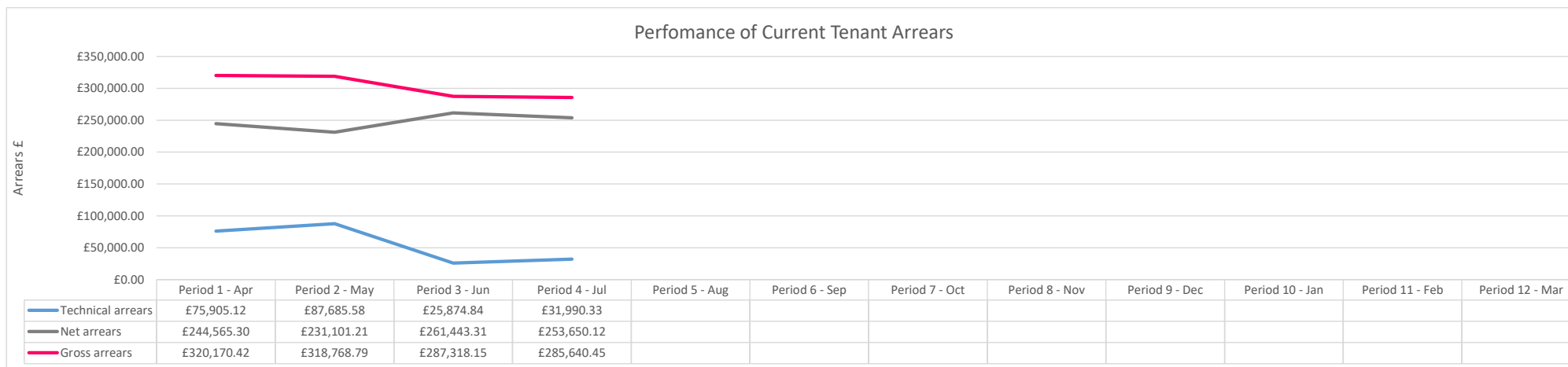
Function	Business Area	ARC QUESTION	KPI Brief Description	Annual KPI Target
Rent Management	ARC	26	Rent Collected as % of total rent due for year	100%
		27	Gross Rent Arrears as % of rent due for year	8.00%
		18	% of Void Rent Loss	0.60%
		22	Number of court actions which resulted in eviction	n/a
	Performance		Current Tenants Arrears %	7.00%
			Former Tenant Arrears %	1.00%

Gross refers to the whole of something, while net refers to a part of a whole following some sort of deduction. For example, Net arrears are monies due to the Association minus Technical Arrears. Gross arrears are Technical Arrears plus Net Arrears.

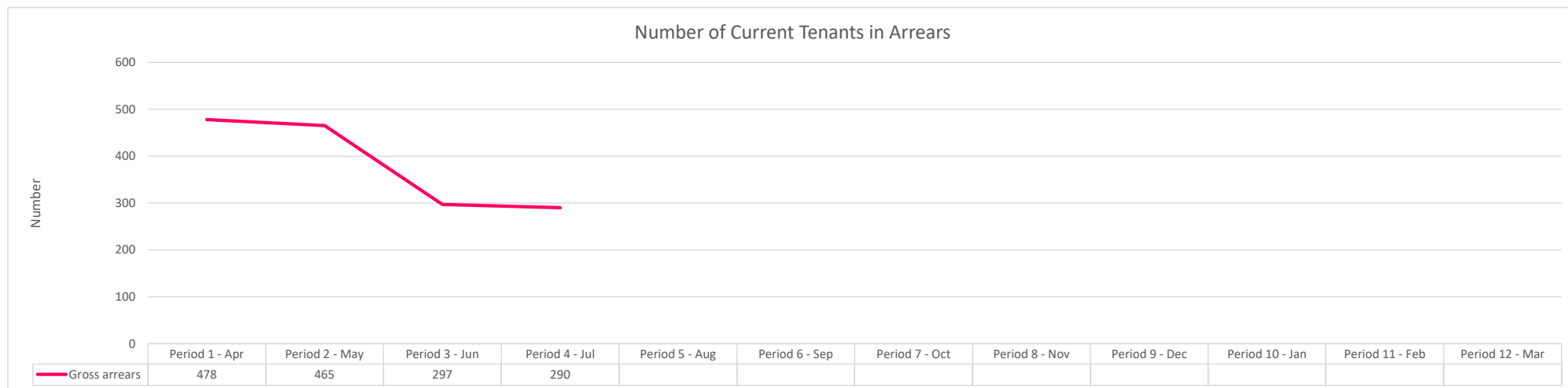
Technical arrears is the Gross arrears minus the monies due from Housing Benefit up until the end of that reporting month. For example; housing benefit is paid 4-weekly whereas we charge rent monthly. Therefore to make this calculation and adjust balance we calculate the money due to the end of the reporting month. So if a tenant is paid Housing Benefit on the 16th of the reporting month then we include what would be due up until end of the reporting month which we will collect after the monthly debit has been applied at the end of the reporting month.

TOTAL GROSS RENT DUE 2023/24	£3,487,929
<i>Rounded rent due figure</i>	<i>£3,487,929</i>

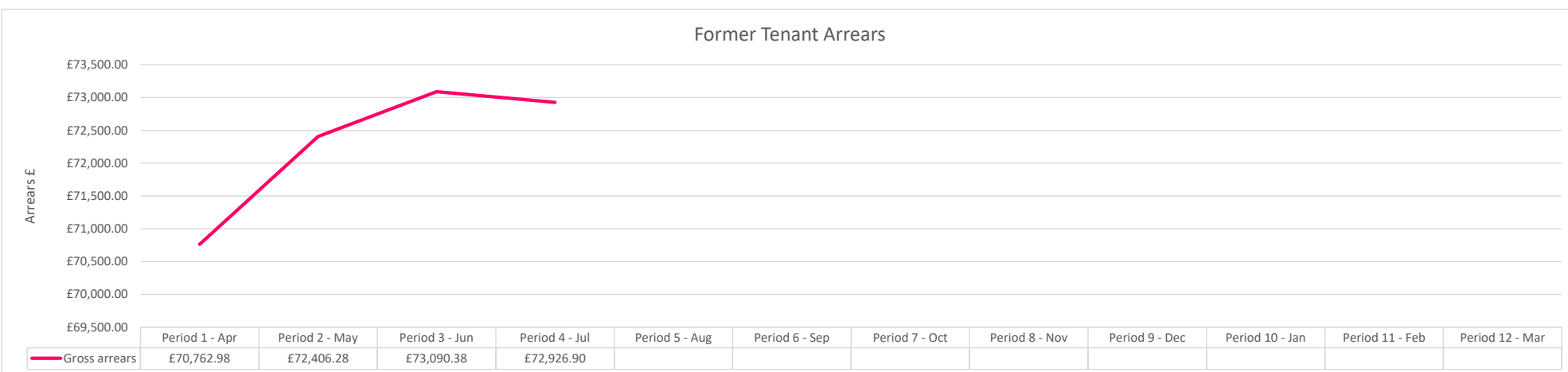
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Technical arrears	£75,905.12	£87,685.58	£25,874.84	£31,990.33								
Net arrears	£244,565.30	£231,101.21	£261,443.31	£253,650.12								
Gross arrears	£320,170.42	£318,768.79	£287,318.15	£285,640.45								



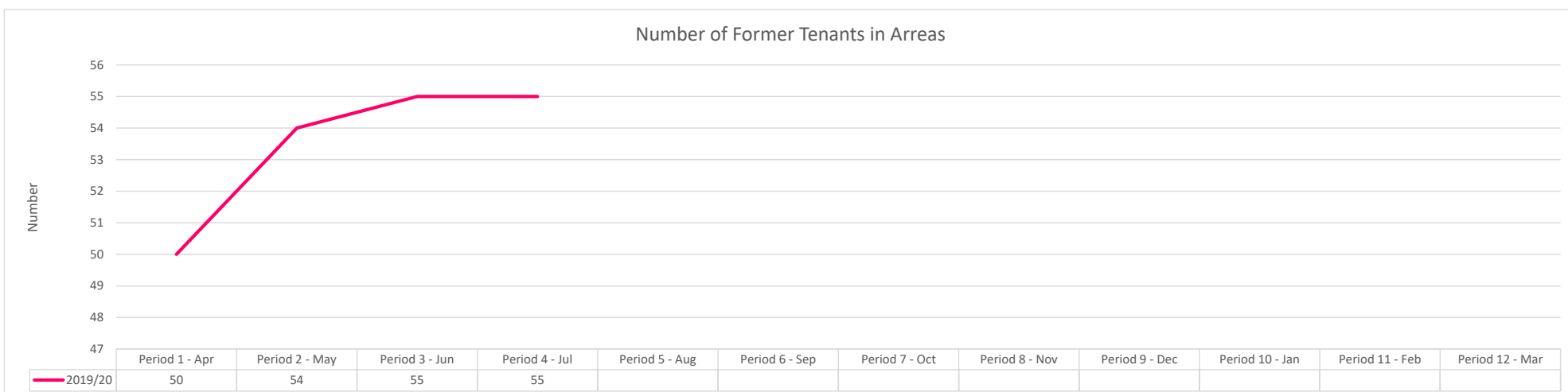
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Gross arrears	478	465	297	290								



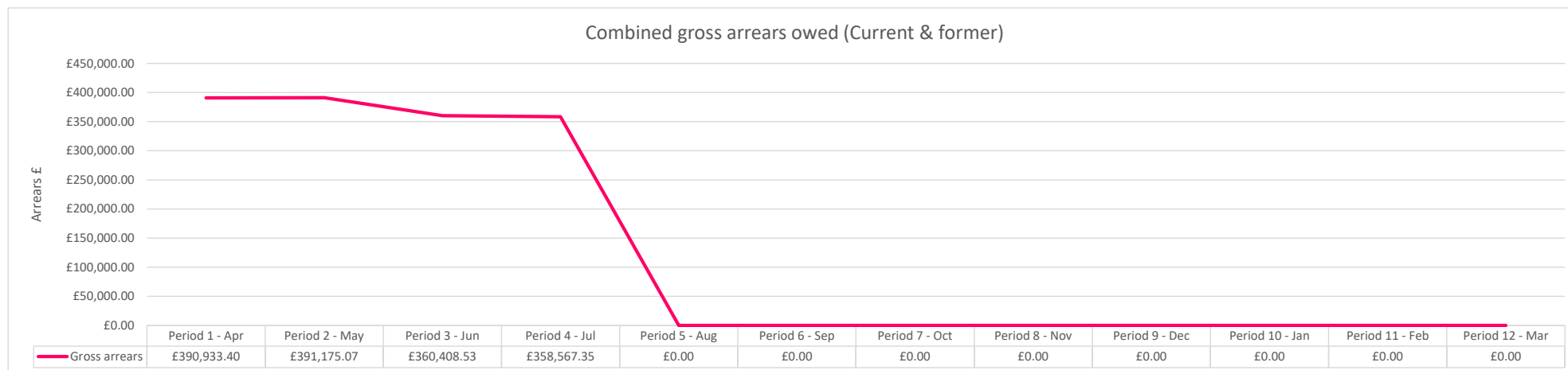
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Gross arrears	£70,762.98	£72,406.28	£73,090.38	£72,926.90								



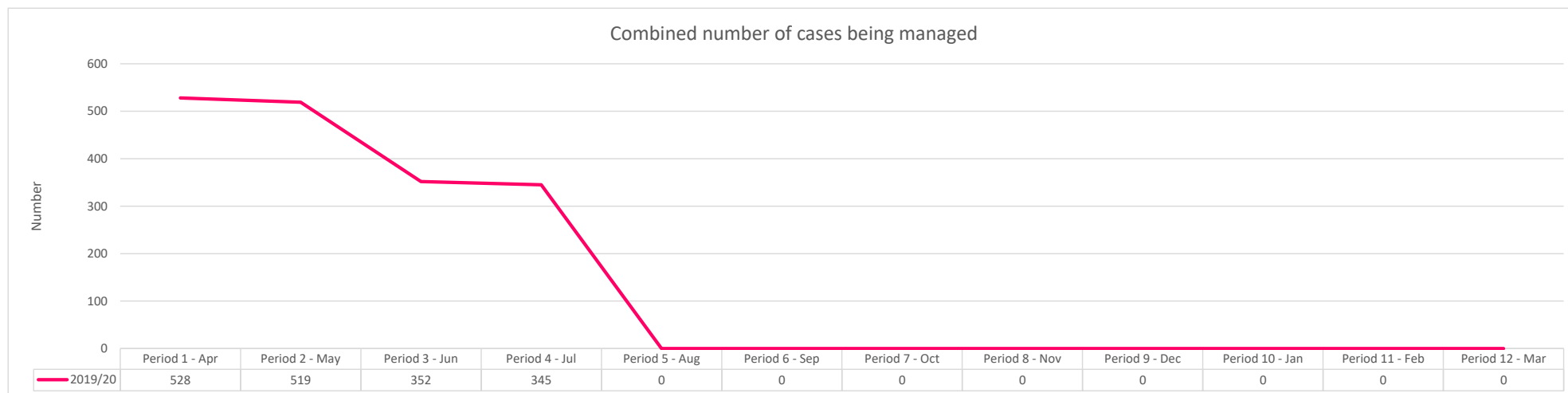
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
2019/20	50	54	55	55								



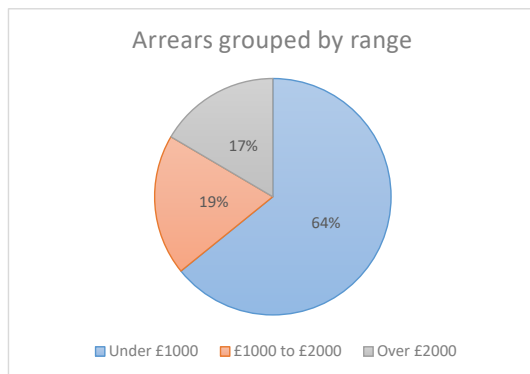
	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Gross arrears	£390,933.40	£391,175.07	£360,408.53	£358,567.35	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00



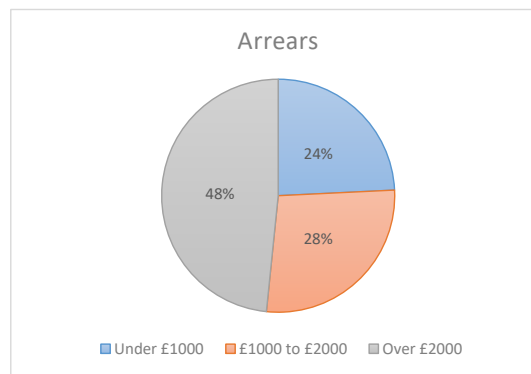
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
2019/20	528	519	352	345	0	0	0	0	0	0	0	0



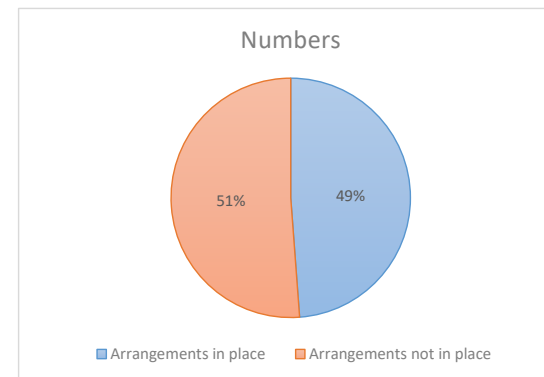
Arrears grouped by range	Cases
Under £1000	163
£1000 to £2000	49
Over £2000	42



Arrears grouped by amounts	Arrears
Under £1000	£63,477
£1000 to £2000	£71,763
Over £2000	£126,756



Arrangements	Numbers
Arrangements in place	124
Arrangements not in place	130



Management Committee	30 August 2023
Agenda item	9
Title of Paper	Quarter 1 - KPI Report April-June 2023
Author	James Wilson, Housing and Customer Service Manager Bill Black, Assets and Maintenance Manager
Attachments	Appendix 1 – KPI results Quarter 1
Executive Summary	This KPI report is presented from the Management Team on our performance to the end of quarter 1 of 2023/24

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 – June 2023.
- 1.2 The report and attached Appendix 1 details performance results to the end of the first quarter against targets set for 2023/24. 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 2023/24 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 KPI targets were reviewed last year and one internal measure (Non-ARC) was removed. As well as being a working internal management document, this also appears on our website and is available for everyone to view.

This quarterly Committee report highlights areas of concern and areas of particularly good performance or improvement. The Housing & Customer Services Manager and Assets & Maintenance Manager will concentrate on certain areas for discussion each quarter.

5 DISCUSSION

5.1 Housing & Customer Services Manager- Discussion points

Rent collected as a % of total rent due was 94.72% at end of Quarter 1. Previously this figure was estimated based on charges raised and income received in each quarter. It is now calculated via HomeMaster in accordance with ARC Technical Guidance.

Gross rent arrears, as defined within the ARC Technical Guidance, have decreased to 8.43%. Although it is trending down towards our internal target of 8%, arrears management remains an area of concern.

Former Tenant arrears increased to 2.05% at end of Quarter 1 remaining above our 1% target.

Current Tenant rent arrears decreased to 8% but remains above our 7% target.

The % of tenancy offers refused increased to 36.4% for the Year To Date. The reasons were due to 3 applicants already being rehoused by other housing providers and 1 applicant that failed to respond to our offer of housing, rather than for any reason related to our stock.

Relet times have decreased markedly to 27.4 days, but performance remains above our 25 day target. 4 of the 8 relets were carried forward from last year. Property condition and metering issues continue to impact 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 performance for emergency and non-emergency continues to be better than target at 1.5 hours (target 4 hours) and 2.5 days (target 6 days).

Repairs Satisfaction Rates decreased to an average of 80% for the quarter, against a target of 85%. See comments below.

5.3 Satisfaction Rates

Satisfaction continued to reduce across a number of satisfaction indicators in Q1, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes reflects the impacts of a range of wider financial pressures on tenants' perceptions of services/costs.

The consultant has confirmed all their clients are experiencing similar decreases in satisfaction rates, but we have seen higher than average increases in our neither/nor responses than most of the others.

Examples include:

Indicator 1, *Taking everything into account, how satisfied or dissatisfied are you with the overall service provided by your landlord?*

Our satisfaction rate was 82.2% against a target of 90% but the average for the group the consultant benchmarks against was 88.2%.

Indicator 25, *Taking into account the accommodation and the services your landlord provides, to what extent do you think that the rent for this property represents good value for money?*

Our satisfaction rate was 78.1% against a target of 85% but the average for the group the consultant benchmarks against was 83.9%.

Indicator 12, *Thinking about the LAST time you had repairs or maintenance carried out, how satisfied or dissatisfied were you with the repairs and maintenance service provided by your landlord?*

Our satisfaction rate was 80% against a target of 85% but the average for the group the consultant benchmarks against was 84%.

The Scottish Housing Network has noted that:

Overall tenant satisfaction reduced to 86%

Tenant satisfaction with the homes and services provided by social landlords is reducing. In 2018/19 overall satisfaction for the sector as a whole was 90%. It has steadily reduced since then and now sits at 86%.

At end of last year our overall satisfaction rate was 85.12% and is now 82.20%.

Satisfaction with Value for Money reduced to 81%

There has been an overall reduction in tenants' satisfaction with the value for money offered by their rent since 2018/19 for the sector as a whole. While most of those with new surveys have broadly seen reductions in satisfaction, some have seen improvements - although these have tended to start from a lower base.

At end of last year our overall satisfaction rate was 78.55% and is now 78.10%.

Satisfaction with Repairs Service reduced to 87%

Tenant satisfaction with repairs and maintenance has reduced since 2018/19 - to 87% in 2022/23. Performance for LA's increased 2 percentage points since last year, meaning that average tenant satisfaction with repairs is higher for LAs (89%) than for RSLs (87%).

At end of last year our overall satisfaction rate was 86.62% and is now 80%.

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.	
Mitigation	Mitigation	Mitigation
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 remain concerns but performance in both areas has improved.



Within target
Minor Concern
Concern

Function	Business Area	ARC QUESTION	KPI Brief Description	Annual KPI Target	Performance at End of Year 2021/22	Performance at end of year 2022/23	Q1 2023/24	Variance
Rent Management	ARC	26	Rent Collected as % of total rent due for year	100%	101.58%	98.33%	94.72%	5.28%
		27	Gross Rent Arrears as % of rent due for year	8.00%	10.23%	9.06%	8.43%	0.43%
		18	% of Void Rent Loss	0.60%	0.72%	1.07%	0.37%	
		22	Number of court actions which resulted in eviction	n/a	1	1	0	
	Performance		Current Tenants Arrears	7.00%	8.31%	8.81%	8.00%	1.00%
			Former Tenant Arrears %	1.00%	1.44%	2.04%	2.05%	1.05%
Allocations	ARC	14	Tenancy offers refused	30%	34.25%	28.57%	36.40%	6.40%
		17	Property that became vacant in the year	n/a	48	55	10	
		30	Relet time	25 days	30.00 days	54.95 days	27.4 days	2.4 days
	Performance		No of lets made	n/a	48	58	8	
Maintenance	ARC	6	% of stock meeting SHQS	100%	95.08%	96.34%	96.34%	3.66%
		8	Average time to complete EME repairs	4 hours	2.24 hours	1.45 hours	1.5 hours	
		9	Average time to complete NON-EME repairs	6 days	4.19 days	2.51 days	2.50 days	
		10	Reactive repairs carried out completed right first time	100%	99.78%	99.68%	99.00%	1.00%
		11	How many times did you not meet your statutory obligations to complete a gas safety check within 12 months of fitment or its last check	0%	0.30%	0.00%	0.00%	
Adaptations	ARC	19	The number of Households currently waiting for adaptations to their home.	n/a	4	3	2	
		20	The total cost of adaptations complete in year	n/a	£50,296	£64,203	£30,485	
		21	The average time to complete adaptation	60 days	25.05 days	54.04 days	86 days	
Estate Management	ARC	15	% of ASB cases reported in the last year which were resolved	n/a	100.00%	79.49%	66.70%	
		22	% of court actions initiated which resulted in eviction	n/a	0	1	0	
		1	% of tenants satisfied with overall service provided by their Landlord	90%	95.8%	85.12%	82.20%	7.80%
		2	% of tenants who feel their Landlord is good at keeping them informed about their services and decisions	95%	93.4%	93.77%	91.80%	3.20%

Satisfaction	ARC	5	% of tenants satisfied with the opportunities given to them to participate in the landlord's decision making processes	85%	94.8%	93.43%	94.60%	
		7	% of existing tenants satisfied with the quality of their home	80%	84.7%	75.78%	84.90%	
		12	% of tenants who have had repairs or maintenance carried out in the last 12 months satisfied with the repairs and maintenance service.	85%	79.7%	86.62%	80.00%	5.0%
		13	% of tenants satisfied with the landlord's contribution to the management of the neighbourhood they live in	90%	93.1%	69.90%	75.30%	14.70%
		25	% of tenants who feel that the rent for their property represents good value for money	85%	91.7%	78.55%	78.10%	6.90%
Complaints	ARC	3	The percentage of all complaints responded to in full at Stage 1	100%	100%	100%	75%	25%
			The percentage of all complaints responded to in full at Stage 2	100%	62.50%	100%	100%	
		4	The average time in working days for a full response at Stage 1	5 days	3.88 days	4.55 days	4 days	
			The average time in working days for a full response at Stage 2	20 days	12.60 days	16.67 days	4.5 days	
Communications	Service Standards		4 newsletter articles per annum	100%	100%	100%	100%	
Factoring	ARC	29	% of factored owners satisfied with factoring service they receive	70%	87.5%	87.5%	84.6%	

Comments
As per ARC Indicator calculation
Rent arrears have decreased but remain an area of concern. This figure includes current and former tenant arrears plus any arrears written off during the year.
Based on gross arrears as percentage of charges raised
Based on gross arrears as percentage of charges raised
4 offers did not proceed due to 3 applicants already being re-housed and 1 failing to respond to offer.
Void condition and metering are continuing to cause delays. 4 of the 8 lets were carried forward from last year.
We have several properties in abeyance due to access to upgrade heating or kitchens plus new requirements regarding ECIRs. All outstanding ECIRs from last year have been completed and this year's are on target.
We have had several complex adaptations with multiple works as well as a couple that were carried over from the last year and completed in this financial year.
15 cases reported during period, with 5 cases remaining open. In addition 8 cases were carried forward into this year and all have been resolved.
Satisfaction continued to reduce across a number of satisfaction indicators, largely due to the number of neither/nor responses increasing but also a slight increase in dissatisfaction. Consultant believes reflects the impacts of a range of wider financial pressures on tenants' perceptions of services/costs.
Satisfaction has reduced across a number of indicators as noted above

Satisfaction has reduced across a number of indicators as noted above
Satisfaction has reduced with this indicator from last year and has remained consistently low. Consultant believes linked to City Council withdrawing estate services, with many tenants citing conditions on estate due to amount of bulk/rubbish in common areas. Wellhouse HA have been working closely with Glasgow City Council staff to improve matters. Our estates team deal with rubbish on the estate and we are employing a contractor to deal with bulk.
Satisfaction reduced largely due to the number of neither/nor responses increasing but some slipping into dissatisfaction and represents a clear shift in tenants perceptions, during this time of increasing financial pressures on households.
Carried forward into next period, due to negotiated extension
Based on quarterly survey commissioned for 2023/24

Management Committee	30 August 2023
Agenda Item	10
Title of Paper	Arrears Strategy Report over £1000+
Author	James Wilson, Housing & Customer Services Manager
Attachment(s)	1. Arrears and cases stats 2. Arrears procedure

1. PURPOSE

The purpose of this report is to present the arrears strategy of the Housing Management Team at Wellhouse Housing Association. The focus of this strategy is to address rent arrears cases over £1000. By implementing a comprehensive approach, we aim to minimise arrears, provide support to tenants facing financial difficulties, and maintain the financial stability of the organisation.

2. RECOMMENDATIONS

That Committee approve the strategy.

3. BACKGROUND AND STATISTICS OF ARREARS CASES £1000+

Rent arrears pose a significant challenge to the financial sustainability of Wellhouse Housing Association. As of 31 July 2023, the total number of cases with a tenant arrears balance of over £1000.00 is 91 arrears cases. This total of 91 cases has an accumulated tenant arrears balance totalling £198,518.91. Of the 91 cases we have 55 (60.43%) cases with an arrangement in place.

Arrears for cases of £1000+ at year end (31 March 2023) was 96 cases totalling a tenants arrears balance of £216,015.02. Enclosed with this report is case management stats and figures from 1 April 2022 to 31 March 2023. From year start to year end the balance of cases £1000+ has risen by £18,826.57.

4. CASES OF £2000 +

As of 31 July 2023, we have 42 cases with tenant's arrears of £2000+. These cases equate to £126,755.30. I have provided a brief update to the 10 highest arrears cases and a short status on this case with attachment.

5. BUSINESS PLAN AND VALUES

The production of an arrear's strategy is consistent with:

- strategic objective 5: to maintain good governance and financial management and;
- our values of excellence and accountability.

6. OBJECTIVES

The primary objectives of our arrear's strategy are as follows:

- **Reduction of Arrears:** To work towards the overall reduction of the rent arrears amount and specifically focus on cases with outstanding balances over £1000.
- **Early Intervention:** To identify arrears cases promptly and initiate early intervention measures to prevent further escalation.
- **Tenant Support:** To provide necessary support and assistance to tenants facing financial difficulties, aiming to improve their ability to meet their rental obligations.
- **Data-Driven Decision Making:** To leverage data and analytics in identifying trends, patterns, and potential risk factors related to arrears, thereby making informed and effective decisions.
- **Collaboration:** To collaborate with other internal departments, external agencies, and relevant stakeholders to implement a coordinated approach in addressing arrears.

7. STRATEGY IMPLEMENTATION

The following SWOT analysis and strategy implementation contributes to the ongoing plans to maximize rental income.

SWOT analysis

Strengths	Weaknesses
We have an experienced housing management team as well as a dedicated Income Advisor	We have no control over the numbers of tenants who migrate to UC
As a result of recent audit of all arrears cases over £1000 we have been able to identify historical practices which have contributed to the length of time customers have been allowed to remain in arrears	Rent arrears recovery action competes with other housing management functions which often take priority
	There is less engagement than preferred from tenants due to a historical culture of not prioritising rent payments

Opportunities	Threats
The rent management policy has been approved and clearly states our intention to support customers who are struggling to pay their rent. The policy makes it clear that planned maintenance will not be carried out when debt is owed.	Reputational damage due to an increase in legal action
	Adverse impact on the Business Plan
We are able to recover debt by using an external debt recovery agent.	Continued loss of income and subsequent investment
We have an opportunity to change the culture to a 'rent first' approach with ongoing tenant consultation.	As a result of enquires from external agencies, it is likely that there may be an increase in applications for sequestration and trust deeds resulting in more irrecoverable arrears.

Strategy implementation

- New Arrears Procedure
 - We have created and implemented a new arrears procedure from July/August 2023.
 - This offers more office appointments and encourages more house visits.
 - Letter style has changed and been more prominent on arrears balances and the importance of contact.
- Prior Actions To Arrears Cases Reaching £1000
 - Arrears cases are created for any case with a balance which is the beginning of the arrears procedure.
 - The Housing Officers and Housing Assistant pursue tenants who have a tenants arrears balance of plus 1 months' rent.
 - Early contact is made via text message, telephone calls and a 1st arrears letter issued for tenants to contact the Association.
- Arrears Monitoring and Reporting:
 - The Housing Management Team will conduct regular reviews of the arrears data to identify cases with balances exceeding £1000.
 - There will be an increase in direct contact with tenants with telephone calls and house visits.
 - Monthly stats will be provided with monthly reports to the Committee for assessment and review.
- Early Intervention Measures:
 - Pre-action requirements would have commenced prior to arrears reaching £1000. This means when the case reaches this amount at least 3 letters, appointments being offered, and 2 house visits should have been carried out.
 - Tenants with arrears over £1000 will be contacted promptly by the Housing Management Team to understand the reasons behind the arrears and explore potential solutions. This will involve appointments with the Housing & Customer Services Manager at Notice of Proceedings appointments.

- Payment plans and length of time to clear arrears and reasonable repayment options will be discussed with the tenants, tailored to their individual circumstances.
- Financial Guidance and Support:
 - Wellhouse Housing Association will collaborate with our in-house Income and Advice Services and signpost to financial advisors and agencies to offer financial guidance and support to tenants in arrears.
 - Access to government benefit schemes and other financial assistance programs will be facilitated where applicable.
- Engaging with Tenants:
 - The Housing Management Team will maintain open communication channels with tenants, providing reminders and assistance in meeting their rental obligations.
 - Regular engagement will promote transparency and build trust between tenants and the Association.
 - Regular house visits will be carried out at lower arrears stages to ensure balances do not increase and tenants get the help required.
- Proactive Preventive Measures:
 - The Association will utilise the HomeMaster system to identify early warning signs of potential arrears and implement measures to prevent arrears from escalating.
- Consistent And Persistent Approach
 - The Housing Management Team will continue with all means possible to establish contact and set up suitable repayment arrangements.
 - External services will be explored to assist with establishing contact with the tenant.
 - Ample opportunities will be provided to the tenant to engage with the Association.
 - Any cases which success is not achieved then legal action will be pursued which may result in court proceedings and evictions.

8. PERFORMANCE METRICS AND REVIEW

The success of this arrear's strategy will be measured using key performance indicators, including but not limited to:

- a) Total reduction in rent arrears amount.
- b) The percentage decrease in cases with outstanding balances over £1000.
- c) The number of successful arrears recovery cases.
- d) Tenant feedback and satisfaction levels.

A quarterly review/audit will be conducted to assess the strategy's effectiveness and make any necessary adjustments to achieve the desired outcomes.

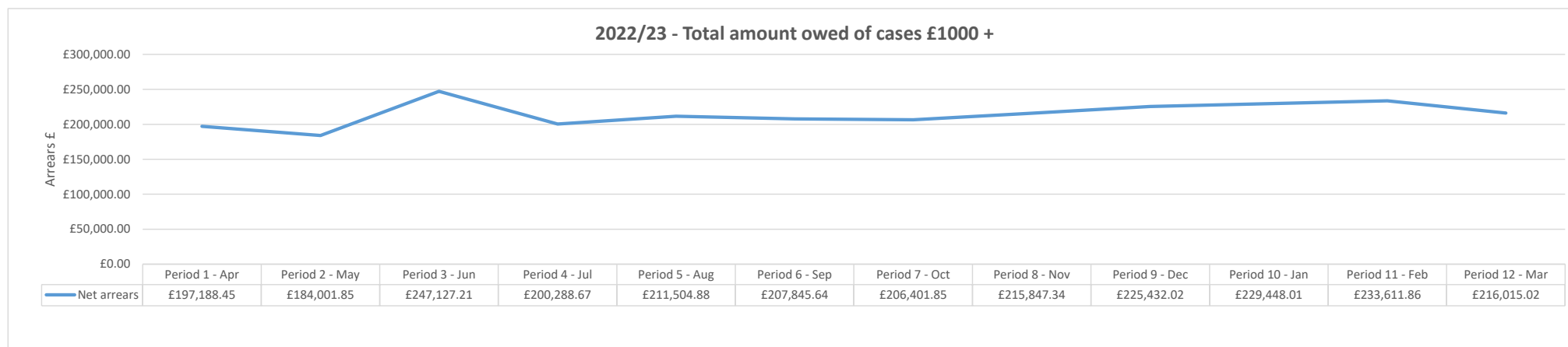
9. CONCLUSION

Wellhouse Housing Association is committed to addressing rent arrears cases over £1000 through a proactive and compassionate approach. By focusing on early intervention, tenant support, and data-driven decision-making, we aim to minimise arrears, ensure the financial stability of the organisation, and continue providing excellent services to our tenants.

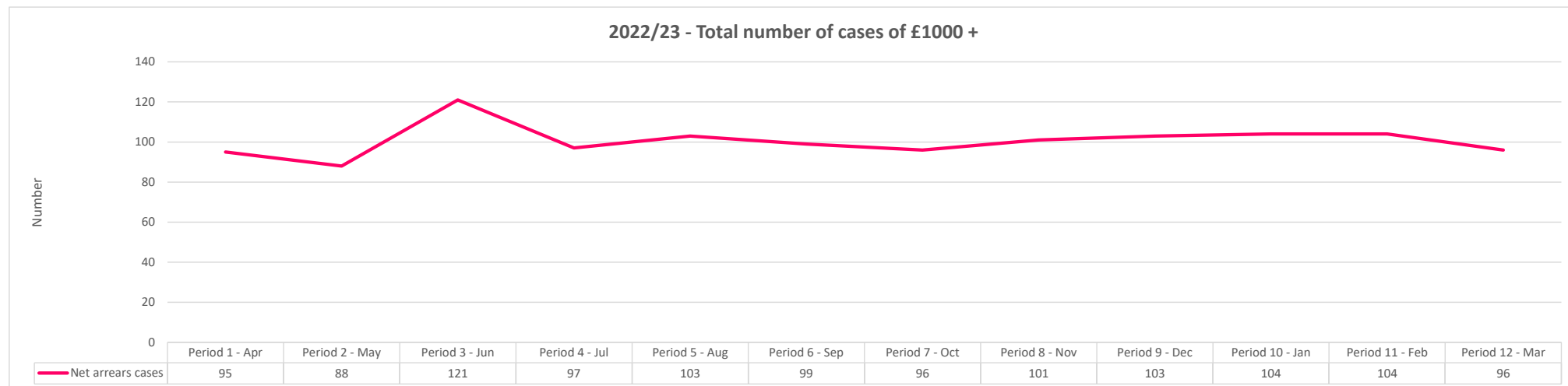
The Housing and Customer Services Manager will propose a new set of internal KPIs for the balances of arrears cases £1000+ to increase arrangements, bring down case load and improve recovery of arrears balances.

This strategy report is hereby presented to the Committee for ratification.

	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Net arrears	£197,188.45	£184,001.85	£247,127.21	£200,288.67	£211,504.88	£207,845.64	£206,401.85	£215,847.34	£225,432.02	£229,448.01	£233,611.86	£216,015.02

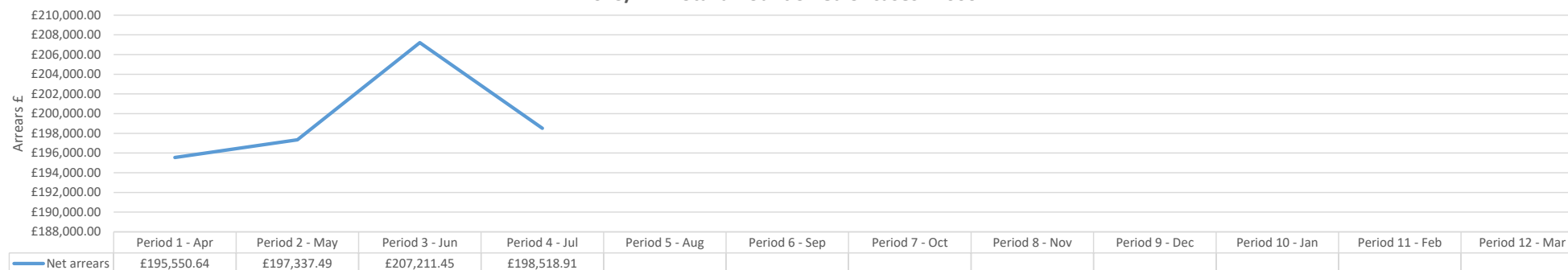


	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Net arrears cases	95	88	121	97	103	99	96	101	103	104	104	96



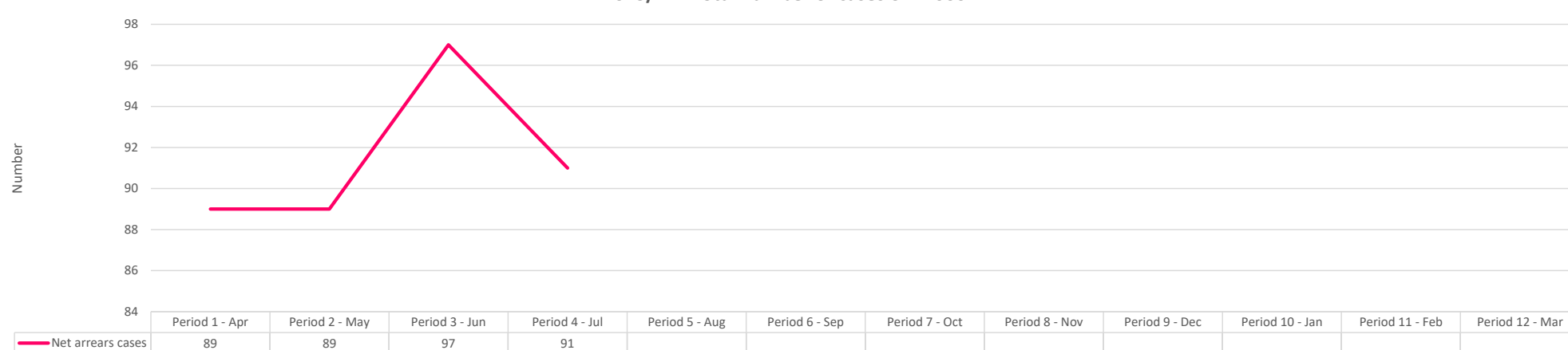
	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Net arrears	£195,550.64	£197,337.49	£207,211.45	£198,518.91								

2023/24 - Total amount owed of cases £1000 +



	Period 1 - Apr	Period 2 - May	Period 3 - Jun	Period 4 - Jul	Period 5 - Aug	Period 6 - Sep	Period 7 - Oct	Period 8 - Nov	Period 9 - Dec	Period 10 - Jan	Period 11 - Feb	Period 12 - Mar
Net arrears cases	89	89	97	91								

2023/24 - Total number of cases of £1000 +



Top 10 Arrears Cases and Status

ID	Tenant Balance	Current Arrears Status
960	6589.65	Court Hearing - Proof Hearing
819	5422.08	Repayment Arrangement In Place
866	5165.81	Repayment Arrangement In Place
266	4034.95	Repayment Arrangement In Place
262	4016.36	Second Reminder (Office Appointment) Letter
1090	3910.31	Court Hearing - Case Sisted
826	3766.82	Repayment Arrangement In Place
428	3628.68	Broken arr 2 letter - pending court action
710	3590.65	Repayment Arrangement In Place
221	3492.52	Broken arr 1 letter
144	3317.22	Repayment Arrangement In Place



Arrears Procedure—Road Map Format

The purpose of our Arrears Procedure is to provide a guideline for the journey of a tenant in arrears. By following the Arrears Procedure this should allow for effective and efficient arrears management provided timelines are adhered to. The Arrears Procedure is in line with our [Rent Management Policy](#) and timelines are auto-populate on HomeMaster.

The arrears journey of a tenant will be broken down into two phases:

1. Phase 1 will be tenants who have just entered into arrears such as tenants who have had a change or circumstances and/or benefits have changed etc. which has resulted in arrears accruing
2. Phase 2 will be for tenants who had an arrangement but have failed to maintain their arrangement.

Please note that for the purpose of monitoring for rent payments the below table shows when we can expect payments to reach account and allow us to action accordingly.

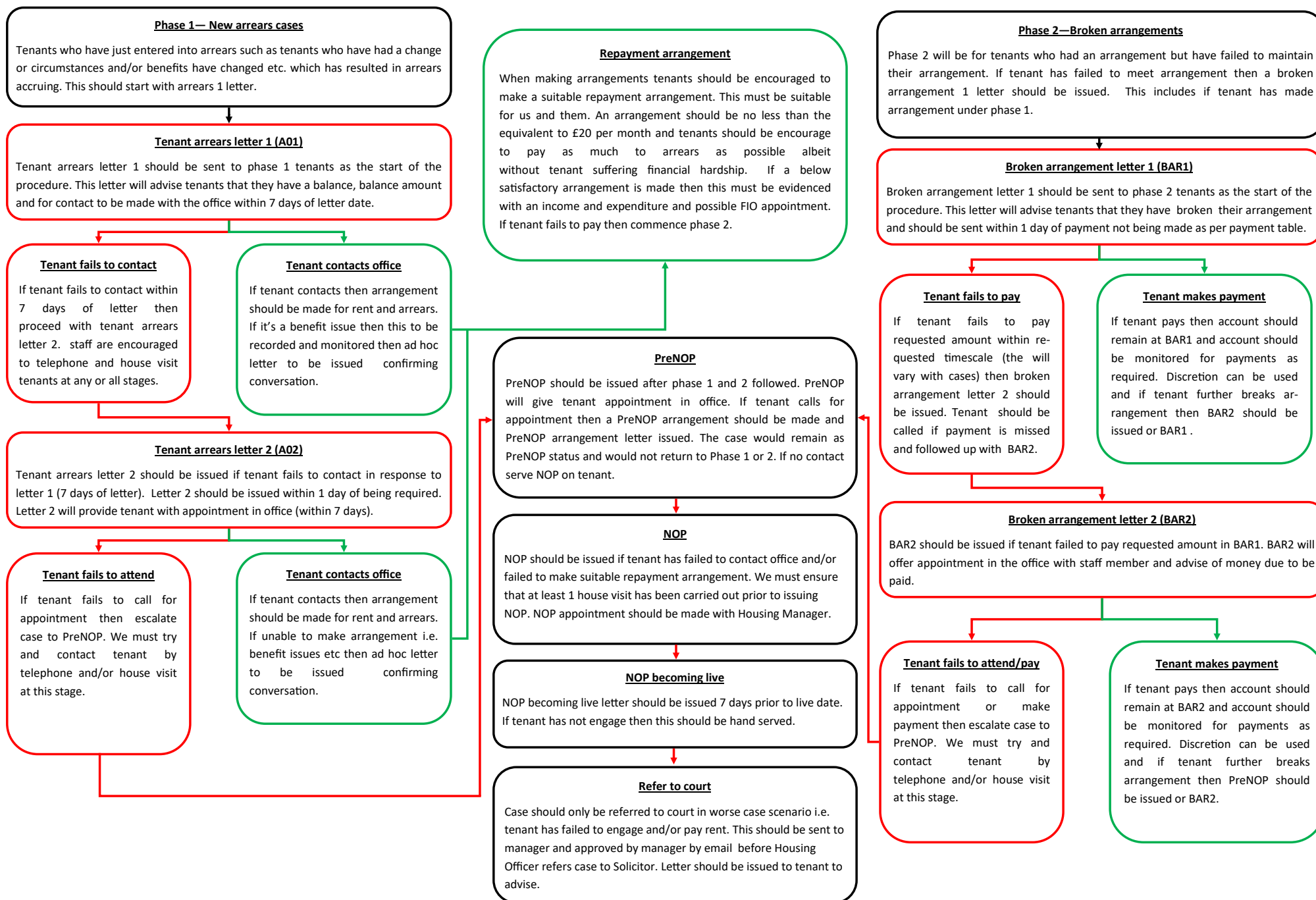
Payment due	Should be processed to account no later than	We could raise action if required
Monday	Wednesday close of business	AM of Thursday
Tuesday	Thursday close of business	AM of Friday
Wednesday	Friday close of business	AM of Monday
Thursday	Monday close of business	AM of Tuesday
Friday	Tuesday close of business	AM of Wednesday

Arrears cases should be managed using the arrears management tab and arrears actions following on from overdue arrears cases on HomeMaster. It is crucial that cases are kept up to date to allow for us to manage accounts efficiently.

Please see overleaf road map of phases. Please note that these road maps are for pre-action requirements and additional correspondence/letters can be issued out with this procedure to keep tenant updated etc. This is also explained within this procedure which provides purpose of additional letters and timescales of each phase and how this should be actioned. All arrears notes and actions should be updated on the Arrears Management tab in HomeMaster. An additional procedure will support this procedure for updating HomeMaster.

New tenants

New tenants should be encouraged to pay a months rent in advance in line with their tenancy agreement. If a month in advance is not paid then an arrangement must be made for contributions to month in advance. In any case a new tenant should always start with an arrangement in place. This could be a tenant paying or tenant paying and benefits arrangement, either form of arrangement should be recorded accordingly.



Pre-action requirements and court process

Phase 1					
Action	Next Action	Time to next action date	Status which will be set on HomeMaster	Letter that will be issued from HomeMaster as part of PARs	Timescale for moving to next stage if required
Letter 1	Letter 2	7	First Reminder Letter	Arrears - A01 - 1st Arrears Letter	1 day
Letter 2	Pre NOP letter	7	Second Reminder (Office Appointment) Letter	Arrears - A02 - 2nd Arrears Letter	1 day
Pre NOP letter	Repayment Arrangement In Place	7	Repayment Arrangement In Place	Arrears - A03 - 3rd Arrears Letter, office appt, NOP warning UPDATED	1 day
LAN QO	NOP becoming live letter	7	Notice of Proceedings for Recovery of Possession	Arrears - A04 - Covering Letter NOP QO	1 day
LAN Tenant	NOP becoming live letter	7	Notice of Proceedings for Recovery of Possession	Arrears - A04 - Covering Letter NOP Tnt	1 day
NOP becoming live letter	Court Action Instructed	7	NOP Office Appointment Letter	Arrears - A05 - NOP Live Date	1 day
Court Action Instructed	Court Date Letter	7	Court Action Instructed	Arrears - A06 - Court Action & HCSM Appt	1 day
Court Date Letter	Court Action Instructed	-1	Court Hearing - Case Continued	Arrears - ACC - Case Continued at Court	2 days

Phase 2					
Action	Next Action	Time to next action date	Status which will be set on HomeMaster	Letter that will be issued from HomeMaster as	Timescale for moving to
BAR 1	BAR 2	7	Broken arrangement letter for payment	Arrears - B01 - 1st Broken arr letter	1 day
BAR 2	Pre NOP letter	7	2nd Broken arrangement letter with appointment	Arrears - B01 - 2nd Broken arr letter	1 day
Pre NOP letter	Repayment Arrangement In Place	7	Repayment Arrangement In Place	Arrears - A03 - 3rd Arrears Letter, office appt, NOP warning UPDATED	1 day
LAN QO	NOP becoming live letter	7	Notice of Proceedings for Recovery of Possession	Arrears - A04 - Covering Letter NOP QO	1 day
LAN Tenant	NOP becoming live letter	7	Notice of Proceedings for Recovery of Possession	Arrears - A04 - Covering Letter NOP Tnt	1 day
NOP becoming live letter	Court Action Instructed	7	NOP Office Appointment Letter	Arrears - A05 - NOP Live Date	1 day
Court Action Instructed	Court Date Letter	7	Court Action Instructed	Arrears - A06 - Court Action & HCSM Appt	1 day
Court Date Letter	Court Action Instructed	-1	Court Hearing - Case Continued	Arrears - ACC - Case Continued at Court	2 days

Court process and outcome					
Action	Next Action	Time to next action date	Status which will be set on HomeMaster	Letter that will be issued from HomeMaster as part of PARs	Timescale for moving to next stage if required
Court Hearing (Proof Hearing)		0	Court Hearing - Proof Hearing		
Court Hearing (Case Continued)		0	Court Hearing - Case Continued	Arrears - ACC - Case Continued at Court	3 days
Court Hearing (Case Sisted)		0	Court Hearing - Case Sisted	Arrears - ACS - Case Sisted at Court	3 days
Decree Granted	Decree Report to Committee	28	Decree Granted	Arrears - ACD - Decree Awarded at Court	3 days
Decree Report to Committee	Eviction Scheduled	7	Presentation to Management Committee		
Eviction Scheduled	Eviction Carried Out	0	Eviction Scheduled	Arrears - ACE - Eviction Date Set	3 days
Eviction Carried Out		0	Eviction		
Case Closed		0	Case Closed		

Additional / Ad-hoc letters

These letters will be loaded onto HomeMaster to allow staff to use as and when required.

Letter name	Purpose of letter
Payment arrangement	<i>To confirm arrangement made by tenant</i>
Payment arrangement - pre-NOP	<i>To confirm arrangement made by tenant - advising action if not paid</i>
Payment arrangement - NOP	<i>To confirm arrangement made by tenant - advising action if not paid</i>
Payment arrangement form	<i>To sign arrangements made in office</i>
Income and expenditure	<i>To support tenants expenses for arrangements</i>
Payment reminder letters - General	<i>To remind tenants rent payment due if no phone number and action if no payment</i>
Payment reminder letters - NOP case	<i>To remind tenants rent payment due if no phone number and appropriate action if no payment</i>
Payment reminder letters - sisted case	<i>To remind tenants rent payment due if no phone number and appropriate action if no payment</i>
Payment reminder letters - continued case	<i>To remind tenants rent payment due if no phone number and appropriate action if no payment</i>
No access to house visit	<i>This letter can be issued to advise tenant you called to see them but they were not home</i>
Outcome of conversation letter	<i>To provide tenant with an update on conversations. This could be an additional letter in-between phases to give tenants opportunity to bring arrangements up to date or similar</i>
Ad hoc broken arrangement letter	<i>This would be a letter we can issue to tenants as an additional effort to get tenant to pay before moving on to court or NOP. This would be at the teams discretion and would need to incorporate the stage of the case.</i>
Court outcome - case sisted	<i>Letter will advise tenant of court outcome and stage of case</i>
Court outcome - case continued	<i>Letter will advise tenant of court outcome and stage of case</i>
Court outcome - decree granted	<i>Letter will advise tenant of court outcome and stage of case</i>

Management Committee	30 August 2023
Agenda item	11
Title of Paper	HUB Asset Management Software, Stock Condition (HAMS)
Author	Bill Black Assets and Maintenance Manager
Attachment(s)	Wellhouse Proposal June 2023
Executive Summary	Wellhouse Housing Association's (WHA) are required by the SHR to carry out at regular intervals a Stock Condition Survey

1 PURPOSE

To outline our approach to Purchasing for 3 years the software to carry out a Stock Condition Survey and seek committee approval.

2 RECOMMENDATIONS

- 2.1 That committee approve the plan.
- 2.2 That committee approve the cost of £23,816.64 + VAT over 3 years.
- 2.3 That committee instructs the Assets & Maintenance Manager to bring regular progress updates to committee.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 Our current business plan outlines our commitment to continuous development and excellent in service delivery and specific sections on sustainability and value for money. Our Corporate Priority number 9 is "Invest in our facilities and ICT to improve the experience of our customers/ upgrade our ICT infrastructure/ need to ensure these enhance the customer journey."

- 3.2 The proposals in this report are consistent with our Values of:

- Excellence;
- Accountability;
- Sustainability.

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

- 3.3 The report reflects the following areas of our Business Plan Priorities 22-25:

Provide Quality Homes:

- Our investment will be based on a strategic approach to asset management.
- All WHA homes¹ will meet the Scottish Housing Quality Standard and the 2020 Energy Efficiency Standard for Social Housing (ESSH)
- Full compliance at all times with our health and safety legal obligations relating to tenants' homes.
- Maintain good demand for our housing as evidenced by tenancies given up.

The comment below is taken from the existing Business Plan

"We are looking at the possibility of carrying out the 2023 survey in-house or commissioning external consultants. Aside from potential cost savings, an attraction of the in-house option is that we would have the software to keep on doing future iterations. The in-house option could also involve external validation of our findings and/or data analysis to help with life cycle costings and programme planning."

4 Background

- 4.1 The Scottish Housing Regulator requires each HA to regularly carry out a SCS, the comments below are from the SHRs paper on Intricated Asset Management Feb 2023 Recommended Practise, Introduction.

"To support social landlords to pursue and achieve an integrated approach to asset management, and to ensure their assets continue to meet the needs of tenants and residents, this recommended practice guide is based around five practical principles:

Principle 1: Governing bodies and committees lead the strategic response to asset management and should be assured that assets are managed effectively.

Principle 2: Social landlords should have a comprehensive understanding of their assets.

Principle 3: Social landlords should develop an approach to understanding the value of their assets.

Principle 4: Integrated asset management outcomes should be understood and used as evidence to inform future investment decisions.

Principle 5: Social landlords should use the integrated asset management outcomes to inform their asset management strategies".

- 4.2 As per the attached proposal the Hub HAMS was established by JMP in 2010 and now hosts around 60,000 dwellings and has 39 registered RSL users ranging in size from 300 to 4,500 dwellings. HAMS is unique in the sector being the only software application developed by Surveyors exclusively to meet the demands of the Scottish social housing sector and users sign up on an annual licensed basis that covers all support, maintenance and bug fixes by JMP in-house development team.

- 4.3 In 2022 we carried out a 10% (80 properties) survey this was Tendered by Ewing Somerville Ltd and the unit cost was £80.50 + vat, this would equate to a survey cost of £57,316 + vat to survey the remaining stock. A recent tender by another RSL to survey 400 properties was costed at £79.50 + vat per unit.
- 4.4 It is proposed we carry out the surveys using WHA staff this will allow us to programme the surveys to get 100% of common areas and as close to 100% for properties as possible, this allows Staff to get a better knowledge of stock and tenants and assist in staff development.
- 4.5 The surveys would be based on completing 30% a year over 3 years, with the potential to carry out more if staff work load allows as mentioned in the recent Committee paper February 23.
- 4.6 The reporting and Financial modelling within the HAMS would be ideal for WHA, due to the nature of our replacement programme being more fragmented due to the rent arrears policy we have to move Kitchens and bathrooms around rather than in a normal phased approach.
- 4.7 We have looked at another software system Pocket Survey which was originally built for the English market the licence cost for 4 members of staff would be £14,550+ vat over 3 years this would not include SHQS at £1,500+ VAT and other reporting/planning modules at similar costs making it more costly.

5 DISCUSSION

- 5.1 All stock is currently loaded on to the Hub so no further preparation work is required by WHA in staff time.
- 5.2 30 & 5 year modelling with real costs will allow better projection of spend especially with the current financial climate.
- 5.3 I have spoken to several other HAs who currently use the HUB a lot who carry out their own surveys all have attested to it being a very powerful tool and reported its ease of use locally based company with good backup.
- 5.4 It is now important that we either lease the software or procure a full Stock condition survey.
- 5.5 I am therefore proposing that we purchase HAMS for a period of 3 years. This will cost £7,938.88 + vat per year, total cost £23,816.64 + vat for 3 years. (difference in numbers due to HMO rooms being included this will be addressed if approved)
- 5.6 Committee is asked to approve the above costs.
- 5.7 A proposal document is included for more information.

6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 6.1 Regulatory – none at this time.
6.2 Legal – none.
6.3 Constitutional: none at this time.

7 FINANCIAL IMPLICATIONS

- 7.1 The cost of the Software has been budgeted for.

8 KEY RISKS

(a) Strategic Risks	(b) Operational Risks	(c) Project Level Risks
Failure to update and manage the SCS strategy could lead to loss of efficiencies and a higher reinvestment burden	Failure to update the SCS would be detrimental to business and financial planning	If contracts are not managed robustly, excess expenditure could incur
Mitigation	Mitigation	Mitigation
Regular management of the project plan and implementation.	Cloud based and adaptive service Staff carrying out surveys better financial forecasting.	Robust and close management of the progress.

9. EQUALITY, HUMAN RIGHTS AND DIVERSITY ISSUES

- 9.1 None.

10 SUSTAINABILITY

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

11. SWOT ANALYSIS

11.1

STRENGTHS	WEAKNESSESS
<ul style="list-style-type: none"> The Hub has a proven track record and is used by many peer organisation. Data easily transferred to excel etc. Supports BU, BC and DR on investment aims. Enhances customer experience. 	<ul style="list-style-type: none"> Staff time to carry out surveys
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Staff gain more knowledge and skills 	<ul style="list-style-type: none"> None identified.

12. CONCLUSION

- 12.1 Questions are encouraged and the Assets & Maintenance Manager is to keep Committee apprised as to any progress in matters relating to the development of this project, should it be approved.



Provision of HUB Asset Management software for:

Wellhouse Housing Association

SID Asset Management Ltd.
20-23 Woodside Place
Glasgow
G3 7QL

Tel: 0141 333 0363
E: graeme.reid@sidassetmanagement.com

Introduction

HUB is an asset management system developed specifically for the social housing sector.

It is a web based system that allows users access to all their property details through a simple log-in screen.

Users can view, interrogate, update and edit all their property data and run short and long term investment reports and Quality Standard and Energy Efficiency Standard compliance assessments.

Our mobile data capture module allows users to update property data from multiple mobile devices.



Our background means that we are uniquely placed to offer advice and support on both IT and Asset Management issues ensuring that you gain the maximum benefit from the duration of your time with us.

Key Features

- **Property Data** – HUB holds full address and component condition data and can incorporate capital, cyclical, reactive, contingent and improvement works as required. All the data is easily edited or updated to reflect completed works, changes in priority or corrections.
- **Bulk Updates** – Data can be updated individually or in bulk making it easy to reflect capital programmes or strategic changes to investment plans.
- **Property Lists** – Users can easily create named lists of properties that can then be updated in bulk or reported on as a group.
- **Schedule of Rates** – HUB contains a schedule of rates upon which all the cost projections are based. Users can define their own schedule to ensure the costs reflect the local tender prices specific to them and their specification.
- **Cost Projections** – HUB creates forward 30 year cost projections that users can specify the range of properties, the grouping of years the starting date. The generated costs have a “drill down” facility to identify which properties, costs are allocated to.
- **Housing Standard Compliance Reports** – HUB produces a number of standard reports to allow users to identify compliance with Housing Standards such SHQS and EESSH.
- **File Attachments** – Users can attached scanned images, pdf’s, or other file types to each dwelling allowing for photos, EPC’s etc. to be easily located and retrieved.
- **Mobile Data Capture** – HUB also has a mobile data capture module that will allow users to log into the system and undertake individual surveys on site and then upload these back into Hub Manager.

System Requirements

HUB is a web based system that can be accessed from any internet enabled PC using any modern browser (e.g. IE9+, Chrome or Safari). As it is cloud based, there is no requirement to install the system onto a PC removing the problem of version control, PC availability and data storage.

Support & Maintenance

The annual licence for HUB includes full support and maintenance of the system. Updates, bug fixes and minor enhancements are all included and we welcome feedback and comment from our user base to ensure future development work addresses actual demand and that the system continues to meet the requirements of our expanding client base.

In addition to the IT technical support, our background means that we are uniquely placed to be able to offer Asset Management support as well to assist with data interpretation, analysis and support.

Modules

HUB Manager — HUB Manager is the heart of the system and contains all the property data, editing and reporting functions. It is also where surveys are created, uploaded and received from mobile devices and where attached files are located.

HUB Surveyor — HUB Surveyor is the survey tool that works on Android mobile devices. It allows the user to upload survey templates and addresses from HUB Manager, complete the survey on-site and upload the data back into HUB Manager, all via a remote link.

HUB Rebuild Cost — HUB Rebuild Cost module links directly to the BCIS Residential Rebuilding Cost Lookup Service and allows users to generate accurate, up to date rebuild valuations for their housing stock

Bespoke Software Enhancements

Although HUB is a fixed system, bespoke enhancements can be accommodated to ensure the specific requirements of each individual client are met. Enhancements are discussed with our Developer and a fixed price and timeline agreed before commencing work.

Costs

HUB is priced on an annual licence basis for an unlimited number of users and for a 3 year minimum contract period. The annual licence cost is based on the number of properties hosted by HUB at the annual renewal date.

Hub Manager can be purchased in isolation, but **Hub Surveyor** and the **Hub Rebuild Cost** modules can only be purchased in conjunction with **Hub Manager** or if the user already holds a **Hub Manager** licence. Unless specifically opted out, **Hub Manager** and **Hub Rebuild Cost** will be packaged together.

Proposal

The table below identifies the pricing model:

Module	Number of dwellings under management			
	< 500	500-999	1,000–5,000	>5,000
Hub Manager	£2,716 pa	£3,048 + £3.10/prop over 500 pa	£4,600 + £1.88/prop over 1,000 pa	£12,194 + £1.27/prop over 5,000 pa
Hub Surveyor	£2,625 pa	£3,360 pa	£3,938 pa	£4,736 pa
Hub Rebuild Cost	£0.79 / prop pa	£0.79 / prop pa	£0.79 / prop pa	£0.79 / prop pa

For Wellhouse Housing Association therefore, the annual fee for the use of **HUB Manager and the Rebuild Cost module**, based on 797 properties would be **£4,598.33** plus VAT and the annual fee for the use of **Hub Surveyor** would be **£3,360** plus VAT. These amounts would be payable in advance with cleared funds being received prior to the annual renewal date.

Timescale

As the data is already in HUB, access to HUB can be provided immediately upon receipt of the first year's annual licence fee.

Wellhouse Housing Association would be given full, on-site training in the use of HUB for as many staff as required.

Our Customers:

- Angus Housing Association
- Bellsmyre Housing Association
- Cassiltoun Housing Association
- Charing Cross Housing Association
- Craigdale Housing Association
- Dalmuir Park Housing Association
- Elderpark Housing Association
- Ferguslie Park Housing Association
- Forgewood Housing Association
- Forth Housing Association
- Fyne Homes
- Garrion Peoples Housing Association
- Hanover (Scotland) Housing Association
- Homes for Life Housing Association
- Langstane Housing Association
- Molendinar Housing Association
- Muirhouse Housing Association
- Paisley Housing Association
- Pineview Housing Association
- Port of Leith Housing Association
- Reidvale Housing Association
- Retail Trust
- Ruchazie Housing Association
- Shire Housing Association
- Thenue Housing Association
- Trust Housing Association
- West Whitlawburn Housing Co-Op
- Williamsburgh Housing Association
- Wishaw & District Housing Association

Management Committee	30 August 2023
Agenda Item	12
Title of Paper	Policy Review Report
Author	Linda Logan, Corporate & Governance Officer James Wilson, Housing & Customer Services Manager
Attachment	Emailed for information: (no amendments required) <ol style="list-style-type: none"> 1. Grievance Policy 2. Stress Management Policy 3. Disciplinary Policy 4. Equality & Diversity Policy (HR) 5. Equality & Diversity Policy (Housing)

FOR APPROVAL

1 PURPOSE

To provide the reviewed Grievance, Stress Management, Disciplinary, Equality & Diversity (HR) and the Equality and Diversity (Housing) Policies for approval. The policies will be reviewed 3 – 5 yearly with the amendments being made as appropriate and communicated to all staff and relevant stakeholders.

2 RECOMMENDATIONS

- 2.1 That the Management Committee approves the reviewed Grievance, Stress Management, Disciplinary, and the Equality & Diversity Policies for both HR and Housing.

3 BACKGROUND

The Grievance, Stress Management, Disciplinary, and the Equality & Diversity Policy (HR) had previously been agreed by committee. These policies have been reviewed against current EVH Human Resource policies. The Equality & Diversity Policy (Housing) as compiled by Doctor Stewart Montgomery, Montgomery Housing and Equality Services, following extensive consultation and training, was approved by the Committee in August 2022. This is the first review of this policy.

4. CHANGES

All of the aforementioned policies have been reviewed in line with current legislation and no changes were required. The policies were emailed to the committee under separate cover for their perusal and consideration.

5. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

- 5.1 The main body of the policies have not changed and are in line with current legislation.

6 FINANCIAL IMPLICATIONS

N/A

7 KEY RISKS

- 7.1** Having policies in place helps the organisation take the key actions needed for compliance with the law and best practice. Without these, it could leave everything open to interpretation as situations arise, which can put Wellhouse HA and employees at risk.

8. EQUALITY AND DIVERSITY & HUMAN RIGHTS ISSUES

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

9. SWOT ANALYSIS

- 9.1** Not required.

10. CONCLUSION

- 10.1** It is recommended that the Management Committee approves the reviewed Grievance, Stress Management, Disciplinary, and the Equality & Diversity Policies for both HR and Housing. All policies will be reviewed on a 3 – 5 yearly basis.



POLICY

GRIEVANCE

Reviewed August 2023

Wellhouse - The Place To Be

Policy Created:	September 2016
Policy Approved	30 May 2017, 30 August 2023
Policy Reviewed	August 2023
Date of Next Review:	August 2027

Section	Content	Pages
1.	Vision and values	
2.	Governance	
3.	Policy Aims	
4.	Equal Opportunities Statement	
5.	Introduction	
6.	The Policy	

Linked Policies/Procedures

1.	Data Protection Policy
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1. Vision and values

Wellhouse – the Place to Be.

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

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

2. Governance

Wellhouse HA is a community controlled registered social landlord and is managed by a group of local people who are elected onto the Management Committee. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people.

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

3. Policy Aims

- To provide a mechanism for addressing staff concerns in a fair and consistent manner.
- To make sure Wellhouse Housing Association complies with its responsibilities within employment law and best practice.

4. Equal Opportunities & Diversity Statement

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

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

5. Introduction

Grievances are concerns, problems or complaints you may have with regard to your employment with Wellhouse Housing Association, e.g. concerning the job, working environment or any of your colleagues.

While you are employed with us, we want to make sure you feel comfortable that any issues or disputes you raise will be looked at and resolved wherever possible. We encourage you to raise your concerns immediately at the lowest possible level and we will do our best to resolve the majority of these quickly, using our informal process. However, we know that sometimes a formal procedure is also needed when the informal process does not reach a satisfactory conclusion, or where it is not appropriate to use. This policy provides the details of both the informal and formal processes.

6. The Policy

This policy applies to all staff within Wellhouse Housing Association.

You can expect Wellhouse Housing Association to:

- Listen to any concerns you raise either informally or formally and in line with the procedures set out below.
- Investigate your concerns, as we deem appropriate.
- Provide you with the opportunity for a maximum of two appeals as part of the formal process.

We expect that you will:

- Raise any concerns you have promptly, while following the correct procedure.
- Use the informal process in the first instance (where appropriate) and only use the formal process where it is necessary.
- Let us know what your concerns are and how you would like to see them resolved.
- Complete Wellhouse Housing Associations grievance form (appendix 1) and pass this to the appropriate manager.
- Co-operate and participate as required in any investigations we see fit.
- Start the process with the view of achieving an acceptable outcome for all concerned.

Informal Process

We encourage all staff to raise any concerns with their line manager. They will discuss the issues and any reasonable solutions with you. If you are unhappy with the outcome using this method, you will have the option of raising your concerns formally.

Formal Process

The following rules apply for the formal grievance process:

- If you wish to raise a formal grievance, you must complete the grievance form (appendix 1). If you do not complete the form and give it to the appropriate manager, we will not treat your complaint as a grievance.
- At all stages of the formal process you will have the right to be accompanied by a trade union representative or a workplace colleague. Your chosen companion is allowed to summarise your case, respond on behalf of you and confer with you. However they do not have the right to answer questions on your behalf.
- We will not make any changes connected to your complaint, until it is resolved, the procedure is exhausted, or you do not wish to pursue the matter further.
- If your concerns relate to or involve a manager, your complaint will be dealt with at the level above the manager involved.

We have two stages in our formal process (three stages for all full members only)

Stage 1

If you have not been able to resolve the matter informally, you should raise the matter, in writing, using the grievance form and give this to your line manager unless your complaint is about your line manager. In that case, your complaint will be dealt with at the level above the manager involved. We will write and invite you to a meeting within 7 calendar days where possible. At the meeting, we will hear your concerns and ask what your proposed solution is. We will write to you within 7 days with the outcome, and details of how to appeal the decision if you are unhappy with it.

Stage 2 – Appeal

Where you feel that your grievance has not been satisfactorily resolved during Stage 1, you can appeal the outcome by proceeding to Stage 2 of the process. You should submit your appeal in writing to outline the reason for your appeal without unreasonable delay. We will write to you and invite you to a meeting within 7 days where possible. The appeal will be heard by the next level above the manager that made the original decision or a manager who was not previously involved in the case. Your concerns will be heard at this meeting and you will be asked what your proposed solution is. The outcome of the appeal will be communicated to you in writing within 7 days from when the meeting was held. A decision made at this level will be final.

Stage 3

This is the final stage in our process. If you are still unhappy with the outcome at Stage 2, you may appeal for a second and final time to the JNC Appeal Chair. To appeal to the JNC you must make a request to the Secretary to the JNC Appeal c/o EVH and we will provide full details in your outcome letter. Once the Secretary has received your completed form, arrangements will be put in place to have your appeal heard without unreasonable delay. Once the JNC Chair has heard your appeal and provided their report, this marks the end of the internal process.

Please note that if your original grievance is heard by the board/committee, there will only be one appeal to the JNC making the process two stages only.

Outcome

After we have heard your concerns at the grievance hearing, an appropriate investigation will take place based on the information you have provided. We will write to you with our findings once we complete our investigation.

The outcome of your complaint will be one of the following:

- Your concerns have been upheld
- Some of your concerns have been upheld, and others have not.
- Your concerns have not been upheld.

Where it is possible, we will give you the reason/s why any decisions have been made. This does not mean you will automatically have access to the investigation nor witness statements that we have taken. Wellhouse Housing Association takes confidentiality of all its staff very seriously and must ensure that it complies with Data Protection requirements. As a result, only information concerning yourself that does not breach the confidentiality of others may be made available to you. If we take action against one of your colleagues because of your complaint, we will not inform you of this under any circumstances.

Collective grievances

A collective grievance is a complaint against an issue, which affects all staff or a group of staff in the same way, e.g. a change to a working practice, or working hours. If you wish to raise a collective grievance this should be at Stage 2 of the formal process.

If the issue is not resolved after going through the internal procedure, either you or we may refer the matter to ACAS conciliation.

Timescales

We may amend the timescales at any stage of the procedure if you and we agree. For JNC hearings, each side may apply for an extension to the JNC Chair.

Grievances raised after your employment has ended

If you raise a grievance after your employment has ended, we will consider the matters you raise and deal with them if appropriate. Once we have investigated your complaint, we will write to you with our findings. There will be no further steps of this process.

General Data Protection Regulations

The organisation will treat your personal data in line with our obligations under the current data protection regulations and our own policy GDPR Policy.

Information regarding how your data will be used and the basis for processing your data is provided in Wellhouse HA's employee privacy notice.



Appendix 1 Grievance Form

If you wish to raise a formal grievance you must complete the following form and give it to your line manager (unless the complaint concerns your line manager, in which case you should give the completed form to the manager at the next level).

Section 1 – About you

Name	
Job Title	
Department/Section	
Manager	

Section 2 – What is your complaint?

Section 3 – Please provide brief details of the outcome you would like considered

Signed

Signature	
Date	



POLICY

STRESS MANAGEMENT

Reviewed August 2023

Wellhouse - The Place To Be

Policy Created:	September 2016
Policy Approved	January 2017, January 2020
Policy Reviewed	August 2023
Date of Next Review:	August 2028

Section	Content	Pages
1.	Vision and values	
2.	Governance	
3.	Policy Aims	
4.	Equal Opportunities Statement	
5.	Introduction	
6.	The Policy	

Linked Policies/Procedures

1.	Absence Management Policy and Procedure
2.	Disciplinary Policy

1. Vision and values

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

2. Governance

Wellhouse HA is a community controlled registered social landlord and is managed by a group of local people who are elected onto the Management Committee. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people.

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

3. Policy Aims

This policy aims to:

- Promote a culture of mental and physical wellbeing
- Increase awareness of stress
- Provide managers with a clear process to use should an employee report that they are suffering from stress
- Provide details of the proactive measures Wellhouse Housing Association will implement to help reduce and, where possible, eliminate stress and its causes

4. Equal Opportunities, Diversity & Human Rights Statement

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

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

5. Introduction

Wellhouse Housing Association is committed to reducing and where possible eliminating stress for its employees. Although stress in itself is not an illness, it can be a contributory factor in many conditions and can cause both physical and mental illnesses. Stress on its own can also result in poor mental health of employees even if the effects are not severe enough to result in a medical diagnosis. Wellhouse Housing Association recognises the need to promote a culture of good mental and

physical health in its duty of care under the requirement of the Health and Safety at Work Act 1974.

6. The Policy

Policy Aims:

This policy aims to:

- Promote a culture of mental and physical wellbeing;
- Increase awareness of stress;
- Provide managers with a clear process to use should an employee report they are experiencing symptoms of stress;
- Provide details of the proactive measure Wellhouse HA will implement to help reduce and where possible eliminate stress and its causes.

Background:

Stress in the workplace is not new. The Health and Safety Executive (HSE) introduced Stress Management Standards a number of years ago and implemented tools to accompany them which have developed over the years. The management standards cover six key areas:

- | | |
|-----------|-----------------|
| • Demands | • Control |
| • Support | • Role |
| • Change | • Relationships |

Full descriptions of the standards and typical behaviours which can be a sign of stress are available from the HSE website [www.hse.gov.uk].

It is important to distinguish the difference between stress and pressure. In most work situations some pressure is healthy, but, stress is when a person experiences too much pressure and the effect of the pressure becomes negative.

Legal Framework

Although there is no specific legislation on stress the following are relevant through case law.

- *Health & Safety at Work Act 1974*
- Under section 2 (1), employers have a duty to 'ensure, so far as is reasonably practical, the health, safety and welfare at work of all...employees'
- *Management of Health and Safety at Work Regulations 1999*
- Requires that employers make a suitable and sufficient assessment of the risks to the H&S of its employees to which they are exposed whilst they are at work and this includes stress.

Definitions

The following are definitions which will be applied in the context of this policy

- Stress : the adverse reaction people have to excessive pressure or other types of demand placed on them
- Proactive measures : aims to prevent the harm caused by stress by taking action before it occurs

- Reactive measures: actions which will respond to any stress related situation to minimise harm once it has occurred and assist in preventing it occurring again.

Confidentiality

Wellhouse Housing Association will ensure that employees experiencing stress are dealt with in the strictest of confidence.

The organisation will treat your personal data in line with our obligation under the current data protection regulations. Information regarding how your data will be used and the basis for processing your data is provide in Wellhouse HA's employee privacy notice.

Line Manager Responsibilities

Line managers play a key role in managing stress within the workplace. It is vital to the success of a stress policy that managers have a thorough understanding of what stress is, what the causes are and what to be aware of to help identify early signs.

Line manager's responsibilities include:

- Attending stress awareness training;
- To be aware of the signs of stress and intervene where necessary;
- Promote the organisations culture of a physically and mentally healthy organisation;
- To manage staff effectively to minimise them experiencing stress;
- Where issues of stress arise, intervene as early as possible;
- To ensure that a stress risk assessment is conducted with their staff;
- Ensure staff contribute to the organisation's stress questionnaires;
- To take steps to help employees maintain a state of good mental health e.g. encourage rest breaks, and holidays.

Employee Responsibilities

- To raise any concerns regarding stress at the earliest opportunity;
- To participate in Wellhouse Housing Association measures to assist in reducing or eliminating stress;
- To be aware of the HSE Risk Management standards and the signs of stress;
- To raise any concerns they may have for their colleagues in regards to stress with a manager.

Managing Stress

Proactive Measures

To support the organisation's commitment in reducing the risk of stress occurring, *Any organisation* will ensure that the following initiatives will be implemented and adopted.

Managers training

Wellhouse Housing Association will ensure that all line managers attend stress awareness training and subsequent refreshers at appropriate intervals.

Employee Questionnaires

Wellhouse Housing Association will commit to conducting a stress questionnaire among staff on a periodic basis to help inform the team/department risk assessment. This will assist in identifying any 'at risk' areas within the organisation.

Analysing Information

Commitment will be given that Wellhouse Housing Association will review appropriate data e.g. absence, employee concerns, employee questionnaires to identify areas where stress is or could be a risk.

Risk Assessments

Stress risk assessments will be conducted on a periodic basis (whether these are carried out organisation wide or at department level will depend on the size of the organisation).

Promoting the Wellbeing of Employees

Wellhouse Housing Association is committed to facilitating a culture of promoting physical and mental health in the following ways:

- ⇒ Provide stress awareness sessions for staff.
- ⇒ Ensure that staff take any allocated breaks.
- ⇒ Manage staff holiday entitlement in order that leave is taken throughout the year at reasonable intervals.
- ⇒ Promote the benefits of physical activity for both physical and mental health.
- ⇒ Ensure that staff are not working excessive hours on a regular and prolonged basis.

Reactive Measures

Stress is a very individualised condition and, as a result, it is unfortunate that even with the above measures being put in place some employees may nonetheless find themselves experiencing a stressful period in their lives. This may be caused by work or personal circumstances, or a combination of both.

Managing Individual Stress Concerns

The following details the process that will be used by Wellhouse Housing Association should an employee raise concerns of stress.

- ⇒ Manager becomes aware that an employee is experiencing stress
- ⇒ The manager should arrange to meet with the staff member within 3 days to discuss the issues.
- ⇒ The line manager will give the employee a stress questionnaire to complete (Appendix 1).
- ⇒ The employee completes the questionnaire and returns this to the line manager.
- ⇒ The line manager completes any appropriate sections.
- ⇒ A second meeting is arranged to discuss the questionnaire, identify ways of managing the issues, and any support or interim arrangements that may assist the employee's recovery.
- ⇒ If appropriate the employee may be referred to an occupational health specialist, Employee Counselling Service or any other appropriate service.
- ⇒ At the conclusion of the meeting an action plan will be completed to summarise discussions and what actions will be taken by the organisation, line manager and employee.
- ⇒ If the employee is absent as a result of stress the absence will continue to be managed in line with Wellhouse Housing Associations absence management procedures.

NB: If the employee's line manager is a contributing factor to the employee's stress, another appropriate manager e.g. a manager one level above will conduct the meetings.

If it is identified that the stress is being caused by another employee then appropriate investigations may be required in line with Wellhouse Housing Association's Grievance Policy.

If through discussions with an employee a line manager becomes aware of a stress risk they will raise this in the appropriate way to ensure it is addressed at an organisational level. This will be done while maintaining the employee's confidentiality.

Occupational Health

If deemed appropriate an employee may be referred to an occupational health specialist to assist in the absence management and help identify any actions that could be taken to assist in the employee's recovery.

Employee Counselling Service

The details of the service available to employees are displayed on the staff notice board or can be sought from the employees line manager.

General Data Protection Regulations

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

Freedom of Information

As at November 2019, the Association is subject to FOI and all enquiries with respect to Notifiable Events will be handled strictly in line with FOI and confidentiality policies.

Additional Sources of Information

Healthy Working Lives - <http://surveys.healthyworkinglives.com/>

HSE - <http://www.hse.gov.uk/stress/>

<https://www.mind.org.uk/information-support/tips-for-everyday-living/workplace-mental-health/work-and-stress>

Individual Employee Stress Questionnaire

You have been given this questionnaire to complete as it has been highlighted to your line manager that you are or may be feeling stressed. The purpose of this questionnaire is to identify what factors may be contributing to you feeling stressed and for you to think about and detail what you feel would help reduce or take away your stressors. Once you have completed the form, please return it to your line manager. Your line manager will complete their comments and return a copy of the document to you with details of a meeting to discuss your stressors and what support may be available.

Cause of Stress	Question	If yes, please provide details if this causes an issue for you in work.	What do you feel could help in changing the situation?	Managers comments	Details of Support discussed
Demands	Do different people at work demand that you complete tasks which are hard to combine?				
	Do you feel you have unachievable deadlines?				
	Do you feel you have to work very intensively the majority of the time?				
	Do you feel you have to neglect some tasks as you have too much to do?				
	Do you feel that you are unable to take breaks due to your workload?				
	Do you feel pressured to work long hours?				
	Do you feel that you have to work fast the majority of the time?				
	Do you feel you have unrealistic time pressures?				
Control	Do you feel you can decide when to take a break from your work?				
	Do you feel you have a say in the pace/speed that you work?				
	Do you feel you have any choice				

Trust Honesty Integrity Excellence Accountability Sustainability

Control cont.	over how you do your work?				
	Do you feel you have any choice in what work you do on a day to day basis?				
	Do you feel you have any influence over the way you do your work?				
	Do you feel that your work time is flexible?				
Support (Manager)	Do you feel your manager gives you enough feedback on the work you do?				
	Do you feel you can rely on your manager to assist you with a work problem?				
	Do you feel you can talk to your manager about something that may upset, annoy or distress you at work?				
	Do you feel that your manager encourages you at work?				
Support (Peers)	Do you feel your colleagues would help you if your work became difficult?				
	Do you feel you get the help and support from your colleagues that you need?				
	Do you feel you are respected by your work colleagues?				
	Do you feel you're your colleagues give you the respect you deserve?				
	Do you feel that your colleagues will listen to any work related problems you may have?				

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Relationships	Do you feel you have been personally harassed, in the form of unkind words or behaviour at work?				
	Do you feel that there is/or has been friction or anger between colleagues?				
	Do you feel you are or have been bullied at work?				
	Do you feel that relationships are strained at work?				
Role	Are you clear about what work is expected of you at work?				
	Do you know how to go about doing your job?				
	Are you clear about the goals and objectives for your team?				
	Do you understand how your work fits in to the overall aims of your organisation?				
Change	Do you feel you have enough opportunities to ask your manager questions about change?				
	Do you feel you are consulted about changes within your workplace?				
	When changes are made in work, do you feel that they are clearly explained as to how they would work in practice?				
Other issues	Do you feel that there are any other factors in work that may be contributing to the way you are feeling just now?				
	Do you feel that there is anything outside of work that maybe contributing to the way you are feeling just now?				

Stressors

Now that you have identified your stressors please rank them, detailing the examples you have provided above in the order of 1-10 with 10 having the biggest impact on you and 1 the least.

Example of Stressor	1-10	Example of Stressor	1-10

Factor outside of work

This list of questions is mainly focused on factors at work. However, there may be factors outside work, e.g. family life, which may be affecting your ability to cope at work, and which in normal circumstances you would be able to deal with.

It may be benefit you to share these with your line manager (or another manager) as you can discuss with them if there are any short terms support measures that could be put in place to assist you at this time.

In addition your manager may be able to direct you to any additional support services you may not have though of before.

Action Plan

Detail below the action plan discussed with your line manager to support you in managing your stressors

Stressor/Area of Concern	Agreed Action	Review Date



POLICY

DISCIPLINARY

REVIEWED AUGUST 2023

Wellhouse - The Place To Be

Policy Created:	September 2016
Policy Approved	30 May 2017, May 2020
Policy Reviewed	August 2023
Date of Next Review:	August 2027

Section	Content	Pages
1.	Vision and values	
2.	Governance	
3.	Policy Aims	
4.	Equal Opportunities Statement	
5.	Introduction	
6.	The Policy	

Linked Policies/Procedures

1.	Grievance Policy
2.	

1. Vision and values

Wellhouse – the Place to Be.

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

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

2. Governance

Wellhouse HA is a community controlled registered social landlord and is managed by a group of local people who are elected onto the Management Committee. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people.

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

3. Policy Aims

- To make sure that you know the standards expected in respect of conduct, performance and attendance.
- To manage you in accordance with the procedures in this policy should you fall short of our expected standards.
- To manage any fall in standards in a fair and consistent manner.

4. Equal Opportunities Statement

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

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

5. Introduction

Wellhouse Housing Association requires you to maintain the highest possible standards of attendance, conduct and performance. The purpose of this policy is to help you understand these and encourage you to maintain them.

This policy will inform you of our expected standards of conduct, performance and attendance. Please speak to your line manager if you are unsure of the standards expected of you. If you do not meet our standards, then we will manage this in accordance with this disciplinary procedure.

This policy and procedure applies to employees with more than two years' service.

6. The Policy

You can expect Wellhouse Housing Association to:

- Inform you of all the allegations against you and give you the opportunity to state your case.
- Not take any formal disciplinary action until we have fully investigated the allegations against you.
- Conduct our own investigation irrespective of any police proceedings and make decisions in accordance with this policy based on evidence and information available to us at the time.
- Pay you full pay if we decide to suspend you pending any investigation outcome.
- Proceed with disciplinary action after an appropriate investigation has taken place.
- Not take any disciplinary action or suspend you if you are a trade union representative until we have had discussions with a full-time official of the union. If the full-time official is not available, we will contact a regional officer.
- Give you the right to be accompanied by either a trade union representative of your choice, or a workplace colleague at any stage of the formal procedure.
- Make sure if any action is taken against you, (other than dismissal) that we make clear the standards of improvement required, the timescale within which we expect this to be achieved, the frequency of reviews, and the consequences of inadequate or un-sustained improvement.
- Not dismiss you if this is the first issue with your conduct, performance or attendance unless you have committed gross misconduct. In this case, the penalty will normally be summary dismissal without notice or pay in lieu of notice.
- Provide you with a right of appeal if we issue you with any formal action.
- Keep records on your personal file of any live disciplinary action, which will only be available to you and your line manager.

- Refuse the use of recording devices (in normal circumstances) during any investigation, disciplinary or appeal hearings.
- Apply the procedure at any stage depending on the seriousness of the allegations against you.

We expect that you will:

- Be honest and transparent in all aspects of your work for us.
- Treat all colleagues, clients, partners and anyone in connection with us with respect and tolerance.
- Not abuse Wellhouse Housing Associations facilities.
- Not disclose any confidential information obtained in connection with your employment with us.
- Be frank and upfront about any connections you may have in any business that we deal with.
- Not publish or profit from any work done within Wellhouse Housing Association as this belongs to us until such time as we give permission for its use.
- Not accept any gift, favour or inducement from businesses or individuals in connection with us.
- Be loyal and ask permission before taking up any other work (paid or unpaid) – particularly if this in any way affects your ability to work for us.
- Meet the standards set out in all our policies and procedures and in particular, our code of conduct, equality and diversity and dignity at work, regardless of any personal or political beliefs you may hold.
- Maintain high standards of performance and carry out your role to the best of your ability.
- Maintain high levels of attendance as described in our attendance and absence policy.
- Follow instructions and requests from your line manager and any other senior member of staff.
- Participate as much as reasonably possible in all parts of the disciplinary procedure.

Investigation

Before any informal or formal action takes place, we will conduct an appropriate investigation. The purpose of this is to establish the facts surrounding the allegations against you. This will normally involve speaking to you and anyone else that may provide us with relevant information. We will also collect any other information we deem to be relevant. This meeting is not formal and does not form part of the formal disciplinary process.

The length and complexity of the investigation will be determined by the circumstances and the nature of the allegations. If you are unable, or choose not to participate in the investigation, we will proceed without your input.

The nominated investigator will be neutral and impartial and present their findings in an unbiased, factual, coherent and relevant way. The investigation report will include all evidence referred to. All information will be made available to both you and the disciplinary officer/panel.

On completion of the investigation, the investigator will make one of the following three recommendations:

- No further action
- Informal action
- Formal disciplinary action

Police Involvement and Criminal Offences

We may treat any criminal investigation, charge or conviction connected to you as a disciplinary matter if we consider it relevant to your employment with us.

Should you be subject to any police investigation, we will conduct our own independent investigation, and proceed regardless of the status of any police involvement.

If you are subject to any of the above and believe this may in any way affect your ability to do your job or our reputation, you must discuss this with your line manager as soon as you possibly can.

Suspension

We will suspend you on full pay if the allegations against you are gross misconduct. We will aim for your suspension to last no longer than one week. If the investigation has not finished within this time, we will write to you and update you on its progress. While on suspension you should not have any contact with any other employees other than the person named on your suspension letter.

We may also suspend you if we feel you are interfering with an investigation in any way, even if the allegations are not at gross misconduct level.

Time Limits of Warnings

We may extend the time limits referred to throughout this procedure, depending on the circumstances of individual cases.

Alternatives to Disciplinary Action

In addition to issuing warnings, the disciplinary panel/officer may consider other actions instead of dismissal including, redeployment, demotion, or an extension to the time limit of a warning.

Examples when the Disciplinary Procedure may be used:

- Any issues relating to your conduct/performance/attendance.
- Poor timekeeping and/or attendance.
- Unauthorised absence.
- Failure to follow absence notification procedures.
- Abuse of flexi time and/or TOIL.
- Failure to meet and/or maintain the improvements required in an informal action.
- Breaches of our policies.
- Performance below our expected standards.
- Deliberate misuse or damage of our property (including corporate clothing, electronic devices, email and internet).
- Not following our health and safety instructions.
- Unsafe working practices.
- Willful and persistent refusal to obey reasonable instructions.
- Professional incompetence.

The level and type of warning issued will depend on the circumstances and severity of individual cases.

Informal Procedure

We will normally use the informal procedure first. If your performance, conduct or attendance does not meet our required standards then your line manager will meet with you informally if appropriate. They will discuss the issues with you, and tell you what improvements are required, the support available, and explain any further consequences if you do not meet or maintain the standards we require. We will provide all this information in writing in an Informal Action Note.

Formal Procedure

We will follow our formal process when attempts to improve any conduct, performance and/or attendance have not improved through the informal process. We will also use the following formal process straight away for more serious matters. If you are invited to a formal hearing, this will be done as soon as reasonably practical on conclusion of the investigation. You will also be given a minimum of 2 working days' notice of the hearing. If we issue you with a formal warning, you will have the right to appeal and we will give you the details of how to do this in the letter confirming the outcome of your hearing. We will not apply any formal stages of this procedure unless an appropriate investigation has taken place.

We have three stages in our formal procedure:

First Stage

If you do not meet our standards detailed at the informal stage, or the matter is serious, a manager will invite you, in writing, to attend a formal disciplinary

hearing. The purpose of the hearing is to provide you with an opportunity to state your case and consider all appropriate evidence. If, after considering all the evidence, including your response and we believe this to be unsatisfactory, and/or it is still appropriate, we will issue you with a first written warning or performance note. This will remain on your file for six months.

Second Stage

If you have a live written warning and remain below our standards or, if we consider the matter very serious, a manager will invite you, in writing, to attend a formal disciplinary hearing. The purpose of the hearing is to provide you with an opportunity to state your case and consider all appropriate evidence. If, after considering all the evidence, including your response and we believe this to be unsatisfactory, and/or it is still appropriate, we will issue you with a final written warning. This will remain on your file for 12 months.

Third Stage

If you have a live final written warning and remain below our standards, or if we feel you may have committed an act of gross misconduct, a senior manager will invite you, in writing, to attend a formal disciplinary hearing. The purpose of the hearing is to provide you with an opportunity to state your case and consider all appropriate evidence. If, after considering all the evidence we deem it appropriate, we may dismiss you. We will make a payment in lieu of notice if the reason for dismissal is anything other than gross misconduct. If we dismiss you for gross misconduct, we will not give you notice or make a payment in lieu of notice. Members of our Governing Body will hear appeals against dismissal.

Gross Misconduct

Gross misconduct equates to a serious breach of contract and includes actions that will have a serious effect on our business, reputation or damage the relationship of trust and confidence between us. We will normally regard the following as gross misconduct: *(this list is not exhaustive)*

- Theft and/or serious willful damage or misuse of our property from us, our staff, clients, customers or anyone connected with us.
- Bullying, threatened/actual violence, or provoking violence.
- Under the influence due to alcohol or any other substance.
- Possession, use, supply or attempted supply of illegal and/or legal substances.
- Fraud, forgery or other dishonesty including, fraudulent wage claims or falsification of records/expenses including time sheets and overtime.
- Harassment, discrimination or victimisation.
- Serious infringement of health and safety rules and procedures, or any other policies, operating procedures or workplace rules put in place by us.
- Acts of gross professional incompetence.
- Bringing Any Organisation into serious disrepute.

- Serious breaches of security or confidentiality, including misuse or disclosure of confidential information.
- Acceptance of bribes or other concealed payments.
- Deliberately accessing internet sites containing illegal, pornographic, offensive, obscene, and/or information to incite or carry out any acts of violence.
- Being charged or convicted of a criminal offence that in our opinion may affect our reputation, or relationships with staff, clients, customers or anyone connected with us, and/or affects your suitability to work for us.
- If we become aware of any official information from outside agencies that may compromise your suitability for your role, e.g., PVG scheme, Credit Check.
- Malicious or untrue allegations against others.

Notice of Decision

We will issue you with the outcome of our decision, including the reasons for this in writing to you within 5 working days of the formal disciplinary hearing. This letter will detail the reasons for the formal warning and what we expect of you. If we dismiss you, we will provide you with details of your last date of employment and inform you of any outstanding payments that we will make to you in your final salary.

Appeals

If you wish, you have the right to raise an appeal within 5 working days of receiving your letter, which details any formal action against you. Details on how to appeal will be included in your decision letter confirming the action taken against you. We will arrange an appeal hearing within 10 working days of receiving your request. We will write to you after the hearing confirming our decision regarding your appeal.

Any appeal will be taken, where possible, by someone who was not involved in the original disciplinary hearing.

Appeals Procedure

- Appeals against any formal warnings will be made to one level above at which the disciplinary action was taken, if possible.
- You have the right to one internal appeal against any formal warnings or performance note.
- You should raise your appeal within one week (5 working days) of receiving your letter.
- Your appeal will be heard within 10 working days of the appeal being lodged.
- At the appeal you will be asked to state the reason for your appeal and provide evidence to substantiate your reasons.
- The manager/panel will ask any appropriate questions.

- The appeal hearing will conclude and the appeal chair will conduct any necessary investigation.
- We will advise you of the outcome of your appeal in writing. This decision will be final.
- At all levels, the outcome of an appeal hearing may:
- Confirm a previous action.
- Dismiss the previous action; or
- Substitute a lesser penalty.

Appeals procedure

- Appeals against any formal warnings will be made to one level above at which the disciplinary action was taken, if possible.
- You have a right to one internal appeal against the first written warning or performance note.
- You should raise your appeal within one week (5 working days) of receiving your outcome letter.
- We will hold appeal hearings within 10 working days of receiving your request, (with the exception of a JNC Appeal).
- There is one appeal against a final written warning and after this, it will be made to the JNC Appeal Chair.
- If you are appealing against dismissal, you must do so to the JNC Appeal Chair.
- The JNC Appeal Chairs are independent people appointed by the Joint Negotiating Committee.

Appeal hearings to the JNC Appeal Chair will be held within 20 working days (where possible).

JNC appeals

The JNC Appeal Chair is the final stage of the internal disciplinary and grievance procedure. The Secretary to the JNC Appeal will send you a copy of the guidance notes if you make a valid request for an appeal. The Chair's decision will be followed by a written report, which will be sent to both parties.

Once a JNC appeal has taken place and report issued, the matter will be closed.

Authority to take disciplinary action

- First written and final warning - line manager or supervisor
- Dismissal - Director with authority of the Staffing Committee

Records

We will keep records on your personal file of any disciplinary action, which will only be seen by you, your line manager and the senior officer if appropriate.

Your manager will remove disciplinary warnings from your file when no longer live.

General Data Protection Regulations

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



POLICY

EQUALITY & DIVERSITY (HR)

Reviewed August 2023

Wellhouse - The Place to Be

Policy Created:	September 2016
Policy approved	December 2017 , December 2019
Policy Reviewed	August 2023
Date of Next Review:	August 2027

Section	Content	Pages
1.	Vision and values	
2.	Governance	
3.	Policy Aims	
4.	Equal Opportunities Statement	
5.	Introduction	
6.	The Policy	

Linked Policies/Procedures

1.	Dignity at work Policy
2.	Redundancy Policy
3.	Disciplinary Policy
4.	Grievance Policy

1. Vision and values

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

2. Governance

Wellhouse HA is a community controlled registered social landlord and is managed by a group of local people who are elected onto the Management Committee. Their role is to make sure that the Association is well run, meets the needs of the local area and is responsive to what is important to local people.

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

3. Policy Aims

This Equality and Diversity policy aims to:

- Ensure integration with equality and diversity practices into all Wellhouse Housing Association does, and ensure that employees are treated with fairness and respect from each other and from members of the public, committee members, and contractors.
- Require Wellhouse Housing Association to implement fair and just employment practices ensuring that no job applicant or employee will receive less favourable treatment on any grounds.
- Ensure people are recruited and employees promoted solely on the basis of their own merit, experience, ability and potential. This applies throughout the entire duration of employment as all decisions will be based on only relevant merits.
- Provide an environment appropriate to the needs of those from all walks of life and offer a culture that respects and values each others' differences and promotes dignity, equality and diversity.

4. Equal, Diversity and Human Rights Statement

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

We will respond to the different needs and service requirements of individuals. We will not discriminate against any individual for any reason, including age, disability, gender

re-assignment, marriage, civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation, or other status.

5. Introduction

Wellhouse Housing Association is committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equality of opportunity for all. Throughout Wellhouse Housing Association there will be a consistent approach in promoting equality and diversity across all areas within Wellhouse Housing Association through the entire employment relationship from the recruitment process to termination and references.

All employees are required to abide by this policy. This policy also covers discrimination by and towards members of the public, governing body members, contractors and staff from other agencies. Wellhouse Housing Association opposes all forms of unlawful discrimination in relation to employment.

Background

Tackling inequality is not something new. UK Governments have been addressing equality and diversity issues for many years. Although progress has been made, inequalities still exist in Scotland and within the UK. As the Government continues to tackle discrimination, promote equality, address inequalities and inconsistencies that were present in the previous discrimination legislation, the new Equality Act 2010 was introduced. The introduction of the act saw previous discrimination legislation abolished and replaced with one single piece of legislation. This policy will be compliant with the current legislation and promote a culture of dignity and respect for all.

Lack of equal opportunities is not only a serious moral issue but also has a significant impact on business performance. Studies have shown that high levels of motivation are achieved in an environment of respect and fairness. Wellhouse Housing Association will aim to ensure that all employees are treated with fairness and respect and not be discriminated on the grounds of marriage & civil partnership, sex, race, disability, age, religion or belief, gender reassignment, pregnancy & maternity and sexual orientation, or disadvantaged by any conditions or requirements which cannot be shown to be relevant to performance. Wellhouse Housing Association will therefore ensure all employees are provided with equality of opportunity in the course of their employment starting from recruitment.

Legal Framework

The following details the specific acts relating to discrimination law.

Equality Act 2010

Definitions

Diversity

Is about valuing individual differences. Wellhouse Housing Association is committed to valuing and managing people's differences to enable all employees to contribute and realise their full potential. Wellhouse Housing Association recognises that people with different backgrounds, skills, attitudes and experiences can bring fresh ideas and perceptions that will benefit Wellhouse Housing Association and its customers.

Equality, Diversity & Human Rights

Is making sure people are treated fairly and given fair chances. ***Equality is not about treating everyone in the same way but recognises that their needs are met in different ways.*** Equality focuses on those areas covered by the law, and described as the Protected Characteristics of race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

Protected Characteristics

The grounds on which discrimination claims can be made:

Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy & Maternity, Race, Religion or Belief, Sex, and Sexual Orientation.

Direct Discrimination

Is treating someone less favourably than others based on a protected characteristic.

Indirect Discrimination

A policy, practice, procedure, provision or criteria that applies to everyone in the same way but might disadvantage a particular protected group, and which cannot be objectively justified in relation to the job.

Harassment

Conduct that violates a person's dignity or creates an intimidating, hostile degrading, humiliating or offensive working environment. The intention of the perpetrator is irrelevant, it is the impact on the individual which determines whether harassment has taken place.

Victimisation

Treating someone less favourably and discriminating against them because they have pursued or intend to pursue their rights relating to alleged discrimination, complained about the behaviour of someone harassing them or given evidence in someone else's discrimination complaint.

Positive Action

Addressing imbalances in the workforce, by encouraging members of under represented groups to apply for jobs. Positive action may be applicable in setting equality targets. No quotas will be set by Wellhouse Housing Association but equality targets may be set to encourage people from a particular group or groups to apply for a vacancy in Wellhouse Housing Association in comparison to the local community where they are underrepresented.

Failure to make Reasonable Adjustments

Where arrangements disadvantage an individual because of a disability and reasonable adjustments are not made to overcome the disadvantage.

Associated Discrimination

Discrimination against a person because they have an association with someone with a particular protected characteristic. E.g., a non disabled person is discriminated against because of the action they need to take care of disabled dependent.

Perceptive Discrimination

Discrimination against a person because the discriminator **thinks** the person possesses that characteristic. E.g., a person is not shortlisted for a job on the basis that the recruiter assumes the applicant does not have the correct VISA to work in the UK as they have a foreign looking name on their application form.

Employees

All permanent, temporary fixed term staff, including all managers, Director/Chief Executive, and agency workers.

Stakeholders

Contractors, consultants, tenants, customers, service users, other outside agency workers

6. The Policy

The Director is responsible for the policy's day to day implementation.

Wellhouse Housing Association will ensure that all new employees and management committee members will receive induction on this policy. The policy will be widely promoted and integrated into all policies and procedures within Wellhouse Housing Association. Copies of the policy will also be freely available and displayed in Wellhouse Housing Association offices.

Appropriate training and guidance will be available to promote equality and diversity among staff.

This policy applies to everyone in Wellhouse Housing Association and everyone has a responsibility to be alert to discriminatory behaviours and practices should they occur. Unacceptable behaviour and practices must not occur, however if a situation arises, it will be dealt with immediately. Breaches of the equality and diversity policy will be regarded as misconduct and will lead to disciplinary action which may include dismissal.

Recruitment & Selection

It is Wellhouse Housing Association's policy that all recruitment decisions will be based completely on the merits and abilities of candidates alone and no other criteria will be used. In order to achieve this, equality and diversity practices will be integrated into every stage of the recruitment and selection process.

A fair recruitment process will remove barriers to the employment of people of different backgrounds. This will enable Wellhouse Housing Association to recruit from the widest pool of talent, potentially raising the standard of their intake and therefore increasing the opportunity of a more diverse workforce which reflects the community it is serving. A more diverse workforce will improve the organisation's service delivery, as it will include staff with more knowledge and experience, meet and aid in meeting the needs and aspirations of service users and potential service users.

To highlight Wellhouse Housing Association's commitment to promoting equality and diversity from the beginning of the employment relationship, all vacancies will be aimed at as wide a group as possible and any advertisement for a vacancy within Wellhouse Housing Association will state that an equality and diversity policy is in place. In addition, the advert will also display any signs of equality bodies that Wellhouse Housing Association is affiliated with.

The information contained in the advert and all vacancy literature will be clear and accurate to attract the most appropriate candidates from all groups across society, to allow them to decide their own suitability for the vacancy and whether they wish to proceed with applying. For those that wish to apply Wellhouse Housing Association will ensure that all applications have clear instructions for completion and application forms will be free from personal questions that are not relevant to the vacancy and that may lead to discrimination.

Wellhouse Housing Association will ensure all staff involved at any stage in the recruitment and selection process will receive equality and diversity awareness training. This will ensure that those involved in the recruitment process will not discriminate either knowingly or unknowingly by asking any questions which may lead to discrimination.

Terms & Conditions of Employment

As part of the employment relationship being covered under this equality and diversity policy all contracts of employment will be issued in accordance with the job role and not the job holder. Employee's terms and conditions will be standard across all employees regardless of any of the protected characteristics. Employees will not receive less favourable terms and conditions for any reason other than relating specifically to the job role and the grade it attracts.

Training and Development

Equality and diversity will apply throughout all training activities and resources. Training and development opportunities will be given to all employees according to their job role. It is crucial that all employees are able to participate and enjoy any training opportunities or activities without discrimination or fear of harassment. Every attempt will be made to ensure learning materials will provide a positive image of people reinforcing an image and of equality of opportunity.

Redundancy Selection

Redundancy selection will be made according to the statutory requirements and in line with Wellhouse Housing Association Redundancy Policy. Criteria will be discussed with the Trade Union and or nominated representatives. The criteria will be set out and will be objectively fair and consistent. This will ensure that employees selected for

redundancy are selected according to the chosen selection criteria and not in any discriminatory way either indirectly or directly.

Complaints: employees

This procedure is complemented by Wellhouse Housing Association's Dignity at Work policy. For further details please refer to the policy.

Where an employee feels they have been discriminated against, victimised or harassed by another employee (including managers), the aim should be to deal with it informally in the first instance.

Informal Stage

An employee should aim to resolve the matter informally as it may be that the discriminatory action is unconscious and easily resolved once the situation is highlighted. This is often the most efficient way with dealing with such circumstances and helps maintain good working relations.

The employee should raise the issue informally with their line manager (if the complaint is against their manager then the manager next in line.) The manager will speak to the employee whom the complaint is against. If it is found that the behaviour was in breach of this policy, an appropriate level of sanction will be decided in line with Wellhouse Housing Association's Disciplinary Policy.

In addition, a file note of the incident will be kept on the complaining employee's file, including a statement that the note will only be taken into account if there are any further incidents.

Dealing with the matter informally does not remove the complaining employee's right to have the matter dealt with formally.

Formal Stage

If the employee is dissatisfied with the outcome, or the complaint is very serious, they should raise the matter in writing, detailing the complaint to their line manager. The complaint should then be dealt with under Wellhouse Housing Association Grievance Policy. In line with this process an investigation into the complaint will be carried out.

Employees who feel they are being subjected to harassment should raise the issue in line with Wellhouse Housing Association's Dignity at Work Policy.

If the outcome of the investigation is that a formal disciplinary hearing should take place this will be conducted in line with Wellhouse Housing Association's Disciplinary Procedures. (Please refer to the Disciplinary Policy for full details)

Complaints made against employees.

Where a complaint is made against an employee by another employee, Board/Committee member or stakeholder, it will be investigated and dealt with under Wellhouse Housing Association Disciplinary Policy.

Complaints: Stakeholders

The right to be treated equally with dignity and respect extends to outside contractors, partners, service users, customers and any other agencies that are associated with Wellhouse Housing Association. Therefore, stakeholders also have a right to have any

issues addressed under this policy. Any complaints will be investigated by Wellhouse Housing Association and appropriate action will be taken.

If a stakeholder feels that they are being discriminated against in the course of their working day with Wellhouse Housing Association, the following procedure should be followed.

Informal Stage

Where possible, incidents should be dealt with informally. The stakeholder should report the matter to their lead contact within Wellhouse Housing Association as soon as possible. It may be that the discriminatory action is unconscious and easily resolved once the situation is highlighted.

The manager will discuss the situation with the individual whom the complaint is against and explain the expected standards of behaviour and the consequences of failing to comply with these. It will be made clear to the individual that continuation of such conduct may result in being refused access to Wellhouse Housing Association's premises, or services.

Formal Stage

Where informal action is not appropriate or the matter is of a serious nature the complaint will be dealt with using the formal procedure. Where the formal procedure is instigated a thorough investigation will take place in the first instance. Where it is found that the individual has acted in an inappropriate manner, they will be written to officially by the relevant senior manager informing them that their comments, actions, behaviours are not acceptable and potentially discriminatory. The letter will state that further incidents will not be tolerated and that they may result in being refused access to Wellhouse Housing Associations premises or contact with its customers/employees/board members. In cases of physical violence or serious threats the appropriate manager will notify the police.

Complaints made by stakeholders.

Where stakeholders are in receipt of inappropriate behaviour from an employee of Wellhouse Housing Associations, board member or another stakeholder in connection with Wellhouse Housing Associations business, the stakeholder should also raise the issue with their lead contact. The lead contact will then investigate into the complaint and deal with it in accordance with the appropriate procedure (depending whether the complaint is against an employee, a board member, a contractor, a partner, etc.).

Complaints: Governing Body Members

Where a board/committee member feels they have been discriminated against, victimised or harassed, the aim should be to deal with it informally in the first instance.

Informal Stage

If a board/committee member feels they are in receipt of inappropriate behaviour from another board/committee member, an employee or any stakeholder in connection with Wellhouse Housing Association, they should raise this immediately with the appropriate senior manager. The manager will discuss the issue with whom the complaint is against, explaining the required standards of behaviour and the consequences of failing to comply.

Formal Stage

Where formal action is the most appropriate, and thorough investigation will take place into the complaint. The complaint then will be dealt with in accordance with the appropriate procedure (depending whether the complaint is against an employee, a board member, a contractor, a partner, etc.). In cases of physical violence or serious threats an appropriate manager will notify the police.

Complaints made against a board/committee member.

Where a complaint is made against a board/committee member, Wellhouse Housing Association board/committee complaints procedure will be used as appropriate. The complaint will be investigated by the Chair or another authorised person. If it is found that the inappropriate behaviour occurred, the board/committee member will be warned and informed of consequences of failure to comply with the expected standards of behaviour, which may include removal from the board/committee.

Monitoring the Policy

Responsibility for monitoring the application of this policy will rest with the Director of Wellhouse Housing Association.

The policy will be reviewed annually with the amendments being made as appropriate and communicated to all staff and relevant stakeholders.

General Data Protection Regulations

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

Freedom of Information

As at November 2019, the Association is subject to FOI and all enquiries with respect to Notifiable Events will be handled strictly in line with FOI and confidentiality policies.

The policy will be reviewed in 4 years or in line with legislation.



POLICY

Equality and diversity policy

Reviewed August 2023

Wellhouse - The Place to Be

Policy Created	May 2022
Policy Approved	August 2022 (new Policy)
Policy Reviewed	August 2023
Date of Next Review	August 2027

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Appendix 1	Law and guidance	17 – 18

Note: In this document, we refer generally to the equality and diversity policy simply as “our policy.”

Section 1: Our equality strategy

1.1. Policy links to organisational governance

Our equality and diversity policy is part of organisational governance whose values underpin our employment and housing services.

The policy describes the framework of principles that we apply to address unlawful discrimination and to promote equality objectives.¹

1.2. Mainstreaming of policy objectives

In order to implement our policy effectively, we have established a comprehensive equality action plan which covers all organisational services.² This action plan is a practical document that serves to incorporate equality matters throughout actual services. This process is generally referred to as “equality mainstreaming.”

1.3. Summary

Our equality and diversity policy is central to organisational governance and is used to promote equality values throughout organisational services. Section 2 now explains the regulatory framework on which our policy is based.

¹ This includes any form of unlawful harassment and/or victimisation.

² Section 4 also refers to other equality procedures that we use to achieve effective equality mainstreaming.

Section 2: The regulatory framework

Section 2 explains the regulatory framework that determines our equality policy objectives.³ Appendix 1 provides examples of other relevant laws.

This is not intended as a precise statement of law, but a plain language summary of key points.

2.1. The Equality Act 2010

Equality law is complex and our policy takes account of a diverse range of legislation.⁴

The Equality Act 2010 is the main Act whose provisions regulate our services.⁵

Two key issues which are relevant to our policy are summarised below by reference to the protected characteristics and the public sector equality duty.

2.2.1 The protected characteristics

The protected characteristics are those grounds on which discrimination is unlawful.⁶

The nine protected characteristics, in alphabetical order, are:

- age;
- disability;
- gender re-assignment;
- marriage and civil partnership;
- pregnancy and maternity;
- race;
- religion or belief;
- sex; and
- sexual orientation.

2.2.2. The Public Sector Equality Duty

The Equality Act 2010 requires specified public authorities to meet the Public Sector Equality Duty.

This Duty requires specified public authorities to:

- eliminate unlawful discrimination;
- advance equality of opportunity between people with – and those without – a protected characteristic; and
- foster good relations between people with – and those without - a protected characteristic.

Notes: Equality law does not focus only on eliminating unlawful discrimination, but on promoting equality objectives.

Other relevant laws are explained in Appendix 1.

³ The term “regulation” is used to denote the range of rules that govern practice, including law, regulatory standards and other guidance.

⁴ See Appendix 1 for further information.

⁵ Equality law is subject to ongoing change, including the Equality Act 2010. For instance, the duty to address socio-economic disadvantage for specified public bodies came into force in Scotland in 2018. This is significant as addressing poverty issues associated with social class is critical in the Scottish social rented housing sector.

⁶ Discrimination has various meanings in law; discrimination can, therefore, take different legal forms.

2.3. Regulatory standards

The Scottish Housing Regulator issues regulatory standards to which we must comply. This includes equality related standards as described below.

Housing service standards

The Scottish Social Housing Charter, for example, requires us to implement housing services so that:

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

This outcome describes what social landlords, by complying with equalities legislation, should achieve for all tenants and other customers regardless of age, disability, gender re-assignment, marriage and civil partnership, race, religion or belief, sex or sexual orientation. It includes landlords’ responsibility for finding ways of understanding the different needs of different customers and delivering services that recognise and meet these needs”

(Scottish Social Housing Charter, 2017).

Finance and governance

The Scottish Housing Regulator's financial and governance standard requires us to conduct our affairs with honesty and integrity (Standard 5). This includes:

"..paying due regard to the need to eliminate discrimination, advance equality and human rights, and foster good relations across the range of protected characteristics in all areas of (our) work, including (our) governance arrangements"

(Scottish Housing Regulator, 2019, page 14, Regulation of social housing in Scotland: Our framework).

Another important regulatory standard relating to equal opportunity is covered under the Scottish Housing Regulator's assurance and notification requirements.

In line with this standard, we must:

"Have assurance and evidence that (we) consider equality and human rights issues properly when making all of (our) decisions, in the design and review of internal and external policies, and in (our) day-to-day service delivery;" and

"To comply with these duties, landlords must collect data relating to each of the protected characteristics for their existing tenants, new tenants, people on waiting lists, governing body members and staff. Local authorities must also collect data on protected characteristics for people who apply to them as homeless. Landlords who provide Gypsy/Traveller sites must collect data on protected characteristics for these service users."

(Scottish Housing Regulator, 2019, page 8, Regulation of social housing in Scotland: Our framework)

Codes of practice

The Equality and Human Rights Commission issues codes of practice that regulate services of appropriate social housing landlords. These codes cover both employment and services. These include statutory and non-statutory codes.

2.4. Summary

Equality law is complex and, like all law, is subject to ongoing change. In Scotland The legislative framework is supported by specific regulatory requirements and other good practice guidance. Our policy is derived from this regulatory framework.

Section 3: Our policy principles

3.1. Our principles

We have established a policy framework that is based on ten core principles. These principles constitute our organisational commitments that we meet in service delivery.

The regulatory framework

We meet all relevant statutory and regulatory provisions concerning equality matters.

Strategic planning

We use our equality action plan to embed equality matters throughout all of our organisational services.

Supporting equality procedures

We have developed specific equality procedures to support us in the implementation of our policy.

Collecting and using equality data

We collect a range of equality data and use this to provide appropriate services to tenants, other customers, staff and committee.

Organisational information

We assess organisational information before publication so that it is accessible, accurate and appropriate, for instance, by using positive language that promotes respect for other people.

Working with other organisations

We will work in partnership with other organisations to promote our equality objectives.

Equality training

We deliver equality training to our staff and committee members; this includes consciousness raising that is important to address different forms of unlawful discrimination.

Managing performance

We have developed an internal system of equality performance indicators that we include within a range of specified policies and procedures.

Tenant participation strategy

We consult with tenants and other customers on our equality policy principles through our tenant participation strategy.

Policy review

We review our policy every three years, or sooner if required as a result of legal changes and/or equality guidance.

3.3. Summary

Our equality policy principles explain our commitments that we apply to mainstream equality values throughout all our organisational services. These policy principles are linked to our equality action plan, as well as internal procedures, to promote a comprehensive approach to equality mainstreaming.

Section 4: Implementing policy into practice

The implementation of equality policy principles is achieved through the equality action plan. It is supported, though, in practice through a range of other internal staff procedures. These are as follows:

- equality data collection procedure;⁷
- equality impact assessment procedure (EIA);
- addressing discrimination and harassment procedure; and
- our appropriate language guide.

4.2. Summary

We have developed a range of internal procedures to support the equality mainstreaming process. These procedures are inter-dependent and enable us to implement equality policy principles coherently and consistently.

⁷ The data that we collect is mainly data in relation to the protected characteristics. Section 6 provides further information as to why we collect equality data.

Section 5: Equality training

5.1. Equality training

Equality training is critical to the effective implementation of our equality policy principles.

Equality training consists of various activities; examples of training are provided below.

Law and guidance

This type of training includes issues such as training about equality law in relation to employment and services, for instance, the Equality Act 2010. It also includes training about regulatory standards in housing produced by the Scottish Housing Regulator, for example, the National Guidance in relation to equality data collection.

Policy and procedural training

This type of training covers issues such as our equality policy and related action plan, as well as our internal equality procedures.

Technical training

Technical training covers issues such as carrying out equality impact assessments to mainstream equality principles throughout policies and procedures.

Consciousness raising training

Consciousness raising training covers issues such as:

- recognising and addressing different forms of discrimination and harassment; and
- promoting awareness of theoretical perspectives that are promoted by the Equality and Human Rights Commission, for instance, the social model of disability.

5.2. Summary

Equality training is essential if equality policy principles are to be implemented effectively. Equality training has, therefore, been incorporated within our training strategy as a mandatory activity for both staff and committee members.

Section 6: Managing performance

In this section we explain:

- why we collect equality data;
- what equality data we monitor;
- methods used to collect equality data; and
- access to equality data.

6.1. Why we collect equality data

We collect equality data for various reasons, for instance, to:

- meet our statutory and regulatory duties;
- identify any form of unlawful discrimination to allow us to address such conduct; and
- evaluate issues for further review and development, including implementing positive action initiatives.

6.2. What equality data we monitor

We monitor data in line with law and National Guidance issued by the Scottish Housing Regulator.

We ensure that our equality data processing complies with relevant data protection provisions as set out in our data protection strategy.

Note: We provide regular equality related reports to committee members to enable members to monitor policy implementation effectively.

6.3. Methods used to collect equality data

We collect equality data through ways specified in our equality data collection procedure, for example, through our equality monitoring form.

6.4. Access to equality data

We regulate access to – and usage of - personal data in line with our data protection policy and procedures. This is done to ensure that personal data is processed in line with data protection law.

6.5. Summary

Equality data collection is a central element within our equality action plan. We collect equality data for various reasons, including to comply with statutory and regulatory duties. Fundamental to this process is that we use equality data to address the needs of individual employees, tenants and other customers. We process equality data only if this meets provisions set contained in data protection law.

Section 7: Positive action programmes

7.1. Background

Positive action is promoted in law and is used to address historic patterns of discrimination experienced by people with relevant protected characteristics.⁸

It is important to distinguish positive action from positive discrimination which is, in general, unlawful.

These concepts are summarised below in plain language; this is not intended as a precise statement of law.

Example of positive action

A positive action initiative could involve encouraging women to apply for jobs in repairs and maintenance. This might be relevant as social landlords have traditionally employed mainly men in this type of employment.

Positive discrimination

Positive discrimination is, in general, unlawful. Positive discrimination involves treating people more favourably than other people in relation to one of the relevant protected characteristics, for example, due to their sex.⁹

7.4. Our positive action initiatives

We may implement positive action initiatives, as appropriate.

7.5. Summary

We may develop positive action initiatives, as appropriate, as part of our equality action plan. We aim to base these on an assessment of local and national equality patterns so that we can address patterns of disadvantage. By adopting this approach, we may address barriers to employment, services and training opportunities affecting people with particular protected characteristics.

⁸ Positive action programmes are subject to specific criteria that are not described here, but are included within our organizational procedures.

⁹ Appointments on the basis of sex or racial groups could be permitted in law, for instance, if these are deemed to be essential for the specific post in question. These are referred to as "genuine occupational requirements." One example of this could be appointing a Somali woman to provide rape counselling advice to Somali women who are victims of rape.

Section 8: Partner organisations

8.1 Promoting our equality principles

We develop partnerships with other organisations to promote effective implementation of our equality policy; this includes working with local housing associations. This is important as partnership working enables us to take a more comprehensive approach, as well as enabling resources to be pooled.

8.2. Partner organisations with which we work

We will work with other organisations to promote equality objectives.

8.3. Summary

We will work with a select range of other organisations and we will monitor this through our equality action plan. This may include working with organisations which operate at either local or national levels.

Section 9: Addressing appeals or complaints

9.1. Appeals

We provide information to our employees, tenants and other customers about how they can obtain advice and assistance in relation to appeals concerning equality matters.

In the case of employees, appeals concerning equality and employment matters are dealt with by employment tribunals.

In the case of tenants and other customers, appeals concerning equality and housing matters would be referred to the Sheriff Court.

9.2. Complaints

We address any equality related complaints through our complaint handling procedure. We provide information about our complaint procedure to all of our tenants and other service users.

We define a complaint as:

any expression of dissatisfaction about our action or lack of action, or about the standard of service provided by us or on our behalf.

Complaints are processed in accordance with our complaints procedure. [If You Have A Complaint | Wellhouse Housing Association \(wellhouseha.org.uk\)](https://www.wellhouseha.org.uk)

9.3. Summary

We advise people who want to lodge appeals concerning equality matters with information as to where independent legal advice might be obtained. This promotes our commitment to human rights by supporting people's rights to access a fair and independent hearing. We also provide tenants and other customers with information about our complaint process.

Section 10: Reviewing our policy

10.1. Consultation about our equality policy

Consultation is a central aspect of our tenant participation strategy and we consult with tenants and other persons about our equality policy principles.¹⁰

10.2. Review of equality policy

We review our equality policy every three years or sooner if required as a result of legal changes and/or equality guidance.

10.3. Summary

We consult with tenants and other people when developing our equality policy; this is done based on the provisions within our tenant participation strategy. We review equality policy, as appropriate, and ensure that policy reviews reflect developments in law and related guidance.

¹⁰ We use equality data that we collect to inform our consultation processes so that they are linked to the access requirements of individual people, as appropriate.

Appendix 1: Law and guidance

This section notes other important legislation that we take into account when developing our strategy. A detailed list of relevant laws and guidance is not provided as this is quickly outdated due to ongoing changes as law and guidance evolve.

Other important legislation

The Scotland Act 1998¹¹

The Scotland Act 1998 defines equal opportunities in Scotland. This includes grounds other than the protected characteristics. For example, social origin and personal attributes are both covered by the statutory definition.

Housing (Scotland) Act 2010

The Housing (Scotland) Act 2010¹² requires all social landlords in Scotland to “act in a manner to encourage equal opportunities.”

This provision is important insofar as this requirement includes all equality related law; this is, therefore, central to the equality mainstreaming process.

Human Rights Act 1998 (as amended)

This Act provides for a range of important rights. Present legal developments are likely to impact on existing provisions so this section will be updated in due course.

Secondary legislation

There is a large number of statutory instruments (and Scottish statutory instruments) available on the Scottish Government website. For example, SSI 2017 No. 403 The Equality Act 2010 (Commencement No. 13) (Scotland) Order 2017. The Order introduced the duty contained in the Equality Act 2010 from 1 April 2018.

Equality and Human Rights Commission

The statutory and non-statutory codes are available on the Equality and Human Rights Commission’s website.

Research

Montgomery, S, Dr, 2011, “A critical assessment of factors that are necessary for the effective implementation of equality rights within services provided by Glasgow’s housing associations,” Master of Philosophy Thesis presented to the University of West of Scotland: Glasgow.

Housing guidance

Guidance on equality practices is comprehensive and covers many issues, both specialist and general.

With reference to housing specifically, examples of guidance and research are as follows:

CIH (2010) Equalities and Diversity in housing, CIH Scotland.

CIH (2011) Delivering the Equality Act 2010, CIH.

¹¹ Like the Equality Act 2010, this Act has been subject to amendments.

¹² See the Housing (Scotland) Act 2010, section 39.

CIH (2009) Equality, Diversity and Good Relations in Housing, Good Practice Brief, CIH.

Jeffrey, J and Seager, R, 2011, Equality and diversity: a framework for review and action (3rd edition), National Federation of Housing Associations.

Management Committee	30 August 2023
Agenda Item	13
Title of Paper	Operational Update Report
Author	Management Team
Appendices:	<ol style="list-style-type: none"> 1. Poverty Alliance current campaign 2. NRS Letter 3. Regulator Report of Positive Practice for Social Landlords

FOR INFORMATION AND DECISION

EXECUTIVE SUMMARY:

1. Director – Main Issues

- EHRA – Wellhouse hosted a visit from a Welsh HA on 1 August. EHRA committee meets quarterly now. The senior officers' meetings are informal with no minutes or papers to circulate. EHRA are poverty alliance members – see appendix letter for the current campaign.
- The Housing Investment team, located in NRS – Housing Services, manage the Affordable Housing Supply Programme (AHSP) for Glasgow. Since 2014/15 and as part of the Council's AHSP, the Housing Investment team has provided funding to Registered Social Landlords (RSLs) to acquire private sector properties. The Strategic Acquisition Programme was established as a means of tackling issues within the existing housing stock. In order to apply for funding towards acquiring properties, RSLs are required to demonstrate that one or more of the priorities linked to the Strategic Acquisition Programme can be achieved. More detail can be found in the attached letter.
- All other items can be found in the confidential update.

2. Housing & Customer Services Manager – Main Issues

Training/HomeMaster

- HomeMaster still going well and reports etc are working fine for the Housing Management Team. We are working on areas of the Factoring section in line with our Factoring review.
- The staff continue to use the 2nd last Wednesday of each month for training. At the moment the Housing Management team are completing online training course via E-Learning which is new and refresher courses relevant to our department.

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Regulator Report of Positive Practice for Social Landlords

- The Scottish Housing Regulator today published the findings from its thematic review of social landlords' Annual Assurance Statements, highlighting a range of positive practice in how landlords prepared their Statements. The Regulator visited 11 landlords to explore their approach to preparing the Statement and how they assured themselves they complied with regulatory requirements. The visits had a particular focus on how landlords assured themselves about meeting their tenant and resident safety duties and how they ensured the accuracy of the data submitted to the Regulator in the Annual Return on the Charter.

Rent & Debt Management

- We have implemented our new arrears procedure and changes and house visits and appointments have increased. We continue to pursue those in arrears vigorously.

Factoring

- Factoring review is full in place. We consulted with owners in Summer newsletter and also issued direct via mail. We have received 5 responses to date. We aim to implement changes from 1 October 2023.

Welfare & Advice update

- The income advice work flow has been largely assisting with Adult Disability Payment applications. There is a new benefit that replaced the DWP's Personal Independence Payment in Scotland in August 2022. Uptake is very good and more people than ever are being awarded the Disability benefit first time.
- The Income Advice Officer has noted a recent increase in Foodbank voucher requests and requests for support to access fuel vouchers / payments. This may be due to the recent changeable weather. The Income Advice Officer expects as Autumn and Winter approach that requests for crisis support will sharply increase.
- The Scottish Government have committed to doubling the Fuel Insecurity Fund for 2023-2024, from £10million to £20million. If round 4 funding is made available for Social Landlords through the SFHA, this should be announced between August and October 2023. We may want to start thinking about how much funding we would need and how we could use funding to support our tenants. We secured funding for all previous rounds and hopefully we can secure further funding for round 4.
- The Income Advice Officer will continue to encourage those in financial hardship to apply for a Discretionary Housing payment (DHP's) if they are eligible. DHP's can be used to cover under occupancy charges, non-dependent deductions, the benefit cap, and can be applied for when there is financial hardship. Hardship can be caused by the claimant being affected by the two-child limit, and the client struggling with essential costs like energy bills.

Allocations & Voids

- We have 3 properties empty at the moment. We have 1 under major repair, 1 for decant use and 1 which is under repair and should be let soon.

Estate Management / Community

- We have seen an increase in relations with GCC which has helped. Our satisfaction doesn't reflect well on our community but we strive to improve the area with inhouse work and partnership working.

3. Assets & Maintenance Manager – Main Issues

- Adaptations we have fully spent the £60k and have requested a further £30k.
- I have met with Calvey HA to discuss the joint procurement of several contracts we will pursue these with a start date for April 24.
- Boiler replacement programme is 90% complete.
- 9 Chimneys have been removed from 3 blocks in Bartiebeith Rd, Inver Rd & Carriden Rd this was more cost effective long term rather than to repair the render and stop water ingress.
- Planned kitchen and bathroom surveys have been completed we are awaiting the programme.
- Cavity wall insulation we are currently exploring the possibility of Cavity wall insulation in some properties in Bartiebeith Rd, Rigg Pl, Wellhouse Gdns, this would be free and installed as a single measure through funding for both tenants and owners.

4. Finance & Corporate Services Manager – Main Issues

Reported under confidential operational update.

5. Community Activities



Wellhouse Housing Association Committee Update – August 2023

Community Café

The Community Café continues to grow steadily, we had anticipated it a little quieter during the school holidays due to provisions at Platform and other places however footfall remained steady and with a steady with a good regular customer base. This is lending itself well to promoting other services and most importantly establishing The Hub as a 'community space'.

We are serving an average 30 customers per day.

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Children's Services

We are currently providing 4 sessions per week:

The children who attend regular services were accommodated at the Summer Holiday Programme, 7 weeks of fun Monday to Friday 10am to 3pm, breakfast, lunch and snack provided all FREE. We had over 25 children who attend our activities regularly at The Hub attend each day.

We continued with the 3 days and 1 evening per week throughout the Summer, as we always experience numbers generally dip through summer, largely down to the full day provision, children being tired. However, we felt it important to deliver a continuous service as we continue to grow provision.

From w/c 21st August we will be delivering 2 days per week 'Skoolz Out' Wednesday and Friday 3.30pm to 5.30pm, we will be dropping the Monday due to low attendance however after consulting with children and young people we will be adding another evening's provision. This meaning we will be delivering a Tuesday and Thursday evening Youth Clubs 6pm to 9pm

The services are building nicely, we update weekly on our dedicated The Hub Facebook Page, lots of happy smiley faces and showcasing the varied activities we provide at each session. Our Skoolz Out

Other Activities

Bingo

The Wednesday Bingo has seen a rise to a weekly attendance of just over 30 participants. The Bingo group had approached us at the start of June with regards to adding a further evening. Originally the group had requested a Sunday however this very quickly blew up and I was contacted by the organiser of an established Bingo which operated at the Connect Centre on a Sunday evening.

I then met with our Wednesday evening Bingo group and discussed our commitment to build services and growing activity however I felt the Sunday night being targeted and could cause division and animosity within the community, something we all wished to avoid. I offered the opportunity of 4 other evenings being available. The group have decided on a Friday evening 6pm to 9pm, this starts on 18th August. We are happy to have resolved this situation without any further issue.

NEW SERVICE

We were successful in a bid to Impact Funding Partners Social Isolation and Loneliness Fund. Funds are provided via Scottish Government, over 1400 organisations across Scotland submitted an expression of interest with 712 invited to Stage 2, 614 submitted a stage 2 application and 53 (9%) were successful. To say this was a competitive bid would be an understatement.

We will deliver a service, currently looking at a Thursday between 10am and 1pm although these times may change based on attendees. We will work with predominantly single parents, with children school aged, who have become or at risk of isolation and loneliness because of their child (companion) being at school/nursery and through poor mental health, cost of living etc, struggle to interact or engage in meaningful activity. We will deliver activity-based sessions for example Reiki,

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meditation, Cooking, Budgeting, Kayaking and Water sports, Upcycling, Cycling, Walking and loads more. We aim to through interaction change the perspectives of the individuals, hopefully engage them in regular activity, meeting up with new people building social connections, confidence, and self-esteem, perhaps progressing to volunteering or undertaking formal training in childcare, social care, hospitality etc. In a nutshell we have 3-year plan to engage individuals on a regular sustained and progressive project.

We will work with Aultmore Park Primary in targeted recruitment alongside spreading word with leaflets/flyers and promotion on social media.

Moving Forward

Our internet line is now installed and works on having The Hub café and community room accessible should be complete by w/c 21st August.

This will allow us to develop our other initiatives. One idea at present is creating a multi-use area in the community room with a projector ceiling mounted, large screen where we can adapt between a Cinema area, gaming station, lecture room for further education and qualification courses etc. Speakers and things would be wall mounted.

We will introduce Tablets to our youth sessions whilst we await a decision from Glasgow Kelvin College around re-establishing a learning centre within the space.

All in all, I hope you would agree that this is a positive update and slowly but surely activities, services and projects are building.

If you would like any further information on anything, please feel free to get in touch and I would be more than happy to talk through anything.

Thank you again for your understanding and the opportunity to serve the community of Wellhouse.

Best wishes,

Andy

Humza Yousaf
First Minister of Scotland
The Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

XX August 2023

Dear First Minister,

Programme for Government 2023-24

People in Scotland believe in justice and compassion. Ahead of the publication of the Scottish Government's new policy prospectus in September, we have come together to urge you to put action aimed at ending the injustice of poverty at the heart of Scotland's Programme for Government.

Too many people across Scotland, including 250,000 children, are having their life chances restricted by preventable poverty. Covid-19 and the ongoing cost of living crisis have contributed to a rising tide of poverty as people struggle to access adequate incomes that would enable them to live a dignified life.

There continues to be an increased risk of poverty for women, particularly single mothers, unpaid carers, disabled people, and Black and minority ethnic people. Evidence shows that the rising costs crisis is having a disproportionate impact on people in these groups. Our responses to poverty must, therefore, embed equalities considerations to ensure we do not leave anyone behind, and that we build a more equal Scotland for everyone.

All of our organisations strongly welcome the development of key strategies designed to tackle poverty and inequality in Scotland, alongside the introduction of statutory child poverty targets. While this leadership is extremely important, and Scottish Government actions are forecast to lead to a fall in child poverty, this has not yet led to a meaningful reduction in overall poverty rates in Scotland. The latest scrutiny report from the Poverty and Inequality Commission concluded that, without urgent and concentrated action, the Scottish Government will miss the 2030 child poverty targets.

On your election to First Minister, you stated that the defining mission of your leadership should be to reduce, if not eradicate, the injustice of poverty. We share your belief in the need to use Scotland's powers to loosen the grip of poverty on people's lives. This belief and commitment must be embedded into the forthcoming Programme for Government with tangible actions and clear timescales for

implementation. We know that people living in poverty cannot wait, and the time for action is now.

We believe that the policy asks developed ahead of Challenge Poverty Week 2023 offer a strong platform for tackling the injustice of poverty. We urge the Scottish Government to embed these priorities into the Programme for Government with action to:

- **Ensure that everyone has access to an adequate income by delivering a Minimum Income Guarantee:** with initial steps such as expanding the funded childcare entitlement; increasing the Scottish Child Payment; accelerating the review of the adequacy of disability assistance; and ensure that the guarantee is not undermined by public sector debt recovery.
- **Ensure that everyone has access to a safe, secure and sustainable home that meets their needs:** including action to adequately fund the delivery of new social homes; introduce a homelessness prevention duty; and provide support for energy efficiency measures.
- **Improve the affordability and accessibility of public transport:** including action to expand concessionary travel to under 25s, people in receipt of low-income and disability benefits, unpaid carers, and asylum seekers.
- **Ensure people have dignified access to good quality, healthy and sustainable food:** by boosting the value and administrative responsiveness of the Scottish Welfare Fund, ensuring everyone in Scotland has enough money to afford the essentials while supporting wellbeing through community food approaches.
- **Introduce fair and sustainable funding of three years or more for the third sector.**

Working together to realise these policy asks will help to ensure that poverty is a thing of the past, providing a lifeline to families who are struggling to stay afloat. We urge you to seize the opportunity to put action to tackle poverty at the heart of the forthcoming Programme for Government.

Kind regards,

David Reilly, Acting Director, The Poverty Alliance



Neighbourhoods, Regeneration and Sustainability

Glasgow Standard Revision / Review

4th May 2022

Report by Sheila Darkins

Glasgow Standard

Purpose

This review sets out the requirements for the amendments of the Glasgow Standard with particular reference to a letter from the Scottish Government Affordable Housing Supply Delivery in Glasgow March 2022.

The information provided will demonstrate and should help H&RS and RSLs achieve the desired outcome to reduce build costs and help with rising fuel costs, inflation and excessive design for all Glasgow City Council's new build units approved within Affordable Housing Supply Programme (AHSP).

Amendments to the Glasgow Standard to Help Reduce Costs

As part of the Glasgow Standard review Housing and Regeneration Services are introducing the following new procedures:

1. **Pre tender Technical Appraisal:** this will now be renamed as the *Cost Plan Application (Stage 1)*.

This will be introduced to minimise delay at tender stage and to assess and approve layouts before being submitted to planning. This stage will ensure that the project offers value for money before proceeding with any new planning and tender application.

All Cost Plan Applications must be submitted to and approved to GCC Housing and Regeneration Services (H&RS) before submitting their designs to planning.

Flexibility, adaptability and costs are key considerations that must be incorporated into the design of the layout of all homes.

RSLs must submit the Schedule of Accommodation, proposed layouts, site plans, elevations, block plans, sections etc., drawings together with a brief of performance specification to Housing and Regeneration Services (H&RS) for technical appraisal and approval; this must be submitted and approved before submitting to planning. Indicative works cost information would be useful at this stage if available. H&RS technical and development staff are happy to meet with design teams to discuss design/ technical requirements at any stage during the development process.

All submissions / drawings must provide the mandatory information as requested in the Glasgow Standard.

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RSLs are required to submit all Stage 1 information and complete the tick list. All of the mandatory information, drawings and the completed tick list should be emailed to the dedicated technical project officer, the technical principal officer and the area housing investment officer.

Please note that if an association submits an incomplete cost plan submission, this will be sent back to the RSL as incomplete and will not be assessed until all mandatory information has been provided.

2. Tender Submission: this will now be renamed as the *Tender Application (Stage 2)*.

RSLs should submit a tender application once they have all statutory approvals incl. Geotech by email initially. The technical staff will carry out an appraisal of the tender costs and an assessment will be made to determine if the costs fall within acceptable grant levels. Once the works and development costs have been agreed and comply with the Scottish Governments grant requirements, the RSL will then upload their submission to HARP for approval.

Please note that if an association submits an incomplete tender return, this will delay the evaluation of the tender beyond these timescales.

3. Works / Development Costs: All costs relating to the additional measure benchmarks and sustainability costs must be provided. The items below must be provided with a full breakdown as detailed below:

- a. Sustainability (breakdown of each element required)
- b. Provision of all balconies within flatted developments
- c. Space for home working / studying incl. all electrical points / lighting etc.
- d. Underground ducting for broadband provider's incl. all internal wiring and fittings.
- e. Electric car charging points incl. ducting.
- f. Installation of fire suppression units
- g. Costs for interlinked smoke, heat detectors incl. CO2 detectors.
- h. Installation of heating systems which produce zero direct emissions at the point of use.
- i. Bike storage incl. stands
- j. Plywood to bathrooms
- k. Extra over costs for larger cloakroom toilets to ensure that they can be adapted to a shower room.
- l. Enhanced apartments costs including glazing areas to these rooms.
- m. External communal areas for flatted developments.

All RSLs / design team will have to complete the Scottish Government's benchmark calculator and submit to H&RS with their stage 1 application.

4. Housing for Varying Needs: In general all units should be designed to comply with the Glasgow Standard / HfVN requirements however the designs should take account of the amendments detailed below.

5. Space Standards: Every unit should be of a size that will accommodate the notional furniture requirements with their associated activity spaces expected in each room type as per the Glasgow Standard and HfVN. Associated activity spaces for each item of furniture should be shown and door swings may open across an activity space.

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Activity spaces for notional furniture can overlap each other.

If units are designed to be flexible, the onus will be on the designer to demonstrate that the dwelling accommodates all the furniture, access and activity space requirements for the intended number of occupants, as well as meeting the HfVN standard.

The Technical Team within Housing and Regeneration Services department will now be scrutinising all dwelling layouts and space standards at Stage 1 to ensure that this assists the RSLs with the overall costs for each project submitted to Housing and Regeneration Services (H&RS).

All RSLs / Architects are required to submit their layouts to H&RS before submitting to planning therefore if the units are excessive in area H&RS will request that these units / layouts are redesigned to offer better value for money.

If units are designed to smaller areas, the onus will be on the designer to demonstrate that the dwelling accommodates all the furniture, access and activity space requirements for the intended number of occupants, as well as meeting the HfVN standard.

A new schedule of accommodation will be devised to allow for a quicker assessment of the minimum space standards / room areas and storage.

6. Minimum Room Sizes:

The minimum floor areas for the living area (living room, dining room and kitchen) and bedrooms should be of a size that will accommodate the notional furniture requirements with their associated activity spaces expected in each room type as per the Glasgow Standard, HfVN, and the Technical Standards. Associated activity spaces for each item of furniture should be shown.

Door swings may open across an activity space. Activity spaces for notional furniture can overlap each other.

A single bedroom cannot be below 7m² in size.

If rooms of smaller dimensions are proposed, the onus will be on the designer to demonstrate that the dwelling accommodates all the furniture, access and activity space requirements for the intended number of occupants, as well as meeting the HfVN standard.

7. Alternative layouts for bedrooms: Only applicable to Wheelchair Adaptable units, GN to comply with HfVN requirements.

All double bedrooms within wheelchair adaptable units must be able to accommodate two single beds with the appropriate activity and circulation spaces provided.

Only one double bedroom in a GN unit must be able to accommodate two single beds as per HfVN.

The architect should provide 2 layouts to demonstrate the ability to achieve this flexibility.

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If rooms of smaller dimensions are proposed, the onus will be on the designer to demonstrate that the dwelling accommodates all the furniture, access and activity space requirements for the intended number of occupants, as well as meeting the HfVN standard.

8. **Storage:** No minimum storage requirements except for the wheelchair adaptable units as detailed with HfVN.

The 1200 x 1200mm cupboard space will still be mandatory for wheelchair adaptable units as per HfVN requirements.

For general needs units this storage can be reduced in size but must be able to accommodate a pram or a bike as a minimum.

9. **Kitchen layouts / storage:**

The kitchen storage requirements should comply with the minimum kitchen storage requirements for all new residential developments (and conversions if applicable) as per the Glasgow Standard / HfVN requirements.

The layout of the kitchen should comply with HfVN requirements therefore the minimum clear worktop lengths detailed within the Glasgow Standard can be flexible.

10. **Window / radiator access:** Furniture can be placed directly in front of windows and radiators however the appropriate access paths (600mm for general needs and 800mm for W/C adaptable units) must be provided to allow access to open windows or operate the radiator controls. The access path can overlap the activity space.

11. **Wheelchair adaptable units:** The design requirements for the wheelchair adaptable units remain unchanged therefore the design of these units must comply with the Glasgow Standard and HfVN.

The minimum floor / room areas can be flexible if compliance with HfVN is demonstrated in lieu of the space standards. If rooms of smaller dimensions are proposed, the onus will be on the designer to demonstrate that the dwelling accommodates all the furniture, access and activity space requirements for the intended number of occupants, as well as meeting the HfVN standard.

12. **Home office:** Comply with Technical Standards

Provision of space for home working and studying is essential and all occupants of all ages will also require space in the home to study. Flexible / hybrid work patterns are making it possible for more people to work from home.

Dwelling plans should demonstrate that all homes are provided with adequate space and services to facilitate working from home. This dedicated space must comply with Building Standards (Technical Handbook 2017: Domestic) Section 7, Sustainability, Silver Standard Aspect 6.

13. **Bathrooms:**

Bathrooms must be designed for adaptation and flexibility to meet the needs of future occupants. This gives a more sustainable solution that will simplify modifications to

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the design and layout of dwellings, helping to reduce cost and disruption and better enabling people to remain in their home as their circumstances change.

The bathroom layouts should comply with the Glasgow Standard requirements to ensure adaptability and flexibility.

Bathroom layouts should indicate an area of 1000mm x 1000mm for a shower (which may overlap with a bath) to allow an accessible shower to be installed in the future.

- 14. Sustainability:** Will remain unchanged and should comply with one of the 3 options stated within the Glasgow Standard / City Development Plan (CDP).
- 15. Secure by Design (SBD):** SBD Certification has been amended to Bronze Standard. This standard can be awarded to new bespoke developments or refurbished properties that meet the required security features particular to the development contained within Section 1, 2a & b.
- 16. Car Charging:** Will remain unchanged and should comply with the information provided within the CDP.
- 17. Bike storage:** Will remain unchanged and should comply with the information provided within the CDP.

Appendix 13.1

Operations update Housing Management

Regulator's report highlights positive practice in social landlords' Annual Assurance Statements

The Scottish Housing Regulator today published the findings from its thematic review of social landlords' Annual Assurance Statements, highlighting a range of positive practice in how landlords prepared their Statements.

All social landlords are required to submit an Annual Assurance Statement to the Scottish Housing Regulator by the end of October each year about their compliance with regulatory requirements.

The Regulator visited 11 landlords to explore their approach to preparing the Statement and how they assured themselves they complied with regulatory requirements. The visits had a particular focus on how landlords assured themselves about meeting their tenant and resident safety duties and how they ensured the accuracy of the data submitted to the Regulator in the Annual Return on the Charter.

The thematic review also sets out the findings from work carried out by the Regulator's Tenant Advisors to review a sample of landlords' Statements.

The positive practice the Regulator found included how landlords involve their governing body and tenants and how they work with other landlords to support their self-assurance process.

Helen Shaw, Director of Regulation, said, "We wanted to hear from landlords about their experience of producing their Statement and what worked well for them. Landlords told us the process provides governing bodies and committees with welcome assurance on their compliance with regulatory requirements."

"All of the landlords we visited told us tenant and resident safety was a key priority for them and many of the landlords told us of the work they have undertaken to review their processes to ensure their tenants' homes are not affected by mould and damp".

"Our thematic review includes many examples of what landlords told us worked well for them and we hope these examples and the other advice in the review are helpful to landlords as they prepare their next Statement".

Each year the Regulator considers each landlord's Statement as part of its annual risk assessment and publishes the outcomes of this in engagement plans around the end of March.

Read [Preparing Annual Assurance Statements a thematic review](#).

Notes to editors

1. The Scottish Housing Regulator was established on 1 April 2011 under the Housing (Scotland) Act 2010. Its objective is to safeguard and promote the interests of tenants and others who use local authority and RSL housing services. The Regulator operates independently of Scottish Ministers and is accountable directly to the Scottish Parliament. It assumed its full regulatory responsibilities on 1 April 2012. The Regulator consists of the Chair and seven Board members. More information about the Regulator can be found on its website at www.housingregulator.gov.scot
2. SHR sets out how it regulates social landlords in its published framework – Regulation of Social Housing in Scotland.

Contact

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Management Committee	30 August 2023
Agenda Item	14
Title of Paper	AGM/Election arrangements
Author	Linda Logan, Corporate & Governance Officer
Attachment	Nomination Form

FOR INFORMATION

1 PURPOSE

To outline our AGM arrangements and to note the members who will stand down and seek re-election at the Annual General Meeting on 27 September 2023.

2 RECOMMENDATIONS

- 2.1 That committee note the update and to confirm those members who will seek election and re-election to the committee.

3 BUSINESS PLAN, VISION AND VALUES

- 3.1 The production of the AGM arrangements report is consistent with:

- strategic objective 5: to maintain good governance

4. BACKGROUND

- 4.1 WHA's Rules state that "At the end of the first annual general meeting after the total membership of the Association has risen to seven or more, all committee members must retire. From then on at the end of every annual general meeting, at least one-third of the Committee Members or the nearest who number thereto, must retire. Any appointed as a co-optee under Rule 41.1 or to fill a casual vacancy under Rule 40 and who retires for that reason, shall not count toward the one third provision. The retiring Committee Members should be selected in accordance with Rule 38.2"

5. MAIN ISSUES

- 5.1 Under Rule 38.2 of the Association's Rules, at least one third of the Committee or the nearest whole number thereto, and who have served the longest on the Committee since the date of their last election, must retire.

Under Rule 38 the following members will stand down and are asked to confirm that they will be seeking re-election, they do not require nomination.

These members are Darron Brown and Michelle Harrow.

- 5.2 Under Rule 38.3 Committee Members must also retire if they have been co-opted onto the Committee under Rule 41.1 or have filled a casual vacancy under Rule 40. They do not require nomination.

These members are Leeann Brown and Anna Dukova.

If, at the annual general meeting the number of Members standing for election is less than or equal to the number of vacant places, the Chairperson will declare them elected without a vote.

There are up to 12 places on the Management Committee. No new Nominations for Election to the Committee have been received. We have 4 vacancies.

- 5.3 The Association must have a Secretary, a Chairperson and any other Office Bearers the Committee considers necessary. The Office Bearers, except for the Secretary, must be elected Committee members and cannot be co-optees. An employee may hold the office of Secretary although not be a committee member. The committee will appoint these Office Bearers. If the secretary cannot carry out his/her duties, the Committee, or in an emergency the Chairperson, can ask another Officer Bearer or employee to carry out the Secretary's duties until the Secretary returns.

The Secretary does not require election and it is proposed that the Director continue in this role.

Election of Office Bearers:

A nomination form has been included at appendix 1 should members wish to nominate an elected member, other than those standing for re-election. Although the form does not require it to be returned before Friday 15th September 2023, please inform the Corporate & Governance Officer before the meeting on 30 August 2023 if you intend to stand or nominate another elected member.

Under Rule 58.10 the Chairperson can be re-elected but must not hold office continuously for more than five years. Maureen Morris has indicated that she is willing to stand for re-election as Chair. If there are no further nominations, she is asked to confirm this.

The current Vice-Chair, Darron Brown, has indicated that he is willing to stand for re-election. If there are no further nominations, he is asked to confirm this.

- 5.4 The Audit and Risk committee members are asked to confirm that they are willing to continue their appointment to the Audit & Risk Committee. These are Michelle Harrow, Jane Heppenstall, Maureen Morris and Gordon Kerr. Gordon Kerr is asked to confirm his willingness to continue to stand as Chair of the Audit & Risk Committee.

The Staffing Committee Members are asked to confirm that they are willing to continue their appointment to the Staff Committee. These are Michelle Harrow, Jane Heppenstall, Darron Brown, Maureen Morris and Gordon Kerr. Members are asked to consider their willingness to stand as Chair of the Staffing Committee.

6. REGULATORY, LEGAL AND CONSTITUTIONAL ISSUES

6.1 These are dealt with in the body of the report.

7. FINANCIAL IMPLICATIONS

7.1 None

8. KEY RISKS

8.1 Failure to manage the constitutional obligations of WHA in this area in accordance with their requirements would be a clear failure of governance effectiveness and could also lead to challenges from existing members and potential new members. This would risk regulatory action and other regulatory consequences, possible undermining of previous decisions made by committee as being unconstitutional.

9. EQUALITY AND DIVERSITY IMPLICATIONS

9.1 The leaflets advertising committee vacancies identified that we are seeking people to increase the diversity on the board. However, all those elected, are white, ethnic British. The committee may want to take account of this in deciding whether to advertise for further members.

WELLHOUSE HOUSING ASSOCIATION LIMITED**ANNUAL GENERAL MEETING 2023****NOMINATION FOR MEMBERSHIP OF THE MANAGEMENT COMMITTEE**

PART A**To be completed by the member standing for election to the Management Committee.**

I confirm my willingness to stand for election and serve on the Management Committee of Wellhouse Housing Association.

Name

Address

Occupation

Signed Date of Birth

PART B**To be completed by the member making the nomination**

As a member of Wellhouse Housing Association I wish to nominate the person named in Part A above for election to the Management Committee

Signed

Name

Address

Return of nomination (please read carefully)

The completed form **must** be returned to the Association by **Friday 15th September 2023** at the latest.

WELLHOUSE HOUSING ASSOCIATION LIMITED
THE HUB, 49 WELLHOUSE CRESCENT
WELLHOUSE, GLASGOW
G33 4LA

FAO: Linda Logan, Corporate & Governance Officer

* Any forms not returned by the closing date are not valid*